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16 UNITED STATES DISTRICT COURT  
 17 NORTHERN DISTRICT OF CALIFORNIA  
 18 SAN FRANCISCO DIVISION  
 19

20 ORACLE USA, INC., *et al.*,  
 21 Plaintiffs,  
 22 v.  
 23 SAP AG, *et al.*,  
 24 Defendants.  
 25  
 26  
 27  
 28

CASE NO. 07-CV-01658 PJH (EDL)

**NOTICE OF MOTION AND MOTION  
 TO COMPEL PRODUCTION OF  
 DOCUMENTS, ANSWERS TO  
 INTERROGATORIES, AND RULE  
 30(b)(6) TESTIMONY RELATED TO  
 HYPERION, RETEK, AND EBS  
 PRODUCTS**

Date: February 10, 2009  
 Time: 2:00 p.m.  
 Courtroom: E, 15th Floor  
 Judge: Hon. Elizabeth D. Laporte

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1 **NOTICE OF MOTION AND MOTION**

2 PLEASE TAKE NOTICE THAT on February 10, 2009 at 2:00 p.m., or as soon  
3 thereafter as the matter may be heard, in the United States District Court, Northern District of  
4 California, San Francisco Division, located at 450 Golden Gate Ave., San Francisco, CA,  
5 Courtroom E, 15th Floor, before the Hon. Elizabeth D. Laporte, Plaintiffs Oracle USA, Inc.,  
6 Oracle International Corporation, and Oracle EMEA Limited (collectively, “Oracle”) will move  
7 to compel Fed. R. Civ. P. 30(b)(6) deposition testimony, answers to interrogatories, and  
8 responses to document requests related to the use of Hyperion, Retek, and eBusiness Suite  
9 products by Defendants TomorrowNow, Inc., SAP AG, and SAP America, Inc. (collectively,  
10 “Defendants,” and with Oracle, the “Parties”). This Motion is based on this Notice of Motion  
11 and Motion, the Memorandum of Points and Authorities, the accompanying Declaration of  
12 Geoffrey M. Howard, the pleadings on file in this action, and on such other matters presented to  
13 the Court at the time of the hearing.

14 **RELIEF SOUGHT**

15 Pursuant to Fed. R. Civ. P. 37,<sup>1</sup> Oracle seeks to compel Defendants’ Fed. R. Civ.  
16 P. 30(b)(6) deposition testimony, answers to interrogatories, and responses to document requests  
17 related to Defendants’ access to and use of Oracle’s Hyperion, Retek, and eBusiness Suite  
18 software as part of preparing to offer, or offering, third party support for that software.

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25  
26 <sup>1</sup> Pursuant to Fed. R. Civ. P. 37(a)(1)(B), Oracle’s counsel affirms that they have conferred  
27 with opposing counsel in a good faith effort to reach agreement about this matter. *See*  
28 Declaration of Geoffrey M. Howard in Support of Motion to Compel (“Howard Decl.”) ¶¶ 15-  
22.

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. PRELIMINARY STATEMENT**

3 When Oracle filed its original Complaint in this case on March 22, 2007, it did  
4 not know the full extent of Defendants’ illegal activities. That Complaint focused on Defendants  
5 SAP’s and TomorrowNow’s (“SAP TN”) downloading of Oracle’s PeopleSoft (“PS”) and J.D.  
6 Edwards (“JDE”) branded software updates from Oracle’s password-protected website. Since  
7 then, discovery has revealed that the downloading activity was a piece of a larger scheme to  
8 illegally obtain and use Oracle’s actual software applications (as separate from the downloadable  
9 support products developed by Oracle over time for those applications). As Oracle has learned,  
10 Defendants were unable to consider support of Oracle’s products without first illegally using  
11 (and cross-using) local environments for research, development, and testing. A handful of  
12 documents Defendants have produced in discovery suggest that, in addition to PS and JDE  
13 products, Defendants also made unauthorized copies of, and may have developed derivative  
14 works from, Oracle’s Retek, Hyperion, and eBusiness Suite (“EBS”) products – in light of  
15 Defendants’ illegal business model, Defendants could not have “evaluated” support of these  
16 products without doing so.<sup>2</sup>

17 On July 28, 2008, after Oracle learned that Defendants had likely gained improper  
18 access to and used Oracle’s Retek, Hyperion, and EBS software, Oracle amended its Complaint  
19 to include allegations related to these products and served discovery on these topics at the same  
20 time. Since then, Defendants have refused to provide the requested discovery, though they  
21 concede the relevance of the inquiry. As a proposed substitute for actual discovery, Defendants  
22 offered a short, conclusory declaration of SAP TN’s founder, Andrew Nelson. The declaration  
23 raises more questions than it answers, and illustrates the importance of actual discovery into the  
24 possible infringement by Defendants of three entirely separate lines of software products.

25 \_\_\_\_\_  
26 <sup>2</sup> Defendants also may have maintained illegal copies of Oracle’s Siebel-branded software  
27 applications and profited from a service offering aimed at Siebel customers. Defendants have  
28 agreed to provide foundational discovery regarding these activities. Oracle has reserved its right  
to seek full discovery after completing the foundational discovery.

1 Pursuant to the Court's October 16, 2008 Order permitting Oracle to file this  
2 Motion, and the further discussion with the Court at the January 8, 2008 discovery conference,  
3 Oracle moves for an Order compelling Defendants to respond to 3 interrogatories, 15 requests  
4 for production, and one Rule 30(b)(6) notice for each Defendant, all aimed at the issue of  
5 Defendants' infringement of three additional software lines added by Oracle to its Second  
6 Amended Complaint ("SAC") filed in July 2008. Oracle has narrowly tailored this discovery  
7 and consolidated the subject requests into a single document for the Court's convenience,  
8 attached as Appendix A to this Motion.

## 9 **II. RELEVANT FACTS**

10 Oracle filed its original Complaint in this action on March 22, 2007. Howard  
11 Decl. ¶ 2. Oracle initially had no factual basis for claims of discovery beyond the PS and JDE  
12 downloads alleged in the initial Complaint. It responsibly limited its initial claims to the PS and  
13 JDE software update downloads revealed by Oracle's internal records. *Id.* At the same time,  
14 Oracle made it clear that it did not waive the right to seek discovery of other product lines if it  
15 became aware of Defendants' wrongdoing beyond the JDE and PS software put at issue by the  
16 original Complaint. *Id.* ¶ 3. This conditional agreement is reflected in written correspondence  
17 between the Parties. *See id.* ¶ 4 (detailing this correspondence). During discussions related to  
18 this agreement, Oracle explicitly encouraged Defendants to come forward with information  
19 about downloads beyond the alleged PS and JDE downloads, to the extent that Defendants were  
20 aware that their wrongdoing extended beyond those two product lines. *Id.* ¶ 3. Defendants did  
21 not do so. *Id.*

22 Defendants started production of documents in late 2007. (The bulk of these early  
23 productions were from SAP TN. SAP started significant production of documents only in April  
24 2008). *Id.* ¶ 5. At around the same time, through early Rule 30(b)(6) depositions, Oracle learned  
25 that Defendants had illegally copied and used PS and JDE software applications (as distinct from  
26 the support product downloads that formed the basis of the original Complaint) and served  
27 additional discovery, still focused only on PS and JDE software. *Id.* ¶ 7.

28 Through review of documents Defendants subsequently produced (from March to

1 December 2008), Oracle learned that Defendants’ illegal business model apparently extended to  
2 the Siebel, Retek, EBS, and Hyperion product lines.<sup>3</sup> *Id.* ¶ 9. These documents demonstrate  
3 that, as early as August 2005, SAP TN had already begun evaluating support of the EBS product  
4 lines, and was considering the same for Retek and Hyperion by March 2007. *Id.* Moreover,  
5 although Defendants contend that they never actually offered customers support on Retek, EBS,  
6 and Hyperion products, their own documents suggest differently. *See id.* Ex. D at SAP-  
7 OR00001191-92 (a March 22, 2007 SAP “Safe Passage” presentation showing that SAP had  
8 already converted Oracle customers running Siebel, Retek, and EBS products through SAP’s  
9 Safe Passage program), Ex. E, F (SAP-approved final business cases, dated March 2007,  
10 demonstrating that SAP formally approved SAP TN’s provision of service on Oracle-owned  
11 EBS and Hyperion products). As the documents show, these additional service offerings by SAP  
12 TN were part of an overall effort to “[s]upport SAP’s strategy to grow and secure [m]aintenance  
13 revenue” and “[l]everage service as [a] competitive weapon in order to restrict competition.” *Id.*  
14 Ex. E at SAP-OR00252118.

15 In April 2008 when it first started seeing certain of these documents, Oracle also  
16 knew from its PS and JDE discovery efforts that Defendants would not propose offering service  
17 on Oracle software products, as the business cases prove they did, without first obtaining, and  
18 then cross-using, copies of Oracle software applications. *Id.* ¶ 8; *see also* SAC ¶¶ 17-19  
19 (describing SAP TN’s “standard” illegal business model); TAC ¶¶ 17-19 (same). In fact, SAP  
20 TN executives made repeated reference in emails to the need for a “seed” or “sandbox” copy of  
21 various versions of Oracle software in order to study the code and plan for providing support to  
22 SAP TN customers on that particular software release. *See, e.g.*, Howard Decl. ¶ 8, Ex. B at TN-  
23 OR00009616, C at TN-OR00854823. Oracle knows of no reason to think that SAP TN adopted  
24 any different model in “evaluating” and developing a support capability for the other Oracle  
25

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26 <sup>3</sup> Defendants have produced documents related to Retek, Hyperion, or EBS only when they  
27 are also responsive for some other reason. Howard Decl. ¶ 16. Until recently, Defendants’  
28 Siebel production was similarly limited.

1 software products.

2           Once Oracle began finding documents about non-PS/JDE products, it  
3 immediately raised the issue with Defendants, explaining that, because of new facts learned from  
4 Defendants’ own documents, the upcoming Second Amended Complaint (“SAC”) would likely  
5 include allegations of infringements of other products. *Id.* ¶ 10. Defendants raised no objections  
6 in response, and characterized the additional allegations as “factual detail to legal claims first  
7 asserted more than a year ago.” *Id.* Oracle raised the same issue several more times, including  
8 in the June and July 2008 Joint Discovery Conference Statements, explaining that it would serve  
9 discovery directed to Hyperion, Retek, and EBS when it finalized the SAC (which in turn  
10 depended on completing discovery that Defendants resisted and that Judge Legge ultimately  
11 ordered them to provide). *Id.* ¶ 11. Defendants did not respond or object, either in the Joint  
12 Statements or in the subsequent Discovery Conferences, to the notion of discovery on these other  
13 products. *Id.*

14           On July 28, 2008, with eleven months left in the discovery schedule set by the  
15 Court, and having obtained both the additional copyright registrations it needed and the  
16 discovery related to the use of PS and JDE local software environments by SAP TN ordered by  
17 Judge Legge, Oracle filed its SAC. The SAC included allegations that SAP expanded SAP TN’s  
18 illegal business model to include Oracle’s Siebel, Retek, Hyperion, and EBS software. *See id.* ¶  
19 12; *see also* SAC ¶¶ 27-28, 84, 113, 146-220.<sup>4</sup> On the same day, Oracle served its Third Set of  
20 Interrogatories to SAP TN and Second Set of Interrogatories to the SAP Defendants, and its  
21 Second Set of Requests for Production of Documents to Defendants. *See* Howard Decl. ¶ 13.  
22 Oracle specifically targeted its discovery at obtaining documents and information related to  
23 Defendants’ use of Oracle-owned Siebel, EBS, Hyperion, and Retek intellectual property. *Id.*

24 \_\_\_\_\_  
25 <sup>4</sup> Oracle still does not have enough information to know which Siebel, EBS, and Hyperion  
26 software Defendants have copied and used without authorization, so has not yet included specific  
27 copyright claims aimed at these products. That is the point of the discovery Oracle served in  
28 July 2008. In the SAC and TAC (¶ 148 n.3), Oracle stated that, “[a]s discovery progresses,  
Oracle reserves the right to add additional counts based on copyright registrations for Oracle’s  
Siebel, eBusiness Suite, Hyperion and/or Retek software.”



1 Defendants responded to this discovery a month later, on August 27, 2008, by  
2 refusing to provide any information or documents on products other than PS or JDE. *See id.* ¶  
3 14, Ex. G, H. Defendants’ objections to Oracle’s EBS, Retek, and Hyperion discovery are based  
4 on claims that the discovery is overbroad, unduly burdensome, and irrelevant, because:  
5 (1) Defendants assert that Oracle has not raised any pending claims regarding these product  
6 lines, (2) Oracle earlier in discovery (at the Rule 26(f) conference focused exclusively on the  
7 allegations of downloading of PS and JDE updates derived only from information on Oracle’s  
8 internet logs) took the position that these product lines currently were not at issue, and (3) SAP  
9 TN never actually supported Retek, Hyperion, or EBS. *Id.* ¶ 15, Ex. G, H.

10 Despite several meet and confer efforts in the following months, Defendants  
11 would never budge from their refusal to provide answers to Oracle’s EBS, Hyperion, and Retek  
12 discovery. *Id.* ¶¶ 17, 20-22. However, on October 7, 2008, and again before the Court on  
13 October 10, 2008, Defendants did offer to provide a declaration to show that SAP TN never  
14 “supported” the Retek, Hyperion, and EBS product lines. *Id.* ¶ 15. Oracle agreed to review this  
15 proposed declaration, but indicated it must include facts to determine: (1) whether Defendants, in  
16 preparing to service these applications, created infringing copies according to the usual illegal  
17 business model at SAP TN, (2) what knowledge SAP AG had of these alleged activities (as an  
18 indirect infringer), and (3) what efforts, if any, were undertaken by SAP AG to avoid the alleged  
19 illegal conduct. *Id.* In its October 16, 2008 Order Following Discovery Conference, the Court  
20 authorized Oracle to file motions to compel discovery from Defendants as to any of the other  
21 Oracle-owned applications, should further meet and confer efforts fail. *See* October 16, 2008  
22 Order at 2.

23 Almost two months later, on November 21, 2008, Defendants finally provided the  
24 promised Declaration of Andrew Nelson (the “Nelson Declaration”). Howard Decl. ¶ 18, Ex. I.  
25 The substantive portion of this Declaration spans only two paragraphs, and merely states that,  
26 prior to Mr. Nelson’s resignation from SAP TN, SAP TN considered providing service on EBS,  
27 Hyperion, and Retek but never did. *Id.* Ex. I at 2. Mr. Nelson also asserts that, to his knowledge,  
28 no one at SAP TN downloaded or otherwise accessed any “proprietary software or confidential

1 support materials” in preparing to provide such service. *Id.* Oracle immediately explained to  
2 Defendants why the Nelson Declaration was wholly inadequate:

3 Oracle needs detailed information about exactly what each  
4 Defendant did to prepare to provide service on each of these  
5 Oracle-owned applications, including the source of any materials  
6 used to prepare to offer such service, what exactly was done with  
7 those materials (e.g., were copies made, for what purposes, how  
8 many copies were made, where did all copies reside, and were any  
9 copies modified and, if so, how). We also need to know what  
personnel were involved from each defendant in the planning and  
testing and preparation phases for each application at issue and  
what, if anything, any defendant did to protect against any misuse  
of Oracle-owned IP.

10 *Id.* ¶ 19. Oracle pointed out that Mr. Nelson did not provide this necessary information from  
11 SAP TN and could not declare as to what SAP knew or did. *Id.* Oracle also explained that,  
12 absent receipt of significantly expanded declarations from all Defendants, Oracle anticipated  
13 seeking this information through Rule 30(b)(6) deposition notices and/or this Motion to Compel.

14 Defendants agreed to review Oracle’s anticipated Rule 30(b)(6) notices and  
15 decide whether they would: (1) be willing to provide a more detailed declaration that would  
16 better address the categories of information requested by the notices, (2) make a witness or  
17 witnesses available in response to the notices, or (3) stand on their objection to providing  
18 discovery related to the EBS, Retek, and Hyperion software lines. *Id.* ¶ 20. On December 19,  
19 2008, Oracle served its Notices of Deposition Pursuant to Fed. R. Civ. P. 30(b)(6) Regarding  
20 EBS, Retek, and Hyperion on SAP America, SAP AG, and TomorrowNow, Inc. *Id.* Defendants  
21 served their Responses and Objections on January 6, 2009, refusing to produce witnesses as to  
22 even a single topic. *Id.* ¶ 21.

23 **III. THE COURT SHOULD ORDER RESPONSES TO ORACLE’S**  
24 **DISCOVERY RELATED TO ORACLE’S EBS, RETEK, AND**  
**HYPERION PRODUCTS.**

25 Federal Rule of Civil Procedure 26(b)(1) provides for discovery in civil actions of  
26 any matter, not privileged, which is relevant to the subject matter of the pending action. A  
27 relevant matter is any matter that bears on, or that reasonably could lead to other matters that  
28

1 bear on, any issue that is or may be in the case. *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S.  
2 340, 351 (1978). Thus, discovery should be allowed unless the material requested has no  
3 conceivable bearing on the case. *See Soto v. City of Concord*, 162 F.R.D. 603, 610 (N.D. Cal.  
4 1995).

5 *Oracle’s Allegations Make The Discovery It Seeks From Defendants Relevant.*

6 Defendants’ first objection in their formal discovery responses – that Oracle does not have  
7 pending claims regarding Retek, Hyperion, and EBS – is simply untrue. In its SAC (and now in  
8 its Third Amended Complaint (“TAC”)), Oracle included allegations that Defendants’ illegal  
9 business model extended beyond the PS and JDE product lines to Retek, Hyperion, and EBS  
10 software applications. *See, e.g.*, SAC ¶ 27; TAC ¶ 27 (“SAP expanded SAP TN’s illegal model  
11 to include Oracle’s Siebel software just days after Oracle acquired Siebel, and added Oracle’s  
12 Retek and Hyperion software to its Safe Passage sales program immediately after those  
13 acquisitions as well.”). The SAC and TAC further alleged that SAP’s expansion into the EBS  
14 product line was similarly tainted, *see id.*, and that Defendants couldn’t have offered or  
15 considered offering support for these product lines without first obtaining illegal “sandbox”  
16 copies of the software for testing, research, and development to confirm an ability to provide the  
17 support, *see, e.g.*, SAC ¶¶ 17-19, 28, 84, 113; TAC ¶¶ 17-19, 28, 85, 114 (describing in detail  
18 SAP TN’s “standard” illegal business model, and alleging this model was used for all products,  
19 including Retek, Hyperion, Siebel, and EBS). Through incorporation of the numerous  
20 allegations of unlawful conduct related to Retek, Hyperion, and EBS, Defendants’ use of these  
21 products is covered by all causes of action in Oracle’s Complaint. *See, e.g.*, SAC ¶ 146; TAC ¶  
22 147.

23 *The Parties’ Initial Discovery Limitations Do Not Control.* Defendants’ second

24 formal objection – that Oracle initially took the position that these product lines are not relevant  
25 – also lacks merit. Apparently, no responsible deed goes unpunished. Oracle initially had  
26 insufficient basis to expand its discovery beyond PS and JDE products. Howard Decl. ¶ 2. It  
27 could only base its original case on its analysis of its own documents, which only showed  
28 unlawful downloading of JDE and PS products. *Id.* Oracle only discovered a factual predicate

1 for the other product claims when Defendants began producing some Retek, Hyperion, and EBS  
2 documents in March through December of 2008. *Id.* ¶ 9, Ex. D-F. Oracle has repeatedly sought  
3 discovery on the details of Defendants’ additional wrongdoing since then. *Id.* ¶¶ 13, 15, 17-22.  
4 Moreover, from the start, Oracle encouraged Defendants to come forward with information about  
5 whether and how their wrongdoing extended beyond servicing of PS and JDE applications.  
6 Defendants cannot now bootstrap their failure to provide this information into a “gotcha” laches-  
7 like argument about the timing of Oracle’s discovery requests.

8 *Failure To Actually Provide Service Does Not Defeat Discovery.* Defendants  
9 have previewed to the Court, in discovery conferences, the curious argument that because (they  
10 allege) SAP TN never made any money supporting Retek, Hyperion, or EBS, Defendants  
11 entirely should escape discovery into their infringement of those products. This argument fails  
12 for three reasons.

13 First, Defendants’ (untested) assertion that they did not profit from their forays  
14 into the potential servicing of additional Oracle applications has nothing to do with liability. If,  
15 as Oracle expects, Defendants used illegal copies of Oracle’s software to finalize its support  
16 offering for these other applications (and did not offer that support because Oracle sued on the  
17 eve of the announcement), then Defendants improperly made copies of Oracle-owned intellectual  
18 property.

19 Second, even if Defendants never earned a penny from customers related to their  
20 efforts to service Retek, EBS, and Hyperion products, that would not foreclose damages for the  
21 liability Defendants incurred in the process. For instance, Oracle may have statutory damages  
22 claims for every copy of a registered work related to these other Oracle-owned applications that  
23 the requested discovery shows Defendants made. *See* 17 U.S.C. § 504(c) (authorizing statutory  
24 damages for “all infringements involved in the action”).

25 Oracle also may pursue as damages the license Defendants would have paid for  
26 the privilege of using Oracle software to develop a support capability for each of these products.  
27 *See Polar Bear Prods., Inc. v. Timex Corp.*, 384 F.3d 700, 707-09 (9th Cir. 2004) (discussing the  
28 available damages for copyright infringement). The hypothetical license model assesses the

1 value to Oracle and to Defendants of the desired intellectual property at the time of theft. *Frank*  
2 *Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 513 n.6 (9th Cir. 1985); *see also*  
3 *Jarvis v. K2 Inc.*, 486 F.3d 526, 533-34 & n.9 (9th Cir. 2007) (quoting *Frank Music Corp.*).  
4 Thus, while Defendants would prefer that the Court focus on the purported failure of their  
5 expanded service scheme to make money (because perhaps Oracle thwarted the expansion by  
6 filing this action), it is their forecasted expectations for servicing these other Oracle-owned  
7 applications that the Court needs to consider in evaluating the importance of the discovery to this  
8 action and its relative burden.<sup>5</sup> *Cf. Polar Bear Prods*, 384 F.3d at 709 (upholding a hypothetical  
9 license fee award despite defendant’s argument that plaintiff was never actually able to sell the  
10 copyrighted material at the rate “proffered before [defendant’s] infringement,” and noting that  
11 “[h]aving taken the copyrighted material, [defendant] is in no better position to haggle over the  
12 license fee than an ordinary thief”). As an example, in its March 2007 EBS and Hyperion  
13 business cases (which Defendants produced in September 2008), SAP forecasted that adding  
14 Hyperion to the Safe Passage program would result in an estimated revenue gain of €36 million  
15 to SAP TN alone by 2011, while adding EBS would provide SAP TN with another €28 million  
16 over that time.<sup>6</sup> Howard Decl. Ex. E at SAP-OR00252119, Ex. F at SAP-OR00252141. These  
17 figures do not account for the other significant benefits expected by SAP: as SAP explains in  
18 these business cases, adding Hyperion and EBS would help SAP “[l]everage service as [a]  
19 competitive weapon in order to restrict competition,” “[s]upport SAP’s strategy to grow and  
20

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21 <sup>5</sup> Defendants’ own documents suggest they *did* profit from their potential servicing of  
22 additional Oracle applications. According to one February 2007 SAP document, 41% of  
23 Defendants’ Safe Passage deals included customers running Siebel, Retek, or Oracle products,  
24 with 14 of the “Top 30 Customers by Net Software Value” obtained through the Safe Passage  
25 program running either Siebel, Retek, or Oracle products. Howard Decl. Ex. D at SAP-  
26 OR00001191-92. This same document lists the net software value for these 14 “Top 30”  
27 customers as €84.9 million (about \$113 million U.S. dollars, today and in February 2007), with  
28 €55.9 million (about \$74.5 million U.S.) coming from Oracle-product customers and €7.2  
million (about \$9.5 million U.S.) coming from Retek-product customers. *Id.* Only through  
further discovery can Oracle determine if these profits, along with any other profits that  
Defendants have obtained, were the result of Defendants’ alleged illegal activity.

<sup>6</sup> Under March 2007 exchange rates, €36 million is equivalent to approximately \$46.42  
million U.S. dollars, while €28 million converts to about \$37.41 million U.S. dollars.

1 secure [m]aintenance revenue,” and strengthen SAP’s “global market position and increase  
2 global market share.” *Id.* Ex. E at SAP-OR00252118, Ex. F at SAP-OR00252140.

3 The Court can find further evidence of the hypothetical license fee figure for  
4 Defendants’ use of Oracle’s products in the amount Oracle itself paid for those products. Oracle  
5 outbid SAP for Retek in March 2005 by paying \$670 million for that company, and acquired  
6 Hyperion in February 2007 through a \$3.3 billion acquisition. Considering the high value Oracle  
7 (and, in the case of Retek, SAP) placed on the use of these software programs at the time of  
8 Defendants’ alleged infringement, it is inconceivable that the value of Defendants’ subsequent  
9 unlawful use of these products – to further their plan of stealing the very customer relationships  
10 that Oracle had just worked hard to acquire – could be characterized as trivial, as Defendants  
11 now claim.

12 Finally, as Oracle noted in the June 24, 2008 Joint Discovery Conference  
13 Statement, evidence of Defendants’ improper use of Oracle’s Hyperion, Retek, and EBS  
14 software is directly relevant to Oracle’s punitive damages case. *See* 6-24-08 Joint Discovery  
15 Conference Statement at 4 n.2. The SAC and TAC include allegations, based on documents and  
16 testimony to date, that the SAP executive board of directors knew about SAP TN’s illegal  
17 business model, but approved the purchase of SAP TN anyway and allowed it to continue  
18 operating illegally to get a public relations win, convert Oracle customers, and damage Oracle.  
19 *See, e.g.*, SAC ¶¶ 1-12; TAC ¶¶ 1-12. For years, Defendants failed to cure SAP TN’s infringing  
20 business model and chose instead to aggressively profit from it. If Defendants also *expanded* the  
21 infringing activity to include wholly separate software products, that indicates a complete  
22 indifference to Oracle’s intellectual property rights highly relevant to punitive damages. *See,*  
23 *e.g.*, Cal. Penal Code § 502(e)(4) (providing for punitive damages for “willful” violations of the  
24 California Computer Data Fraud & Abuse Act “where it is proved by clear and convincing  
25 evidence that a defendant has been guilty of oppression, fraud, or malice”); Cal. Civ. Code §  
26 3294 (same for “the breach of an obligation not arising from contract”). Defendants’ malicious  
27 intent appears at almost every turn. The architect of the SAP TN acquisition, SAP Board  
28 member Shai Agassi, stated at the time that, by acquiring SAP TN, SAP AG “left a ticking

1 bomb” for Larry Ellison, and listed Oracle’s options as only twofold – either claim SAP TN was  
2 “too small to matter” or sue. Howard Decl. ¶ 6, Ex. A at SAP-OR00503878.

3 *The Burden of Other Applications Discovery Is Not Large, Particularly Given the*  
4 *Relevance.* Defendants have repeatedly asserted the limited scope of their efforts to service other  
5 Oracle applications. Howard Decl. ¶¶ 15, 18, Ex. I. Therefore, Defendants should not have  
6 great difficulty producing the relevant documents, answering Oracle’s 3 interrogatories, and  
7 preparing Rule 30(b)(6) witnesses to properly describe what they did to prepare the business  
8 cases that advertise such gaudy potential profits. Moreover, the relevance of the information –  
9 including to Oracle’s actual and punitive damages claims – outweighs any such burden, as  
10 shown above.

#### 11 **IV. CONCLUSION**

12 With eleven months left in discovery, Oracle served its discovery related to its  
13 EBS, Retek, and Hyperion products on July 28, 2008, one month after it first had (and  
14 simultaneously informed Defendants it had) a factual basis to do so, and on the same day  
15 amended its Complaint to include those claims. Today, six months later, Defendants have  
16 offered only the inadequate Nelson Declaration in response. Defendants’ failure to respond to  
17 Oracle’s discovery prevents Oracle from assessing liability and damages related to this part of  
18 the case. Considering the looming discovery deadline of June 19, 2008, the delay also threatens  
19 the case schedule.

20 For the foregoing reasons, Oracle respectfully requests that the Court issue an  
21 order compelling Defendants SAP America, SAP AG, and SAP TN to answer Oracle’s Retek,  
22 EBS, and Hyperion-related discovery, and, in particular, to: (1) each designate and make  
23 available for deposition pursuant to Fed. R. Civ. P. 30(b)(6) one or more persons who consent to  
24 testify on their behalf regarding the Retek, EBS, and Hyperion product line topics set forth in  
25 Oracle’s Rule 30(b)(6) notices; (2) provide supplemental responses to Oracle’s Third Set of  
26 Interrogatories to Defendant TomorrowNow, Inc. and Second Set of Interrogatories to  
27 Defendants SAP America and SAP AG (Interrogatory Nos. 2, 4, and 13); and (3) provide  
28

1 supplemental responses to Oracle's Second Set of Requests for Production of Documents to  
2 Defendants, Nos. 2, 5, 9, 12, 18-19, 24-26, 29-31, 34, and 42-43.

3 DATED: January 15, 2009

BINGHAM McCUTCHEN LLP

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6 By:           /s/ Geoffrey M. Howard            
7 Geoffrey M. Howard  
8 Attorneys for Plaintiffs  
9 Oracle USA, Inc., Oracle International  
10 Corporation, and Oracle EMEA Limited

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