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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

P2I LTD.,  
  
Plaintiff,  
  
v.  
  
FAVORED TECH USA CORPORATION,  
et al.,  
  
Defendants.

Case No. 23-cv-01690-AMO

**ORDER RE DEFENDANTS’  
ATTORNEY’S FEES**

On March 27, 2026, the Court granted Defendants’ motion for attorney’s fees pursuant to Title 35 U.S.C. § 285 and the Court’s inherent authority. Dkt. No. 194. The Court assumes familiarity with that order for purposes of the discussion below. In the March 27 Order, the Court left unresolved the specific amount of the attorney’s fees award and ordered Defendants’ counsel to submit more detailed billing records, as well as more evidence supporting the reasonableness of their claimed hourly rates within 21 days. Dkt. No. 194 at 19. The Court permitted Plaintiff the opportunity to submit any objections to Defendants’ supplemental materials within seven days following Defendants’ submissions. *Id.* Defendants filed the requested materials on April 17, 2026. *See* Dkt. Nos. 196 & 197. Plaintiff filed its objections on April 27, 2026. Dkt. No. 199.<sup>1</sup>

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<sup>1</sup> The day Plaintiff’s objections were due, Plaintiff filed a motion requesting an extension of time of three days (one business day), from April 24 to April 27, 2026. Dkt. No. 198. Plaintiff filed its objections on April 27, 2026. Dkt. No. 199. Defendants filed an opposition to Plaintiff’s requested extension on April 29, 2026. Dkt. No. 201. The Court, in its discretion, GRANTS Plaintiff’s motion and considers the tardy objections in reaching the conclusions below. Plaintiff’s repeated failure to meet case deadlines, even after the Court cited such deficient litigation conduct in granting Defendants’ motion for attorney’s fees, Dkt. No. 194, only bolsters and reifies the Court’s earlier determination.

United States District Court  
Northern District of California

1 **I. DISCUSSION**

2 As noted in the March 27 Order, courts look to the lodestar amount to assess the  
3 reasonableness of requested attorney’s fees, which is presumptively reasonable. *City of*  
4 *Burlington v. Dague*, 505 U.S. 557, 562 (1992); *Vogel v. Harbor Plaza Center, LLC*, 893 F.3d  
5 1152, 1161 (9th Cir. 2018). The lodestar calculation requires examination of “the number of  
6 hours reasonably expended on the litigation multiplied by a reasonable hourly rate.” *Pennsylvania*  
7 *v. Delaware Valley Citizens’ Council for Clean Air*, 478 U.S. 546, 564 (1986). “This calculation  
8 provides an objective basis on which to make an initial estimate of the value of a lawyer’s  
9 services.” *Id.* (citing *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983)). Furthermore, while the  
10 lodestar amount provides guidance, “[t]here is no precise rule or formula for making these  
11 determinations.” *Hensley*, 461 U.S. at 436. A court “necessarily has discretion in making this  
12 equitable judgment.” *Id.* at 437. The Court considers Defendants’ counsel’s supplemental  
13 materials to assess in turn (1) the reasonableness of their hourly rates and (2) the reasonableness of  
14 the hours expended litigating the case.

15 **A. Hourly Rate**

16 The reasonable hourly rate is determined by “the rate prevailing in the community for  
17 similar work performed by attorneys of comparable skill, experience, and reputation.” *Chalmers*  
18 *v. City of Los Angeles*, 796 F.2d 1205, 1210-11 (9th Cir. 1986), amended on other grounds, 808  
19 F.2d 1373 (9th Cir. 1987) (citing *Blum v. Stetson*, 465 U.S. 886, 895 n.11 (1984)). The relevant  
20 community is typically the forum in which the district court sits; in this case, the relevant  
21 community is the Northern District of California. *Camacho v. Bridgeport Fin., Inc.*, 523 F.3d 973,  
22 979 (9th Cir. 2008). The prevailing market rate is guided by attorney affidavits as well as  
23 “decisions by other courts awarding similar rates for work in the same geographical area by  
24 attorneys with comparable levels of experience.” *Trujillo v. Orozco*, No. 17-CV-00566-EJD, 2018  
25 WL 1142311, at \*2 (N.D. Cal. Mar. 2, 2018); *see also United Steelworkers of Am. v. Phelps*  
26 *Dodge Corp.*, 896 F.2d 403, 407 (9th Cir. 1990).

27 Plaintiff does not object to the hourly rates requested by Defendants’ counsel. *See* Dkt.  
28 No. 199. In support of the reasonableness of the hourly rates sought, Defendants’ counsel

1 submitted the declaration of Brian Fanning, Senior Director of Pricing and Profitability at Perkins  
2 Coie LLP. *See* Dkt. No. 197-4. Fanning conducted a thorough review of market benchmarks for  
3 the Northern District of California for the years 2023-2025, as well as benchmarks across  
4 Northern California for 2026, and he found that the hourly rates charged by the partners, counsel,  
5 associates, and senior paralegals staffed to this case almost all fell below the median or only  
6 slightly above median. *Id.* Such favorable comparisons support the reasonableness of the rates  
7 charged. In addition to the Fanning Declaration, Defendants’ counsel submitted a copy of the  
8 American Intellectual Property Law Association (“AIPLA”) 2023 Report of the Economic Survey  
9 demonstrating average hourly billing rates. *See* Dkt. No. 197-3. The AIPLA Report also shows  
10 the hourly rates charged by Defendants’ attorneys and staff to fall within the range of average  
11 hourly rates for those in Northern California. *Id.* Based on these materials, the Court finds that  
12 the hourly rates charged by Defendants’ attorneys and staff to be consistent with the prevailing  
13 rates over the course of the litigation and thus reasonable.

14 **B. Hours Expended**

15 The number of hours is based only on the amount of time “reasonably expended on the  
16 litigation” and excludes “hours that are excessive, redundant, or otherwise unnecessary.” *Hensley*,  
17 461 U.S. at 433-34. In assessing the reasonableness of the time and costs expended on the  
18 litigation of frivolous and non-frivolous claims, the Supreme Court guides, “the dispositive  
19 question is not whether attorney costs at all relate to a non-frivolous claim, but whether the costs  
20 would have been incurred in the absence of the frivolous allegation. The answers to those  
21 inquiries will usually track each other, but when they diverge, it is the second that matters.” *Fox v.*  
22 *Vice*, 563 U.S. 826, 838 (2011). The fee applicant must submit appropriate documentation to meet  
23 “the burden of establishing entitlement to an award.” *Id.* at 838 (quoting *Hensley*, 461 U.S. at  
24 437). “But trial courts need not, and indeed should not, become green-eyeshade accountants. The  
25 essential goal in shifting fees (to either party) is to do rough justice, not to achieve auditing  
26 perfection.” *Fox*, 563 U.S. at 838; *see also Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S. 101,  
27 110 (2017) (quoting the same). “So trial courts may take into account their overall sense of a suit,  
28 and may use estimates in calculating and allocating an attorney’s time. And appellate courts must

1 give substantial deference to these determinations, in light of ‘the district court’s superior  
2 understanding of the litigation.’ ” *Fox*, 563 U.S. at 838 (quoting *Hensley*, 461 U.S. at 437).

3 Plaintiff objects to 14 categories of billing entries. Dkt. No. 199. Plaintiff provides  
4 detailed charts reflecting challenged billing entries, with at least some time entries falling within  
5 the charts of multiple objections. Dkt. No. 200; Dkt. No. 200-1 *through* 200-14.<sup>2</sup> The Court  
6 declines Plaintiff’s invitation to scour the dozens of pages of billing entries to which it objects – as  
7 the Supreme Court acknowledges, “trial courts need not, and indeed should not, become green-  
8 eyeshade accountants.” *Fox*, 563 U.S. at 838. The Court briefly considers some overarching  
9 themes from Plaintiff’s objections and rules on the 14 objections below.

10 First, Plaintiff objects to Defense counsel’s requests for fees relating to the ’070 patent  
11 prior to February 14, 2025, based on the Court’s determination that Plaintiff had an arguably  
12 reasonable basis for bringing the infringement claim even if it became unreasonable to maintain  
13 that claim following Defendants’ February 14, 2025 letter. *See* Dkt. No. 200-1. The Court agrees  
14 based on the conclusion reached in its earlier order. Dkt. No. 194 at 11-13.

15 Second, Plaintiff objects to Defense counsel’s requests for fees relating to drafting and  
16 preparing the motions to dismiss, Defendants’ Rule 12(c) motion, routine litigation conduct,  
17 witness interviews, discovery, and preparation of expert witnesses. *See* Dkt. No. 200-2 *through*  
18 Dkt. No. 200-9 & Dkt. No. 200-13. Several of these objections arise from Plaintiff’s attempt to  
19 delineate between work related to the ’087 patent and work related to the ’070 patent. *See* Dkt.  
20 No. 199 at 2-5. Based on the records as well as the Court’s sense of the case, the Court finds that  
21 the fees requested would not have accrued but for Plaintiff’s frivolous claims. *Cf. Fox*, 563 U.S.  
22 at 839. Further, the Court found the entire case to be exceptional under Section 285 even if it  
23 earlier determined that a category of hours should be excluded. *See generally* Dkt. No. 194.  
24 Defendants are entitled to an award of fees based on their reasonable and successful defense of the  
25 case.

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28 <sup>2</sup> The Court GRANTS both administrative motions to file the billing records under seal. Dkt. Nos. 196 & 200.

1 Third, Plaintiff objects to Defense counsel’s request for fees related to drafting and  
2 preparing earlier motions for sanctions, including a motion for attorney’s fees arising from the  
3 motion to dismiss briefing, a Rule 11 motion, and the Section 285 motion. Dkt. No. 199; *see also*  
4 Dkt. No. 200-11, Dkt. No. 200-12, Dkt. No. 200-14. In the Ninth Circuit, a party may recover  
5 attorney’s fees for time reasonably spent on motions for attorney’s fees – often referred to as “fees  
6 on fees.” *See Brown v. Sullivan*, 916 F.2d 492, 497 (9th Cir. 1990); *see also Camacho v.*  
7 *Bridgeport Fin., Inc.*, 523 F.3d 973, 981 (9th Cir. 2008). “[T]he Court may reduce or deny an  
8 award for such fees-on-fees based on hours not reasonably expended, based on the results obtained  
9 in the litigation, or some other relevant consideration.” *Abittan v. Hansen L. Firm, P.C.*, No. 25-  
10 CV-05427-SVK, 2026 WL 1215531, at \*8 (N.D. Cal. May 4, 2026) (internal quotation marks &  
11 citations omitted). The Court finds that Defendants only partially prevailed on their first motion  
12 for an award of attorney’s fees, Dkt. No. 90, and a reduction of the fees expended on that motion  
13 is appropriate. Defendants largely prevailed on their Rule 11 motion, Dkt. No. 136, based on  
14 Plaintiff’s voluntary dismissal of one of the patent claims as well as the Court’s eventual finding  
15 of bad faith litigation conduct and are entitled to the entirety of the fees expended preparing that  
16 motion. Defendants prevailed on their motion for attorney’s fees under Section 285, Dkt. No. 168,  
17 and are entitled to the entirety of the fees expended preparing that motion.

18 With the preceding discussion in mind, as well as the Court’s determination that  
19 Defendants’ counsel was alternatively entitled to an award of attorney’s fees pursuant to the  
20 Court’s inherent authority based on a finding of bad faith, Dkt. No. 194 at 17, the Court rules on  
21 Plaintiff’s objections as follows:

- 22 • Plaintiff objects to Defense counsel’s claim for work relating to the ’070 Patent prior to  
23 February 14, 2025, identified in Plaintiff’s Exhibit A. Dkt. No. 200-1. The Court  
24 SUSTAINS that objection. *See* Dkt. No. 194 at 11-13.
- 25 • Plaintiff objects to Defense counsel’s claim for routine litigation activities (pre-2/14/25)  
26 identified in Plaintiff’s Exhibit B. Dkt. No. 200-2. The Court OVERRULES that  
27 objection because Defendants are entitled to an award of fees based on their reasonable and  
28 successful defense of the case.

- 1 • Plaintiff objects to Defense counsel’s claim for witness interviews identified in Plaintiff’s  
2 Exhibit C. Dkt. No. 200-3. The Court OVERRULES that objection because Defendants  
3 are entitled to an award of fees based on their reasonable and successful defense of the  
4 case.
- 5 • Plaintiff objects to Defense counsel’s claim for work with expert witnesses identified in  
6 Plaintiff’s Exhibit D. Dkt. No. 200-4. The Court OVERRULES that objection because  
7 Defendants are entitled to an award of fees based on their reasonable and successful  
8 defense of the case.
- 9 • Plaintiff objects to Defense counsel’s claim for discovery activities identified in Plaintiff’s  
10 Exhibit E. Dkt. No. 200-5. The Court OVERRULES that objection because Defendants  
11 are entitled to an award of fees based on their reasonable and successful defense of the  
12 case.
- 13 • Plaintiff objects to Defense counsel’s claim for Combined Patent Issues (pre-2/14/25)  
14 identified in Plaintiff’s Exhibit F. Dkt. No. 200-6. The Court SUSTAINS that objection in  
15 part and, based on a review of the records cited therein, reduces the amount attributable to  
16 those billing entries by 50%.
- 17 • Plaintiff objects to Defense counsel’s claim for First motion to dismiss identified in  
18 Plaintiff’s Exhibit G. Dkt. No. 200-7. The Court OVERRULES that objection because  
19 Defendants are entitled to an award of fees based on their reasonable and successful  
20 defense of the case.
- 21 • Plaintiff objects to Defense counsel’s claim for Second motion to dismiss identified in  
22 Plaintiff’s Exhibit H. Dkt. No. 200-8. The Court OVERRULES that objection because  
23 Defendants are entitled to an award of fees based on their reasonable and successful  
24 defense of the case.
- 25 • Plaintiff objects to Defense counsel’s claim for Third motion to dismiss identified in  
26 Plaintiff’s Exhibit I. Dkt. No. 200-9. The Court OVERRULES that objection because  
27 Defendants are entitled to an award of fees based on their reasonable and successful  
28 defense of the case.

United States District Court  
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- 1 • Plaintiff objects to Defense counsel’s claim for trade-secret-only activities identified in  
2 Plaintiff’s Exhibit J. Dkt. No. 200-10. The Court SUSTAINS that objection because the  
3 Court did not find Defendants entitled to an award of fees on the trade secret claims.
- 4 • Plaintiff objects to Defense counsel’s claim for Defendants’ Rule 11 motion identified in  
5 Plaintiff’s Exhibit K. Dkt. No. 200-11. The Court OVERRULES that objection because  
6 Defense counsel is entitled to fees-on-fees.
- 7 • Plaintiff objects to Defense counsel’s claim for Defendants’ prior sanctions motion  
8 identified in Plaintiff’s Exhibit L. Dkt. No. 200-12. The Court SUSTAINS that objection  
9 in part because Defendants prevailed on only a portion of that motion. Accordingly, the  
10 Court reduces the amount attributable to those billing entries by 75%.
- 11 • Plaintiff objects to Defense counsel’s claim for Work Relating to Defendants’ Rule 12(c)  
12 Motion (post-2/14/25) identified in Plaintiff’s Exhibit M. Dkt. No. 200-13. The Court  
13 OVERRULES that objection Defendants are entitled to an award of fees based on their  
14 reasonable and successful defense of the case.
- 15 • Plaintiff objects to Defense counsel’s claim for Defendants’ Section 285 motion identified  
16 in Plaintiff’s Exhibit N. Dkt. No. 200-14. The Court OVERRULES that objection  
17 because Defense counsel is entitled to fees-on-fees.

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United States District Court  
Northern District of California

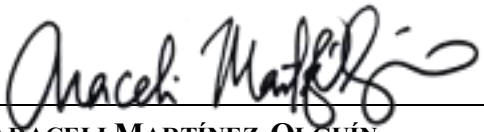
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**II. CONCLUSION**

For the foregoing reasons, and based on the Court’s order granting Defendants’ motion for attorney’s fees, Dkt. No. 194, the Court **AWARDS** counsel for Defendants \$2,208,115.77 in attorney’s fees. The Court reached this number by reducing the amounts of the objections sustained above, \$478,168.23, from the total amount requested by Defendants’ counsel, \$2,686,284. If necessary, Defendants may submit a proposed order to give effect to this award within 28 days from the date of this order.

**IT IS SO ORDERED.**

Dated: June 12, 2026



ARACELI MARTÍNEZ-OLGUÍN  
United States District Judge