IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

ERFINDERGEMEINSCHAFT UROPEP GbR, *Plaintiff*, v. ELI LILLY AND COMPANY, *Defendant*.	§ § § § § § § § § §	Case No. 2:15-CV-1202-WCB

MEMORANDUM OPINION AND ORDER

Plaintiff Erfindergemeinschaft UroPep GbR ("UroPep") has moved for entry of a bill of costs in this case. Dkt. No. 377. Defendant Eli Lilly and Company opposes in part. Dkt. No. 384. The motion is GRANTED IN PART and DENIED IN PART.

The parties have agreed on the bulk of the issues pertaining to costs, and they have settled on an award in the amount of $100,485.08 for the unopposed costs in this case. Seeing no reason to question the terms of the agreement of the parties on that portion of the award of costs, the Court will order Lilly to pay UroPep that amount.

Two items remain in dispute. The first is the expense of the technology tutorial prepared by UroPep in connection with the claim construction proceedings. The second is the expense associated with the use of graphics and demonstratives at trial. The total amount that UroPep claims for those two items is $106,831.63.

UroPep argues that it is entitled to an award of its expenses in connection with those two items under 28 U.S.C. § 1920(4), which provides for costs to be taxed for "fees for exemplification and copies of papers necessarily obtained for use in the case." In particular,

UroPep contends that its expenses fall within the meaning of the term "exemplification," as used in section 1920.

Fifth Circuit law governs the issue of costs in a patent case. See CBT Flint Partners, LLC v. Return Path, Inc., 737 F.3d 1320, 1325 (Fed. Cir. 2013); In re Ricoh Co., Ltd. Patent Litig., 661 F.3d 1361, 1364 (Fed. Cir. 2011). Both the Supreme Court and the Fifth Circuit have emphasized that section 1920 is to be strictly construed, and that costs that do not fall within the literal terms of the statute are not to be awarded.

In Crawford Fitting Co. v. J.T. Gibbons, Inc., 482 U.S. 437 (1987), the Supreme Court held that section 1920 strictly limits the types of costs that may be awarded to a prevailing party. Id. at 440-41. Citing an earlier case that referred to the predecessor of section 1920, the Court wrote that the "comprehensive scope of the [prior] Act and the particularity with which it was drafted demonstrated that Congress meant to impose rigid controls on cost-shifting in federal courts." Id. at 444. See also Taniguchi v. Kan Pac. Saipan, Ltd., 132 S. Ct. 1997, 2006 (2012) (referring to "the narrow scope of taxable costs" allowed by section 1920: "[t]axable costs are limited to relatively minor, incidental expenses"; "[b]ecause taxable costs are limited by statute and are modest in scope, we see no compelling reason to stretch the ordinary meaning of the cost items Congress authorized in § 1920").

The Fifth Circuit has followed the Supreme Court's lead, noting that "[t]he Supreme Court has indicated that federal courts may only award those costs articulated in section 1920 absent explicit statutory or contractual authorization to the contrary," and that the Supreme Court has admonished "that we strictly construe this provision." Mota v. Univ. of Tex. Houston Health Sci. Ctr., 261 F.3d 512, 529-30 (5th Cir. 2001). See also Coats v. Penrod Drilling Corp., 5 F.3d

877, 891 (5th Cir. 1993) ("28 U.S.C. § 1920 defines recoverable costs, and a district court may decline to award the costs listed in the statute but may not award costs omitted from the list.").

Consistent with the "strict construction" given to section 1920 by the Supreme Court and the Fifth Circuit, the Federal Circuit has construed the term "exemplification" narrowly to be limited to "an official transcript of a public record, authenticated as a true copy for use as evidence." Summit Tech., Inc. v. Nidek Co., 435 F.3d 1371, 1374-78 (Fed. Cir. 2006) (denying an award of costs for the fee of a consultant who assisted counsel in preparing trial exhibits, including computer animations, videos, powerpoint presentations and graphic illustrations); Kohus v. Toys 'R' Us, Inc., 282 F.3d 1355. 1359 (Fed. Cir. 2002) (denying an award of costs for a video animation used at trial). Although in those cases the Federal Circuit was applying the law of the First and Sixth Circuits, respectively, the Fifth Circuit employs the same restrictive approach.[1] Thus, in Coats v. Penrod Drilling Corp., 5 F.3d at 891, the Fifth Circuit held that the expenses for certain "blow-ups" used at trial were "not included in § 1920 and therefore are not recoverable." And in Johns-Manville Corp. v. Cement Asbestos Prods. Co., 428 F.2d 1381, 1385 (5th Cir. 1970), the court held that, absent prior approval from the court, the expenses of producing certain models and charts used at trial could not be assessed as costs. See also Gagnon v. United Technisource, Inc., 607 F.3d 1036, 1045 (5th Cir. 2010) ("federal courts may only award those costs articulated in section 1920 absent explicit statutory or contractual authorization to the contrary"); Louisiana Power & Light Co. v. Kellstrom, 50 F.3d 319, 335 (5th Cir. 1995) (absent pretrial approval from the court, production costs for exhibits may not be assessed as costs); Webster v. M/V Moolchand, Sethia Liners, Ltd., 730 F.2d 1035, 1040 (5th

[1] As does the Eleventh Circuit, applying former Fifth Circuit law. See Arcadian Fertilizer, L.P. v. MPW Indus. Servs., Inc., 249 F.3d 1293, 1297 (11th Cir. 2001) (applying the former Fifth Circuit precedent to conclude that "exemplification" does not include videotapes or computer animations).

Cir. 1984) (the language of section 1920 "seems to preclude its extension beyond the payment of the actual cost of exemplification and reproduction of copies"); Mobile Telecomms. Techs., LLC v. Samsung Telecomms. Am., LLC, No. 2:13-cv-259, 2015 WL 5719123, at *2-3 (E.D. Tex. Sept. 28, 2015) (construing "exemplification" narrowly, consistent with Fifth Circuit precedents); Kellogg Brown & Root Int'l v. Altanmia Commercial Mktg. Co., Civil Action No. H-07-2684, 2009 WL 1457632, at *4 (S.D. Tex. May 26, 2009) (Rosenthal, J.) (Fifth Circuit "follows the narrow approach" in defining "exemplification"). Those principles require the Court to hold that neither of UroPep's two disputed cost items constitute "exemplifications" within the meaning of section 1920(4).

1. The Technology Tutorial

UroPep first asserts that it is entitled to an award of its expenses for the technology tutorial it prepared in connection with the claim construction proceedings. That claim is meritless.

Attempting to find support from a line of Fifth Circuit cases that have allowed certain expenses to be chargeable as costs if they were approved in advance by the district court, UroPep asserts that the Court "solicited" (Dkt. No. 377, at 5) and "invited" (id. at 6 n.6; see also Dkt. No. 386, at 5) technology tutorials. That is simply not true. The only support UroPep cites for those assertions is the Court's sequence of docket control orders, which provided, in pertinent part, for a deadline to "Submit Technical Tutorials (if any)." Dkt. No. 71, at 3; Dkt. No. 96, at 3; Dkt. No. 104, at 3. That is not an "invitation" or a "solicitation" for technology tutorials; it is a provision that allows the parties to file tutorials if they wish, and gives them a deadline for filing them if they choose to do so.

If there were any doubt on that score, it should have been clear from Judge Payne's opinion in DSS Technology Management Inc. v. Taiwan Semiconductor Manufacturing Co., No. 2:14-cv-199, 2016 WL 5942316 (E.D. Tex. Oct. 13, 2016). In that case, Judge Payne denied a motion to include the expenses of a technology tutorial in the prevailing party's award of costs. The court discussed the language of the docket control order in that case, which is identical to the language of the docket control order in the present case. He explained that, contrary to the defendant's argument, the docket control order, "which permitted the parties to 'Submit Technical Tutorials (if any)'" by a particular date "simply extended the deadline to submit any tutorials that that the parties wished to submit. . . . The Court did not require a tutorial." Id. at *7. The same is plainly true here.[2]

Stripped of the "prior approval" contention, UroPep's argument collapses. Under no plausible interpretation does a video technology tutorial qualify as an "exemplification" within the meaning of section 1920(4). See Mobile Telecomms. Techs., LLC, 2015 WL 5719123, at *2-3. And there is no other subsection of section 1920 that is remotely applicable to the technology tutorial. UroPep chose to offer the technology tutorial for its own purposes, seeking to improve its position in the claim construction proceedings. Nothing in the policies undergirding the costs statute justifies shifting the cost of that choice to UroPep's adversary.

[2] UroPep cites this Court's opinion in Kroy IP Holdings, LLC v. Safeway, Inc., No. 2:12-cv-800, 2015 WL 4776501, at *2 (E.D. Tex. Aug. 13, 2015), where the Court denied a request for costs for the expenses of a technology tutorial, but noted in passing that "[c]osts for technical tutorials may be recoverable in cases involving complicated technical matters, where the tutorials are 'reasonably necessary to assist the Court in understanding the issues.'" The cases cited in support of that proposition, however, were both cases in which the court had requested technology tutorials, which was not true here. Moreover, this case did not involve complex technology as to which a technology tutorial was likely to be helpful, and for that reason, the Court saw no reason to request one or to encourage the parties to submit one.

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