24-____

IN THE SUPREME COURT OF THE UNITED STATES

KOJI IP, LLC, WILLIAM PETERSON RAMEY, III, JEFFREY E. KUBIAK, SUSAN S.Q. KALRA,

Sanctioned Parties-Applicants

v.

RENESAS ELECTRONICS AMERICA, INC.,

Defendant-Respondent

EMERGENCY APPLICATION TO STAY ENFORCEMENT OF PENAL SANCTIONS PENDING APPEAL

On Application for Stay from the Court of Appeals for the Federal Circuit In Case No. 25-1639 and Appeal from the United States District Court for the Northern District of California in Case No. 3:24-cv-03089, Magistrate Judge Peter H. Kang

To the Honorable Elena Kagan Associate Justice of the Supreme Court of the United States and Circuit Justice for the Ninth Circuit

Attorneys for Applicants:

Ramey LLP

<u>/s/ William P. Ramey, III</u> William P. Ramey, III wramey@rameyfirm.com 5020 Montrose Blvd., Suite 800 Houston, Texas 77006 (713) 426-3923

PARTIES TO THE PROCEEDINGS AND RELATED PROCEEDINGS

Applicants are William P. Ramey, III ("Mr. Ramey"), Susan S.Q. Kalra ("Ms. Kalra"), Jeffrey E. Kubiak ("Mr. Kubiak") and Koji IP, LLC ("Koji") (collectively, "Sanctioned Parties"). Mr. Ramey, Ms. Kalra, and Mr. Kubiak are lawyers representing Koji in a now closed patent infringement lawsuit in the Northern District of California.

Respondent Renesas Electronics America, Inc., is the defendant in the now closed patent infringement lawsuit.

The Proceedings below were:

1. *Koji IP, LLC v. Renesas Electronics America, Inc.*, 5:24-cv-03089 (N.D. Cal. May 22, 2024), where after Koji voluntarily dismissed its complaint on June 12, 2024, prior to any responsive pleading by Renesas, Magistrate Judge Kang, on March 26, 2025, issued an Order Regarding OSC and Imposing Sanctions on Ramey Firm Lawyers ("Magistrate's Order")¹ and, on March 31, 2025, an Order Granting Motion for Attorneys' Fees and Sanctions ("Magistrate's Second Order").² The Magistrate's Order and Magistrate's Second Order criminally sanctioned the Sanctioned

¹ ADD0039-ADD0082.

² ADD0003-ADD0038.

Parties by issuing Penal Sanctions³ that require monetary payments to the Northern District of California and self-reporting to courts and bar organizations beginning on April 26, 2025.⁴ Applicants moved for an Emergency Stay Pending Appeal on April 8, 2025 that was denied on April 9, 2025, by Magistrate Judge Kang through an In-Chambers Text Order.⁵ Applicants then appealed to the Court of Appeals for the Federal Circuit and moved for an Emergency Motion to Stay Enforcement of the Penal Sanctions which is still pending.⁶ On April 21, 2025, Applicants notified both the District Court⁷ and the Court of Appeals for the Federal Circuit⁸ that they would be filing this application.

2. There are no related proceedings.

³ ADD0038-ADD0082 at 38:24-43:2 (items 1-11); ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

⁴ Declaration of William P. Ramey, III ("Ramey Decl.") at ¶8.

⁵ ADD0001-ADD0002.

⁶ SADD1291-SADD1326.

⁷ SADD1327-SADD1328.

⁸ SADD1329-SADD1333.

RULE 29.6 STATEMENT

Pursuant to Rule 29.6, counsel for Appellants Koji IP, LLC ("Koji"), William P. Ramey, III ("Mr. Ramey"), Susan S.Q. Kalra ("Ms. Kalra") and Jeffrey E. Kubiak ("Mr. Kubiak") (collectively, "Sanctioned Parties") certify the following:

 The full name of every party represented by the undersigned is Koji IP, LLC ("Koji"), William P. Ramey, III ("Mr. Ramey"), Susan S.Q.
 Kalra ("Ms. Kalra") and Jeffrey E. Kubiak ("Mr. Kubiak").

2. The real parties in interest are Koji IP, LLC ("Koji"), William P. Ramey, III ("Mr. Ramey"), Susan S.Q. Kalra ("Ms. Kalra") and Jeffrey E. Kubiak ("Mr. Kubiak").

3. Koji IP, LLC has no parent company and there is no publicly held corporation that owns 10% or more of the stock of the corporation. William P. Ramey, III ("Mr. Ramey") is an individual. Susan S.Q. Kalra ("Ms. Kalra") is an individual. Jeffrey E. Kubiak ("Mr. Kubiak") is an individual.

Date: April 22, 2025

<u>/s/ William P. Ramey, III</u> William P. Ramey, III

iv

TABLE OF CONTENTS

I.		IEF IS NECESSARY FROM THIS COURT BECAUSE THE AL SANCTIONS DO NOT AFFORD DUE PROCESS
II.	INTI	RODUCTION AND RELEVANT FACTS 4
III.	APP	LICABLE LEGAL STANDARDS 8
IV.	ARG	UMENT
A	A. Tł	ne Sanctioned Parties are Likely to Prevail on Appeal
	1.	Monetary Sanctions Under Rule 11 Are Not Allowed Because the OSC Issued After the Case Was Dismissed 13
	2.	There Can be No Rule 11 Violation When the Filing is Allowed Under the Law
	3.	Inherent Power Sanctions are Improper as there is No Bad Faith
	4.	The Sanctioned Parties Were Not Practicing Law in California
		a. Mr. Ramey and Mr. Kubiak Were Advising on the Federal Issues of Patent Infringement Law
		b. The Use of "Pro Hac Vice Anticipated" is not Uncommon
	5.	If a Sanction is Deemed Warranted, a Less Severe Sanction is Appropriate
I	3.	The Sanctioned Parties will be Irreparably Harmed 27
(2.	The Requested Stay Will Not Injure Any Party 28
Ι	D.	The Public Interest Will Not Be Adversely Affected

	Е.	The Four Factors Weigh Heavily in Favor of Staying Execution	28
V.	MAG	SISTRATE JUDGE KANG LACKS JURISDICTION	29
VI.	CON	CLUSION	31

TABLE OF AUTHORITIES

Cases

Am. Unites for Kids v. Rousseau, 985 F.3d 1075 (9th Cir. 2021) 12
Anderson v. Woodcreek Venture Ltd., 351 F.3d 911 (9th Cir. 2003) 30
Bloom v. Illinois, 391 U.S. 194, 201, 88 S.Ct. 1477, 20 L.Ed.2d 522 (1968)
Chambers v. NASCO, Inc., 501 U.S. 32, 111 S. Ct. 2123, 115 L. Ed. 2d 27 (1991)
Christian v. Mattel, Inc., 286 F.3d 1118 (9th Cir. 2002) 17
<i>Com. Space Mgmt. Co. v. Boeing Co.</i> 193 F.3d 1074 (9th Cir. 1999)
Cooke v. United States, 267 U.S. 517, 45 S.Ct. 390, 69 L.Ed. 767 (1925) 4
<i>F.J. Hanshaw Enters., Inc. v. Emerald River Dev., Inc.,</i> 244 F.3d 1128 (9th Cir. 2001)
Gibson v. Credit Suisse AG, No. 1:10-CV-00001-JLQ, 2015 WL 105999 (D. Idaho Jan. 7, 2015)
Gompers v. Bucks Stove & Range Co., 221 U.S. 418, 31 S.Ct. 492, 55 L.Ed. 797 (1911)
Goodyear Tire & Rubber Co. v. Haeger, 581 U.S. 101, 137 S. Ct. 1178, 197 L. Ed. 2d 585 (2017) 1, 3, 10, 12, 13, 29
<i>Hicks v. Feiock</i> , 485 U.S. 624, 632, 108 S.Ct. 1423, 99 L.Ed.2d 721 (1988)
Hilton v. Braunskill, 481 U.S. 770 (1987)
In re Bradley, 318 U.S. 50, 63 S.Ct. 470, 87 L.Ed. 608 (1943)
In re Keegan Mgmt. Co., Sec. Litig., 78 F.3d 431 (9th Cir. 1996) 17
Int'l Union, United Mine Workers of Am. v. Bagwell, 512 U.S. 821, 114 S. Ct. 2552, 129 L. Ed. 2d 642 (1994)
Lair v. Bullock, 697 F.3d 1204 (9th Cir. 2012)

Lake at Las Vegas Invs. Grp., Inc. v. Pac. Malibu Dev. Corp., 933 F.2d 724 (9th Cir. 1991)
<i>Leiva–Perez v. Holder</i> , 640 F.3d 962 (9thCir.2011)
Milkcrate Athletics, Inc. v. Adidas Am., Inc., 619 F.3d 1025 (C.D., Cal. 2022)
Nken v. Holder, 556 U.S. 418, 129 S. Ct. 1749, 173 L. Ed. 2d 550 (2009)
Operating Eng'rs Pension Tr. v. A-C Co., 859 F.2d 1336 (9th Cir. 1988). 17
Rose Ct., LLC v. Select Portfolio Servicing, Inc., 119 F.4th 679 (9th Cir. 2024)
Spanos v. Skouras Theatres Corp., 364 F.2d 161 (2d Cir. 1966) 23, 24, 25
United States v. Mine Workers, 330 U.S. 258, 67 S.Ct. 677, 91 L.Ed. 884 (1947)
Winterrowd v. Am. Gen. Annuity Ins. Co., 556 F.3d 815 (9th Cir. 2009)
Rules & Regulations
Fed. R. Civ. P. 11
Fed. R. Civ. P. 11(b)(2)(A)
Fed. R. Civ. P. 11(c)(5)(B)

To the Honorable Elena Kagan, Associate Justice of the Supreme Court of the United States and Circuit Justice for the Ninth Circuit

William P. Ramey, III ("Mr. Ramey"), Susan S.Q. Kalra ("Ms. Kalra"), Jeffrey E. Kubiak ("Mr. Kubiak") and Koji IP, LLC ("Koji") (collectively, "Sanctioned Parties") respectfully move this Court for an Order Staying Execution of Penal Sanctions⁹ issued by Magistrate Judge Peter H. Kang, during the pendency of the appeals. The Penal Sanctions are severe, unwarranted, and likely, career ending.¹⁰ The Sanctioned Parties are asking for very limited relief from this Court, in equity, to stay execution of the Penal Sanctions pending the results from the appeal to the Federal Circuit. Immediate relief is necessary as the Penal Sanctions require non-compensatory monetary payment and selfreporting to State bar organizations and the courts on April 26, 2025,¹¹ and because the Penal Sanctions fail to provide the due process required by Goodyear Tire & Rubber Co. v. Haeger.¹²

¹⁰ The Penal Sanctions are sanctions payable to the Northern District of California and self-reporting of the Penal Sanctions by the Sanctioned Parties to courts and bar organizations; Ramey Decl. at ¶8.

⁹ ADD0038-ADD0082 at 38:24-43:2 (items 1-11); ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

¹¹ ADD0038-ADD0082 at 38:24-43:2 (items 1-11); ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

¹² 581 U.S. 101, 137 S. Ct. 1178, 197 L. Ed. 2d 585 (2017).

In compliance with Rule 23, on April 8, 2025, the Sanctioned Parties filed an Emergency Motion to Set Bond and Stay Enforcement with the District Court, requesting ("District Court Motion to Stay Penal Sanctions").¹³ On April 9, 2025, Magistrate Judge Kang issued an In-Chambers Text Order setting a hearing on the District Court Motion to Stay Penal Sanctions for May 6, 2025, ("In-Chambers Order"),¹⁴ which effectively denied the requested relief without a hearing, as the Penal Sanctions require performance by April 26, 2025. The Magistrate Judge provided *no reason* for denying the relief.¹⁵ On April 8, 2025, the Sanctioned Parties filed a Notice of Appeal to the Court of Appeals for the Federal Circuit¹⁶ and filed an Emergency Motion to Stay Execution¹⁷ which is still pending.

On April 21, 2025, the Sanctioned Parties provided notice to the District Court and the Court of Appeals for the Federal Circuit that this application would be filed on April 22, 2025.¹⁸

¹⁵ ADD0001-ADD0002.

17 SADD1291-SADD1326

¹³ ADD1111-ADD1128.

¹⁴ ADD0001-ADD0002.

¹⁶ ADD1162-ADD1164.

¹⁸ SADD1327-SADD1333; Ramey Decl. at ¶11.

I. RELIEF IS NECESSARY FROM THIS COURT BECAUSE THE PENAL SANCTIONS DO NOT AFFORD DUE PROCESS

This Court has spoken clearly that when a sanction is punitive, the issuing court needs to provide procedural guarantees applicable in criminal cases, such as a "beyond a reasonable doubt" standard of proof.¹⁹ The Penal Sanctions do not comply with this requirement at least because they do not specify what standard of proof was used.²⁰ Magistrate Judge Kang did find contempt of court as a basis for issuing the Penal Sanctions,²¹ but did not afford the Sanctioned Parties the due process required by this Court's decisions in reaching that decision.²²

"Criminal contempt is a crime in the ordinary sense,"²³ and "criminal penalties may not be imposed on someone who has not been afforded the protections that the Constitution requires of such criminal

¹⁹ Goodyear Tire & Rubber Co. v. Haeger, 581 U.S. 101, 108, 137 S. Ct. 1178, 1186, 197 L. Ed. 2d 585 (2017).

²⁰ ADD0038-ADD0082; ADD0003-ADD0038.

²¹ ADD0053; ADD0062

²² Int'l Union, United Mine Workers of Am. v. Bagwell, 512 U.S. 821,
829, 114 S. Ct. 2552, 2558, 129 L. Ed. 2d 642 (1994).

²³ Bloom v. Illinois, 391 U.S. 194, 201, 88 S.Ct. 1477, 1481, 20 L.Ed.2d 522 (1968).

proceedings."²⁴ Magistrate Judge Kang did not adhere to what the Constitution requires in issuing the Penal Sanctions and therefore the Sanctioned Parties request an immediate stay of the Penal Sanctions pending appeal.

II. INTRODUCTION AND RELEVANT FACTS

Plaintiff Koji IP, LLC ("Koji") sued Defendant Renesas Electronics America, Inc., ("Renesas") alleging infringement of U.S. Pat. No. 10,790,703 ("the '703 Patent"), entitled "Smart Wireless Power Transfer Between Devices" ("Patent-in-Suit") in the District of Colorado on June 30, 2023.²⁵ On July 20, 2023, counsel for defendant asked that the suit be dismissed because there was low sales volume and because venue was improperly based on a distributor.²⁶ Koji dismissed its lawsuit on

²⁴ Int'l Union, United Mine Workers of Am. v. Bagwell, 512 U.S. 821,
826–27, 114 S. Ct. 2552, 2556–57, 129 L. Ed. 2d 642 (1994) citing Hicks v. Feiock, 485 U.S. 624, 632, 108 S.Ct. 1423, 1429–1430, 99 L.Ed.2d 721 (1988); See In re Bradley, 318 U.S. 50, 63 S.Ct. 470, 87 L.Ed. 608 (1943) (double jeopardy); Cooke v. United States, 267 U.S. 517, 537, 45 S.Ct. 390, 395, 69 L.Ed. 767 (1925) (rights to notice of charges, assistance of counsel, summary process, and to present a defense); Gompers v. Bucks Stove & Range Co., 221 U.S. 418, 444, 31 S.Ct. 492, 499, 55 L.Ed. 797 (1911) (privilege against self-incrimination, right to proof beyond a reasonable doubt).

²⁵ ADD0818-ADD0828 at ¶4.

²⁶ ADD0834-ADD0836 (July 18, 2023 e-mail from Crotty to Kubiak); ADD0818-ADD0828 at ¶6.

September 6, 2023, without burdening the court or Renesas with a venue fight.²⁷

On November 8, 2023, Koji refiled the same infringement allegations in the Northern District of California.²⁸ Renesas maintained that the sales volume of the accused product was very low.²⁹ Koji and its counsel looked for additional products from Defendant.³⁰ However, to not burden Renesas, on January 30, 2024, Koji agreed to dismiss without prejudice its lawsuit, to which Renesas agreed.³¹ Defendant had not filed any motions in the case or otherwise appeared.³² Koji identified a new product not previously accused and asked Ramey LLP to file a new lawsuit based on the new, different product.³³ On May 22, 2024, Koji filed the new lawsuit, accusing the new and different Renesas product.³⁴ Renesas's lawyer responded by letter on May 31, 2024, that Koji's lawsuit was foreclosed as it had been dismissed twice.³⁵ The letter asked that the

 $^{^{27}}$ ADD0818-ADD0828 at $\P10.$

²⁸ ADD0837-ADD0920 at 840.

²⁹ ADD0818-ADD0828 at ¶12.

³⁰ ADD0818-ADD0828 at ¶11, 14; ADD0988-ADD0990 at ¶¶9-11, 14.

³¹ ADD0921-ADD0924, January 30, 2024 e-mail chain.

³² ADD0818-ADD0828 at ¶13.

³³ ADD0818-ADD0828 at ¶14; ADD0988-ADD0990 at ¶11.

³⁴ ADD0925-ADD0935.

³⁵ ADD0936-ADD0973, Letter to Ramey from Crotty at 1; ADD0818-

lawsuit be promptly dismissed. After further discussions with Renesas's counsel, the lawsuit was dismissed with prejudice on June 12, 2024.³⁶ Renesas had not entered an appearance or filed any documents in the case. On June 26, 2024, Renesas filed its Motion for Attorneys' Fees.³⁷ Magistrate Judge Kang set a hearing on August 22, 2024, on Renesas's Motion for Attorneys' Fees.³⁸ On August 29, 2024, Magistrate Judge Kang issued an Order to Show Cause to Mr. Ramey, Mr. Kubiak and Ms. Kalra ("OSC").³⁹ On September 12, 2024, Mr. Ramey, Mr. Kubiak and Ms. Kalra responded to the OSC.⁴⁰ On September 19, 2024, Magistrate Judge Kang held a hearing on the OSC.⁴¹ On March 26, 2025, the Magistrate Judge Kang issued the Order Regarding OSC and Imposing Sanctions on Ramey Firm Lawyers ("Magistrate's Order").⁴² On March 31, 2025, Magistrate Judge Kang issued the Order Granting Motion for Attorneys' Fees and Sanctions ("Magistrate's Second Order").⁴³ On April

ADD0828 at ¶15.

³⁶ ADD0086-ADD0087.

³⁷ ADD0115-ADD0734.

³⁸ ADD0746-ADD0763.

³⁹ ADD0764-ADD0779.

⁴⁰ ADD0780-ADD0808.

⁴¹ ADD0991-ADD0992.

⁴² ADD0039-ADD0082.

⁴³ ADD0003-ADD0038.

7th and 8th, 2025, the Sanctioned Parties objected to the Magistrate's Order⁴⁴ and the Magistrate's Second Order.⁴⁵ On April 8, 2025, the Sanctioned Parties filed a Notice of Appeal to the Court of Appeals for the Federal Circuit ("CAFC").⁴⁶

The Sanctioned Parties filed their Emergency Motion To Stay Enforcement Of Penal Sanctions Pending Appeal ("Emergency Motion")⁴⁷ on April 12, 2025 at the CAFC, after Magistrate Judge Kang denied, without a hearing, on April 9, 2025,⁴⁸ the Sanctioned Parties' District Court Motion to Stay Penal Sanctions.⁴⁹ After the Emergency Motion was filed in the CAFC, Magistrate Judge Kang twice again modified the briefing schedule for the Penal Sanctions appealed to the CAFC⁵⁰ and set an in person hearing on April 23, 2025, at 2:00 pm in San Francisco, California⁵¹ on the Sanctioned Parties' Motion that it previously denied.⁵² Additionally, the Penal Sanctions are now being cited by another district

⁵² ADD1111-ADD1128.

⁴⁴ ADD0996-ADD1022.

⁴⁵ ADD1165-ADD1189.

⁴⁶ ADD1162-ADD1164.

⁴⁷ SADD1291-SADD1326.

⁴⁸ ADD0001-ADD0002.

⁴⁹ ADD1111-ADD1128.

 $^{^{50}}$ SADD1197-SADD1200; Ramey Decl. at $\P{12}.$

⁵¹ SADD1197-SADD1198.

court in response to a motion pro hac vice filed by Mr. Ramey in another matter.⁵³ That district court's order denying admission pro hac vice relies in part on the Penal Sanctions: "Ramey's extensive and pervasive unauthorized practice of law in this District ... and related misconduct documented by Judge Kang in *Koji IP*."⁵⁴

III. APPLICABLE LEGAL STANDARDS

Rule 23 of the Federal Rules of Appellate Procedure governs the stay of proceedings to enforce a judgment.⁵⁵ "An appellate court's power to hold an order in abeyance while it assesses the legality of the order has been described as inherent, preserved in the grant of authority to federal courts to 'issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law'...."⁵⁶

The factors regulating the issuance of a stay pending appeal are: (1) whether the stay applicant has made a strong showing that they are

⁵³ SADD1202-SADD1205 through error, the paralegal that filed the motion did not properly update the number of prior admission pro hac vice Mr. Ramey had in this District. SADD1209-SADD1210 at ¶ 5). However, that error was corrected on April 17, 2025.

 $^{^{54}}$ SADD1203; Ramey Decl. at ¶13.

⁵⁵ USSC Rule 23.

⁵⁶ Nken v. Holder, 556 U.S. 418, 426, 129 S. Ct. 1749, 1756, 173 L. Ed. 2d 550 (2009).

likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the other parties interested in the proceeding; and (4) where the public interest lies."⁵⁷ The first two factors are the "most critical."⁵⁸

For the first factor, the Ninth Circuit Court of Appeals has characterized a "strong showing" to include "reasonable probability," "fair prospect," "substantial case on the merits," and "serious legal questions ... raised."⁵⁹ The movant must show that "at a minimum ... that there is a substantial case for relief on the merits."⁶⁰ In regards to the second factor, the movant must demonstrate that there is a probability that he or she will suffer an irreparable injury if the stay is not granted.⁶¹ "The party requesting a stay bears the burden of showing that the circumstances justify an exercise of that discretion."⁶²

"To protect against abuse and to ensure parties receive due process,

⁵⁷ *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987); *see also Nken v. Holder*, 556 U.S. 418, 433 (2009).

⁵⁸ Nken, 556 U.S. at 434.

⁵⁹ Leiva–Perez v. Holder, 640 F.3d 962, 967–68 (9thCir.2011).

⁶⁰ Lair, 697 F.3d at 1204; Leiva-Perez, 640 F.3d at 967-68.

⁶¹ Lair, 697 F.3d at 1215; Leiva–Perez, 640 F.3d at 969.

⁶² Nken, 556 U.S. at 433–34 (2009); Lair, 697 F.3d at 1203.

individuals subject to sanction are afforded procedural protections, the nature of which varies depending upon the violation, and the type and magnitude of the sanction."63 "The more punitive the nature of the sanction, the greater the protection to which an individual is entitled."64 This Court has explained that when strictly compensatory or remedial sanctions are issued, civil procedures, rather than criminal-type procedures, may be applied.⁶⁵ Compensatory sanctions may go no further than to redress the wronged party "for losses sustained" and may not impose any additional consequence as punishment for the sanctioned party's misbehavior.⁶⁶ However, when a sanction is imposed under a court's inherent authority as a penalty or to punish someone, "a court would need to provide procedural guarantees applicable in criminal cases, such as a 'beyond a reasonable doubt' standard of proof."67

⁶⁵ See Int'l Union, United Mine Workers of Am. v. Bagwell, 512 U.S. 821, 826–830, 114 S.Ct. 2552, 129 L.Ed.2d 642 (1994).

⁶⁶ *Id.* at 829, 114 S.Ct. 2552 (quoting *United States v. Mine Workers,* 330 U.S. 258, 304, 67 S.Ct. 677, 91 L.Ed. 884 (1947)).

⁶³ *F.J. Hanshaw Enters., Inc. v. Emerald River Dev., Inc.*, 244 F.3d 1128, 1137 (9th Cir. 2001).

⁶⁴ *Id.* at 1137.

⁶⁷ Goodyear Tire & Rubber Co. v. Haeger, 581 U.S. 101, 107, 137 S. Ct. 1178, 1186, 197 L. Ed. 2d 585 (2017).

IV. ARGUMENT

A stay of enforcement of the Magistrate's Order⁶⁸ and a stay of the reporting/CLE requirements in the Magistrate's Second Order⁶⁹ (collectively, "Penal Sanctions") is warranted due to the irreparable harm the Sanctioned Parties will suffer if required during the pendency of the appellate process to self-report and because the Sanctioned Parties' have a very high likelihood of success in reversing some if not all of the Penal Sanctions. Immediate relief is requested and necessary because the Penal Sanctions require non-compensatory monetary payment and selfreporting to state bar organizations and the courts on April 26, 2025.⁷⁰ The Penal Sanctions have already substantially damaged the Sanctioned Parties and on April 26, 2025, that damage becomes irreparable.⁷¹ However, no party will be damaged by a stay of the Penal Sanctions pending appeal.

The Penal Sanctions provide criminal (punitive) sanctions requiring the Sanctioned Parties be afforded due process in line with

⁶⁸ ADD0038-ADD0082 at 38:24-43:2 (items 1-11).

⁶⁹ ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

⁷⁰ ADD0038-ADD0082 at 38:24-43:2 (items 1-11); ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

⁷¹ Ramey Decl. at ¶¶3, 8, 13.

criminal type procedures. As this Court held, "a court would need to provide procedural guarantees applicable in criminal cases, such as a 'beyond a reasonable doubt' standard of proof."72 The Sanctioned Parties "must be afforded the full protection of a criminal jury trial, including the right to be advised of the charges, the right to a disinterested prosecutor, the right to assistance of counsel, a presumption of innocence, proof beyond a reasonable doubt, the privilege against self-incrimination, the right to cross-examine witnesses, the opportunity to present a defense and call witnesses, and the right to a jury trial if the fine or sentence imposed will be serious."⁷³ Even after the Sanctioned Parties requested a stay pending appeal, Magistrate Judge Kang doubled down and issued the Magistrate's In-Chambers Order which denied the requested stay by setting a hearing on the Sanctioned Parties' District Court Motion to Stay Penal Sanctions⁷⁴ for May 6, 2025,⁷⁵ which is after the Penal Sanctions require performance on April 26, 2025. Magistrate Judge Kang's notice

⁷² See, e.g., Goodyear Tire & Rubber Co., 581 U.S. at 107, 137 S. Ct. at 1186, 197 L. Ed. 2d 585.

⁷³ *Am. Unites for Kids v. Rousseau*, 985 F.3d 1075, 1088–89 (9th Cir. 2021).

⁷⁴ADD1111-ADD1128.

⁷⁵ ADD0001-ADD0002.

and hearing fall well-short of providing the procedural fairness required by this Court.⁷⁶ The September 19, 2024 Hearing was conducted more like a Star Chamber inquiry that began with the assumption that some violation was already established.⁷⁷ The Sanctioned Parties plea in equity for an immediate stay of the Penal Sanctions, before April 26, 2025, for procedural fairness, to not needlessly damage the careers of three lawyers, pending the normal appellate process.

A. The Sanctioned Parties are Likely to Prevail on Appeal⁷⁸

1. Monetary Sanctions Under Rule 11 Are Not Allowed Because the OSC Issued After the Case Was Dismissed

The Sanctioned Parties are likely to prevail in their appeal of the monetary sanctions issued by the Magistrate's Order under Rule 11 because a monetary sanction is specifically excluded by Rule 11 under these facts:

(c) Sanctions.

(5) Limitations on Monetary Sanctions. The court must not impose a monetary sanction:
(A) ...; or

(B) on its own, unless it issued the show-cause order under

⁷⁶ Goodyear Tire & Rubber Co., 581 U.S. at 107, 137 S. Ct. at 1186, 197 L. Ed. 2d 585.

⁷⁷ ADD0039-ADD0082 at ADD0052-ADD0061.

⁷⁸ Ramey Decl. at $\P7$.

Rule 11(c)(3) before voluntary dismissal or settlement of the claims made by or against the party that is, or whose attorneys are, to be sanctioned.⁷⁹

Koji dismissed the lawsuit on June 12, 2024.⁸⁰ The Order to Show Cause was not issued until August 27, 2024.⁸¹ Therefore, the literal language of Rule 11 does not allow Magistrate Judge Kang to impose a monetary sanction.⁸² Likewise, a court cannot resort to an inherent power sanction to do what it is prohibited from doing under the rules.⁸³ Therefore, the Sanctioned Parties are likely to prevail on their appeal of the Rule 11 monetary sanction issued by the Magistrate's Order.⁸⁴

2. There Can be No Rule 11 Violation When the Filing is Allowed Under the Law

The Sanctioned Parties are likely to prevail in reversing the Magistrate's Order's finding a violation of Rule 11⁸⁵ because the Magistrate's Order misapplied the law around a Rule 41(a) dismissal.

⁷⁹ Fed. R. Civ. P. 11 (emphasis added).

⁸⁰ ADD0086-ADD0087.

⁸¹ ADD0764-ADD0779.

⁸² Fed. R. Civ. P. 11(c)(5)(B).

⁸³ See, e.g., Chambers v. NASCO, Inc., 501 U.S. 32, 47, 111 S. Ct. 2123,

^{2134, 115} L. Ed. 2d 27 (1991).

⁸⁴ ADD0076-ADD0080.

⁸⁵ ADD0039-ADD0082 at ADD0052-ADD0061.

The case of *Com. Space Mgmt. Co. v. Boeing Co.*⁸⁶ makes clear that the determination of whether a third cause of action is allowable can only be made once the third cause of action is filed.⁸⁷ The Magistrate's Order incorrectly begins with the premise that no third cause of action was permissible to file. The Colorado action ("*Koji I*") was dismissed for venue and was then re-filed with a new, different claim for venue, the Northern District of California, as *Koji IP, LLC v. Renesas Electronics America, Inc.*, No. 3:23-cv-05752-LJC (N.D. Cal. Nov. 8, 2023) ("*Koji II*"), However, based on low sales volumes the case was dismissed.⁸⁸ After further diligence, a new product was accused of infringement in *Koji IP, LLC v. Renesas Electronics America, Inc.*, No. 5:24-cv-03089 (N.D. Cal. May 22, 2024) ("*Koji III*").⁸⁹

Under these facts, the two-dismissal rule does not apply or an exception would apply.⁹⁰ In *Koji I*, at the time of dismissal, Defendant had filed a motion to dismiss based on venue that attached evidence it

⁸⁶ 193 F.3d 1074, 1080 (9th Cir. 1999).

⁸⁷ Com. Space Mgmt. Co. v. Boeing Co., 193 F.3d at 1080.

⁸⁸ ADD0822; ADD0922-ADD0923.

 $^{^{89}\,}ADD0746\text{-}ADD0763$ at $\P\P14\text{-}15.$

⁹⁰ See, e.g., Lake at Las Vegas Invs. Grp., Inc. v. Pac. Malibu Dev. Corp., 933 F.2d 724, 727 (9th Cir. 1991).

did not have a regular and established place of business in Colorado,⁹¹ even though Defendant advertised it had an office in Denver.

The same patent infringement claims were refiled in NDCA as *Koji* II. Due to low sales, that case was dismissed.⁹² After further review, Koji III was filed on a different Renesas product.⁹³ Koji III is not the same case as Koji II, as Koji III accused a different product, thus a different claim. Also, Koji II differed from Koji I, as Koji II was in a different venue The Ninth Circuit uses a "transactional approach for from *Koji I*. purposes of the two-dismissal rule and holds that a subsequent claim is the same as a previously dismissed claim if it arises from the same set of facts as the first action and the claim could have been or was raised in the preceding action."94 The accused product in the present case, *Koji III*, is different than the accused product in the prior California case, Koji II, i.e., the facts and thus the claim differ. Therefore, the two-dismissal rule would not apply. It was error for the Magistrate's Order to find bad faith

⁹¹ ADD0746-ADD0763; ADD0993-ADD0995 at ¶5.

⁹² ADD0746-ADD0763 at ¶¶12-15; ADD0993-ADD0995 at ¶¶6-7.

⁹³ ADD0746-ADD0763 at ¶¶5-15.

⁹⁴ Rose Ct., LLC v. Select Portfolio Servicing, Inc., 119 F.4th 679, 686 (9th Cir. 2024).

based on the filing of *Koji III*.⁹⁵ There can be no abuse of the judicial system if the filing is allowed, as it is here.⁹⁶

The Magistrate's Order further erred by analyzing the subjective intent of the Sanctioned Parties as to whether they had case law to support what they did. "[T]he frivolousness prong of Rule 11 is measured by *objective* reasonableness, [citation omitted], whether [a party] actually relied on" the cases which show its claims aren't frivolous is irrelevant. The same rule applies to the factual basis for a claim.⁹⁷ The commentary on Rule 11 emphasizes that the Rule "is not intended to chill an attorney's enthusiasm or creativity in pursuing factual or legal theories."⁹⁸ It is highly likely the Sanctioned Parties will reverse the Rule 11 sanction.

3. Inherent Power Sanctions are Improper as there is No Bad Faith

To impose sanctions under its inherent authority or potentially award attorneys' fees under Rule 41(d), a court must "make an explicit finding that counsel's conduct constituted or was tantamount to bad

⁹⁵ ADD0039-ADD0082 at ADD0062-ADD0065.

⁹⁶ See, e.g., Rose Ct., LLC, 119 F.4th at 686.

⁹⁷ In re Keegan Mgmt. Co., Sec. Litig., 78 F.3d 431, 434 (9th Cir. 1996)
⁹⁸ Operating Eng'rs Pension Tr. v. A-C Co., 859 F.2d 1336, 1344 (9th Cir. 1988) citing Fed.R.Civ.P. 11, Notes of Advisory Committee on Rules.

faith."99 The Magistrate's Order erred when it found bad faith because the Sanctioned Parties filed the third action, Koji III,¹⁰⁰ as caselaw specifically allows the filing.¹⁰¹ As well, the Sanctioned Parties had a persuasive explanation as to why it was filed.¹⁰² Further, the Ninth Circuit recognizes exceptions to the two dismissal rule that should have precluded the imposition of sanctions as the Sanctioned Parties had a reasonable argument as to why they could file the third lawsuit.¹⁰³ An entirely new product was accused of infringement in Koji III and therefore the facts and claims are not the same.¹⁰⁴ It was error for the Magistrate's Order to find that bad faith was shown through not investigating Rule 41 and otherwise filing *Koji III*, as there was a good faith basis.¹⁰⁵ Therefore, it is likely the inherent power sanctions will be reversed.

4. The Sanctioned Parties Were Not Practicing Law in California

a. Mr. Ramey and Mr. Kubiak Were Advising on the

⁹⁹ Christian v. Mattel, Inc., 286 F.3d 1118, 1131 (9th Cir. 2002).

¹⁰⁰ ADD0039-ADD0082 at ADD0062.

¹⁰¹ See, e.g., Rose Ct., LLC, 119 F.4th at 686.

¹⁰² See, e.g., Milkcrate Athletics, Inc., 619 F. Supp. 3d at 1025.

¹⁰³ Com. Space Mgmt. Co. v. Boeing Co., 193 F.3d at 1080.

¹⁰⁴ ADD0746-ADD0763 at ¶¶14-15.

¹⁰⁵ ADD1072-ADD1074 at 45:6-17; ADD0818-ADD0828 at ¶¶17, 27-28.

Federal Issues of Patent Infringement Law

The Sanctioned Parties are likely to prevail that they were not practicing law in California and therefore Ms. Kalra was not aiding and abetting and thus there is no violation of the Court's authority under the Civil Local Rules. Ms. Kalra was the lead attorney in every case filed in California for or with Ramey LLP.¹⁰⁶ Therefore, a licensed California attorney was always lead counsel on every case and responsible for all filings. As a preliminary matter, the Sanctioned Parties note that each firmly believed that what they were doing was well within the letter of the law and local rules, but more importantly, the Sanctioned Parties instantly modified their behavior and discontinued the practices that Magistrate Judge Kang said were improper.¹⁰⁷ As such, the conduct is not likely to be repeated and the conduct was not thought to violate any ethical rule or rule of practice at the time it occurred.¹⁰⁸ As the actions were not intentional violations, if a sanction is determined appropriate, a written reprimand is more appropriate rather than the Magistrate's

¹⁰⁶ ADD1028-ADD1097 at 10:13-22; 31:16-34:9.

¹⁰⁷ ADD0809-ADD0817 at ¶¶14, 20-23; ADD0818-ADD0828 at ¶¶19-23; and, ADD0974-ADD0987 at ¶¶10-14.

¹⁰⁸ ADD0809-ADD0817 at ¶¶ 20-23; ADD0818-ADD0828 at ¶¶20-23; and, ADD0974-ADD0987 at ¶¶11-14.

Order issuing sanctions that quite likely will be career altering. In fact, Ms. Kalra has resigned from her new law firm over the Magistrate's Order¹⁰⁹ and Mr. Ramey was censored by Gene Quinn of IP Watchdog through the removal of Mr. Ramey's previously published articles and the scrubbing of his profile from the website because of the Magistrate's Order.¹¹⁰ Therefore, irreparable damage has already been done by the Magistrate's Order.

Ninth Circuit caselaw provides that the State Supreme Court in California considers the conduct of an attorney to be the practice of law in California when it entails sufficient contact with a *California* client to render the nature of the legal service a clear legal representation. In making the determination, the nature of the unlicensed lawyer's activities in the state must be examined.¹¹¹ Mere fortuitous or attenuated contacts will not sustain a finding that the unlicensed lawyer practiced law in California. The primary inquiry turns on whether the unlicensed lawyer engaged in sufficient activities or created a continuing

¹⁰⁹ ADD1100-ADD1110; Ramey Decl. at ¶14.

 $^{^{110}}$ ADD1023-ADD1027; Ramey Decl. at ¶3.

¹¹¹ Winterrowd v. Am. Gen. Annuity Ins. Co., 556 F.3d 815, 821–23 (9th Cir. 2009).

relationship with a *California* client that included legal duties and obligations.¹¹² Koji is a Texas entity.

The Ninth Circuit case law provides that the legal services of a lawyer wholly performed in a state other than California are not the unauthorized practice of law when the legal services have more to do with an issue of federal law than state law, ERISA law in the cited case, and a licensed California lawyer is involved.¹¹³ The Court in *Winterrowd* further found that the out of state lawyer was not practicing law in California because the arrangement the out of state lawyer had with the in state lawyer was more like a partnership, which is exactly the situation of the present case, Ms. Kalra was the California lawyer on the case and responsible as lead attorney.¹¹⁴ For all practical purposes, the arrangement between Mr. Ramey, Mr. Kubiak and Ms. Kalra is analogous to a partnership for the prosecution of the patent infringement claim against the Defendant which is similar to the type of partnership found in *Winterrowd*.¹¹⁵ The Ninth Circuit found it very relevant if one

¹¹² Winterrowd, 556 F.3d at 821–23.

¹¹³ Winterrowd, 556 F.3d at 821–22.

¹¹⁴ Winterrowd, 556 F.3d at 821–22.

¹¹⁵ See, e.g., Id. at 821–23.

of the lawyers performing the work is licensed in California.¹¹⁶

The Ninth Circuit further holds that state law is not determinative of whether a lawyer practicing in federal court is authorized to practice and recognized that an out of state lawyer could always seek admission by *pro hac vice* admission.¹¹⁷ The Magistrate's Order did find that each of Mr. Ramey and Mr. Kubiak were regularly practicing law in California but without any specificity as to what acts constituted the practice of law in California and thus in error.¹¹⁸ That Mr. Ramey and Mr. Kubiak appeared on pleadings with the modifier "*pro hac vice anticipated*" or the like is precisely the type of attenuated contact that the California Supreme Court said would not support that either was practicing law in California.¹¹⁹ In fact, the modifier makes it very clear that both are not licensed.

The Sanctioned Parties formed a partnership where Ms. Kalra handled the state law matters and Mr. Ramey and Mr. Kubiak delivered highly specialized advice on federal patent litigation.¹²⁰ Further, much

¹¹⁶ See, e.g., Id. at 822.

¹¹⁷ See, e.g., Id. at 823.

¹¹⁸ ADD0039-ADD0082 at 32-33.

¹¹⁹ See, e.g., Winterrowd, 556 F.3d at 821–23.

 $^{^{120}}$ *Id*.

like in *Winterrowd*, if required, there is no reason Mr. Ramey or Mr Kubiak would not be admitted *pro hac* vice. Both are members in good standing with the Texas State Bar¹²¹ and each have over 25 years As in *Spanos*, there has been "no suggestion of any practice.¹²² unlawyerlike conduct on [their] part," prior to the Magistrate's Order.¹²³ While the Magistrate's Order does make a finding that Mr Ramey and Mr. Kubiak are regularly engaged in the practice of law in California,¹²⁴ which might disqualify each from *pro hac vice* admission under Civil L.R. 11-3(c), the record evidence is believed to show only attenuated contact on the highly specialized area of patent litigation. The evidence of record is that a California lawyer was lead counsel for all cases, except for the three transferred cases and in the process of being dismissed at the time of transfer.¹²⁵ Moreover, to the extent the Magistrate's Order seeks to limit Koji from using any of the Ramey Firm lawyers, the privileges and immunities clause of the U.S. Constitution which prohibits a state from denying a citizen with a federal claim or defense from engaging an out-

 $^{^{121}}$ ADD1023-ADD1027 at $\P 8.$

 $^{^{122}}$ ADD1023-ADD1027 at ¶9.

¹²³ Spanos v. Skouras Theatres Corp., 364 F.2d 161, 168 (2d Cir. 1966). ¹²⁴ ADD0039-ADD0082 at ADD0066.

¹²⁵ ADD1023-ADD1027 at ¶¶5-7.

of-state lawyer to collaborate with an in-state lawyer and give legal advice concerning it within the state, would likely prevent any such result.¹²⁶ For the reasons provided herein, the Sanctioned Parties are likely to prevail and reverse Magistrate's Order's finding that Mr. Ramey and Mr. Kubiak were engaged in the unauthorized practice of law and that Ms. Kalra aided and abetted that practice.¹²⁷

While not believed necessary for this Application, the Sanctioned Parties' Objections to the Magistrate's Order¹²⁸ fully discuss the California cases referenced by the Magistrate's Order and are provided in the Addendum accompanying this Application.¹²⁹

b. The Use of "Pro Hac Vice Anticipated" is not Uncommon

Magistrate Judge Kang's finding of the unauthorized practice of law will have chilling effect on a patent plaintiff's ability to obtain representation and will further limit access to the courts for patent owners.¹³⁰ The use of "*pro hac vice anticipated*" is not uncommon. A brief

¹²⁶ Spanos v. Skouras Theatres Corp., 364 F.2d 161, 170 (2d Cir. 1966).

¹²⁷ ADD0039-ADD0082 at ADD0061.

¹²⁸ ADD0039-ADD0082.

¹²⁹ ADD1007-ADD1019 at 8:8 - 20:9 (Objections 5-9).

¹³⁰ ADD0993-ADD0995 at ¶¶4-13.

search located several examples.¹³¹ Likewise, Benjamin Charkow, counsel for Renesas, worked on *Koji III* and *Koji II* for months¹³² before finally appearing, after the case was closed, when Renesas filed its motion for fees on June 26, 2024.¹³³ Additionally, as a practical matter, venue is restrictive in patent cases and where a case is filed is often not where a plaintiff would like to file. Any rule that limits patent holders from choosing counsel of their choice would almost certainly run afoul of the privileges and immunities clause of the U.S. Constitution.¹³⁴

5. If a Sanction is Deemed Warranted, a Less Severe Sanction is Appropriate

The Sanctioned Parties have objected to the sanctions issued as not being proper.¹³⁵ Sanctions imposed should be limited to what is "sufficient to deter repetition of such conduct or comparable conduct by others similarly situated."¹³⁶ If a sanction is determined appropriate, a more appropriate sanction would be admonishment of the conduct, as it

¹³¹ ADD1023-ADD1027 at ¶¶4-6.

¹³² ADD0265-ADD0269 at 151-155/620.

¹³³ ADD0088-ADD0114.

¹³⁴ Spanos v. Skouras Theatres Corp., 364 F.2d 161, 170 (2d Cir. 1966).
¹³⁵ ADD0996-ADD1022 at ADD1020-ADD1021 and generally;
ADD1165-ADD1189 at ADD1187-ADD1188 and generally.
¹³⁶ Fed.R.Civ.P. 11(b)(2)(A).

has already stopped and was not done to circumvent any rule. The evidence of record is that the procedure used by the Ramey Firm was believed to be in compliance but that immediately after the August 22, 2024, hearing, the process was changed.¹³⁷ As such, there is little chance the conduct repeats. It is error for the Magistrate's Order to require the Sanctioned Parties self-report the sanctions imposed on them and engage in CLE study.¹³⁸ It is further error for the Magistrate's Order to require the Sanctioned Parties further selfreport.¹³⁹ It is further error for the Magistrate's Order to require Mr. Ramey and Mr. Kubiak to each complete CLE classes¹⁴⁰ and for the Magistrate's Second Order to require further CLE.¹⁴¹ These sanctions and unwarranted, potentially career ending. and are severe unreasonable as to the length of 5 years. It is further error for the Magistrate's Order¹⁴² and the Magistrate's Second Order¹⁴³ to require

¹³⁷ ADD0809-ADD0817 at ¶14; ADD0818-ADD0828 at ¶19; and,

ADD0974-ADD0987 at ¶10; ADD1033-ADD1034.

¹³⁸ ADD0039-ADD0082 at ADD0076.

¹³⁹ ADD0039-ADD0082 at ADD0076.

¹⁴⁰ ADD0039-ADD0082 at ADD0081.

¹⁴¹ ADD0003-ADD0038 at ADD0037.

¹⁴² ADD0039-ADD0082 at ADD0076.

¹⁴³ ADD0003-ADD0038 at ADD0038.

the Sanctioned Parties each to self-report the sanctions imposed while the appeal is pending. The Sanctioned Parties have already discontinued the practice and it is not likely to be repeated.¹⁴⁴

B. The Sanctioned Parties will be Irreparably Harmed

The Penal Sanctions are severe, unwarranted, potentially career ending, and unreasonable as requiring reporting for the next 5 years.¹⁴⁵ The Sanctioned Parties have already discontinued the practice and it is not likely to be repeated.¹⁴⁶ A stay for any self-reporting, and other sanctions, should be afforded the Sanctioned Parties pending the appellate process, as once reported the sanctions cannot be undone.¹⁴⁷ The harm will be immediate and severe.¹⁴⁸ Once reported to bar organizations, even if successful on appeal, the Sanctioned parties will not be able to un-ring that bell. The harm is immediate and

¹⁴⁷ Gibson v. Credit Suisse AG, No. 1:10-CV-00001-JLQ, 2015 WL
105999, at *1-2 (D. Idaho Jan. 7, 2015) citing *Hilton v. Braunskill*, 481
U.S. 770, 776 (1987); see also Nken, 556 U.S. at 433.
¹⁴⁸ Gibson v. Credit Suisse AG, No. 1:10-CV-00001-JLQ, 2015 WL
105999, at *2 (D. Idaho Jan. 7, 2015)

 $^{^{144}}$ ADD0809-ADD0817 at ¶14; ADD0818-ADD0828 at ¶19; and, ADD0974-ADD0987 at ¶10.

¹⁴⁵ ADD0039-ADD0082 at 38:13-23 (item 4); ADD0003-ADD0038 at 35:28-36:10 (item 7).

 $^{^{146}}$ ADD0809-ADD0817 at ¶14; ADD0818-ADD0828 at ¶19; and, ADD0974-ADD0987 at ¶10; ADD1033-ADD1034.

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C. The Requested Stay Will Not Injure Any Party

The requested stay is not a request to stay any payment to Defendant. No party will be injured by the requested stay.¹⁵⁰

D. The Public Interest Will Not Be Adversely Affected

While the public certainly has an interest in lawyers performing their duties properly, the public interest is not served by permanently damaging the Sanctioned Parties' careers with orders that are capable of modification, especially when no harm will come to Defendant.¹⁵¹ As well, the public interest is best served by opening access to the courts for more patent owners. The Penal Sanctions will have the effect of closing the courts to many more patent owners. There are already few firms willing to represent small patent owners.¹⁵²

E. The Four Factors Weigh Heavily in Favor of Staying Execution

All factors support stay of enforcement of the Penal Sanctions; the monetary sanction issued in the Magistrate's Order¹⁵³ and a stay of the

¹⁴⁹ Ramey Decl. at $\P 8$.

¹⁵⁰ Ramey Decl. at ¶9.

¹⁵¹ Ramey Decl. at ¶10.

¹⁵² ADD0993-ADD0995 at ¶¶3-13.

¹⁵³ ADD0039-ADD0082 at 37:22-44:7 (items 1-11).

reporting/CLE requirements in the Magistrate's Second Order,¹⁵⁴ pending the appeal. The irreparable harm absent a stay is significant and the Sanctioned Parties have shown the likelihood of prevailing on appeal.¹⁵⁵ To the extent necessary, this case I also believed to be one that this Court would grant review for at least the reasons that the Penal sanctions do not afford the due process required by *Goodyear Tire & Rubber Co. v. Haeger.*¹⁵⁶

V. MAGISTRATE JUDGE KANG LACKS JURISDICTION

The Parties, Koji and Renesas, did not consent while the case was open. The Magistrate's Order finding that both parties consented is in error.¹⁵⁷ Plaintiff filed a consent on June 10, 2024, that limited its consent to Final Judgment:

In accordance with the provisions of 28 U.S.C. § 636(c), I voluntarily <u>consent</u> to have a United States magistrate judge conduct all further proceedings in this case, including trial and entry of final judgment. I understand that appeal from the judgment shall be taken directly to the United States Court of Appeals for the Ninth Circuit. 158

¹⁵⁴ ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

¹⁵⁵ The Sanctioned Parties cannot yet appeal a portion of the Magistrate's Second Order as the award of attorneys' fees has not been set.

¹⁵⁶ 581 U.S. 101, 137 S. Ct. 1178, 197 L. Ed. 2d 585 (2017).
¹⁵⁷ ADD0039-ADD0082 at 1:21-22.

¹⁵⁸ ADD0083-ADD0085.

However, Defendant did not consent until June 26, 2024,¹⁵⁹ which was after Final Judgment, after Plaintiff voluntarily dismissed its case on June 12, 2024:¹⁶⁰

[t]h[e] [filing of notice] itself closes the file. There is nothing the defendant can do to fan the ashes of that action into life and the court has no role to play. This is a matter of right running to the plaintiff and may not be extinguished or circumscribed by adversary or court.¹⁶¹

Thus, both parties did not consent before Final Judgment and jurisdiction was not conferred on Magistrate Judge Kang to issue orders not reviewable by the District Court. Where both parties have not consented, a magistrate judge does not obtain jurisdiction over a matter.¹⁶² Defendant/Appellee's consent was not effective as it was after Final Judgment, the limit of Koji's consent. Therefore, whether considered a non-dispositive order or a dispositive order, the Sanctioned Parties believe the District Court's consideration of these objections is necessary prior to consideration of the appeal on its merits. However,

¹⁵⁹ ADD0736-ADD0739.

¹⁶⁰ ADD0086-ADD0087.

¹⁶¹ Com. Space Mgmt. Co. v. Boeing Co., 193 F.3d 1074, 1077 (9th Cir. 1999).

¹⁶² See, e.g., Anderson v. Woodcreek Venture Ltd., 351 F.3d 911, 915
(9th Cir. 2003).

such requirement does not prevent this Court from issuing the requested stay of enforcement.

VI. CONCLUSION

Koji IP, LLC, William P. Ramey, III, Susan S.Q. Kalra and Jeffrey E. Kubiak respectfully pray this Court enter an order staying enforcement of the Penal Sanctions; the Magistrate's Order¹⁶³ and the Reporting/CLE requirements of the Magistrate's Second Order,¹⁶⁴ during the pendency of the appellate process.

Respectfully submitted,

Ramey LLP

<u>/s/ William P. Ramey, III</u> William P. Ramey, III Texas State Bar No. 24027643 5020 Montrose Blvd., Suite 800 Houston, Texas 77006 713-426-3923 (Telephone)

Attorneys For Koji IP, LLC, William P. Ramey, III, Susan S.Q. Kalra and Jeffrey E. Kubiak

¹⁶³ ADD0039-ADD0082 at 37:22-44:7 (items 1-11). ¹⁶⁴ ADD0003-ADD0038 at 35:4-36:24 (items 4-8).

CERTIFICATE OF COMPLIANCE

I certify that this Motion is proportionately spaced and contains 5078 words excluding parts of the document exempted by Federal Circuit Rule 27(d).

> <u>/s/ William P. Ramey, III</u> William P. Ramey, III

STATEMENT OF CONSENT OR OPPOSITION OF OPPOSING COUNSEL

Counsel for Appellant emailed counsel for Appellee on April 11, 2025, and received two responsive e-mails on April 11, 2025 and further communications that indicate that Renesas is opposed to a stay.

> <u>/s/ William P. Ramey, III</u> William P. Ramey, III

CERTIFICATE OF SERVICE

Pursuant to the Federal Rules of Civil Procedure, I hereby certify that all counsel of record who have appeared in this case are being served on this day of April 22, 2025, with a copy of the foregoing via e-mail.

> <u>/s/ William P. Ramey, III</u> William P. Ramey, III