

Yahoo, Droplets Agree To Settle After \$28M Patent Judgment

By **Kelly Lienhard**

Law360 (December 15, 2023, 8:23 PM EST) -- Yahoo and Droplets have entered a confidential settlement in the infringement fight over Droplets' patents on technology for updating websites, and asked a California federal court to dismiss the case after a judge had found in March that Yahoo should pay Droplets \$28 million.

The two tech companies informed the court of their settlement and asked for dismissal with prejudice Thursday, adding that they would cover their own costs.

Details on the settlement were not publicly available at the time of publication.

The settlement between the two companies comes over a year after a Northern California jury found that Yahoo owed the small Texas company, which had sought \$260 million in damages, **\$15 million**.

The nine-member jury reached its unanimous decision in March 2022 after about seven hours of deliberation, on the day after the three-week trial wrapped up. It found Droplets had proven it was more likely than not that Yahoo infringed one claim of the patent-at-issue with one product — Yahoo Search Assist — but found against Droplets with respect to four other Yahoo products.

Droplets first sued Yahoo back in 2011 along with tech giants Amazon, Apple, Facebook, Google and YouTube. The other companies all settled.

In March, U.S. District Judge Jon Tigar **rejected** Yahoo's request to throw out the verdict, saying the company was asking the court to "apply an interpretation narrower than the plain and ordinary meaning" of the patented technology's claim language and the court's construction.

Instead of tossing the \$15 million award, Judge Tigar brought the damages up to a total of just over \$28 million, including prejudgment and postjudgment interest.

Both sides filed appeals to Judge Tigar's final award: Yahoo in April, and Droplets in May. Neither side ended up filing a brief in the appeals case ahead of Thursday's settlement announcement.

Counsel for both parties did not immediately respond to a request for comment Friday afternoon.

The patent-in-suit is U.S. Patent Number 6,687,745.

In the district court case, Droplets is represented by Courtland L. Reichman, Shawna L. Ballard, Jennifer Estremera, Khue V. Hoang, Jaime F. Cardenas-Navia and Michael Matulewicz-Crowley of Reichman Jorgensen Lehman & Feldberg LLP. In the appeal, it is represented by Courtland L. Reichman, Christine Lehman, Brian C. Baran, Ariane Salone Mann, Khue V. Hoang and Taylor Mauze of Reichman Jorgensen Lehman & Feldberg LLP.

In the district court case, Yahoo is represented by George D. Niespolo, Aleksander Goranin, Kevin P. Anderson, Woody Jameson and Matt C. Gaude of Duane Morris LLP and Jennifer H. Doan and Joshua R. Thane of Haltom & Doan. In the appeal, it is represented by Deanne E. Maynard and Seth W. Lloyd of Morrison Foerster LLP and Kevin Paul Anderson, Aleksander Jerzy Goranin, L. Norwood Jameson and Matthew Christopher Gaudet of Duane Morris LLP.

The case is Droplets Inc. v. Yahoo! Inc., case number 23-1854, in the U.S. Court of Appeals for the Federal Circuit. The underlying case is Droplets Inc. v. Yahoo! Inc., case number 4:12-cv-03733, in the U.S. District Court for the U.S. District Court for the Northern District of California, Oakland Division.

--Additional reporting by Bonnie Eslinger. Editing by Caitlin Wolper.