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

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

No. 07-CV-01658 PJH (EDL)

**ORACLE'S MOTION TO MODIFY
 THE PROTECTIVE ORDER AND
 TO COMPEL DEPOSITION
 TESTIMONY AND FURTHER
 RESPONSES TO REQUESTS FOR
 ADMISSIONS**

Date: January 26, 2010
 Time: 9:00 a.m.
 Place: E, 15th Floor
 Judge: Hon. Elizabeth D. Laporte

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NOTICE OF MOTION AND MOTION

PLEASE TAKE NOTICE THAT on January 26, 2010 at 9:00 a.m., or as soon thereafter as the matter maybe heard, in the United States District Court, Northern District of California, located at 450 Golden Gate Ave., San Francisco, CA, Courtroom E, 15th Floor, before the Hon. Elizabeth D. Laporte, Plaintiffs Oracle USA, Inc., Oracle International Corporation, Oracle EMEA Limited, and Siebel Systems, Inc. (collectively, “Oracle” or “Plaintiffs”) will move for a modification of the protective order and for an order compelling Defendants to provide deposition testimony and further responses to requests for admission, as specified in the accompanying memorandum of points and authorities. This motion is based on this notice of motion and motion, the accompanying memorandum of points and authorities, the accompanying declaration of Chad Russell and attached exhibits, and upon such other matters presented to the Court at the time of the hearing.

RELIEF SOUGHT

Pursuant to Fed. R. Civ. Proc. 26 and 37,¹ Plaintiffs seek (1) a modification of the protective order in this action to allow Discovery Material to be used in litigation between the parties in Europe; (2) an order compelling Defendants to produce Scott Trainor for an additional half day of deposition and overruling certain instructions not to testify, as enumerated in Plaintiffs’ accompanying memorandum of points and authorities; (3) an order requiring Defendants to produce two documents, listed in the accompanying memorandum of points and authorities, for *in camera* inspection by the Court to determine if Defendants’ redactions were proper; and (4) an order compelling supplemental responses to Plaintiffs’ Requests for Admission Set No. 2, Nos. 496-680, Set No. 3, Nos. 13-50, and Set No. 5, Nos. 4-63, 130-62, or alternatively deeming those requests for admission admitted.

¹ Pursuant to Fed. R. Civ. Proc. 37(a)(1) and Civil L.R. 37-1, Oracle’s counsel affirms that they have conferred with opposing counsel in a good faith effort to reach agreement about these matters. See Declaration of Chad Russell in Support of Oracle’s Motion to Modify the Protective Order and to Compel Deposition Testimony and Further Responses to Requests for Admissions (“Russell Decl.”) at ¶¶ 2-13.

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I. INTRODUCTION

3 Pursuant to the Court's instructions at the November 17, 2009 discovery
4 conference, Oracle submits this memorandum of points and authorities in support of their motion
5 to modify the protective order and to compel further deposition testimony and responses to
6 requests for admissions. Oracle's motion covers three issues:

7 **Modifying the protective order.** In December 2008, Judge Hamilton dismissed
8 J.D. Edwards Europe Ltd. ("JDEE") as a Plaintiff in this case, holding that its copyright
9 infringement claims were extraterritorial and thus could not be brought in a U.S. court. *See*
10 Order Granting Motion to Dismiss in Part and Denying It in Part (Dec. 15, 2008) (Dkt. 224) at 5-
11 6. JDEE's copyright infringement claims were based on the same basic set of facts as the other
12 Plaintiffs' infringement claims that remain in this case, *see* Third Amended Complaint ¶ 38 (Dkt.
13 182); the only difference is the Court's determination that for JDEE, certain of the infringement
14 at issue occurred outside the U.S.

15 Oracle now moves to amend the protective order to allow it to use discovery
16 materials obtained in this action to sue Defendants in Europe, where these non-U.S. claims may
17 properly be asserted. Ninth Circuit case law "strongly favors access to discovery materials to
18 meet the needs of parties engaged in collateral litigation." *Foltz v. State Farm Mut. Auto. Ins.*
19 *Co.*, 331 F.3d 1122, 1131 (9th Cir. 2003). "Allowing the fruits of one litigation to facilitate
20 preparation in other cases advances the interests of judicial economy by avoiding the wasteful
21 duplication of discovery." *Id.* Here, the discovery taken in this action is directly relevant to the
22 claims Oracle may assert against Defendants in Europe, and any confidentiality concerns
23 Defendants may have can be accommodated by maintaining the non-disclosure and
24 confidentiality obligations in the existing protective order. Under Ninth Circuit precedent, this
25 motion should be granted and the protective order modified.

26 **Scope of Defendant Witness Scott Trainor's Testimony.** Oracle also moves to
27 reopen the deposition of Defendant witness Scott Trainor for an additional half day of testimony.
28 As Oracle explained at the November discovery conference, Defendants improperly instructed

1 Trainor not to testify on numerous occasions based on meritless privilege and work product
2 claims. Contrary to the Court’s guidance at the discovery conference, Defendants have
3 continued to refuse to withdraw their instructions or make Trainor available for further
4 deposition, necessitating this motion to compel. Oracle also seeks *in camera* review of two
5 Trainor documents to determine whether Defendants have redacted them properly.²

6 **Requests for Admission.** Oracle propounded a series of Requests for Admission
7 (“RFAs”) to Defendants related to the numerous fixes and updates that Defendant
8 TomorrowNow, Inc. (“SAP TN”) generated for customers using Oracle’s software. These RFAs
9 were necessary because Oracle’s earlier attempts to negotiate a stipulation concerning SAP TN’s
10 general business process based on Defendants’ 30(b)(6) deposition testimony were not
11 successful. As the Court is aware, Oracle alleges that SAP TN provided thousands of fixes and
12 updates to customers that infringed Oracle’s copyrights, among other claims. Oracle had sought,
13 and the Court had encouraged the parties to develop, a stipulation concerning the process by
14 which SAP TN developed those fixes and updates to streamline the presentation of evidence at
15 trial. SAP TN’s unwillingness to enter into an appropriate stipulation forced Oracle to seek
16 specific admissions about the steps involved in generating specific fixes and updates, again in an
17 effort to facilitate the presentation of evidence concerning SAP TN’s business model. However,
18 Defendants refused to answer nearly all of these RFAs, claiming that terms such as “copy,”
19 “fix,” “update,” and “generic environment,” though defined in the RFAs and used regularly by
20 Defendants’ employees both on the job and in depositions, were too vague to understand.

21 Defendants denied other RFAs concerning SAP TN’s business processes on the
22 ground that the necessary information was not “readily obtainable.” However, when Oracle

23 _____
24 ² Oracle has also contended that Defendant witness Georg Schraeder’s testimony as a Rule
25 30(b)(6) witness was inadequate, as the witness lacked adequate information to testify on behalf
26 of SAP concerning the subjects in the Rule 30(b)(6) deposition notice concerning SAP’s
27 knowledge of SAP TN’s use of Oracle database software. In the parties’ meet and confer, Oracle
28 offered to accept written responses to a list of questions that Schraeder was unable to answer.
Defendants agreed to provide those responses by December 23, 2009. Accordingly, at this time
Oracle does not raise Schraeder’s deposition in this motion to compel. However, Oracle reserves
the right to move to compel if Defendants’ written responses are inadequate.

1 asked Defendants to then separately *admit* this same information was not “readily obtainable” –
2 to close Defendants off from introducing evidence at trial which they have refused to provide
3 now – Defendants denied those requests as well. Defendants have essentially refused to provide
4 Oracle with meaningful written discovery on how SAP TN developed the fixes and updates it
5 delivered to customers based on unsupportable and contradictory objections. Either the
6 information is readily obtainable or it is not; Defendants cannot have it both ways. The Court
7 should order Defendants to amend their responses to these RFAs or deem them admitted. Fed.
8 R. Civ. P. 36(a)(4).

9 **II. THE COURT SHOULD MODIFY THE PROTECTIVE ORDER**

10 **A. Ninth Circuit Case Law Strongly Favors Modification**

11 At the November 17, 2009 discovery conference, the Court indicated it was
12 inclined to grant Oracle’s request to modify the protective order. *See* Russell Decl., ¶ 3 & Ex. A
13 at 68:4-6 (“I would think of granting your request. In other words, I – I don’t really see any
14 harm to letting this be used.”). Such a ruling would accord with Ninth Circuit precedent, which
15 “strongly favors access to discovery materials to meet the needs of parties engaged in collateral
16 litigation.” *Foltz*, 331 F.3d at 1131. Indeed, under Ninth Circuit law, “[w]here reasonable
17 restrictions on collateral disclosure will continue to protect an affected party’s legitimate
18 interests in privacy,” a request to modify a protective order to allow discovery to be used in
19 collateral litigation “should generally be granted.” *Id.* (citing *Beckman Indus., Inc. v.*
20 *International Ins. Co.*, 966 F.2d 470, 475 (9th Cir. 1992)).

21 *Foltz* sets forth a two-step inquiry for courts in deciding whether to modify a
22 protective order to allow discovery materials to be used in collateral litigation. First, the party
23 seeking the modification “must demonstrate the relevance of the protected discovery to the
24 collateral proceedings and its general discoverability therein.” *Id.* at 1132. That means that “the
25 court that entered the protective order should satisfy itself that the protected discovery is
26 sufficiently relevant to the collateral litigation that a substantial amount of duplicative discovery
27 will be avoided by modifying the protective order.” *Id.* The relevance determination does not
28 require a ruling by a European court that the discovery in this action would be relevant to a

1 lawsuit in Europe: “No circuits require the collateral litigant to obtain a relevance determination
2 from the court overseeing the collateral litigation prior to requesting the modification of a
3 protective order from the court that issued the order.” *Id.* Rather, once the district court makes
4 “only a rough estimate of relevance,” the “only issue it determines is whether the protective
5 order will bar . . . access to the discovery already conducted.” *Id.* at 1132-33.

6 Second, the district court “must consider other factors in addition to the relevance
7 of the protected discovery to the collateral litigation. In particular, it must weigh the
8 countervailing reliance interest of the party opposing modification against the policy of avoiding
9 duplicative discovery.” *Id.* “However, [r]eliance will be less with a blanket [protective] order,
10 because it is by nature overinclusive.” *Id.* (quoting *Beckman*, 966 F.2d at 475). “[A] party
11 seeking protection of the court via a blanket protective order typically does not make the ‘good
12 cause’ showing required by Rule 26(c) with respect to any particular document. Thus, reliance
13 on a blanket protective order . . . without more, will not justify a refusal to modify.” *Id.* Instead,
14 “[a]ny legitimate interest . . . in continued secrecy as against the public at large can be
15 accommodated” by placing in the modified protective order “the same restrictions on use and
16 disclosure contained in the original protective order.” *Id.* (quoting *United Nuclear Corp. v.*
17 *Cranford Ins. Co.*, 905 F.2d 1424, 1428 (10th Cir. 1990)).

18 Courts applying Ninth Circuit law have liberally modified protective orders to
19 allow discovery materials to be used in collateral proceedings, whether by parties to the original
20 case or by parties to the collateral proceeding that intervened in the original case to seek
21 modification of the protective order. *E.g.*, *In re Dynamic Random Access Memory Antitrust*
22 *Litig.*, No. 02-1486, 2008 WL 4191780, *2-3 (N.D. Cal. Sept. 10, 2008) (Hamilton, J.)
23 (modifying protective order so that the prohibited “use” of discovery materials in California
24 antitrust actions would not prohibit use of those materials by plaintiffs in two securities cases
25 filed in Idaho because “the same illegal price-fixing conspiracy that is at the center of the DRAM
26 MDL litigation [is] squarely at the heart of the collateral action complaints”); *CBS Interactive,*
27 *Inc. v. Etilize, Inc.*, 257 F.R.D. 195, 205-06 (N.D. Cal. 2009) (modifying protective order to
28 allow plaintiff to use discovery obtained in federal patent infringement case to pursue trade

1 secret misappropriation claims against the same defendant in state court); *Verizon California,*
2 *Inc. v. Ronald A. Katz Tech. Licensing, L.P.*, 214 F.R.D. 583 (C.D. Cal. 2003).

3 The Federal Circuit’s decision in *In re Jenoptik AG*, 109 F.3d 721 (Fed. Cir.
4 1997), in which the court applied Ninth Circuit law, is illustrative. Plaintiff Therma-Wave sued
5 Defendant Jenoptik in California for patent infringement. *Id.* at 722. In addition, “[i]n Germany,
6 Therma-Wave brought an action for infringement of a German counterpart of one of the patents
7 at issue in the California action.” Therma-Wave requested the district court in the California
8 action to modify the protective order to allow deposition testimony obtained in discovery to be
9 used in the German court. The district court granted the motion. *Id.* Jenoptik then petitioned the
10 Federal Court for a writ of mandamus, and the Court of Appeals applied Ninth Circuit law to
11 review the propriety of the district court’s order. *Id.* at 723 (“The Ninth Circuit, whose law we
12 applied in this petition, has considered whether it is appropriate for a district court to modify a
13 protective order to permit confidential materials to be used in a different proceeding.”). The
14 Federal Circuit denied the writ petition, noting that “Ninth Circuit precedent strongly favors
15 disclosure to meet the needs of parties in pending litigation.” *Id.* (quoting *Beckman*, 966 F.2d at
16 475). Because the plaintiff agreed to be bound by the disclosure restrictions in the protective
17 order concerning the discovery to be used in the German court, and the district court requested
18 that the German court “continue to treat the documents as confidential,” “the district court did all
19 that it could.” *Id.*

20 **B. Modification Of The Protective Order Is Appropriate Here**

21 Under these precedents, the Court should modify the protective order to allow the
22 parties to use discovery materials produced in this case in litigation between the parties in
23 Europe. First, the relevance requirement is plainly satisfied. As the Court is aware, Oracle
24 originally attempted to assert in *this* case some of the claims it must now bring in Europe.
25 Specifically, Oracle’s Third Amended Complaint added J.D. Edwards Europe Ltd. (“JDEE”) as a
26 plaintiff, alleging that “JDEE is a nonresident Irish private limited company” that “licenses
27 certain intellectual property, including enterprise software programs used around the world.”
28 Third Amended Complaint ¶ 38 (Dkt. 182). JDEE joined in the cause of action for copyright

1 infringement, alleging all the same facts the other Plaintiffs did. *Id.* ¶¶ 147-62. The Court
2 dismissed JDEE from the case on the ground that “the only right in U.S. copyrights that JDEE
3 possesses is the right to distribute some of the software products outside of the U.S.,” so “the
4 only infringement that could have occurred as to JDEE would be infringement of its right to
5 distribute extraterritorially.” Order Granting Motion to Dismiss in Part and Denying It in Part
6 (Dec. 15, 2008) (Dkt. 224) at 6. Because “[f]ederal copyright laws do not have extraterritorial
7 application,” the Court reasoned that it lacked jurisdiction over JDEE’s claim. *Id.* at 5-6.

8 JDEE can cure this jurisdictional defect by refileing its claims in Europe under
9 European law. It remains true, however, that the *facts* giving rise to those claims are the same, or
10 heavily overlap with, the facts giving rise to the other Plaintiffs’ claims in this case. Oracle has
11 broadly alleged “a conspiracy, led by German software conglomerate SAP AG, to engage in and
12 cover-up corporate theft of Oracle intellectual property on the grandest scale.” Fourth Amended
13 Complaint ¶ 1 (Dkt. 418). The only distinction the Court drew between JDEE and the other
14 Plaintiffs concerned where the specific acts of infringement occurred – inside or outside the U.S.
15 Given the near identity of JDEE’s claims to the ones presently asserted in this case, it is clear
16 that “the protected discovery is sufficiently relevant to the collateral litigation that a substantial
17 amount of duplicative discovery will be avoided by modifying the protective order.” *Foltz*, 331
18 F.3d at 1132.

19 Second, Defendants’ reliance interest in the current prohibition in the protective
20 order from using discovery materials for collateral litigation is minimal because the order is a
21 “blanket” protective order in the sense in which the Ninth Circuit uses that term. Under the
22 protective order in this case, the producing party designates discovery material as confidential or
23 highly confidential and does not have to file a motion pursuant to Federal Rule of Civil
24 Procedure 26(c) on a document-by-document basis to have the Court determine that the material
25 is confidential. Protective Order ¶ 6 (June 7, 2007) (Dkt. 32). To be sure, the protective order
26 prescribes standards the parties are to follow in making their confidentiality designations, *see id.*
27 ¶¶ 3-4, and indiscriminate designations are inconsistent with the terms of the order. However,
28 under Ninth Circuit law, this is still considered a blanket protective order because the “party

1 seeking the protection of the court . . . does not make the ‘good cause’ showing required by Rule
2 26(c) with respect to any particular document.” *Foltz*, 331 F.3d at 1133. “[T]he protective order
3 allows a party or a non-party producing or disclosing a particular document to initially determine
4 whether such item is confidential without court intervention. As such, the protective order is
5 akin to a blanket protective order . . . ‘as the party resisting disclosure generally has not made a
6 particularized showing of good cause with respect to any individual document.’” *Verizon*
7 *California*, 214 F.R.D. at 586 (quoting *San Jose Mercury News, Inc. v. United States District*
8 *Court – Northern District*, 187 F.3d 1096, 1103 (9th Cir. 1999)). Indeed, the “blanket” nature of
9 the protective order here is evidenced by the hundreds of thousands of pages of SAP TN
10 documents and testimony which Defendants continue to maintain are “confidential” or “highly
11 confidential,” even though SAP TN is no longer in business.

12 The protective order in this case is therefore similar to the ones in *CBS*
13 *Interactive*, 257 F.R.D. at 200, and *Verizon California*, 214 F.R.D. at 584, which likewise
14 allowed the parties to designate certain discovery materials as confidential or highly confidential.
15 In both cases the courts deemed those to be blanket protective orders under Ninth Circuit law
16 because the parties – not the Court – made the initial confidentiality designations. And in both
17 cases the courts found that the reliance interests were too minimal to oppose modification to
18 allow discovery materials to be used in collateral litigation. *CBS Interactive*, 257 F.R.D. at 206
19 (“Mere reliance on a blanket protective order does not justify a refusal to modify it when a
20 reasonable request for disclosure has been made.”); *Verizon California*, 214 F.R.D. at 586.

21 Moreover, Defendants’ reliance interest, minimal as it is, can be easily
22 accommodated. The Ninth Circuit has instructed that the disclosing party’s privacy interests can
23 be accommodated by placing in the modified protective order “‘the same restrictions on use and
24 disclosure contained in the original protective order.’” *Foltz*, 331 F.3d at 1133 (quoting *United*
25 *Nuclear Corp.*, 905 F.2d at 1428). Oracle’s proposed order granting the present motion does
26 exactly that. The proposed order states: “For purposes of paragraphs 8, 9, 10, 11, 12 and 14 of
27 the June 7, 2007 Protective Order, the terms ‘this Action’ and ‘this litigation’ shall include
28 litigation in Europe between the Parties or their affiliates arising out of similar factual

1 allegations.” [Proposed] Order Granting Oracle’s Motion to Modify the Protective Order and to
 2 Compel Deposition Testimony and Responses to Requests for Admissions, submitted herewith.
 3 That modification simply alters the permitted uses of Discovery Material to cover European
 4 litigation while preserving all the other restrictions on use and disclosure that are in the
 5 protective order as it exists now, satisfying Ninth Circuit precedent.

6 Accordingly, the Court should modify the protective order to allow Oracle to use
 7 discovery materials in related European litigation between the parties.

8 **III. THE COURT SHOULD ORDER ADDITIONAL DEPOSITION TIME FOR**
 9 **DEFENDANT WITNESS SCOTT TRAINOR**

10 **A. Trainor’s Deposition, The Un-Clawed Back Document, And**
 11 **The Court’s Guidance At The Discovery Conference**

12 On October 13, 2009, Oracle deposed Scott Trainor, former in-house counsel for
 13 PeopleSoft and current in-house counsel for SAP. *See* Russell Decl., ¶ 14 & Ex. H at 9:10-18,
 14 22:15-23:4, 24:11-26:21 (describing his job history). While at SAP, Trainor drafted SAP TN’s
 15 form support services agreement and negotiated contracts between SAP TN and its customers.
 16 *Id.* at 17:18-21, 60:8-10; 65:16-66:4; 71:23-72:18; Russell Decl., ¶ 27 & Ex. U.³ It appears that
 17 SAP was using Trainor – who had engaged in confidential and privileged communications and
 18 analyses regarding the meaning of the PeopleSoft license agreements while he was at PeopleSoft
 19 – to persuade customers that handing over copies of their PeopleSoft software to SAP TN did not
 20 violate their PeopleSoft license agreements. *See, e.g.,* Russell Decl., ¶ 24 & Ex. R at SAP-
 21 OR00682292 (Section 9A) (Trainor telling customer Waste Management, “Our rights to use the
 22 PeopleSoft software come entirely by way of the WM license with PeopleSoft.”). Accordingly,
 23 Oracle attempted to depose Trainor about how he negotiated contract terms with prospective

24 ³ Defendants clawed-back and redacted the document cited here – TN-OR00852363 – after
 25 Trainor’s deposition, on October 21, 2009. Russell Decl., ¶ 5 & Ex. C. The unredacted portions
 26 show Trainor on an email about SAP TN’s “AGREEMENT DRAFT FOR REVIEW.” *Id.*
 27 Oracle believes the redactions are improper. However, Oracle does not have access to clawed-
 28 back and redacted portions of the document and is not permitted to have taken notes or to
 reference the substance in any way per Court order. Oracle therefore requests that the Court
 require Defendants to provide it in unredacted form for *in camera* review to determine if the
 redactions are proper given Trainor’s other testimony cited in this Motion.

1 SAP TN customers and how he maintained his ethical obligations to PeopleSoft.

2 During the deposition, two privilege-related issues arose, which Oracle described
3 to the Court in the last discovery conference statement. *See* Joint Discovery Conference
4 Statement (Nov. 12, 2009) (Dkt. 548) at 23-25. For both of these issues, Defendants have the
5 burden to show that the privileges they are claiming apply. *Weil v. Investment/Indicators,*
6 *Research and Management, Inc.*, 647 F.2d 18, 25 (9th Cir. 1981) (“As with all evidentiary
7 privileges, the burden of proving that the attorney-client privilege applies rests not with the party
8 contesting the privilege, but with the party asserting it.”); *Conoco Inc. v. United States Dep’t. of*
9 *Justice*, 687 F.2d 724, 730 (3rd Cir.1982) (“The burden of demonstrating that a document is
10 protected as work-product rests with the party asserting the doctrine.”).

11 The first privilege issue concerned Exhibit 1683, an email exchange with Trainor
12 concerning SAP TN’s ability to obtain PeopleSoft and J.D. Edwards software from customers
13 through the customers’ license agreements. When Oracle introduced Exhibit 1683 at the
14 deposition, Defendants clawed it back and prevented further questioning about the document.
15 Russell Decl., ¶ 14 & Ex. H at 151:25-152:7. Then, a month later, pursuant to a letter from
16 Oracle calling the clawback improper, Defendants returned Exhibit 1683 – undoing the clawback
17 – but they refused to make Trainor available for additional questions about the exhibit. Russell
18 Decl., ¶ 7 & Ex. E. Defendants asserted: “[W]e believe that a further deposition of Mr. Trainor
19 is not warranted. There is virtually no likelihood that any material additional testimony would be
20 elicited in such a deposition.” *Id.*⁴

21 Defendants’ position is unsupportable. They blocked the questioning of an
22 important witness by invoking the attorney-client privilege, later determined (again) the
23 document at issue was not privileged, but are still trying to block the questioning, now without
24 any basis at all. Moreover, Defendants’ assertion that Exhibit 1683 does not warrant additional
25

26 ⁴ Subsequently, Defendants agreed by email to produce Trainor again “concerning Ex. 1683,”
27 but only if Oracle would waive its other issues related to Trainor’s deposition. Russell Decl., ¶
28 10 & Ex. G. That is an unreasonable condition to attach to allowing deposition testimony that
Defendants are plainly obligated to provide.

1 questions is untrue. The Exhibit (which has now been produced again) is an email chain from
 2 SAP TN’s vice president of sales, Bob Geib, who asked an SAP employee, Mia Lee, to have “a
 3 discussion” with a prospective customer “about the ‘rights’ that a customer has under their
 4 PeopleSoft/J.D. Edwards agreement that ALLOWS them to have TomorrowNow perform
 5 services on JDE.” Russell Decl., ¶ 25 & Ex. S at SAP-OR00677720 (all caps in original). When
 6 Lee replied that she was “coming into this midstream,” Geib told her “you’ll probably want to do
 7 a short briefing w/Scott Trainor to understand the positioning. It’s not really a ‘contract’
 8 discussion from a negotiations perspective, but a ‘based upon my experience’ conversation
 9 where we address the rights and terms of the J.D. Edwards license that makes TN consulting
 10 possible.” *Id.* at SAP-OR00677719. Lee then followed up by forwarding the email exchange to
 11 Trainor, in a passage that Defendants have redacted. *Id.*⁵ However, the non-redacted parts of the
 12 email chain, quoted in the preceding sentences, make clear that it relates precisely to Oracle’s
 13 concern that Trainor was using his experience as a former PeopleSoft employee to opine
 14 (adversely to PeopleSoft’s successor’s interests) on what the license agreements allowed.

15 The second privilege issue that arose at Trainor’s deposition was that Defendants
 16 gave a series of improper instructions not to testify that have no basis in the attorney-client
 17 privilege or attorney work product doctrine. Oracle provided an example of one such improper
 18 instruction in the last discovery conference statement. *See Joint Discovery Conference*
 19 *Statement* (Nov. 12, 2009) (Dkt. 548) at 24:

20 Q. Let’s turn to page 5 of the document. Under -- and this is -- actually, if you go back
 21 to page 4, you’ll see the title is, paragraph 9, “Indemnity.”

22 A. Yes.

23 Q. And that goes on for several paragraphs. Do you see that?

24 A. I do.

25 ⁵ This is the second document which Oracle asks that Defendants provide in unredacted form for
 26 *in camera* review by the Court. Given the unredacted portion of the document, the history of
 27 production of the document, and the burden on Defendants to prove privilege, such review is
 28 appropriate. For a full explanation of the history of the production of this document, see the
 Russell Decl. at ¶ 8. As a legal matter, the unredacted content of the document indicates that Lee
 was asking Trainor for business advice, not legal advice. *See United States v. ChevronTexaco*
Corp., 241 F. Supp. 2d 1065, 1075-76 (N.D. Cal. 2002).

1 Q. There's a bracket right after the title which begins page 5 of the agreement: We do
2 not have access to the terms of the PeopleSoft license. We therefore need this protection.
Were those your words?

A. I don't know.

3 Q. Were they SAP or TomorrowNow words?

A. I --

4 MR. McDONELL: Lack of foundation, calls for speculation. Don't disclose privileged
information.

5 THE WITNESS: I can't tell from this redline who said it.

6 MR. PICKETT: Q. Well, this was a redline that you sent to their outside counsel for
purposes of negotiating the agreement. True?

A. Yes.

7

...
Q. Now, is it true that you did not have access to the terms of PeopleSoft licenses?

8 A. Yes.

9 Q. You had worked with them for some time when you worked as an attorney for
PeopleSoft. True?

A. True.

10 Q. And so did you compartmentalize that -- your experience?

11 MR. McDONELL: Calls for mental impressions of an attorney. I'll instruct you not to
answer on work product grounds.

12 MR. PICKETT: Q. Did you take any steps to avoid relying on your memory of the
PeopleSoft licenses in negotiating the terms of these licenses
with TomorrowNow customers?

13 MR. McDONELL: Same objection, same instruction not to answer.

14 Russell Decl., ¶ 14 & Ex. H at 111:19-112:19, 113:6-23.

15 Defendants' privilege instructions were improper. As a former in-house attorney
16 for PeopleSoft, Trainor was ethically obligated not to use confidential information he gained in
17 the course of his representation of PeopleSoft *adversely* to PeopleSoft. California Rule of
18 Professional Conduct 3-310(E) states: "A member shall not, without the informed written
19 consent of the client *or former client*, accept employment *adverse* to the client *or former client*
20 where, by reason of the representation of the client or former client, *the member has obtained*
21 *confidential information material to the employment.*" (emphasis added). Here, Trainor testified
22 that during his time at PeopleSoft his work as an attorney involved the PeopleSoft license
23 agreements (Russell Decl., ¶ 14 & Ex. H at 113:10-12); that during his time at SAP he did *not*
24 have access to the PeopleSoft license agreements (*id.* at 113:6-9, 132:22-133:1); and that at SAP
25 he negotiated contracts with SAP TN's customers (*id.* at 17:18-21, 60:8-10). All of Trainor's
26 work in negotiating contracts with prospective SAP TN customers was adverse to PeopleSoft's
27 successor – Oracle – because the whole point of that effort was to take Oracle's customers. *Id.* at
28 44:19-45:14. Oracle is entitled to ask how, if at all, Trainor complied with California Rule of

1 Professional Conduct 3-310(E) concerning the confidential information he learned while at
2 PeopleSoft concerning the terms of PeopleSoft’s license agreements.

3 Moreover, Oracle’s questions did not ask about communications Trainor had with
4 a client, *see In re Grand Jury Investigation*, 974 F.2d 1068, 1071 n.2 (9th Cir. 1992) (the
5 “essential elements” of a claim of attorney-client privilege are that legal advice is sought “from a
6 professional legal advisor in his capacity as such . . . by the client”), nor about work product he
7 developed in anticipation of litigation. *See In re Grand Jury Subpoena (Mark Tork/Torrf*
8 *Environmental Management)*, 357 F.3d 900, 907 (9th Cir. 2004) (“to qualify for protection
9 against discovery under Rule 26(b)(3), documents must have two characteristics: (1) they must
10 be ‘prepared in anticipation of litigation or for trial,’ and (2) they must be prepared ‘by or for
11 another party or by or for that other party’s representative’”) (quoting *In re California Pub. Utils.*
12 *Comm’n*, 892 F.2d 778, 780-81 (9th Cir. 1989)). Rather, Oracle asked about the steps Trainor
13 took to comply with his ethical obligations. There was no basis for Defendants to instruct him
14 not to answer.

15 At the November 17, 2009 discovery conference, the Court told Defendants that
16 their instructions were improper. The Court stated that “particularly the did you take any steps
17 or whatever the question was – what steps did you take, if any, to try to avoid using things that
18 you learned before? I would probably overrule on the objection for that. Now, I don’t know
19 what the other ones are, but I mean I just – I just think that those questions have to be answered.”
20 Russell Decl., ¶ 3 & Ex. A at 59:21-60:2. In light of the Court’s guidance, Oracle asked
21 Defendants to withdraw their objections and permit Trainor to testify. In a December 1, 2009
22 email, Defendants stated they would not withdraw these instructions not to testify, despite the
23 Court’s guidance, thus forcing Oracle to bring this motion. Russell Decl., ¶ 10 & Ex. G.

24 **B. Defendants’ Numerous Instructions Not To Answer Were Improper**

25 In addition to the example cited above, Defendants gave other baseless privilege
26 instructions throughout Trainor’s deposition. The Court should overrule those objections and
27 order Trainor to be made available to testify on these matters.

28 **Communications with Prospective Customers.** Oracle questioned Trainor

1 about Exhibit 1681, which contained a draft contract sent from Trainor to a prospective customer
 2 (who eventually signed with SAP TN) in which the redlines show him telling the customer that it
 3 was to the customer’s “advantage” to give SAP TN access to PeopleSoft software. *See* Russell
 4 Decl., ¶ 24 & Ex. R at SAP-OR00682290 (Section 4D).

5 Q. Do you deny that you were telling Waste Management that it was to their
 advantage to provide access to software?

6 MR. McDONELL: Vague and ambiguous, lack of foundation, asked and answered.

7 THE WITNESS: I don’t recall if I drafted this, first of all. And second of all, as I read
 this, I don’t believe it coincides with what you just concluded.

8 Q. Why not?

9 ...

THE WITNESS: That’s not how I read the “you don’t want us accessing.”

Q. How did you read it?

10 MR. McDONELL: Same objections and same instruction to you not to disclose
 privileged information.

11 THE WITNESS: I feel like I’m going into where I’m drawing legal conclusions as I
 interpret this.

12 MR. McDONELL: Okay. So I instruct you not to disclose your mental legal analysis.

13 Russell Decl., ¶ 14 & Ex. H at 109:7-16, 111:1-11.

14 Defendants’ instruction not to answer has no merit. Oracle handed Trainor a
 15 document he sent *to the customer* and asked him *what he was telling the customer*. There was no
 16 attorney-client relationship between SAP TN and its customers. Nor can Trainor’s
 17 communications with customers be described as attorney work product in anticipation of
 18 litigation.⁶

19 **Misrepresentations to Customers.** For the same exhibit, Oracle also asked
 20 Trainor about another of his redlines claiming that SAP TN’s rights to use PeopleSoft software
 21 derive from the customer’s license with PeopleSoft (now Oracle). Oracle asked Trainor if the
 22 representation he made to the customer was true, and Defendants instructed him not to answer:

23 Q. If you take a look at paragraph 9A of the agreement, “TomorrowNow Indemnity,”
 24 there’s a bracket that states: This will need to be different from the license. ***Our rights***
 25 ***to use the PeopleSoft software come entirely by way of the Waste Management license***
with PeopleSoft. Is it true that you were conveying to Waste Management the position

26 ⁶ Oracle asked Defendants in meet and confer to specify the litigation that any of the multiple
 27 “work product” claims were supposedly prepared in anticipation of. Russell Decl., ¶ 6 & Ex. D.
 Defendants declined to identify any such litigation. *Id.* at ¶ 7 & Ex. E.

1 that TomorrowNow's rights to use the PeopleSoft software come entirely by way of the
2 Waste Management license with PeopleSoft?

3 MR. McDONELL: The document speaks for itself.

4 THE WITNESS: I don't recall drafting this. However, that -- what you recited is what
5 the document represents, yes.

6 ...
7 Q. Was that a true statement so far as you knew?

8 MR. McDONELL: I have -- hold on for a second. Calls for a legal conclusion and legal
9 analysis. I'll instruct you not to answer.

10 Q. So you can't tell me whether it's true or not?

11 MR. McDONELL: I've instructed you not to answer on grounds of work product.
12 You're asking him to sit here and do legal analysis.

13 Q. To your knowledge, did SAP or TomorrowNow ever misrepresent facts to customers
14 during negotiation of terms?

15 MR. McDONELL: I instruct you not to answer. It's argumentative, calling for legal
16 conclusions and work product and potential attorney-client. And it's argumentative. I've
17 already said that.

18 Russell Decl., ¶ 14 & Ex. H at 113:24-114:14, 114:24-115:17 (emphasis supplied).

19 Again, those instructions not to answer were improper. Communications between
20 SAP TN and its customers are not privileged. Whether SAP TN was misrepresenting facts to its
21 customers in the communications is not privileged either, because Oracle was still not asking
22 about communications between an attorney and a client. In addition, the work product doctrine
23 is inapplicable. There is no showing that any misrepresentations by SAP TN to prospective
24 customers were prepared in anticipation of litigation, and indeed Defendants refused to identify
25 any such litigation or otherwise explain their claim of work product during the meet and confer.
26 Whether SAP TN misrepresented facts to customers during the negotiation of contract terms is
27 just a factual question that could be asked of any witness who dealt with customers. Trainor's
28 status as an attorney does not relieve him of the obligation to answer the same questions any
percipient witness would have to answer.

Indemnification Policy. Oracle asked Trainor about Exhibit 1684, a non-
privileged PowerPoint sales presentation given by Trainor and SAP TN's head of sales at
training sessions they conducted for SAP salespeople. Russell Decl., ¶ 26 & Ex. T; *id.*, ¶ 14 &
Ex. H at 157:1-10. Oracle asked Trainor about the accuracy of the presentation:

Q. Turning to Exhibit 1684, page ending -861, under the indemnification provision, it
reads, "Key term -- no removing this." Was that true, that this was a key term for SAP,
and it would not negotiate this term away?

MR. McDONELL: Instruct not to answer on the grounds of attorney-client and work
product.

1 Russell Decl., ¶ 14 & Ex. H at 166:7-23.

2 Defendants' instruction not to answer had no merit. Defendants are not claiming
3 privilege over the actual *communication* between Trainor and others at SAP TN (nor could they)
4 – they intentionally produced the PowerPoint slides and allowed them to be used as a deposition
5 exhibit without objection. This is because the statement that the indemnification provision was a
6 key term in contract negotiations was business advice to the SAP TN sales team; nothing in the
7 PowerPoint purported to give legal advice about the effect of such a provision. *See United States*
8 *v. ChevronTexaco Corp.*, 241 F. Supp. 2d 1065, 1075-76 (N.D. Cal. 2002) (“In-house counsel
9 may be involved intimately in the corporation’s day to day business activities and frequently
10 serve as integral players in business decisions or activities. Accordingly, communications
11 involving in-house counsel might well pertain to business rather than legal matters. The
12 privilege does not protect an attorney's business advice.”). In any event, the question Oracle
13 asked at the deposition was simply whether the business advice Trainor gave was true, i.e.,
14 whether it was an accurate description of SAP’s business practices. That is also just a question
15 about business practices and facts, not privileged communications or work product.

16 **Compliance with ethical obligations.** Oracle asked Trainor questions about
17 Exhibit 1181, an email from SAP TN salesperson Spencer Phillips to Raytheon, a prospective
18 customer, that related a non-privileged conversation Phillips had with Trainor. Russell Decl., ¶
19 23 & Ex. Q; *id.*, ¶ 14 & Ex. H at 129:20-22. Phillips stated in the email that Trainor informed
20 him what the specific language was in the PeopleSoft license agreements concerning third party
21 access to PeopleSoft software. *Id.* As discussed above, this raises an ethical concern due to
22 Trainor’s prior employment as counsel for PeopleSoft. Trainor admitted in his deposition that
23 when he had this conversation with Phillips in 2005 he was employed by SAP and did not have
24 any access to PeopleSoft licensing agreements. Russell Decl., ¶ 14 & Ex. H at 132:22-133:1.
25 So, it would appear that Trainor provided this information about the content of the licensing
26 agreement based on his prior work as PeopleSoft’s in-house counsel. Because he was now using
27 that information to help SAP TN convert customers from PeopleSoft’s successor, Oracle, it
28 would appear that Trainor had violated California Rule of Professional Conduct 3-310(E). So,

1 Oracle asked Trainor point blank if he violated the rule, and Defendants improperly instructed
2 him to not answer:

3 Q. You understand that you have certain ethical obligations as an attorney in the State of
4 California. Correct?

MR. McDONELL: Calls for a legal conclusion.

THE WITNESS: I do.

5 Q. And you understood that you have the obligation to keep information you learned
6 from a former -- a client strictly confidential. True?

MR. McDONELL: Depends on the circumstances. It calls for a legal conclusion.

Object to the form of the question.

7 MS. PHILLIPS: Overbroad.

THE WITNESS: I do.

8 Q. And if you revealed this type of information to Mr. Phillips, that violated your ethical
9 obligation. True?

MR. McDONELL: Object to the form of the question, and I'm going to instruct you not
10 to answer on the grounds of attorney work product and privilege.

Q. Is this information confidential?

MR. McDONELL: Vague and ambiguous, overbroad, calls for a legal conclusion, calls
11 for a legal analysis by an attorney of a legal issue collaterally related to the case. I'm
12 going to instruct you not to answer.

Q. Is it private? Is it confidential? That's not a privilege issue.

MR. McDONELL: Same objections. Same instruction.

MR. PICKETT: On what ground?

MR. McDONELL: Privilege, work product.

13
14
15 Russell Decl., ¶ 14 & Ex. H at 136:3-137:12.

16 Q. If you did convey it, would you have felt comfortable conveying it, the portion that I
17 just read?

MR. McDONELL: Instruct you not to answer. Grounds of attorney-client, attorney
18 work product, it's unduly argumentative, I object to the form of the question.

19 *Id.* at 139:7-13.

20 Those privilege instructions do not have merit. Oracle is entitled to ask whether
21 its predecessor's former counsel complied with his ethical obligations toward PeopleSoft. And
22 his compliance, or lack thereof, is not an inquiry into an attorney-client communication or work
23 product. If attorneys could not be asked if they believed their conduct complied with ethical
24 rules, how would the State Bar conduct disciplinary hearings? And again, Defendants have
25 refused to provide any authority or explanation for this claim, which is their burden.

26 **Willfulness of copyright infringement.** Oracle also asked Trainor some
27 foundational questions concerning whether SAP or SAP TN took any steps to determine if their
28

1 access to software amounted to copyright infringement:

2 Q. Did SAP or TomorrowNow take any steps to determine whether a particular
3 customer's allowance of access to software constituted copyright infringement?

4 MR. McDONELL: Instruct you not to answer on grounds of legal -- privilege and work
5 product.

6 MR. PICKETT: It's take any steps. It's not what they did.

7 MR. McDONELL: Stand by my instruction.

8 Q. Did TomorrowNow or SAP ever analyze in connection with a negotiation of a
9 contract the general topic of a customer's rights to provide access to software?

10 MR. McDONELL: Instruct you not to answer on the grounds of attorney-client privilege
11 and work product.

12 Russell Decl., ¶ 14 & Ex. H at 115:21-116:11.

13 Defendants' instructions not to answer came too early and were too sweeping.

14 Oracle is entitled to ask *whether* Defendants took any steps to determine if their conduct
15 constituted copyright infringement, and *whether* Defendants ever analyzed in the context of a
16 contract negotiation the general topic of a customer's ability to provide access to software. If the
17 answers are "no," there is nothing privileged or work product to protect – and the testimony
18 would be directly relevant to the willfulness of Defendants' conduct. If the answers are "yes,"
19 Oracle can follow up by asking other foundational questions, such as whether SAP's legal
20 department was involved; whether there were some steps not done at the direction of legal;
21 whether any of SAP's steps or analyses were shared with customers, in which case the privilege
22 would be waived; and so on. Furthermore, Oracle has already asked the same foundational
23 questions of other attorney witnesses in the case and Defendants allowed the questioning. *See,*
24 *e.g.,* Russell Decl., ¶ 16 & Ex. J at 24:6-26:17. Yet this time Defendants improperly shut down
25 these foundational questions.

26 Accordingly, for the reasons described above, Oracle asks that the Court review *in*
27 *camera* the two documents in question, overrule Defendants' instructions not to answer, and
28 order Trainor to return for another half day of deposition to answer the questions outlined above,
as well as reasonable follow up questions, and to testify concerning the content of Exhibit 1683
and any content of the two documents which the Court deems were improperly redacted.

1 **IV. THE COURT SHOULD ORDER FURTHER RESPONSES TO ORACLE'S**
 2 **REQUESTS FOR ADMISSION, OR ALTERNATIVELY DEEM THEM**
 3 **ADMITTED**

4 **A. RFAs, Second Set, Nos. 496-680, Third Set, Nos. 13-50**

5 Oracle's Requests for Admissions ("RFAs") 496-680 (in Set No. 2) and 13-50 (in
 6 Set No. 3) asked Defendants certain basic facts about SAP TN's business processes – essentially,
 7 to admit the extent to which SAP TN generated fixes or updates by copying Oracle updates,
 8 cross-using customer software, and using local generic environments. These RFAs go to the
 9 heart of SAP TN's business model and Oracle's core allegations that the model – indeed, the
 10 entire way SAP TN did business – was illegal.

11 But rather than answer these RFAs, Defendants objected to the terms "copy,"
 12 "fix," "update," and "generic environment" and instead provided evasive narrative responses that
 13 do not actually answer what Oracle asked. After three months of meeting and conferring about
 14 Defendants' inadequate responses, including multiple offers by Oracle to redefine these terms to
 15 avoid any possible confusion, Defendants have, with one exception noted below, refused to
 16 amend their responses to address Oracle's concerns, necessitating this motion to compel. Below
 17 Oracle explains how these four terms – "copy," "fix," "update," and "generic environment" –
 18 were defined. Then, because Defendants' responses to each of these 223 RFAs were all evasive
 19 in the same way, and because the Court has asked that the Parties address issues such as these
 20 involving multiple discovery requests by topic, Oracle provides examples of Defendants non-
 21 responsive answers, rather than going through all 223 RFAs individually.

22 **"Copy."** Oracle defined the term "copy" in its RFAs as follows: "Copy' in the
 23 noun form shall mean a copy, duplication, clone, backup, download, restore, and/or a
 24 compressed copy, and in the verb form shall mean to copy, duplicate, clone, backup, download,
 25 and/or restore." Russell Decl., ¶ 28 & Ex. V at pp. 1-2.

26 With that definition, Oracle propounded numerous RFAs concerning whether
 27 SAP TN developed fixes and updates by using a "copy" of an Oracle update. For example:

28 **AMENDED REQUEST FOR ADMISSION NO. 501:**

Admit that for the majority of Fixes or Updates listed in the first

1 two columns of Exhibit A, TN acquired a Copy of a tax Update
2 published by PeopleSoft or Oracle by Downloading it from
Customer Connection to use in Developing the Fix or Update.

3 Russell Decl., ¶ 29 & Ex. W at p. 290.

4 Defendants globally objected to the definition of the term “copy” on the following
5 grounds: “Defendants object to the definition of ‘Copy’ as being overly broad, unduly
6 burdensome, vague, and not reasonably calculated to lead to the discovery of admissible
7 evidence to the extent it purports to encompass anything beyond the term as defined under U.S.
8 copyright law. Defendants further object to Plaintiffs’ use of the term ‘copy’ in these requests as
9 improperly shifting the burden of proof to Defendants.” *Id.* at p. 3.

10 With that objection, and several others, Defendants then gave the following
11 response to RFA 501:

12 ADMITTED on the following qualified basis: TomorrowNow
13 reasonably believes that for the majority of the objects (meaning at
14 least one object more than half of the total objects) associated with
15 the master bundle records referenced in the first two columns of
16 Exhibit A, TomorrowNow employees acquired a tax update posted
by PeopleSoft by downloading that tax update from Customer
Connection to use in connection with the development of the
object. To the extent not admitted, this request is DENIED.

17 *Id.* at 292.

18 That response, and the other responses where Defendants use the same approach,
19 is evasive. Defendants state that “TomorrowNow employees acquired a tax update posted by
20 PeopleSoft by downloading that tax update from Customer Connection to use in connection with
21 the development of the object,” but what Oracle asked was whether SAP TN acquired a “copy”
22 of a tax update. Defendants’ answer carefully dances around the question, never answering
23 whether SAP TN acquired a “copy.” In a case about “copying,” that matters.

24 Worse, the last sentence of Defendants’ response states that “[t]o the extent not
25 admitted, this request is DENIED,” This suggests that Defendants are in effect denying any
26 “copying” happened, since that is what Oracle asked, yet a “download” is clearly a “copy,” and
27 Defendants conceded as much during meet and confer. Russell Decl., ¶ 11.

28 Oracle is suing Defendants for copyright infringement, among other claims.

1 Thus, whether SAP TN acquired a “copy” of an Oracle or PeopleSoft update as part of the
2 process of creating fixes is central to Oracle’s claims. Defendants are refusing to admit whether
3 they acquired a “copy” of an update precisely because they do not want the jury to see that
4 admission in writing.

5 Defendants’ objections to the definition of the term “copy” are without merit and
6 their answers are non-responsive. Their objections that the defined term “copy” is “overly broad,
7 unduly burdensome, vague, and not reasonably calculated to lead to the discovery of admissible
8 evidence” or that “Plaintiffs’ use of the term ‘copy’ in these requests . . . improperly shift[s] the
9 burden of proof to Defendants” (Russell Decl., ¶ 29 & Ex. W at p. 3) do not make any sense.

10 SAP TN employees regularly used the word “copy” in their own documents to describe the
11 company’s business processes. For example, in an April 24, 2007 email, SAP TN manager Rod
12 Russell explained to SAP TN developer Edward Tong some of the steps involved in developing
13 a fix: “Here is a summary of what needs to be done . . . *Copy* the program from that client’s
14 source group into the fix folder you created.” Russell Decl., ¶ 20 & Ex. N at TN-OR01623777
15 (emphasis supplied). A June 16, 2008 SAP TN document listed the steps involved in testing the
16 delivery of individual fixes. One step was: “Apply Fix: 1) *Copy* PAY003.sqr from
17 \Development Staging\CSS HRMS 8.SSI\PY07JUN\Individual Fixes\TN-
18 1214062594\SQR\Spurce1 folder to \h881COHM\sqr folder.” Russell Decl., ¶ 21 & Ex. O at
19 SAS-TN-OR-01823633-OR-00177 (emphasis supplied). When Oracle uses a common word
20 such as “copy,” goes further and defines it in the RFAs to include other common synonyms, and
21 when Defendants themselves use that word regularly to describe their own conduct, it is not
22 legitimate for them to claim they do not understand what it means in response to a discovery
23 request.

24 Moreover, Oracle is entitled to ask Defendants to admit they used a “copy” of an
25 update, even though the word “copy” may have legal significance. Fed. R. Civ. Proc.
26 36(a)(1)(A) (“A party may serve on any other party a written request to admit . . . facts, the
27 application of law to fact, or opinions about either”). Defendants are not entitled to assert a
28 series of make-weight objections and then avoid answering the central thrust of the RFA. *Cf.*

1 *Adolph Coors Co. v. American Insurance Co.*, 164 F.R.D. 507, 518 (D. Colo. 1993) (in
2 responding to discovery requests, a responding party is “obligated” “to put the collective heads
3 of its lawyers and agents together, . . . to give those requests a reasonable construction”).

4 Federal Rule of Civil Procedure 36 provides that “[i]f a matter is not admitted, the
5 answer must specifically deny it or state in detail why the answering party cannot truthfully
6 admit or deny it. A denial must fairly respond to the substance of the matter; and when good
7 faith requires that a party qualify an answer or deny only a part of a matter, the answer must
8 specify the part admitted and qualify or deny the rest.” Fed. R. Civ. Proc. 36 (a)(4). Defendants’
9 answers do not satisfy Rule 36 because they stop short of admitting that SAP TN made *copies* of
10 Oracle or PeopleSoft updates, but at the same time do not (and cannot) deny that either.

11 At the parties’ final meet and confer on this issue on December 3, 2009,
12 Defendants agreed that they would withdraw their objections to the term “copy” if Oracle
13 changed the definition of “copy” to refer only to the word’s “plain meaning.” However, they
14 conditioned that “withdrawal” on Oracle’s agreeing to reduce the number of RFAs to which
15 Defendants would amend their responses to no more than 100. Russell Decl., ¶ 13. Defendants’
16 offer of withdrawal reveals they are not actually confused about the meaning of the term “copy,”
17 as defined in the RFAs, and they realize they have not answered the key part of the RFAs.
18 Moreover, the alleged burden of now having to amend their responses is self-inflicted. Oracle
19 did not ask Defendants to submit paragraph-long evasions of straightforward questions. All of
20 the RFAs used the same definition of the term “copy,” so all of Defendants’ non-responsive
21 answers present the same issue, namely that Defendants refused to state whether they used a
22 copy. There is no logical basis for Defendants to amend their responses to some subset of RFAs
23 that used the term “copy” but not others. Moreover, Defendants’ alternative suggestion of not
24 amending *any* responses and simply sending a letter stating that they withdraw their objection to
25 the term “copy” is an even worse solution. Defendants’ counsel stated that the jury typically
26 does not even see objections and is only shown the substantive responses, *id.* at ¶ 13, so a letter
27 from Defendants withdrawing an objection the jury does not see would accomplish nothing.

28 Oracle defined the word “copy” in a straightforward manner in its RFAs. Oracle

1 would also be willing to accept the dictionary definition of the term (as it has told Defendants).
 2 *See, e.g.*, <http://dictionary.reference.com/browse/copy> (“an imitation, reproduction, or transcript
 3 of an original”). But it is unreasonable for Defendants to provide *no* substantive response to
 4 many of Oracle’s legitimate RFAs based on a contrived argument that they do not know what the
 5 word “copy” means.

6 Under Rule 36, “[o]n finding that an answer does not comply with this rule, the
 7 court may order either that the matter is admitted or that an amended answer be served.” Fed. R.
 8 Civ. Proc. 36(a)(6). Oracle requests that the Court either deem these RFAs admitted or order
 9 Defendants to serve amended responses.

10 **“Fix” and “Update.”** Oracle defined the term “fix” to mean “any software
 11 application patch, fix, code change, or update, including bug fixes, tax or regulatory updates or
 12 bundles, their constituent discrete units of code, data files, or any other instructional
 13 documentation or item.” Russell Decl., ¶ 28 & Ex. V at p. 2-3. Oracle defined the term “update”
 14 to mean “any software application patch, fix, or update, including bug fixes, tax or regulatory
 15 updates or bundles, their constituent discrete units of code, data files, or any other instructional
 16 documentation or item.” *Id.* at p. 5. These terms are no strangers to Defendants – SAP TN’s
 17 business was to provide fixes and updates to customers using its local environments, and there
 18 are records of thousands of such fixes and updates. *See, e.g.*, Russell Decl., ¶ 19 & Ex. M at
 19 24:7-25 (Shelley Nelson, SAP TN VP and 30(b)(6) deponent, testifying, “[t]he environments
 20 generally are used for support of client cases and reactive and proactive development of bug
 21 fixes or regulatory changes for the clients.”).⁷

22 _____
 23 ⁷ For the purposes of this motion, Oracle can logistically only provide a few examples, but
 24 literally every SAP TN technical witness, including 30(b)(6) witnesses, have testified that
 25 environments were used to create “fixes” or “updates.” *See also* Russell Decl., ¶ 17 & Ex. K at
 26 23:6-13 (Rule 30(b)(6) deposition of Catherine Hyde – “Q: And those individual fixes are
 27 created, authored by TomorrowNow using a particular environment? A: Or environments.”);
 28 *id.*, ¶ 18 & Ex. L at 21:8-20 (Rule 30(b)(6) Deposition of Rod Russell – “[T]he particular fix
 would be developed on our client environments and then tested and then published.”).
 Defendants’ counsels’ new and recent claims, such as that fixes do not actually exist, are without
 merit and contradicted by the client’s testimony. Russell Decl., ¶ 12.

1 With those definitions, Oracle asked Defendants to admit certain facts about how
2 SAP TN developed fixes and updates. One such example Request asked:

3 **REQUEST FOR ADMISSION NO. 597:**

4 Admit that for some Fixes or Updates listed in Exhibit B, TN
5 Developed the Fix or Update once per “source group” (as the term
6 is used in Requests Nos. 576-579), in part by using a Local
Environment installed from media originally provided by one
Customer within the source group.

7 Russell Decl., ¶ 29 & Ex. W at p. 578.

8 Defendants globally objected to the definition of the term “fix” as being “overly
9 broad, unduly burdensome, vague, and not reasonably calculated to lead to the discovery of
10 admissible evidence to the extent it includes Master Fix records as included in the SAS
11 database.” *Id.* at p. 5. They also objected to the term “update” as “overly broad, unduly
12 burdensome, vague, and not reasonably calculated to lead to the discovery of admissible
13 evidence to the extent it includes “fix,” a term to which Defendants object above.” *Id.* at p. 7.

14 Defendants then responded to every RFA that asked about fixes or updates by not
15 admitting or denying anything about fixes or updates but instead discussing a different concept –
16 “objects.” For example, after asserting objections to RFA 597, Defendants provided the
17 following response:

18 ADMITTED on the following qualified basis: Some of the objects
19 (meaning more than one object) associated with the master fix
20 records referenced in Exhibit B were developed once for a specific
21 group of customers within a release level in part by using
environment components installed from media provided by a
specific TomorrowNow customer within that specific group. To
the extent not admitted, this request is DENIED.

22 *Id.* at p. 581.

23 Oracle did not ask about “objects” that were “associated” with a fix. Oracle asked
24 about the fixes and updates listed in Exhibit B to the RFAs. And Oracle had a good reason to
25 ask that. Exhibit B is a list of fixes and updates that SAP TN provided to customers. Russell
26 Decl., ¶ 28 & Ex. V. Oracle was asking Defendants to admit the extent to which SAP TN
27 developed those fixes for multiple customers by using media that had been licensed for only one
28 customer. Defendants’ response refuses to address that request and does not say anything about

1 the fixes or updates that Oracle asked about. Defendants’ answer instead talks about “objects”
 2 that are supposedly “associated” with fixes, omitting any explanation of the relationship between
 3 “objects” and “fixes,” or what the vague word “associated” means, such that it is impossible for
 4 the reader to discern any connection between what Oracle asked and what Defendants answered.
 5 And the last sentence of Defendants’ evasive answer – “To the extent not admitted, this request
 6 is DENIED.” – is likely to mislead a jury because it might sound like Defendants are denying
 7 part of the RFA when in fact they have simply refused to answer it.⁸

8 As was the case with the term “copy,” Defendants’ objections were without merit,
 9 and their answers did not satisfy the requirements of Rule 36. The Court should order
 10 Defendants to amend their responses to RFAs 496-680 or deem them admitted.

11 **“Generic environment.”** Oracle defined the term “generic environment” to
 12 mean “any Local Environment that was both named without reference to any specific Customer
 13 and used to support more than one customer.” Russell Decl., ¶ 28 & Ex. V at p. 3. With that
 14 definition, Oracle asked Defendants to admit certain facts about how SAP TN developed fixes
 15 and updates using generic environments. For example,

16 **AMENDED REQUEST FOR ADMISSION NO. 542:**

17 Admit that in order to generate some Fixes or Updates listed in the
 18 first two columns of Exhibit A, part of TN’s process was to
 19 compare Fix Objects in a Copy of one of its Generic Environments
 with Fix Objects in a different Copy of one of its Generic
 Environments for an earlier release.

20 Russell Decl., ¶ 29 & Ex. W at p. 415.

21 Defendants globally objected to the term “generic environment” as follows:

22 Defendants object to the definition of “Generic Environment” as
 23 being overly broad, unduly burdensome, vague, and not reasonably

24 ⁸ The Fixes and Updates listed on Exhibit B are not the names of the actual fixes delivered to
 25 customers. Exhibit B lists the “Master” generic fixes that TomorrowNow then copied out and
 26 named for each customer. So, for example, CSS-TN-0102085972 on Exhibit B (the first entry)
 27 was actually named WMI-TN-0102085972 when it was sent to customer Waste Management
 (WMI = Waste Management, Inc.). Russell Decl., ¶ 28 & Ex. V. Oracle offered to amend
 Exhibit B to specifically name each final deliverable sent to Defendants’ customers, but
 Defendants said doing so would not change their answers. Russell Decl. ¶ 12.

1 calculated to lead to the discovery of admissible evidence.
2 Defendants further object that the term “generic environment” is
3 misleading to the extent that it includes HR751CSS as an example,
4 as Defendants deny that HR751CSS is a generic environment.
5 Defendants further object to the definition of “Generic
6 Environment” to the extent it incorporates the overly broad, unduly
7 burdensome, and vague term “Environment,” to which Defendants
8 object above.

9 *Id.* at p. 5.

10 With that objection, Defendants then responded to every RFA that asked about
11 “generic environments” by rephrasing their answer in terms of “one environment specific to
12 TomorrowNow’s retrofit support of specific TomorrowNow customers,” without ever explaining
13 what that meant or if it was the same or different from a generic environment. For example, in
14 response to RFA 542 (above), Defendants said:

15 ADMITTED on the following qualified basis: For some of the
16 objects (meaning more than one) associated with the master bundle
17 records referenced in the first two columns of Exhibit A, one step
18 in the process for generating the object was to compare the object
19 in one environment specific to TomorrowNow’s retrofit support of
20 specific TomorrowNow customers to the same named object in an
21 earlier release environment specific to TomorrowNow’s retrofit
22 support of specific TomorrowNow customers. To the extent not
23 admitted, this request is DENIED.

24 *Id.* at p. 416.

25 That answer is evasive. Did SAP TN generate the referenced fixes or updates by
26 comparing objects in generic environments, or not? That was the question. But the answer does
27 not say. Indeed, there is no connection at all between what Oracle asked and what Defendants
28 said in their answer. Moreover, the last sentence of the answer – “To the extent not admitted,
29 this request is DENIED.” – suggests that some part of the RFA has been denied, when in reality
30 Defendants did not answer what was asked.

31 Defendants’ objections to the definition of the term “generic environment” on the
32 ground that it is vague, or that it is misleading to describe environments as “generic,” do not
33 have merit. Defendants themselves used the term “generic environment” internally and in their
34 pleadings before this Court. In their answer to Oracle’s Fourth Amended Complaint, Defendants
35 stated: “Defendants further admit that TN kept copies of certain of its customers’ ‘Oracle’

1 software applications on its systems and that certain development environments TN used to
 2 service certain customers *were described internally as ‘generic environments.’*” Answer to
 3 Fourth Amended Complaint (Aug. 26, 2009) (Dkt. 437) ¶ 19 (emphasis added). Defendants’
 4 witnesses testified that HR751CSS was a “generic environment.” *See, e.g.,* Russell Decl., ¶ 15
 5 & Ex. I at 44:19-25 (“Q. When we use the term ‘database HR751CSS,’ is that the same as an
 6 environment? A. Yes. Q. So this is a continuing example of using a generic environment to
 7 support multiple customers; is that right? A. Yes.”); *see also id.* at 27:14-28:5; 29:18-31:5
 8 (testifying generally about SAP TN’s use of generic environments). Defendants also referred to
 9 environments as “generic” in their day-to-day work. *See, e.g.,* Russell Decl., ¶ 22 & Ex. P at
 10 TN-OR01182811 (Beth Lester email to Shelley Nelson, SAP TN VP, stating, “[o]f course we
 11 have some generic environment at all of these levels that I guess we can use in a pinch.”). Thus,
 12 whether or not Defendants want to take a litigation position that certain environments were or
 13 were not generic, Oracle has defined the term “generic environment” in a sufficiently specific
 14 and appropriate way that Defendants cannot legitimately refuse to respond to these requests.

15 Accordingly, Defendants’ answers do not satisfy the requirements of Rule 36.
 16 The Court should order Defendants to amend their responses to these RFAs or deem them
 17 admitted. *See* Fed. R. Civ. Proc. 36(a)(6).

18 **B. RFAs, Set No. 3, Nos. 13-50, Set No. 5, 4-63, 130-62**

19 Oracle propounded a series of RFAs asking Defendants to admit that portions of
 20 specific fixes identified according to specific SAP TN customers were in fact developed or tested
 21 using local or generic customer environments. Here, as opposed to the RFAs above, Oracle
 22 asked about “fix objects” – defined as a “discrete unit of code that can contain functions . . .” –
 23 and Oracle attached a spreadsheet (entitled “Exhibit D”) that listed details about 33,186 such fix
 24 objects generated by Defendants. Russell Decl., ¶ 30 & Ex. X at pp. 2-3 and Exhibit D (to the
 25 RFAs). Oracle then asked Defendants to admit how those fix objects were created. Russell
 26 Decl., ¶ 31 & Ex. Y at RFAs Nos. 13-50. Similarly, in a different sequence of RFAs, Oracle also
 27 asked Defendants to admit that certain files were downloaded from Oracle’s websites. Russell
 28 Decl., ¶ 32 & Ex. Z at RFAs Nos. 4-33. As an example of a “fix object” RFA:

1 **REQUEST NO. 13:**

2 For each item 1-33186 on Exhibit D, admit that a Copy of the
3 listed Fix Object was Created using a Local Environment.

4 Russell Decl., ¶ 31 & Ex. Y at p. 15-16.

5 For all such requests, Defendants refused to answer and asserted that “the
6 information sought” was not “tracked, recorded, or maintained by TomorrowNow in a ‘readily
7 obtainable manner.’” *Id.* Specifically, after objecting to the RFA, Defendants responded:

8 **RESPONSE TO REQUEST NO. 13:**

9 Subject to the General Objections and Responses and these
10 specific objections, after a reasonable inquiry and based on
11 Defendants’ understanding of these questions, Defendants lack
12 sufficient information to respond to these requests as the
 information sought was not tracked, recorded, or maintained by
 TomorrowNow in a “readily obtainable manner.” On this basis,
 therefore, these requests are DENIED.

13 *Id.* Defendants’ responses to these RFAs are doubly problematic. First, Defendants did not
14 answer Oracle’s questions about how the fix objects were created. Second, Defendants’
15 responses were evasive. If it is feasible to determine how the referenced fix objects were
16 created, Oracle is entitled to know how they were created. If it is not feasible, then Defendants
17 should say that directly and be bound by that answer. It is not fair for Defendants to refuse to
18 undertake that analysis in response to Oracle’s discovery requests, then walk into Court on the
19 first day of trial with a lengthy analysis of how those fix objects were created. That defeats the
20 purpose of discovery.

21 Accordingly, Oracle propounded another series of RFAs asking Defendants to
22 admit, based on their refusals, that they “do not have reasonable access to any readily obtainable
23 information” that would show the fix objects were *not* created in the way that Oracle believes.
24 Russell Decl., ¶ 32 & Ex. Z at RFAs Nos. 34-63, 130-62. For example, following up on RFA 13
25 listed above, Oracle asked:

26 **REQUEST NO. 130:**

27 For each item 1-33,186 on Exhibit D to Oracle’s Third Set of
28 Requests for Admission, admit that Defendants do not have
 reasonable access to any readily obtainable information indicating

1 that a Copy of the listed Fix Object was not created using a Local
2 Environment.

3 *Id.* at p. 120. Oracle’s concerns were validated when Defendants contradicted their prior RFA
4 responses and denied this as well. For example, after objecting to RFA 130, Defendants stated:

5 DENIED. Defendants have reasonable access to TomorrowNow’s
6 records and other information relating to each item 1-33,186 on
7 Exhibit D to Oracle’s Third Set of Requests for Admission.
8 However, given the quantity of the items 1-33,186 on Exhibit D to
9 Oracle’s Third Set of Requests for Admission, there is no readily
10 obtainable way to review TomorrowNow’s records and other
11 information to determine for each listed item whether a copy of
12 each listed fix object was not created using a local environment.
13 Defendants have not undertaken the extreme burden of evaluating
14 each item and have objected on that basis because the requested
15 information is as equally accessible to Plaintiffs as it is to
16 Defendants.

17 *Id.* at p. 121.

18 That answer is non-responsive. Oracle did not vaguely ask Defendants to admit
19 that they lack “records and other information,” whatever that means, about the fix objects listed
20 in Exhibit D, which is what the first sentence of the answer talks about. Oracle asked whether
21 Defendants have reasonable access to any readily obtainable information *indicating a particular*
22 *thing* – here, that a copy of the fix object was not created using a local environment. Part way
23 through their paragraph-long answer, which follows an outright “DENIED,” Defendants suggest
24 they do not have that information, but the last sentence then qualifies that assertion by claiming
25 that the requested information is “as equally accessible to Plaintiffs as it is to Defendants,” which
26 sidesteps Oracle’s question, which asked *whether* the information was readily obtainable.

27 Defendants cannot have it both ways. Oracle identified 33,186 fix objects and
28 asked Defendants how they were created. If Defendants do not have reasonable access to any
29 readily obtainable information that would answer those questions, they must state so directly.
30 Fed. R. Civ. Proc. 36(a)(4). Conversely, if Defendants do have reasonable access to readily
31 obtainable information, then they must answer Oracle’s RFAs concerning how the fix objects
32 were created. Right now Defendants have blocked Oracle from this important discovery,
33 refusing to admit how the fix objects were created, and whether certain files are downloads from

1 Oracle, and at the same time refusing to say they cannot do so.

2 Accordingly, the Court should order Defendants to substantively answer RFAs
3 Nos. 13-50 in Set Three and 4-33 in Set Five, which asked how the fix objects were created and
4 whether certain files were downloads, or to admit without qualification RFAs 34-63 and 130-62
5 in Set Five, which asked them to admit they lack reasonable access to readily obtainable
6 information that would allow them to answer the former RFAs.

7 **V. CONCLUSION**

8 For the foregoing reasons, the Court should modify the protective order to allow
9 discovery in this case to be used in related European litigation; should order Scott Trainor's
10 deposition to be reopened; should review the two referenced redacted documents *in camera* to
11 determine whether the redactions are proper; and should order Defendants to respond to Oracle's
12 RFAs concerning downloads and their business processes for developing fixes and objects.

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14 DATED: December 11, 2009

Bingham McCutchen LLP

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By: _____
/s/ Geoffrey M. Howard
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