1 Jeffrey N. Mausner (State Bar No. 122385) ieff@mausnerlaw.com 2 David N. Schultz (State Bar No. 123094) 3 Schu1984@yahoo.com Law Offices of Jeffrey N. Mausner 4 21800 Oxnard Street, Suite 910 Woodland Hills, California 91367-3640 5 Telephone: (310) 617-8100, (818) 992-7500 Facsimile: (818) 716-2773 6 7 Attorneys for Plaintiff Perfect 10, Inc. 8 UNITED STATES DISTRICT COURT 9 CENTRAL DISTRICT OF CALIFORNIA 10 11 PERFECT 10, INC., a California Case No.: CV 04-9484 AHM (SHx) corporation, 12 Before Judge A. Howard Matz Plaintiff, 13 v. MEMORANDUM OF POINTS AND 14 **AUTHORITIES IN SUPPORT OF** GOOGLE INC., a corporation, PLAINTIFF PERFECT 10. INC.'S 15 Defendants. MOTION FOR REVIEW OF, AND **OBJECTIONS TO, MAGISTRATE** 16 **JUDGE HILLMAN'S JUNE 16, 2010 ORDER ON PERFECT 10'S MOTION** 17 FOR EVIDENTIARY AND OTHER 18 SANCTIONS AGAINST DEFENDANT **GOOGLE INC.** 19 **NOTICE OF MOTION SUBMITTED** 20 SEPARATELY HEREWITH 21 PUBLIC REDACTED VERSION 22 Date: August 16, 2010 23 Time: 10:00 a.m. Place: Courtroom 14, Courtroom of the 24 Honorable A. Howard Matz 25 Discovery Cut-Off Date: None Set 26 Pretrial Conference Date: None Set Trial Date: None Set. 27 28

Perfect 10 Inc v Google Inc et al

Dod. 949

TABLE OF CONTENTS

I.	INTR	ODUCTION AND SUMMARY OF ARGUMENT1
	A.	Judge Hillman's Ruling Regarding "DMCA logs in an electronic spreadsheet format" Is Clearly Erroneous
	B.	Judge Hillman's Ruling Regarding "DMCA Termination Notices" Is Clearly Erroneous
	C.	Judge Hillman's Ruling Regarding Third Party DMCA Notices Is Clearly Erroneous And Contrary To Law
	D.	Judge Hillman's Rulings Regarding Blogger Are Clearly Erroneous And Contrary To Law
	E.	Judge Hillman's Ruling That Google Has Not Violated Court Orders Is Contrary To Law
	F.	Judge Hillman's Ruling That Perfect 10 Has Suffered No Resulting Prejudice Is Clearly Erroneous And Contrary To Law
II.	RELE	EVANT PROCEDURAL BACKGROUND8
III.	LEGA	AL STANDARDS APPLICABLE TO THIS MOTION9
IV.	PROI	GE HILLMAN'S RULINGS REGARDING GOOGLE'S DUCTION OF A DMCA LOG ARE CLEARLY ERRONEOUS CONTRARY TO LAW
V.	THIS TO JI	COURT SHOULD SUSTAIN PERFECT 10'S OBJECTIONS UDGE HILLMAN'S RULING REGARDING DMCA MINATION NOTICES
VI.	ТОЛ	COURT SHOULD SUSTAIN PERFECT 10'S OBJECTIONS UDGE HILLMAN'S RULING REGARDING THIRD-PARTY A NOTICES16
VII.	JUDO CLEA	GE HILLMAN'S RULINGS REGARDING BLOGGER ARE ARLY ERRONEOUS AND CONTRARY TO LAW18
VIII.	JUDO VIOL	GE HILLMAN'S CONCLUSION THAT GOOGLE HAS NOT LATED ANY COURT ORDERS IS CONTRARY TO LAW21
IX.	TO C	GE HILLMAN'S CONCLUSION THAT GOOGLE'S FAILURE OMPLY WITH COURT ORDERS REGARDING OVERY HAS NOT PREJUDICED PERFECT 10 IS
X.	CON	TRARY TO LAW. 21 CLUSION. 23
I		

TABLE OF AUTHORITIES

1	TABLE OF AUTHORITIES
2	Cases
3	Bhan v. NME Hospitals, Inc., 929 F.2d 1404 (9th Cir. 1991)9
4	Columbia Pictures, Inc. v. Bunnell, 245 F.R.D. 443 (C.D. Cal. 2007)10
5	Grimes v. City and County of San Francisco, 951 F.2d 236 (9th Cir. 1991)9
6 7	Perfect 10, Inc. v. CCBill, LLC, 488 F.3d 1102 (9th Cir.), cert denied, 128 S. Ct. 709 (2007)
8	United States v. McConney, 728 F.2d 1195 (9th Cir. 1984)
9	United States v. United States Gypsum Co., 333 U.S. 364 (1948)9
10	Statutes
11	17 U.S.C. § 512
12	28 U.S.C. § 6369
13	Rules
14	
15	Fed. R. Civ. P. 26z
16	Fed. R. Civ. P. 729
17	
18	
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I. <u>INTRODUCTION AND SUMMARY OF ARGUMENT.</u>

Plaintiff Perfect 10, Inc. ("Perfect 10") moves this Court to review and set aside portions of Magistrate Judge Hillman's June 16, 2010 Order (the "Order" or the "June 16 Order"), granting in part and denying in part Perfect 10's Motion for Evidentiary and Other Sanctions against Defendant Google Inc. (the "Motion"). As explained below, the Order is clearly erroneous and contrary to law because Judge Hillman repeatedly determined that Google had produced documents in response to discovery orders *when such documents have never been produced*. As a result, Judge Hillman mistakenly concluded that Google had not violated any Court Orders compelling Google to comply with discovery.

Perfect 10 filed the Motion because Google's failure to produce thousands of documents, in violation of multiple Court Orders, has dramatically impacted Perfect 10's ability to fully and fairly oppose Google's pending summary judgment motions and to otherwise litigate the case. In particular, Google has failed to produce the following critical documents ordered by the Court:

1) **Google's DMCA Log,** in violation of this Court's May 13, 2008 Order, which compelled Google to produce its DMCA Log in response to Perfect 10's Request for Production ("RFP") No. 196 and defined "DMCA log" as "a spreadsheet-type document summarizing DMCA notices received, the identity of the notifying party and the accused infringer, and the actions (if any) taken in response." *See* May 13, 2008 Order (Docket No. 294) at 5:1-9.²

¹ For the convenience of the Court, a copy of the June 16 Order (Docket No. 896) is attached as Exhibit 1 to Perfect 10's Notice of Motion, submitted separately herewith.

² See, e.g., Perfect 10's Memorandum of Points and Authorities in support of the Motion (Docket No. 633) ("Memo"), at 2:12-3:4, 6:6-9:24; Perfect 10's Reply Memorandum of Points and Authorities in support of the Motion (Docket No. 683) ("Reply Memo") at 6:4-8:16; Declaration of Dr. Norman Zada in support of the Motion (Docket No. 635) ("Zada Decl."), ¶4, Exh. 1; Reply Declaration of Dr. Norman Zada in support of the Motion (Docket No. 681) ("Zada Reply Decl."), ¶31.

- 2) Google's Notices of Termination of Repeat Infringers, in violation of Judge Hillman's May 22, 2006 Order concerning RFP Nos. 26 and 27 (as modified), which compelled Google to produce "[a]ll notices of termination issued by Google as a result of alleged intellectual property violations." *See* May 22, 2006 Order (Docket No. 163) at 5:15-20. *See*, *e.g.*, Memo at 13:4-24; Reply Memo at 12:12-13:3; Zada Reply Decl. ¶¶24, 29, 31, Exh. 39.
- 3) **Third-Party DMCA Notices,** in violation of Judge Hillman's May 22, 2006 Order concerning RFP No. 51³ and Google's own subsequent representations that it had already produced documents responsive to RFP No. 51, "constituting all notices received by Google regarding intellectual property violations" and "all underlying notices of infringement." *See* May 22, 2006 Order at 2:25-27. *See, e.g.*, Memo at 3:22-4:14; 11:24-13:3; Reply Memo at 9:7-12:11.

Despite the clear and compelling evidence of discovery abuse submitted by Perfect 10, Judge Hillman denied Perfect 10's request for sanctions and ruled, among other things, that Google had not committed "any sanctionable violation of a Discovery Order." Order at 1. Moreover, although Judge Hillman granted in part Perfect 10's request for alternative relief and compelled Google to produce certain additional documents, his rulings concerning this relief are filled with incorrect statements that are clearly erroneous and contrary to law. Accordingly, this Court

GOOGLE'S DMCA Log for the years 2001 through 2005, or any other DOCUMENTS sufficient to IDENTIFY all ENTITIES other than Perfect 10 from whom GOOGLE has received a notice regarding an intellectual property violation, the URLs complained about in each notice from each such ENTITY, and the dates of the complaints for each such URL. These DOCUMENTS should be provided in electronic format if available.

Declaration of Jeffrey N. Mausner in support of the Motion, filed on November 29, 2009 (Docket No. 618) ("Mausner Decl.") ¶2, Exh. A, pp. 12-13. Because Google admittedly did not produce a DMCA log in response to RFP No. 51, Perfect 10 was entitled to all notices received by Google from third parties regarding an intellectual property violation, including all DMCA notices. To date, however, Perfect 10 has received neither the log nor the requested notices.

³ RFP No. 51 states as follows:

below].

should sustain Perfect 10's objections and set aside or modify the following portions of the June 16 Order:

A. Judge Hillman's Ruling Regarding "DMCA logs in an electronic spreadsheet format" Is Clearly Erroneous.

The Order states that "[s]uch documents were already produced in TIFF format as to Web Search, Image Search and AdSense." Order at 2, ¶1. In fact, Google has never produced the DMCA Log this Court ordered Google to produce in its May 13, 2008 Order. Instead of producing the "spreadsheet-type" document required by this Court, Google merely identified approximately xxxxxx pages of disorganized, duplicative and unreadable documents that Google previously had produced (the "Disorganized DMCA Pages") as its alleged log. The Disorganized DMCA Pages are a gigantic mess that fails to satisfy this Court's Order Accordingly, Judge Hillman's ruling regarding "DMCA logs" is clearly erroneous [see Section IV,

B. Judge Hillman's Ruling Regarding "DMCA Termination Notices" Is Clearly Erroneous.

The Order states that "[s]uch documents were already produced as to Web Search, Image Search and AdSense." Order at 2, ¶2. In fact, although Google was ordered to produce "all notices of termination" – which should have obligated Google to produce thousands of pages of documents – Google has only produced a handful of termination notices. Google has never produced any termination notices that resulted from DMCA notices submitted to Google by third parties. The number of termination notices issued by Google as a result of third party DMCA notices should dwarf the number of termination notices issued as a result of Perfect 10's

1 2 notices dated after March 4, 2006. Google has also failed to produce any 3 4 5 6 7 8

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below].

Judge Hillman's Ruling Regarding Third Party DMCA Notices Is C. **Clearly Erroneous And Contrary To Law.**

DMCA notices. Furthermore, Google has failed to produce any termination

termination notices related to any termination listed on the document Google

characterizes as its "AdSense Repeat Infringer Tracking Sheet." Moreover, a

substantial percentage of the few documents that Google has identified as termination

notices are not even termination notices. Rather, they are actually Perfect 10 DMCA

notices, error messages, or reinstatement notices. Accordingly, Judge Hillman's

ruling regarding "DMCA termination notices" is simply wrong [see Section V,

The Order states that "Third Party DMCA Notices were never requested for Web Search, Image Search, AdSense, nor for Blogger, and therefore are not ordered produced." In fact, Perfect 10 requested such notices in RFP No. 51, which contained broad language that necessarily included all DMCA notices. See footnote 3, supra. In response to RFP No. 51, Google was required to produce documents that identified every URL contained in a notice received by Google. Because Google never produced a complete DMCA log, RFP No. 51 required Google to produce all intellectual property notices, including all DMCA notices. Nevertheless, Google admits that it has not produced thousands of DMCA notices, despite having previously represented that it had produced "all notices received by Google regarding intellectual property violations." Accordingly, Judge Hillman's ruling regarding DMCA notices, which does not even mention Google's failure to comply with RFP 51 or Google's previous statements that it had already produced all notices regarding intellectual property violations, is clearly erroneous and contrary to law [see Section VI, below].

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D. Judge Hillman's Rulings Regarding Blogger Are Clearly Erroneous And Contrary To Law.

The term "Blogger" refers to websites whose domain name includes the term blogger.com or blogspot.com. Google links to such websites in its Web Search and Image Search results and also hosts such websites. The Order states that Perfect 10 did not propound requests for Blogger DMCA logs, Blogger DMCA termination notices or Blogger third-party DMCA notices, and they "are not ordered produced." Order at 2, ¶¶1-3. The Order also states that "Blogger Repeat Infringer Tracking Sheets were never formally requested, and are not ordered produced." *Id.* at 3, ¶5. Furthermore, the Order states that "Perfect 10 has not persuaded this Court . . . that Blogger-related documents were embraced within Discovery Orders issued prior to the date that Blogger was formally added to the case in 2008." *Id.* at 1.

In fact, Blogger has been part of the case since at least January 2005, when Perfect 10 filed its First Amended Complaint in this action – **before Perfect 10** served any of the discovery at issue in the Order. The First Amended Complaint includes claims for copyright infringement arising out of Google's alleged copying of copyrighted Perfect 10 images ("P10 Images"). These allegations cover any copies of P10 Images that Google made on its blogger.com and blogspot.com websites. Moreover, the First Amended Complaint also includes copyright infringement claims arising out of links in Google's Web Search results and images in Google's Image Search results. Blogger sites appear in Google's Web Search and Image Search results just like any other website. Therefore, when Perfect 10's discovery requests sought all notices of termination, a DMCA log summarizing all notices received by Google, and documents sufficient to identify all third parties from whom Google had received a notice regarding an intellectual property violation, the URLs complained about in each notice, and the dates of the complaints for each such URL, these requests necessarily included requests for documents concerning Blogger. Perfect 10's discovery requests applied to websites with URLs that included the

terms blogger.com or blogspot.com just as much as they applied to other websites, such as 123celebs.com. Perfect 10's discovery requests applied to **all** websites to which Google linked, via either its Web Search or its Image Search results. The Order's arbitrary attempt to distinguish between discovery requests concerning blogger.com and blogspot.com websites, and those concerning any other website, is unsupportable. Accordingly, Judge Hillman's rulings in the Order that Perfect 10 did not propound Blogger-related discovery and that Blogger documents are not ordered produced are clearly erroneous and contrary to law.

Furthermore, it is undisputed that Google has produced some documents – but not all documents – concerning Blogger. Google now contends that it merely produced these documents voluntarily. Google never informed Perfect 10, however, that it was only producing some Blogger documents that it chose to produce, and not others. For example, when Google produced what it characterized as a "Blogger repeat infringer tracking spreadsheet," it did not inform Perfect 10 that it was simultaneously withholding thousands of DMCA notices and notices of termination concerning Blogger which were not mentioned on the "tracking spreadsheet" it did produce. Google cannot simply pick and choose which documents concerning Blogger it wishes to produce. Under these circumstances, Judge Hillman's failure to order Google to produce documents concerning Blogger is clearly erroneous and contrary to law.

Finally, the Order explicitly states that Blogger became part of the case in 2008. Since that date, Google was under a continuing duty under Fed. R. Civ. P. 26 to supplement its prior production of documents and produce documents concerning Blogger that unquestionably were now responsive to Perfect 10's earlier document requests. For example, once "Blogger was formally added to the case," Google was obligated to produce "all notices of termination" concerning Blogger, as sought by Perfect 10 in RFP Nos. 26 and 27 and as required by Judge Hillman's May 22, 2006 Order. For this reason as well, the rulings set forth in Judge Hillman's June 16

Order's concerning Blogger documents are clearly erroneous and contrary to law [see Section VII, below].

E. Judge Hillman's Ruling That Google Has Not Violated Court Orders Is Contrary To Law.

The Order states that "Perfect 10 has not persuaded this Court that any sanctionable violation of a Discovery Order has occurred." Order at 1. In fact, at the very least: (i) Google has violated Judge Hillman's May 22, 2006 Order by failing to produce *all* notices of termination; and (ii) Google has violated this Court's May 13, 2008 Order by failing to produce the "spreadsheet-type" DMCA log required by that Order [*see* Section VIII, below].

F. Judge Hillman's Ruling That Perfect 10 Has Suffered No Resulting Prejudice Is Clearly Erroneous And Contrary To Law.

The Order states that Perfect 10 has suffered no "resulting prejudice" as a result of Google's alleged failure to comply with discovery. Order at 1. In fact, Perfect 10 has demonstrated that it has suffered significant prejudice. For example, had Google produced all notices of termination (as required by Judge Hillman's May 22, 2006 Order), Perfect 10 would have been able to conclusively demonstrate that Google has not suitably implemented a policy against repeat infringers and thus does not qualify for a safe harbor under the Digital Millennium Copyright Act (the "DMCA"). Had Google produced the DMCA log required by this Court's May 13, 2008 Order, Perfect 10 would have been able to easily show that Google has received numerous DMCA notices regarding the same infringer but has failed to act, in violation of its own alleged policy. *See, e.g.*, Memo at 22:1-21. Moreover, this Court would have been able to more clearly and easily address the issues raised by Google's pending DMCA summary judgment motions (the "DMCA Motions"). For example, this

had the Court

had access to the DMCA log that it ordered Google to produce. See Perfect 10's

Response to Defendant Google Inc.'s Statement Regarding the Status of DMCA-Related Discovery Issues, filed June 8, 2010 (Docket No. 889) ("Perfect 10's Response"), at 10:6-28. Accordingly, Judge Hillman's ruling regarding the prejudice suffered by Perfect 10 is clearly erroneous and contrary to law [see Section IX, below].

II. RELEVANT PROCEDURAL BACKGROUND.

Perfect 10 filed the Motion on November 29, 2009. One of the alternative forms of relief sought by Perfect 10 in the Motion was an Order compelling Google to produce the documents that it had failed to produce, as discussed in the Motion, and giving Perfect 10 an opportunity to file a sur-reply in connection with the DMCA Motions once it received these documents. *See* Perfect 10's Notice of Motion (Docket No. 617), ¶3; Proposed Order (Docket No. 617-2), ¶3.

In an Order dated December 16, 2009 (Docket No. 684), this Court removed the hearing on the Motion from its December 21, 2009 calendar and transferred the Motion to Judge Hillman for his determination, report, and recommendation. On January 15, 2010, a hearing on the Motion was held before Judge Hillman.

Thereafter, in a January 27, 2010 Order (Docket No. 759), Judge Hillman ordered the parties to "meet and confer regarding Perfect 10's Sanctions Motion as soon as practicable for all counsel." Judge Hillman specifically noted that the documents at issue in the Motion "could be material to Perfect 10's opposition to the pending Motions for Summary Judgment."

Notwithstanding Judge Hillman's Order requiring the parties to meet and confer "as soon as practicable for all counsel," Google delayed the "meet and confer" process for almost three months, until April 19, 2010.⁴ As Perfect 10 explained, Google was trying to delay production of these documents until after this Court ruled

⁴ Google's attempt to delay the Court-ordered "meet and confer" process is described in Perfect 10's Second Status Report, filed April 7, 2010 (Docket Nos. 851, 851-1, 851-2, 851-3, and 851-4), and in Perfect 10's Reply Re: Second Status Report, filed April 9, 2010 (Docket No. 853).

on the DMCA Motions, in order to prevent Perfect 10 and this Court from having highly relevant documents which could influence the outcome of the DMCA Motions. *See*, *e.g.*, Perfect 10's Response (Docket No. 889), at 4 n.4. Google even conceded during the "meet and confer" process that it had responsive documents covered by the Motion that it had failed to produce. Finally, after further briefing by the parties, Judge Hillman issued the Order.

III. LEGAL STANDARDS APPLICABLE TO THIS MOTION.

Rulings of magistrate judges on non-dispositive motions, such as Judge Hillman's ruling on the Motion set forth in the June 16 Order, may be set aside or modified by the district court if these rulings are "clearly erroneous or contrary to law." 28 U.S.C. § 636(b)(1)(A); Fed. R. Civ. P. Rule 72(a); *Bhan v. NME Hospitals, Inc.*, 929 F.2d 1404, 1414 (9th Cir. 1991). *See Grimes v. City and County of San Francisco*, 951 F.2d 236, 240 (9th Cir. 1991) (pretrial discovery matters are generally considered non-dispositive motions). The "clearly erroneous" standard applies to a magistrate judge's factual findings. "A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948). The "contrary to law" standard

These concessions are found in: (i) the February 16, 2010 letter from Google attorney Rachel Herrick Kassabian to Perfect 10 attorney Jeffrey N. Mausner, attached as Exhibit A to the Declaration of Jeffrey N. Mausner in support of Perfect 10's Reply, filed April 27, 2010 (Docket No. 859-1) ("Mausner April 27, 2010 Decl.") [see Perfect 10's Reply, filed April 27, 2010 (Docket No. 859), at 2:21-6:1]; and (ii) Google's Response to Perfect 10, Inc.'s Statement Regarding the Status of Perfect 10's Motion for Evidentiary and Other Sanctions, filed April 23, 2010 (Docket No. 856), at 4:28-5:1 (asserting that any additional "DMCA-related documents" that Google would produce "are merely cumulative of categories of documents Google previously produced"). As Perfect 10 has previously pointed out, documents relating to repeat infringement cannot be "merely cumulative." These documents are particularly relevant to the question of whether Google has properly terminated repeat infringers. The more documents there are, the more repeat infringements there are. One or two notices regarding an alleged infringer may not constitute repeat infringement, but twenty such notices certainly would. Therefore, Google must produce all such notices, even if they are allegedly "merely cumulative." See Perfect 10's Reply, filed April 27, 2010 (Docket No. 859), at 5:3-6:1: Perfect 10's Response, filed June 8, 2010 (Docket No. 889) at 3 n.3.

applies to a magistrate judge's legal conclusions, which are reviewed independently
and de novo by the district judge. See, e.g., United States v. McConney, 728 F.2d
1195, 1200-01 (9th Cir. 1984); Columbia Pictures, Inc. v. Bunnell, 245 F.R.D. 443,
446 (C.D. Cal. 2007). Here, as explained in Sections IV through IX, below, Judge
Hillman's rulings in the June 16 Order are clearly erroneous and/or contrary to law.
IV. JUDGE HILLMAN'S RULINGS REGARDING GOOGLE'S

IV. JUDGE HILLMAN'S RULINGS REGARDING GOOGLE'S PRODUCTION OF A DMCA LOG ARE CLEARLY ERRONEOUS AND CONTRARY TO LAW.

The Order states that Google has already produced DMCA logs "in TIFF format as to Web Search, Image Search and AdSense." Order at 2, ¶1. Furthermore, the Order concludes that Google's failure to produce the DMCA log required by this Court's May 13, 2008 Order does not constitute a "sanctionable violation of a Discovery Order." Order at 1. As explained below, these rulings are clearly erroneous and contrary to law.

On January 18, 2007, Perfect 10 served RFP No. 196, seeking "Google's DMCA log of DMCA notices received from 3rd parties." Mausner Decl. ¶6, Exh. E, at 16:8. All of Perfect 10's requests for production of documents, including the set containing RFP No. 196, provided: "*If a DOCUMENT is available in electronic form, it should be produced in that electronic form, even if it is also available in hard copy.*" *Id.*, Exh. E, at 2:22-23 (emphasis in original). Google previously had denied a Request for Admission stating: "Admit that Google does not keep a log of DMCA notices." *Id.* ¶4, Exh. C, p. 26, Request No. 285. Perfect 10 sought Google's DMCA log because it believed that production of this log was critical to the issue of Google's eligibility for a DMCA safe harbor. ⁶

⁶ In order to be eligible for the safe harbor provisions of the DMCA, a service provider such as Google must have "adopted and reasonably implemented . . . a policy that provides for the termination of . . . repeat infringers." 17. U.S.C. § 512(i). The Ninth Circuit has held that a defendant's failure to implement a "repeat infringer" policy does not have to be connected with the plaintiff in the lawsuit at hand. Rather, the plaintiff can submit evidence of the defendant's failure to adopt

1 In its response to RFP No. 196, dated February 23, 2007, Google refused to 2 produce its DMCA log. Mausner Decl., ¶7, Exh. F, p. 35, Response No. 196. Perfect 3 10 then filed a motion to compel regarding Request No. 196. In his February 22, 4 2008 Order, Judge Hillman granted the motion to compel and ordered Google to 5 produce "Google's DMCA Log." *Id.* ¶8, Exh. G, p. 7, lines 1-2. Google objected to 6 this order and sought review with this Court. In pleadings filed in support of its 7 objections. Google continued to represent that it maintained a DMCA log. *Id.* ¶9. 8 Exh. H, pp. 16-18. In its May 13, 2008 Order, this Court overruled Google's 9 objections and ordered Google to produce its DMCA log, which the order defined as 10 "a spreadsheet-type document summarizing DMCA notices received, the identity of 11 the notifying party and the accused infringer, and the actions (if any) taken in 12 response." May 13, 2008 Order (Docket No. 294) at 5:1-9. 13 Google has never obeyed this Court's May 13, 2008 Order. Instead of 14 producing the spreadsheet-type log required by the order, Google sent Perfect 10 a 15 June 13, 2008 email claiming that its "DMCA log" that was responsive to this 16 Court's May 13, 2008 Order consisted of the Disorganized DMCA Pages – 17 pages of disorganized documents. See Mausner Decl. ¶12, approximately 18 Exh. K (the June 13, 2008 mail). The pages identified by Google fail to 19

First, Google has never produced a DMCA log in an "electronic spreadsheet format," as required by this Court's May 13, 2008 Order. A DMCA log produced in Microsoft Excel spreadsheet format would comply with this requirement and would be sortable and searchable. The separate pages identified by Google, however, are neither a spreadsheet nor a log. Rather, they are just a disorganized

comply with this Court's May 13, 2008 Order for at least four reasons.

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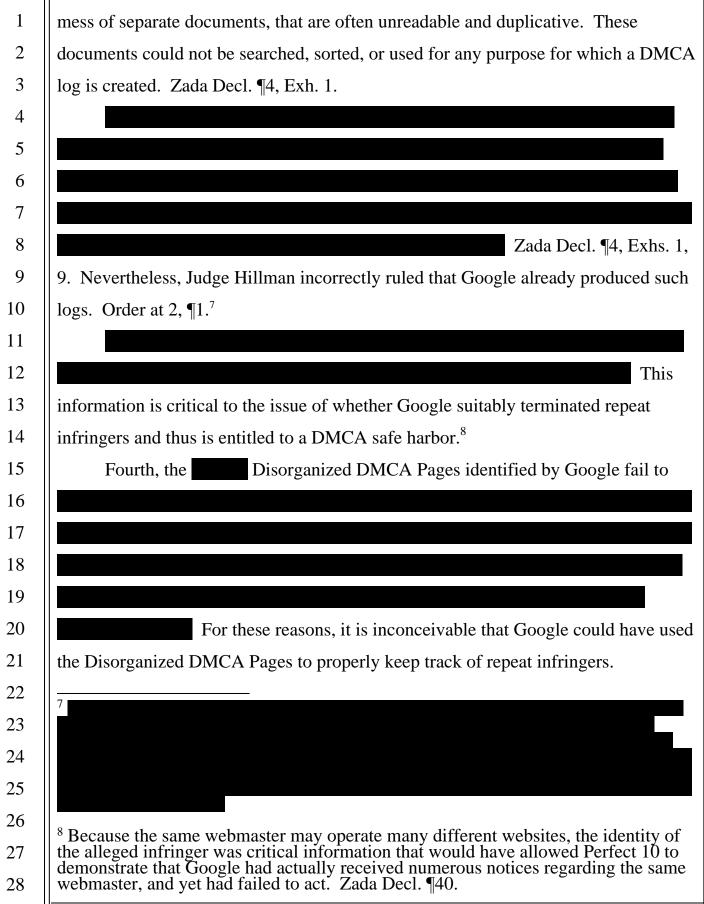
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and implement such a policy in connection with third-parties as well. See Perfect 10, Inc. v. CCBill, LLC, 488 F.3d 1102, 1115 (9th Cir.) ("we remand to the district court to determine whether third-party notices made CCBill and CWIE aware that it provided services to repeat infringers, and if so, whether they responded appropriately") (emphasis added), cert denied, 128 S. Ct. 709 (2007).



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Moreover, the documents found in the Disorganized DMCA Pages that concern the processing of Perfect 10's DMCA notices are often incomplete, because they fail to include the date the notice was processed or the action taken by Google in response to the notice. Accordingly, it is impossible for Perfect 10 to use these documents to determine when, if, and to what extent Google processed Perfect 10's DMCA notices. *See, e.g.,* Zada Decl. ¶44.

For all of these reasons, Judge Hillman's rulings regarding Google's production of DMCA logs, and his conclusion that Google has not violated this Court's May 13, 2008 Order regarding production of a spreadsheet-style DMCA log, are clearly erroneous and contrary to law. Accordingly, this Court should sustain Perfect 10's objections to these portions of the June 16 Order and compel Google to produce the DMCA log required by the Court's May 13, 2008 Order. *See also* Memo at 2:12-3:4, 6:6-9:24; Reply Memo at 6:4-8:16; Supplemental Declaration of Dr. Norman Zada, lodged under seal on June 8, 2010 (order for filing entered but not yet on the Docket) ("Zada Supp. Decl.") ¶¶8-9, Exh. 42.

V. THIS COURT SHOULD SUSTAIN PERFECT 10'S OBJECTIONS TO JUDGE HILLMAN'S RULING REGARDING DMCA TERMINATION NOTICES.

This Court should set aside or modify Judge Hillman's ruling that DMCA termination notices "were already produced as to Web Search, Image Search and AdSense." *See* Order at 2, ¶2. This ruling is clearly erroneous and contrary to law because Google has produced no termination notices related to third party complaints and no termination notices dated after March 4, 2006.

In his May 22, 2006 Order, Judge Hillman ordered Google to produce "[a]ll notices of termination issued by Google as a result of alleged intellectual property violations." (Docket No. 163, at 5:15-20, concerning Document Request Nos. 26 and 27, as modified). Google has failed to produce all such notices, for at least five reasons. First, Google has only produced a handful of termination notices, all of

1	which relate solely to DMCA notices submitted to Google by Perfect 10. None of
2	the termination notices produced by Google resulted from third party DMCA
3	notices. See, e.g., Zada Decl. ¶7; Zada Supp. Decl. ¶¶4-7, Exh. 42. Second, Google
4	has failed to produce any actual termination notices dated after March 4, 2006. Zada
5	Supp. Decl., ¶¶4-7, Exh. 42. Third, Google has failed to produce a single termination
6	notice related to any termination listed in its AdSense Repeat Infringer Tracking
7	Spreadsheets. <i>Id.</i> Fourth, Google has not supplemented its production of termination
8	notices since September 20, 2008. <i>Id.</i> ¶12. Fifth, Google admits, in a February 16,
9	2010 letter from Google attorney Rachel Herrick Kassabian to Perfect 10 attorney
10	Jeffrey N. Mausner, that it possesses notices of termination that it has not produced.
11	See Mausner April 27, 2010 Decl. (Docket No. 859-1), Exh. A. See also Memo at
12	13:4-24; Reply Memo at 12:12-13:3; Perfect 10's Reply (Docket No. 859) at 2:21-
13	4:7; Perfect 10's Response (Docket No. 889) at 7:1-16.
14	Judge Hillman nevertheless found that DMCA termination notices "were
15	already produced as to Web Search, Image Search and AdSense," because he
16	apparently believed Google's assertions regarding this issue. See Google's
17	Statement, filed on June 1, 2010 (Docket No. 885), at 7:2-15. The only evidence

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found that DMCA termination notices "were h, Image Search and AdSense," because he rtions regarding this issue. See Google's Statement, filed on June 1, 2010 (Docket No. 885), at 7:2-15. The only evidence relied upon by Google, however, utterly fails to support a finding that Google has produced all notices of termination, as required by Judge Hillman's May 22, 2006 Order.

First, the evidence submitted by Google in opposition to the Motion only identified five pages of documents which Google asserted were examples of termination notices. See Declaration of Rachel Herrick Kassabian in Opposition to the Motion, filed December 7, 2009 (Docket No. 645), ¶25 and Exh. S. Second, Ms. Kassabian's Surreply Declaration, filed January 11, 2010 (Docket Nos. 719, 720-1), asserts that the documents Google produced bearing Bates numbers

constitute termination

notices. Id. ¶4. None of the documents bearing these Bates numbers, however,

1	constitutes a termination notice issued as a result of a DMCA notice received
2	from a third party other than Perfect 10. Thus, the documents identified by Ms.
3	Kassabian are only a of the notices that Google was ordered to produce.
4	Third, many of the documents identified by Google as "termination notices," were
5	not even termination notices. Instead, they were Perfect 10 DMCA notices (see, e.g.,
6), error messages (see, e.g.,
7), or reinstatement notices (see,
8	e.g.,
9	Obviously, if Google has not produced any termination notices issued as a
10	result of third party notices, or any termination notices dated after March 4, 2006, it
11	has not produced all notices of termination as a result of intellectual property
12	violations, as required by Judge Hillman's May 22, 2006 Order. Consequently,
13	Google's contention that it has suitably implemented a repeat infringer policy is
14	either false or unproven. See Perfect 10's Reply, filed on April 27, 2010 (Docket No
15	859) at 2:21-4:7. If Google had actually suitably terminated repeat infringers, it
16	should have issued termination notices, not the
17	notices it actually has produced. In short, Judge Hillman's finding that Google has
18	produced termination notices as to Web Search, Image Search, and AdSearch, and hi
19	conclusion that Google has not violated the May 22, 2006 Order compelling Google
20	to produce all notices of termination, are clearly erroneous and contrary to law.
21	More than four years ago, Google was ordered to produce "all notices of
22	termination." The operative word here is "all." This Court should not allow Google
23	to continue to withhold notices of termination. It should not allow Judge Hillman's
24	erroneous rulings regarding Google's production of notices of termination to stand.
25	Instead, this Court should sustain Perfect 10's objections and order Google to
26	immediately produce "all notices of termination issued by Google as a result of
27	alleged intellectual property violations," as required by the May 22, 2006 Order.

NOTICES.

VI. THIS COURT SHOULD SUSTAIN PERFECT 10'S OBJECTIONS TO JUDGE HILLMAN'S RULING REGARDING THIRD-PARTY DMCA

The Order states that "Third Party DMCA Notices were never requested for Web Search, Image Search [or] AdSense, . . . and therefore are not ordered produced." Order at 2, ¶3. This ruling is clearly erroneous and contrary to law, for at least two reasons.

First, Perfect 10 specifically sought production of such DMCA notices in RFP No. 51. RFP No. 51 asked Google to produce its DMCA log or:

any other DOCUMENTS sufficient to IDENTIFY all ENTITIES other than Perfect 10 from whom GOOGLE has received a notice regarding an intellectual property violation, the URLs complained about in each notice from each such ENTITY, and the dates of the complaints for each such URL.

Mausner Decl. ¶2, Exh. A, pp. 12-13. The request in RFP No. 51 that Google produce documents sufficient to identify all third parties from whom Google "has received a notice regarding an intellectual property violation" **is very broad, and includes the production of all third-party DMCA notices.** Any DMCA notice would necessarily fall into the category of documents requested by RFP No. 51, because it would identify an ENTITY from whom GOOGLE has received a notice regarding an intellectual property violation and provide the URLs complained about. In its response to RFP No. 51, dated April 18, 2005, Google agreed to produce non-privileged documents responsive to this request in its possession, custody, or control. Mausner Decl. ¶3 and Exh. B at 24:23-25:10. Judge Hillman specifically ordered Google to produce such documents in his May 22, 2006 Order. *See* May 22, 2006 Order (Docket No. 163) at 2:25-27. Thereafter, Google specifically represented that it had not produced its DMCA log in response to RFP No. 51. Mausner Decl., ¶7, Exh. F, p. 35, Response No. 196. Because Google admittedly did not produce a

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DMCA log in response to RFP No. 51, Perfect 10 thus was entitled to production of all DMCA notices sent by third parties to Google under the alternative language set forth in RFP No. 51. Accordingly, Judge Hillman's ruling that Perfect 10 never requested third-party DMCA notices for Web Search, Image Search, or AdSense, and his refusal to order production of these third-party notices, are clearly erroneous and contrary to law.

Second, Google affirmatively represented, on two separate occasions, that it had produced all third-party DMCA notices. In its response to RFP No. 196, dated February 23, 2007, Google represented that it "already produced documents responsive to Request No. 51, constituting all notices received by Google regarding intellectual property violations." Mausner Decl., ¶7, Exh. F, p. 35, Response No. 196 (emphasis added). Furthermore, in its opposition to a motion to compel brought by Perfect 10, filed October 9, 2007, Google represented that it had produced "all underlying notices of infringement." Id. ¶13, Exh. L, at 86:21-22 (emphasis added). Google never qualified these statements and never stated that it was withholding any DMCA notices. See also Memo at 7:10-8:8; Reply Memo at 9:7-12:11.

Now, years later, Google has finally admitted that it has not produced all such notices. Google concedes that it possesses third-party notices for Web Search, Image Search, AdWords, and AdSense that it has not produced. *See* February 16, 2010 letter from Rachel Herrick Kassabian to Jeffrey N. Mausner at 3, found at Mausner April 27, 2010 Decl., Exh. A. It is undisputed that these Google programs were all at issue in the case since at least January 14, 2005, when Perfect 10 filed its First Amended Complaint referring to these programs. Google further concedes that it has failed to produce DMCA notices sent to Google by the Motion Picture Association of America, the Recording Industry Association of America (the "RIAA"), Playboy, Microsoft, and others, concerning Google's Blogger, AdSense, and Google Groups services. Google's Opposition to the Motion, filed December 7, 2009 (Docket No. 650) at 10, n.11. In fact, the RIAA and its European affiliate, the

IFPI, have sent

Google produced none of those RIAA and IFPI notices to Perfect 10.

Zada Supp. Decl. ¶¶9, 12.

In light of Google's clear and unequivocal statements, on two separate occasions, that it had already produced all DMCA notices, it is clearly erroneous and contrary to law for Judge Hillman to rule that Google has no obligation to produce these notices. For this reason as well, this Court should set aside Judge Hillman's ruling regarding third party DMCA notices and instead order Google to produce all such notices forthwith.

VII. <u>JUDGE HILLMAN'S RULINGS REGARDING BLOGGER ARE</u> <u>CLEARLY ERRONEOUS AND CONTRARY TO LAW.</u>

The June 16 Order includes several rulings that erroneously differentiate between Blogger websites (those websites whose URL contains the term blogger.com or blogspot.com) and other websites. In the Order, Judge Hillman made the following rulings regarding Blogger: (1) Perfect 10 did not propound requests for Blogger DMCA logs, Blogger DMCA termination notices, or Blogger third-party DMCA notices, and they "are not ordered produced" [Order at 2, ¶1-3]; (2) "Blogger Repeat Infringer Tracking Sheets were never formally requested, and are not ordered produced" [id. at 3, ¶5] and (3) "Perfect 10 has not persuaded this Court . . . that Blogger-related documents were embraced within Discovery Orders issued prior to the date that Blogger was formally added to the case in 2008" [id. at 1]. These rulings are clearly erroneous and contrary to law, for at least six reasons.

First, the assertion that Blogger did not become part of the case until 2008, when Perfect 10 was granted leave to file its Second Amended Complaint, is plainly incorrect. On the contrary, Perfect 10's First Amended Complaint, which was filed in January 2005, *before Perfect 10 served any of the discovery at issue in the Order*, includes copyright infringement claims arising out of links in Google's Web Search

results and images in Google's Image Search results.

Google Web Search and Image Search results have linked to blogger.com and blogspot.com sites just like they link to other websites. Zada Reply Decl. ¶6, Exh. 27. Therefore, Perfect 10's discovery requests at issue in the Order – including those seeking *all* notices of termination, a DMCA log summarizing notices received by Google, and documents sufficient to identify the third parties from whom Google had received a notice regarding an intellectual property violation, the URLs complained about in each notice, and the dates of the complaints for each such URL – *necessarily included requests for documents concerning both blogger.com and blogspot.com websites*.

Second, Perfect 10's First Amended Complaint, which was filed in January 2005, before Perfect 10 served any of the discovery at issue in the Order, also includes copyright infringement claims arising out of allegations that Google engaged in the copying of P10 Images. These allegations cover any copies of P10 Images that were made on blogger.com or blogspot.com websites hosted by Google. For this reason as well, Judge Hillman's statement that Blogger-related documents were not embraced within Discovery Orders issued before the filing of the Second Amended Complaint in July 2008 [Order at 1] is clearly erroneous.

Third, Blogger has been at issue in this case since at least *February 11, 2005*, when Perfect 10 first sent Google a DMCA notice regarding a blogspot.com website listed in Google's Web Search results. Zada Reply Decl. ¶¶4-8, Exh. 27; Zada Supp. Decl. ¶10.

Fourth, more than 50% of all *blogger.com* websites are also Google AdSense sites. Zada Supp. Decl. ¶9. Google itself concedes that AdSense sites have always been in the case. *See also* First Amended Complaint (Docket No. 8), ¶¶31-34. Therefore, at the very minimum, all Blogger sites that have also been AdSense sites have been in the case since its inception.

Fifth, it is undisputed that Google has produced some documents – but not all

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documents – concerning Blogger. Google contends that it merely produced these documents voluntarily, even though the documents were not covered by any request for production propounded to it by Perfect 10. *See*, *e.g.*, Google's Opposition to the Motion, filed December 7, 2009 (Docket No. 650) at 7:10-13 (claiming that Google "voluntarily" produced its Blogger tracking spreadsheets on August 29, 2008). Google never informed Perfect 10, however, that it was producing these documents "voluntarily" but was simultaneously withholding other documents concerning Blogger, such as DMCA notices and notices of termination. Google cannot simply pick and choose which documents concerning Blogger it wishes to produce. In light of Google's production of certain Blogger documents, it is clearly erroneous and contrary to law for Judge Hillman to rule that Google has no obligation to produce other Blogger-related documents, such as DMCA notices and notices of termination.

Finally, the Order explicitly states that Blogger did not formally become part of the case until 2008. Even if this statement is correct (and it is not, for the reasons discussed above), it is undisputed that claims involving Blogger became part of the case in July 2008 when Perfect 10 obtained leave to file its Second Amended Complaint. Since that date, Google was under a continuing duty under Fed. R. Civ. P. 26 to supplement its prior production of documents and produce documents concerning Blogger that were now responsive to Perfect 10's earlier document requests. See Fed. R. Civ. P. 26(e)(1)(A) (requiring a party to supplement its responses to requests for production of documents in a timely manner if the party learns that in some material respect the response is incomplete or incorrect). For example, once "Blogger was formally added to the case," RFP Nos. 26 and 27 (as modified by Judge Hillman's May 22, 2006 Order) unquestionably called for the production of "all notices of termination," including those concerning Blogger. For this reason as well, the rulings set forth in the Order concerning Blogger, including Judge Hillman's rulings that Perfect 10 never requested documents concerning Blogger and Google is not ordered to produce such documents, are clearly erroneous

and contrary to law. *See also* Reply Memo at 3:6-4:9; Perfect 10's Response, filed June 8, 2010 (Docket No. 889) at 12:7-13:22.

Accordingly, for all of the above reasons, this Court should set aside Judge Hillman's rulings concerning Blogger and order Google to produce documents concerning Blogger that are it issue in the Motion, including all DMCA notices, all termination notices, and a "spreadsheet-type" DMCA log.

VIII. JUDGE HILLMAN'S CONCLUSION THAT GOOGLE HAS NOT VIOLATED ANY COURT ORDERS IS CONTRARY TO LAW.

In the June 16 Order, Judge Hillman denied Perfect 10's request for sanctions, stating that he was not persuaded that Google had failed to comply with any discovery orders. Order at 1. In fact, as the discussion in Sections IV through VI, above, demonstrates: (i) Google has violated Judge Hillman's May 22, 2006 Order concerning RFP Nos. 26 and 27 (as modified) by failing to produce *all* notices of termination; (ii) Google has violated this Court's May 13, 2008 Order concerning RFP No. 196 by failing to produce the "spreadsheet-type" DMCA log required by that order; and (iii) Google has violated Judge Hillman's May 22, 2006 Order concerning RFP No. 51 by failing to produce all third-party DMCA notices. Accordingly, Judge Hillman's rulings regarding Google's violation of Court Orders and his conclusion that sanctions are not warranted are clearly erroneous and contrary to law.

IX. JUDGE HILLMAN'S CONCLUSION THAT GOOGLE'S FAILURE TO COMPLY WITH COURT ORDERS REGARDING DISCOVERY HAS NOT PREJUDICED PERFECT 10 IS CONTRARY TO LAW.

The statement in the Order that Perfect 10 has suffered no "resulting prejudice" as a result of Google's alleged failure to comply with discovery [Order at 1] is clearly erroneous and contrary to law. In fact, Perfect 10 has shown that it has suffered significant prejudice as a result of Google's failure to comply with Court-ordered discovery in several separate ways.

1 2 3 4 In fact, Google never 5 found in Perfect 10's spreadsheet-style notices and processed 6 failed to expeditiously process most Perfect 10 spreadsheet-style notices concerning 7 Blogger. Zada Supp. Decl. ¶8. If this Court possessed the DMCA log it ordered 8 Google to produce, which summarized Google's response to each of Perfect 10's 9 notices, the Court would have also seen that Google did not fully process Perfect 10's 10 Group B notices, because Google never removed the identified infringing links from 11 Google's Image Search results, or the ads from the identified infringing web pages. 12 The Court would have certainly recognized that 13 See also Perfect 10's Response, filed June 8, 2010 (Docket No. 889) 14 at 10:6-28. Accordingly, for all of the above reasons, the ruling set forth in the Order 15 that Perfect 10 has not suffered "resulting prejudice," is clearly erroneous and 16 contrary to law. 17 X. **CONCLUSION.** 18 19 20 21

Significant portions of the June 16 Order are clearly erroneous and contrary to law. Google has failed to produce the DMCA log required by this Court in its May 13, 2008 Order and the notices of termination and DMCA notices required by Judge Hillman's May 22, 2006 Order. Google has also failed to produce documents concerning Blogger, even though those documents were called for by Perfect 10's discovery requests, because blogger.com and blogspot.com websites, just like any other websites to which Google links in its search results, have been at issue in this case since at least January 2005, when Perfect 10 filed its First Amended Complaint. Moreover, Google has admittedly not produced thousands of Blogger documents, even after the filing of Perfect 10's Second Amended Complaint in July 2008. Accordingly, for all of the foregoing reasons, this Court should sustain Perfect 10's

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1	objections to the June 16 (Order, set aside Judge Hillman's rulings, and issue the	
2	rulings sought by Perfect 10 in connection with this motion.		
3	Dated: July 12, 2010	Respectfully submitted,	
4		LAW OFFICES OF JEFFREY N. MAUSNER	
5		David N. Schultz	
6		By:	
7		David N. Schultz Attorneys for Plaintiff Perfect 10, Inc.	
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