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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION
11

12 GRACENOTE, INC., a Delaware
corporation,
13
Plaintiff-counterdefendant,
14
v.
15
MUSICMATCH, INC., a Washington
corporation,
16
17 Defendant-counterclaimant.

Case No. C 02-3162 CW

**GRACENOTE'S NOTICE OF
UNOPPOSED MOTION AND
UNOPPOSED MOTION TO VACATE
THE COURT'S 8/26/04 SUMMARY
JUDGMENT ORDER AND 10/6/04
RECONSIDERATION ORDER**

Date: December 3, 2004 8:30 a.m.

Courtroom: 2, 4th Floor

Judge: Honorable Claudia Wilken

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1 PLEASE TAKE NOTICE that on December 3, 2004, or as soon as the matter may be
2 heard, Plaintiff Gracenote, Inc. (“Gracenote”) hereby moves pursuant to Federal Rule of Civil
3 Procedure 54(b) for an order VACATING this Court’s orders of 8/26/04 and 10/6/04 in the matter
4 *Gracenote, Inc. v. MusicMatch, Inc.* MusicMatch stated at the October 13 hearing, and in the
5 settlement agreement between the parties, that it would not oppose such a motion. Accordingly,
6 as set forth in the accompanying Motion to Shorten Time, Gracenote respectfully requests that the
7 Court rule on this issue immediately, without further briefing or hearing, and before entry of the
8 stipulated dismissal of the action.

9
10 **I. MOTION TO VACATE**

11 **A. Background Facts**

12 After the parties briefed their summary judgment motions, the Court issued an order
13 regarding patent infringement and invalidity (“SJ Order”).¹ Shortly thereafter, Gracenote
14 requested leave and was granted permission to file a motion for reconsideration.² The Court
15 granted in part and denied in part that motion for reconsideration (“Reconsideration Order”).³
16 Those orders did not resolve the litigation. Instead, the Court held a bench trial on the sole issue
17 on inequitable conduct in late September, and a jury trial began on all remaining issues—
18 including patent invalidity—on October 12.

19
20 **B. Settlement And Request To Vacate During The Jury Trial**

21 The parties settled during the pending jury trial contingent upon third-party Yahoo! Inc.
22 (“Yahoo”) acquiring defendant MusicMatch, Inc. (“MusicMatch”) within a certain time period.⁴
23 The Court conducted a hearing on October 13 regarding this provisional settlement, whereby the
24 parties put the material terms of the settlement on the record. The parties requested the Court

25 ¹ Docket # 683 (8/26/04 “Order Addressing Parties’ Cross Motions for Summary Judgment RE: Patent
26 Infringement”).

26 ² Docket # 693.

27 ³ Docket # 779 (10/6/04 “Order Granting In Part And Denying In Part Gracenote’s Motion For Reconsideration And
28 Other Miscellaneous Matters”).

28 ⁴ Yahoo has indeed successfully and completely acquired MusicMatch, which was announced October 19, thereby
making the settlement agreement final and enforceable.

1 dismiss all claims in the litigation with prejudice provided the settlement is consummated as
2 stated above.⁵

3 Gracenote also stated at the October 13 hearing that it would file a motion requesting that
4 the Court vacate certain prior orders, and MusicMatch stated it would not oppose such a request.
5 [See 10/13/04 Transcript at 6:16-18 (“MusicMatch will not oppose a motion by Gracenote to
6 vacate certain orders and findings made by the Court in this case.”)] Indeed, the settlement
7 agreement signed between the parties specifically states that MusicMatch will not oppose a
8 motion by Gracenote to vacate orders.

9
10 **C. The Court Should Vacate The 8/26/04 and 10/6/04 Orders**

11 Gracenote hereby requests that the Court vacate its 8/26/04 SJ Order and 10/6/04
12 Reconsideration Order. As Gracenote has set forth in its various briefs filed with this Court,
13 Gracenote believes that the Court erred in finding that xmcd and CDDDB anticipate or render
14 obvious certain claims of the ‘593 patent. Accordingly, Gracenote intends to seek re-examination
15 of the ‘593 patent, and to submit evidence of xmcd and CDDDB to the PTO. Gracenote will
16 likewise submit the relevant orders of this Court to the PTO at that time. Accordingly, Gracenote
17 respectfully requests that the Court vacate the above cited orders and allow the PTO to determine
18 the relevance of xmcd and CDDDB to the claims of the ‘593 patent.

19 The standard for vacating the orders at issue is less rigid than that of a final judgment.
20 *Persistence Software, Inc. v. The Object People, Inc.*, 2000 F.R.D. 626, 627 (N.D. Cal. 2001)
21 (granting partial summary judgment is interlocutory in nature, does not terminate the action, and
22 therefore the standard to vacate such order is under Rule 54(b) and is therefore a less rigid
23 standard than vacating a final judgment under Rule 60(b)). The SJ Order, and the related
24 Reconsideration Order (reconsidering that SJ Order), did not dispose of all claims in this
25 litigation—which is obvious in light of the fact the Court started the jury trial on the remaining
26 claims. The Court may vacate those orders under Rule 54(b) at any time prior to final judgment.
27 Fed. R. Civ. Proc. 54(b).

28 ⁵ The Court did so in its 10/20/04 Conditional Order of Dismissal. See Docket #801.

1 In *Persistence Software, supra*, the district court vacated a summary judgment order upon
2 facts similar to this case. The patentee's most compelling argument was that it would be unfairly
3 prejudiced by the potential preclusive effect of a prior order. Noting the partial summary
4 judgment order did not dispose of the entire litigation, the court also considered that the patentee
5 in that case may be able, in potential subsequent litigation, to correct its failure to present
6 admissible evidence at summary judgment. The district court found no reason to deny the
7 patentee's request under those circumstances. *Id.* at 627 ("the general doctrine that judicial
8 precedents are presumptively correct and valuable to the legal community as a whole does not
9 compel the denial of plaintiff's motion to vacate" (internal quotations and citations omitted)).
10 Similarly, in the instant case Gracenote has asserted that it was denied the opportunity to submit
11 certain evidence and arguments, which could be submitted to the PTO or in subsequent litigation
12 with third parties, because issues upon which the Court ruled were either raised by the Court *sua*
13 *sponte* or in MusicMatch's reply briefing.

14 Moreover, similar to the instant case, the parties in *Persistence Software* had completely
15 settled the action and the defendant stated it would not oppose any vacation order. The court also
16 took that into account when it granted the motion to vacate:

17 Moreover, in light of the defendants' statement of non-opposition
18 and in light of the parties' complete settlement of this case, as well
19 as the companion case entitled *Persistence v. Secant Technologies, Inc., No. C-00-1480 PJH*, also filed in this court, the court finds
20 that no other considerations justify the denial of plaintiff's motion
21 to vacate. Accordingly, plaintiff's motion to vacate is GRANTED.

22 *Id.*

23 For the same reasons, this Court should grant Gracenote's present motion to vacate. Had
24 the parties not settled, Gracenote would have had the opportunity to appeal the orders addressed
25 in this motion upon entry of a final judgment. While the case is now resolved due to settlement,
26 Gracenote requests the orders be vacated in fairness so that it can pursue re-examination of the
27 '593 patent before the PTO. Gracenote submits that no other considerations justify the denial of
28 its motion to vacate the 8/26/04 SJ Order and 10/6/04 Reconsideration Order. MusicMatch has
already stated that it would not so object in open Court at the October 13 hearing, and also as part

1 of the settlement agreement. Accordingly, MusicMatch has waived its right to argue that it is
2 prejudiced by such a request.

3
4 **II. CONCLUSION**

5 For the above reasons, Gracenote respectfully requests that the Court VACATE the
6 8/26/04 Summary Judgment Order [Docket # 683] and 10/6/04 Reconsideration Order [Docket #
7 779].

8 Dated: October 29, 2004

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ORRICK, HERRINGTON & SUTCLIFFE LLP

9
10 /s/ William Sloan Coats
11 William Sloan Coats
12 Attorneys for Plaintiff,
13 GRACENOTE, INC.
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