1   BINGHAM MCCUTCHEN LLP
     DONN P. PICKETT (SBN 72257)
2   GEOFFREY M. HOWARD (SBN 157468)
     HOLLY A. HOUSE (SBN 136045)
3   ZACHARY J. ALINDER (SBN 209009)
     BREE HANN (SBN 215695)
4   Three Embarcadero Center
     San Francisco, CA 94111-4067
5   Telephone: 415.393.2000
     Facsimile: 415.393.2286
6   donn.pickett@bingham.com
     geoff.howard@bingham.com
7   holly.house@bingham.com
     zachary.alinder@bingham.com
8   bree.hann@bingham.com

9   DORIAN DALEY (SBN 129049)
     JENNIFER GLOSS (SBN 154227)
10   500 Oracle Parkway, M/S 5op7
     Redwood City, CA 94070
11   Telephone: 650.506.4846
     Facsimile: 650.506.7144
12   dorian.daley@oracle.com
     jennifer.gloss@oracle.com
13
     Attorneys for Plaintiffs
14   Oracle USA, Inc., Oracle International Corporation,
     Oracle EMEA Limited, and Siebel Systems, Inc.

15

16   UNITED STATES DISTRICT COURT

17   NORTHERN DISTRICT OF CALIFORNIA

18   OAKLAND DIVISION

19

20   ORACLE USA, INC., *et al.*,   No. 07-CV-01658 PJH (EDL)

21   Plaintiffs,   **REPLY IN SUPPORT OF ORACLE'S**
          v.   **MOTION TO MODIFY THE**
22   **PROTECTIVE ORDER AND TO**
     SAP AG, *et al.*,   **COMPEL DEPOSITION**
23   **TESTIMONY AND FURTHER**
             Defendants.   **RESPONSES TO REQUESTS FOR**
24   **ADMISSIONS**

25   Date: January 26, 2010
                                                    Time: 2 p.m.
26   Place: Courtroom E, 15th Floor
                                                    Judge: Hon. Elizabeth D. Laporte
27

28
                                                    Case No. 07-CV-01658 PJH (EDL)

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1

TABLE OF CONTENTS

2

Page

19

20

21

22

23

24

25

26

27

28

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1

TABLE OF AUTHORITIES

2

Page(s)

3   CASES

21

22

23

24

25

26

27

28

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   With fact discovery complete, expert discovery in full swing, and dispositive motions

2   looming, SAP now offers inapposite law, concedes some of its deposition instructions were

3   improper, and attempts to re-write facts and case history. In doing so, SAP:

4   • Ignores controlling Ninth Circuit case law on modifying protective orders in favor of
         an inapplicable statute about taking new foreign discovery;

5

6   • Asserts it does not know the basis for former plaintiff J.D. Edwards Europe Ltd.'s
         ("JDEE") claims, which SAP already successfully moved to dismiss;

7   • Concedes counsel's instructions to SAP's in-house counsel not to testify were without
         basis, but still refuses to provide him again for deposition on those issues;

8

9   • Asserts new "definitions" for long-understood TomorrowNow ("SAP TN") business
         practice concepts, all of which contradict SAP's previous representations, testimony,
         documents, and positions before the Court and threaten to undo years of discovery;

10   and

11   • Claims burden to avoid answering basic factual questions, despite having rejected the
         stipulation alternative urged by the Court.

12

13   These issues pervade SAP's Opposition. The RFA argument raises serious additional issues

14   because SAP contradicts its own witnesses' sworn testimony and its own representations leading

15   to that discovery. In fact, it was SAP's similar tactic – refusing to acknowledge its witnesses'

16   testimony – that defeated the stipulation process, leading to the fix object creation RFAs. The

17   consequences for this should be serious, and may need to be addressed in a subsequent

18   proceeding, because SAP's new positions would nullify much of the past two years and millions

19   of dollars' worth of discovery. Oracle asks the Court to disregard this contradictory evidence

20   and require SAP to answer the RFAs. This is the minimum first step in holding SAP to the

21   consequences of refusing the easier alternative offered through the stipulation process, while

22   using word games and contradictory testimony to justify evasive answers.

23   **I.   THE COURT SHOULD MODIFY THE PROTECTIVE ORDER**

24   Having persuaded the Court to dismiss JDEE on the ground that it should pursue its

25   copyright claims in a non-U.S. court, SAP now tries to prevent that pursuit by insisting that

26   Oracle cannot use existing discovery in its possession in the European litigation. SAP's

27   arguments against modifying the protective order contradict Ninth Circuit case law, which

28   "strongly favors access to discovery materials to meet the needs of parties engaged in collateral

1   Case No. 07-CV-01658 PJH (EDL)

1 litigation." *Foltz v. State Farm Mut. Auto. Ins. Co.*, 331 F.3d 1122, 1131 (9th Cir. 2003). Courts

2 apply that strong presumption whether the collateral litigation is U.S. or foreign.

3   **A.   28 U.S.C. § 1782 Is Inapplicable**

4   SAP contends that 28 U.S.C. § 1782 "governs exportation of U.S. discovery for use in

5 foreign litigation" and that Oracle does not satisfy it. Opp. at 1. SAP is wrong. Section 1782 is

6 a procedure for *conducting* foreign discovery. It states that "[t]he district court of the district in

7 which a person resides or is found may order him *to give his testimony* or statement or *to*

8 *produce a document* or other thing for use in a proceeding in a foreign or international

9 tribunal . . . ." 28 U.S.C. § 1782(a) (emphasis supplied). As the Supreme Court has explained,

10 "Section 1782(a) provides that a federal district court 'may order' a person 'resid[ing]' or

11 'found' in the district *to give testimony or produce documents* 'for use in a proceeding in a

12 foreign or international tribunal . . . upon the application of any interested person.'" *Intel Corp.*

13 *v. Advanced Micro Devices, Inc.*, 542 U.S. 241, 246 (2004) (emphasis supplied).

14   Section 1782 says nothing about the permitted use of materials already produced in

15 another action, which is the issue here. Oracle already has discovery it wants to use in the

16 European litigation. Oracle only seeks modification of the protective order to allow that use.

17 The authority Oracle cited confirms that SAP's reliance on section 1782 is misplaced: "Case law

18 interpreting the requirements of section 1782 is not relevant to a determination whether a

19 protective order may be modified to permit the release of deposition testimony, already

20 discovered, to another court." *In re Jenoptik AG*, 109 F.3d 721, 723 (Fed. Cir. 1997). That

21 determination proceeds under Rule 26(c) and the Ninth Circuit's ruling in *Foltz*.

22   SAP relies on the Supreme Court's 2004 decision in *Intel*, which it contends overruled

23 *Jenoptik* and held that section 1782 "governs exportation of U.S. discovery for use in foreign

24 litigation." Opp. at 1, 5. It does not. In *Intel*, Advanced Micro Devices, Inc. ("AMD") was

25 engaged in litigation against Intel before the European Commission. AMD filed a section 1782

26 petition in the U.S. "for an order directing Intel to produce documents" that AMD did not already

27 have, but which had been produced by Intel in an Alabama lawsuit brought by a different

28 company. *Intel*, 542 U.S. at 251. The Court's opinion, like section 1782 itself, concerns the

Case No. 07-CV-01658 PJH (EDL)

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   production of new evidence through discovery procedures. The holding does not address a

2   litigant's ability to use discovery materials it already has for purposes of foreign litigation on the

3   same issue.

4   After *Intel*, courts continue to modify protective orders to allow a party to use relevant

5   discovery in its possession in foreign litigation, without regard for section 1782. For instance, in

6   *In re Ethylene Propylene Diene Monomer (EPDM) Antitrust Litig.*, 255 F.R.D. 308 (D. Conn.

7   2009), the court allowed a plaintiff in a Canadian class action to intervene in a U.S. action to

8   obtain a modification of the protective order to allow discovery materials that were already

9   produced in the U.S. action to be used in the Canadian lawsuit. *See id*. at 325. That case –

10   decided five years after *Intel* – observed that "[c]ourts have not distinguished between U.S. and

11   foreign jurisdictions when considering motions to intervene for the limited purpose of modifying

12   a protective order." *Id*. at 316 (citing cases). Another post-*Intel* case specifically rejects SAP's

13   argument that section 1782 must be satisfied before domestically produced discovery materials

14   maybe used abroad. *See In re Linerboard Antitrust Litig.*, 333 F. Supp. 2d 333, 340-43 (E.D. Pa.

15   2004) (citing *Intel* and holding compliance with section 1782 not required to justify modification

16   of protective order in U.S. action to allow use of the materials produced in the U.S. action in

17   Canadian action). Here, as in *Linerboard*, the Court should grant Oracle's requested

18   modification of the protective order to "[a]llow[] the fruits of one litigation to facilitate

19   preparation in other cases," which "advances the interests of judicial economy by avoiding the

20   wasteful duplication of discovery." *Foltz*, 331 F.3d at 1131.

21   **B.   SAP's Remaining Arguments Are Erroneous**

22   *That the European action has not been filed does not make suit unlikely.* Citing case law

23   applicable to section 1782, SAP argues that there are "no reliable indications" that Oracle will

24   sue in Europe and that Oracle's European litigation is too "nebulous" for the Court to rule. Opp.

25   at 2, 4. The idea that SAP does not know what it will be sued for in Europe – or that there are

26   "no reliable indications" that JDEE will sue it (again) – is disingenuous. JDEE has already filed

27   a copyright claim in this case against SAP. Third Amended Complaint, D.I. 182, ¶¶ 147-62.

28   SAP was the one who argued that JDEE's claims had to be brought elsewhere. To be sure,

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   Oracle has not yet filed the European action and has not made a decision on venue within

2   Europe, in part because the protective order currently forbids Oracle from sharing discovery

3   materials with European counsel to advise on those decisions.

4   *Confidentiality protection is not an issue.* SAP asserts that "one thing is certain: once

5   the documents leave the country, they will be beyond this Court's reach to enforce the terms of

6   the protective order." Opp. at 4. That is not true. Oracle (and SAP) will be bound by the

7   modified protective order just like they are bound by the existing protective order: "the same

8   restrictions on use and disclosure contained in the original protective order" are sufficient to

9   protect "[a]ny legitimate interest . . . in continued secrecy" of the discovery materials. *Foltz*, 331

10   F.3d at 1133 (internal citation omitted).

11   *Specifics of foreign court rules are irrelevant.* SAP also cites the second and third *Intel*

12   factors that apply to section 1782 requests – "whether the foreign forum would be receptive to

13   the discovery sought" and whether the request "would circumvent foreign proof-gathering

14   restrictions." Opp. at 3-4. SAP says it is not possible to evaluate those factors without knowing

15   in which European venue JDEE will sue. Putting aside that the section 1782 factors do not

16   apply, SAP also misunderstands this Court's role in ruling on the present motion. "[T]he *only*

17   issue" this Court "determines is whether the protective order will bar the collateral litigants from

18   gaining access to the discovery already conducted." *Foltz*, 331 F.3d at 1132-33 (emphasis

19   supplied). "The disputes over the ultimate discoverability of specific materials covered by the

20   protective order must be resolved *by the collateral courts*," and the district court "*must* refrain

21   from embroiling itself in the specific discovery disputes applicable only to the collateral courts."

22   *Id.* at 1133 (emphasis supplied).

23   *Additional protections are unjustified.* Finally, SAP argues that if the Court does grant

24   Oracle's Motion, it should also require Oracle to give SAP advance notice before any documents

25   are used for the proposed foreign litigation. Opp. at 4 n.1. SAP cites no authority for such a

26   requirement (including whether it would violate or contradict rules in various European venues)

27   and it is not appropriate. Oracle's immediate use would be to provide discovery materials to

28   European counsel so they can give legal advice about commencing the European lawsuit. The

1   requested notice would invade the attorney-client and work product privileges.

2   **II.   THE COURT SHOULD ORDER MR. TRAINOR'S DEPOSITION**

3   **A.   SAP Concedes That More Questioning Is Proper**

4   SAP's Opposition and Scott Trainor's accompanying declaration contain a series of

5   concessions that additional questioning is warranted. First, SAP previously stated it would allow

6   Trainor to be deposed again about Exhibit 1683 (which SAP clawed back during Trainor's

7   deposition, blocking all questioning about that exhibit) only if Oracle waived all of its other

8   concerns about Trainor's deposition. Declaration of Chad Russell in Support of Oracle's Motion

9   to Compel ("Russell Decl."), D.I. 571, ¶ 10 & Ex. G. SAP now retracts that condition, offering

10 "to present Mr. Trainor again to testify about Exhibit 1683." Opp. at 9 n.7, 17 n.13. Second,

11 Trainor now confirms he can answer, without violating attorney-client privilege or work product,

12 Oracle's questions about what he meant when he told a prospective customer that it was to the

13 customer's "advantage" to give SAP TN access to PeopleSoft software. Declaration of Scott

14 Trainor in Support of Defendants' Opposition ("Trainor Decl."), D.I. 601, ¶ 3; Mo. at 14. Third,

15 Trainor admits that he could have answered at least some of these questions about SAP TN's

16 misrepresentations to customers without disclosing privileged information. Mo. at 14-15;

17 Trainor Decl., ¶ 4. Fourth, SAP now contends that Oracle's questions about what steps Trainor

18 took to avoid relying on his memory of PeopleSoft licenses when negotiating SAP TN licenses

19 were cumulative, while abandoning its claim that Oracle's questions violated work product.

20 *Compare* Mo. at 12 *with* Opp. at 6-8. SAP is mistaken in its cumulativeness argument, and its

21 work product argument no longer applies. Accordingly, Trainor should appear for additional

22 deposition time to address the topics listed above. Below, Oracle addresses the remaining areas

23 of Trainor's testimony that the Court should compel.

24   **B.   Trainor Should Be Required To Testify On The Identified Topics**

25   *Steps to avoid using knowledge gained as PeopleSoft's attorney.* SAP instructed Trainor

26 not to answer Oracle's question about the steps he took to avoid relying on his memory of the

27 PeopleSoft licenses in negotiating licenses with SAP TN customers. Mo. at 12. SAP's argument

28 that Trainor effectively answered this question elsewhere in his deposition is incorrect. In the

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   testimony SAP quotes, Trainor stated that to the best of his recollection he did not disclose to

2   anyone at SAP TN or SAP information that he learned at PeopleSoft. Opp. at 7. But Oracle

3   asked what *steps* he took, and that is the question SAP blocked him from answering. Oracle is

4   entitled to know what Trainor did to protect PeopleSoft's privileged information.

5   *Communications with prospective customers.* Oracle asked Trainor about a draft contract

6   he sent to a prospective customer that appeared to show him telling the customer that it was to its

7   advantage to give SAP TN access to PeopleSoft software. Mo. at 13-14. Oracle asked him to

8   admit that he was indeed saying this. SAP now acknowledges that Trainor's contemporaneous

9   understanding of his non-privileged communication with a customer is not privileged. Opp. at

10   12; Trainor Decl., ¶ 3. But Trainor's current understanding of what he told a customer also is not

11   privileged. Oracle was not asking him for a legal analysis of his non-privileged words.[1]

12   *Misrepresentations to customers.* Oracle asked Trainor both a narrow question and a

13   broad one. The narrow was whether SAP TN's representation to customers that "Our rights to

14   use the PeopleSoft software come entirely by way of the Waste Management license with

15   PeopleSoft" was true. The broader one was: "To your knowledge, did SAP or TomorrowNow

16   ever misrepresent facts to customers during negotiation of terms?" Mo. at 14-15. Neither

17   question calls for legal analysis. Nobody thinks that asking a non-lawyer if he told a lie "is an

18   example of a question seeking . . . legal analysis." Opp. at 13. Neither is the same question put

19   to a lawyer.

20   *Indemnification policy.* Oracle asked Trainor about a PowerPoint he and others presented

21   to SAP TN salespeople that stated that the indemnification policy was a "Key term – no

22   removing this." Mo. at 15. SAP concedes the presentation was "non-privileged." Opp. at 14.

23   But when Oracle asked if what was written in the PowerPoint was in fact SAP TN's business

24   _____

25   [1] Trainor dodged the question before being instructed not to testify. Oracle asked him: "Do you
     deny that you were telling Waste Management that it was to their advantage to provide access to
26   software?" Trainor answered, in part: "I don't believe it coincides with what you just
     concluded." Mo. at 14. Accordingly, SAP's assertion that "the note largely speaks for itself,"
27   Opp. at 12, is disingenuous because Trainor himself was arguing about what he had told Waste
     Management.

28

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   practice – "Was that true, that this was a key term for SAP, and it would not negotiate this term

2   away?" – SAP claimed privilege. That makes no sense. Oracle was not asking Trainor "to

3   provide legal analysis and advice." Opp. at 14. It was a yes or no question, and neither answer

4   would reveal the content of a privileged communication.

5   *Compliance with ethical obligations.* Oracle's questions to Trainor regarding his ethical

6   obligations do not ask for the content of any attorney-client communications nor any work

7   product developed in anticipation of litigation. Mo. at 16-17. *Tardiff v. County of Knox*, 246

8   F.R.D. 66 (D. Me. 2007), supports Oracle, not SAP. In *Tardiff*, an attorney was deposed

9   concerning whether his simultaneous representation of different clients in the same lawsuit had

10   complied with his ethical obligations. *Id*. at 66, 76. The Court overruled the work product

11   objection as to the attorney's understanding of the ethical rules and also as to hypothetical

12   questions asking if he would have perceived an ethical violation under certain assumed facts, *id*.

13   at 75-76, which is what Oracle asked here. The Court sustained the work product objection only

14   when the attorney was asked if a specific letter that had been sent by one of his clients caused

15   him to believe, *as a litigation analysis*, that a conflict of interest had arisen in the litigation. *Id*.

16   at 76-77. Here, SAP identifies no litigation Trainor anticipated when he formed an opinion

17   concerning whether he could ethically share PeopleSoft information with his new employer. *See*

18   *In re Grand Jury Subpoena (Mark Tork/Torrf Envtl. Mgmt)*, 357 F.3d 900, 907 (9th Cir. 2004)

19   (to qualify for work product, information must be prepared in anticipation of litigation).

20   *Willfulness of copyright infringement.* Oracle is entitled to know whether SAP

21   communicated to customers – for example, during a contract negotiation –any steps it took to

22   determine if its conduct constituted copyright infringement, and whether a customer could

23   provide access to Oracle's software. Mo. at 18. If the answer is that SAP did not take any such

24   steps, or did not communicate them to a third party, there is nothing privileged to protect.

25   Contrary to SAP's argument, Opp. at 16, these are foundational questions, and SAP improperly

26   blocked this line of questioning instead of asserting privilege on a question-by-question basis.

27   **C.   *In Camera* Review Of Exhibit 1683 And TN-OR00852363 Is Warranted**

28   *In camera* review of both of these documents is warranted because the non-redacted

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   portions suggest that the redacted portions contain business advice, not legal advice. Mo. at 9

2   n.3, 11 n.5. SAP does not oppose Oracle's request. Opp. at 16.

3   **III.   THE COURT SHOULD ORDER ANSWERS TO THE RFAS BASED ON ORACLE'S DEFINITIONS**

4

5   SAP's arguments against Oracle's RFAs' definitions contradict SAP's own documents

6   and witnesses, including Catherine Hyde herself, on whom SAP relies as its main declarant.

7   SAP employed this same tactic to torpedo the fact stipulation the Parties spent a year negotiating

8   with the Court's help, which made these RFAs necessary in the first place. Now, the

9   contradictions take the form of sworn testimony. If SAP stands by its Opposition's positions,

10   there cannot help but be serious consequences: SAP will have contradicted most of its technical

11   evidence to date, including its corporate testimony, documents, SAS database, and discovery

12   responses relying on those sources. As to the burden of answering fix object creation RFAs,

13   SAP had many chances to lessen it, but refused to accept those alternatives.

14   **A.   SAP Contradicts Its Witnesses, Documents, And Pleadings**

15   Not liking Oracle's definitions of "generic environment," "copy," "fix," and "update,"[2]

16   SAP offers new, unsupported definitions in order to avoid straight answers. *See* Opp. at 18-24.

17   **1.   "Generic Environment"**

18   SAP defends its RFA answers by saying the term "generic environment" was not in

19   widespread use at SAP TN. For proof, SAP submits that the term appears in "a relative handful"

20   of SAP TN documents. Opp. at 23-24. In reality, SAP concedes the term appears in 45

21   contemporaneous SAP TN documents, including high level status reports and emails from 2004-

22   2006. Howard Decl., ¶¶ 2-5, Exs. A-D. SAP TN personnel on these emails, none of whom

23   asked for clarification of the term, include the top-level relevant executives and developers at

24   SAP TN: Shelley Nelson, Vice President of Support Services, John Baugh, Environments Team

25   Manager, and Catherine Hyde, Head Developer.

26   _____

27   [2] The RFAs relating to the terms "generic environment," "fix," "update," and "copy" are included in Oracle's Second Set, Nos. 496-680, and its Third Set, Nos. 13-50. *See* Mo. at 19.

28

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE ORDER AND TO COMPEL

1   Ms. Hyde now swears that she did not recall SAP TN employees "commonly, if at all,

2   using the phrase 'generic environment.'" Hyde Decl., ¶ 8. But among those 45 documents just

3   described is Ms. Hyde's own August 10, 2006 email, stating "I created a new folder for GKN -

4   890 and put their bundle in it. I don't have a **generic environment** for 8.9 . . . ." Howard Decl.,

5   ¶ 4, Ex. C (emphasis supplied). That email is consistent with Ms. Hyde's prior testimony on the

6   subject in which – inconsistent with her declaration now – Ms. Hyde had no trouble

7   understanding and adopting the term: "I don't know if [those examples] were generic

8   environments or if they were for a particular client." *See, e.g., id.*, ¶ 6, Ex. E at 34:15-21. Many

9   other witnesses testified similarly, and for a simple reason: they knew that the term, which they

10   *did* use at SAP TN, accurately describes how the business operated. *See, e.g., id.*, ¶ 7, Ex. F at

11   170:23-171:5 ("This indicates that at least these two environments which are generic would have

12   been used for fix[] development . . . ."), 185:6-10 ("[This reflects s]creen shots from a generic

13   environment apparently."). Finally, as Oracle noted in its Motion, SAP itself, in its Answer to

14   the Fourth Amended Complaint, stated that SAP TN internally described certain environments as

15   generic. Mo. at 26-27. SAP has no legitimate reason for rejecting this term now, after its

16   witnesses and documents have used and endorsed it and after years of its inclusion in the case.

17   **2.   "Fix" and "Update"**

18   Next, SAP ignores its own methodology of reviewing the frequency of a term's

19   appearance in SAP's own document production to determine its legitimacy. Opp. at 21-23.

20   The word "fix" appears 615,671 times in SAP TN's contemporaneous documents. The

21   phrase "fix container" – which SAP now suggests Oracle should have used in its RFAs – appears

22   *nowhere* in the same two million documents. Worse, not a single SAP TN witness has used this

23   invented term "fix container" at deposition, or corrected definitions to "fixes" as incorrect.

24   Instead, they have repeatedly referred to and understood "fix" as meaning the actual functionality

25   that resolves an issue, not simply as "a container [] of one or more objects grouped together."

26   Opp. at 21-23; Declaration of Joshua L. Fuchs in Support of Defendants' Opposition ("Fuchs

27   Decl."), D.I. 604, ¶¶ 19, 21-24, 26-29 (repeatedly using the term "fix container"). Ms. Hyde

28   repeatedly testified about and understood that a fix meant the solution itself:

1   Q.   And is that reflective of – of the general practice, that for – for as large a group of
      clients as possible, a fix would be developed one time and then delivered to that group of
2   clients?

3   A.   This – a group of clients could receive the same fix, if it was identical. Howard
      Decl., ¶ 6, Ex. E at 124:10-17.
4
      ****
5
      Q.   When I – when I – again, when I say "fix," I'm referring to the objects that – that
6   comprise the functionality that's being delivered to the client. Does that makes sense?

7   A.   Yes. *Id.* at 25:22-26:1.

8   *******

9   Q.   When would D702DATM be used for a critical support update?

10   A.   After we've created individual fixes, we could load them in there and then export
      them all out as one big group. *Id.*, ¶ 8, Ex. G at 75:22-76:1 (objections omitted).
11
Ms. Hyde's claim in her Declaration now that a fix was no more than a "container that contained
12
one or more objects" contradicts her repeated testimony to the contrary – testimony on behalf of
13
SAP TN that Oracle has relied on throughout the case. Hyde Decl., ¶5. Other witnesses have
14
testified similarly. For example, Katherine Williams, SAP TN's former Director of PeopleSoft
15
Support Services, testified as SAP TN's Rule 30(b)(6) witness at length about the development,
16
testing, and delivery of solutions at the individual fix level, not the object level:
17
      Q.   Would an individual fix be sent to more than one client outside of this six times a
18   year scheduled delivery process?

19   A.   In some cases.

20   A.   In some cases, yes.

21   Q.   How would you – how would you identify individual fixes that were sent out
      separate from the six times a year delivery process?
22
      A.   I would look in SAS. Howard Decl., ¶ 10, Ex. I at 113:23-114:7 (objections omitted).
23
      ****
24
      Q.   So as – is it – is it correct that this process that we've now been through for
25   developing the individual fix would be done for each individual fix that would be
      included within a particular bundle?
26
      A.   Are you asking me was each individual fix individually tested?
27
      Q.   Well, I'm just talking about the general process of the unit testing and the quality
28   assurance testing to arrive at a working individual fix.

                                          10   Case No. 07-CV-01658 PJH (EDL)

1

2

Q. Does that process occur for each fix within a bundle?

A. Typically. *Id.*, ¶ 10, Ex. I at 142:21-143:9 (objections omitted).

3

Further, SAP's new positions that "fix" really means "fix container" and that

4

functionality analysis is impossible at the fix level contradict one of its earliest representations to

5

the Court – that SAP TN's SAS database contained all the answers to Oracle's questions about

6

how SAP TN supported its customers. *See* Howard Decl., ¶ 13; Ex. L at 16:1-9 (SAP's counsel

7

describing SAS as "a rich source of information" for Oracle to meet its burden of proof); ¶ 14,

8

Ex. M at 48:9-10 (SAP's counsel stating "[t]he activity around fixing a customer's problem is

9

reflected" in SAS). SAP then compounded that representation by repeatedly relying on SAS,

10

through Rule 33(d), in answering interrogatories about how SAP TN developed its support

11

products. *See, e.g.*, Fuchs Decl., Ex. C. SAS contains development and testing records for fixes

12

and master fixes, and records for individual objects only as part of an overall fix. Were SAP's

13

new construction of "fix" accurate, its reliance on SAS, which it now claims includes merely

14

"records" of "containers," and its representation that Oracle could find all the answers there,

15

would necessarily be wrong and the Parties would have wasted two-plus years of discovery.[3]

16

3.   "Copy"

17

SAP has agreed that it is able to answer RFAs based on the plain meaning of "copy"

18

(which Oracle believes its original definition provides). *See* Mo. at 22; Opp. at 21; Russell

19

Decl., ¶ 13. The only remaining issue is SAP's unwillingness to amend its substantive responses

20

21

22

[3] For example, Ms. Hyde claims now that "in order to know what was done to create the items inside the fix container, one would have to analyze the development and testing history of each object inside the given fix. One would not be able to tell anything about the development history by analyzing the container (i.e., fix) itself." Hyde Decl. ¶ 7. But Ms. Hyde, as both an individual and as SAP TN's Rule 30(b)(6) witness, spent hours at deposition doing precisely what she now claims cannot be done – answering questions about how fixes were developed and tested – using the SAS records of that fix. *See, e.g.,* Howard Decl., ¶ 8, Ex. G at 37:19-48:6, 209:5-243:20; *id.*, ¶ 6, Ex. E at 247:6-256:25. In addition, Shelley Nelson, as SAP TN's Rule 30(b)(6) witness, testified that SAS contained the "repository for tracking what we're developing, the status of that development, what has been delivered to customers . . . it basically is our means of documenting the work that's done." *Id.*, ¶ 9, Ex. H at 145:15-146:1.

23

24

25

26

27

28

11   Case No. 07-CV-01658 PJH (EDL)

1   to reflect this reality. A "constructive removal" of the objection is insufficient, because – as

2   SAP's counsel admitted – the jury typically sees not objections but only substantive RFA

3   responses, which here avoid answering the question asked. Opp. at 21; *see also* Mo. at 22;

4   Russell Dec., ¶ 13. A withdrawn objection, known only to the Parties is no solution: the jury is

5   entitled to receive SAP's substantive admissions to the questions Oracle asked. Given that SAP

6   concedes it does understand the plain meaning of copy, any burden of revising the inadequate

7   539 responses is of its own making.

8   **B.   The Court Should Order Further Responses Based On The Record Above**

9   The Court has held Oracle to account for what it viewed as errors and omissions, and the

10   failure to timely correct them, in Oracle's discovery responses and pleadings. Indeed, the Court

11   held that prejudice was sufficiently severe as of May 2009 to rule a substantial amount of

12   evidence out of the case. The record here is worse. Since the Rule 26(f) conference, through its

13   discovery responses, testimony, and documents, SAP has taken positions inconsistent with those

14   in the declarations it has submitted. It has taken Oracle's and the Court's time for over a year

15   trying to reach a factual stipulation based on similar contradictions, and it now refuses to admit

16   questions it cannot, under any interpretation, reasonably deny. The answers are, simply, evasive.

17   SAP understands Oracle's terms, both because SAP TN used them and SAP carefully wrote its

18   responses to circumvent them. The responses do not answer the questions asked. SAP may

19   argue to the jury that SAP TN used generic environments for a limited set of customers if it

20   wishes. That is irrelevant to the questions posed by the RFAs, and cannot form a basis for

21   evading them. Similarly, if Oracle had wanted to ask about the development of objects, it could

22   have (and for some RFAs, it did; *see* pp. 13-15, below). Instead, it asked SAP to admit the

23   extent to which SAP TN developed *fixes* for multiple customers by using media that had been

24   licensed for only one customer. Oracle relied on the Rule 30(b)(6) testimony to formulate this

25   question and SAP should be held to that testimony in its responses.[4]

26   _____

27   [4] Oracle reserves the right to pursue additional, appropriate relief related to these statements,
     including potentially a motion seeking preclusion, an adverse inference, or other sanction.

28

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   **C.   SAP Exaggerates Its Burden, Which It Created**

2   **1.   SAP Misses the Point of the Fix Object Creation RFAs**

3   SAP's burden argument involves the RFAs relating to fix object creation and blurs the

4   distinction between Oracle's initial and follow-up RFAs.[5] Oracle first asked SAP to admit that

5   portions of specific fixes, identified according to specific SAP TN customers, were in fact

6   developed or tested using generic environments. Mo. at 27-28. SAP denied these RFAs, stating

7   it lacked "sufficient information to respond to these requests as the information sought was not

8   tracked, recorded, or maintained by TomorrowNow in a 'readily obtainable manner.'" *Id.* at 28.

9   Oracle then served follow-up RFAs to confirm this fact, and asked SAP to admit that it does "not

10   have reasonable access to any readily obtainable information" that would show the fix objects

11   were *not* created in the way that Oracle believes. *Id.* at 28-29.

12   So long as its answers to the initial fix object creation RFAs are true, SAP can answer

13   these subsequent RFAs without the work it complains about. The question is limited to whether

14   readily obtainable information indicating a particular thing – that a copy of the fix object was not

15   created using a local environment – exists. Either it does or it does not. SAP's responses evade

16   that question, and instead contradict the earlier RFA response by stating that SAP has "records

17   and other information" relating to the fix objects. *Id.* at 29.

18   **2.   The Fix Object Creation RFAs Are Relevant**

19   SAP does not claim the fix object creation RFAs seek irrelevant information. SAP's

20   burden argument, at essence, claims the RFAs are unfair because SAP infringed Oracle's rights

21   *so often*, and because there is *so much* evidence of that misconduct. Opp. at 27-30. The volume

22   of SAP's documents should not preclude straight answers. *See, e.g.*, *Danis v. USN Commc'ns,*

23   *Inc.*, No. 98-7482, 2000 WL 1694325, at *49 (N.D. Ill. Oct. 20, 2000) (party "must be held

24   responsible for knowing what documents are discoverable and where to find them" even if

25   volume of records is vast).

26   _____

27   [5] RFAs, Set No. 3, Nos. 13-50, Set No. 5, 4-63, 130-62. *See* Mo. at 27-30 for a full description
     of these RFAs, which generally seek information about the development of specific fix objects.

28

1   **3.   SAP's Refusal to Stipulate Forced the Fix Object Creation RFAs**

2   As SAP concedes, Opp. at 19, Oracle has tried, for eighteen months, to efficiently obtain

3   this critical information about how SAP TN generated its complicated fixes it sent to its

4   customers. Given the enormous scope of misconduct, Oracle preferred to stipulate to facts

5   regarding how SAP TN supported its customers. The Court agreed with the logic of this

6   approach. *See* 7/1/2008 Disc. Conf. Tr., D.I. 105, at 42:14-49:22. The Parties negotiated for

7   several months, but SAP rejected each of Oracle's proposals. *See* 10/3/2008 Joint Disc. Conf.

8   Stmt, D.I. 178, at 7:17-24; 1/5/2009 Joint Disc. Conf. Stmt, D.I. 226, at 3:4-4:15; 2/9/2009 Joint

9   Disc. Conf. Stmt, D.I. 265, at 6:1-7:17. Throughout this long negotiation, the Court cautioned

10 SAP that a stipulation would be more efficient and less burdensome than other discovery

11 devices: "that is to say the alternative is to spend a huge amount more money and time on

12 unearthing every fact." Howard Decl., ¶ 11, Ex. J at 34:18-22. The Court recognized that RFAs

13 were an alternative, including requests offering variations in language. *Id.* at 34:2-6, 41:21-

14 43:15.

15   After SAP's refusals to cooperate doomed the negotiations, Oracle resorted to the Court's

16 alternative approach of using RFAs to confirm the details of SAP TN's business practices.

17 Oracle provided variations in language as the Court had suggested. The Court commented that

18 "without knowing what any of the nuances are[,] RFAs seem to me [an] appropriate

19 vehicle . . . it seems like [] having to put them in one of four buckets – you know, all the time,

20 most of the time, some of the time, never, or something along those lines – made a lot of sense."

21 Howard Decl., ¶ 12, Ex. K at 4:6-14. The Court observed that while "absolute mathematical

22 perfection" was improbable, "push has got to come to shove at some point . . . it can't be

23 finessed forever or fudged forever, you know." *Id.* at 4:15-20, 5:8-11.

24   Push has come to shove. The stipulation and RFAs were alternatives, each with benefits

25 and drawbacks for both Parties. When SAP rejected the stipulation, it chose the RFAs – which,

26 as the Court recognized, require a "huge amount more money and time." Howard Decl., ¶ 11,

27 Ex. J at 34:21. Without either, it will require exponentially more time at trial to put in evidence

28 of the various fixes. Rule 36 exists to cure that problem. *See Asea, Inc. v. S. Pac. Transp. Co.*,

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1   669 F.2d 1242, 1245 (9th Cir. 1981).[6]

2   **4.   SAP Contradicts Its Own Motion to Compel**

3   In complaining about burden, SAP contends that it has produced or made available all the

4   data necessary to answer the fix object creation RFAs, so that the "information [] is equally

5   accessible to both parties" and, therefore, it need not respond. Opp. at 27. Based on this

6   position, SAP is estopped from pursuing its own, simultaneous motion to compel related to

7   "mapping," for which it must concede it has all the same underlying data as did Oracle.

8   However, setting aside SAP's contradictory positions, Oracle cannot answer the RFAs as easily

9   as can SAP. The fix objects at issue in the RFAs were created or modified by former SAP TN

10   personnel, including six paid litigation consultants, to whom SAP has access but Oracle does not.

11   **5.   SAP Partially Exaggerates the Burden**

12   SAP recounts the time spent on answering Interrogatories 11 and 14 to illustrate the effort

13   it contends necessary to answer the fix object creation RFAs. Opp. at 27-29. In doing so, SAP

14   admits that it has *already completed* at least some of the work necessary to answer the RFAs,

15   because as part of answering Interrogatory 14, it must have analyzed the creation, development,

16   and testing of the 1,772 fix objects it states were associated with the ten selected master fix

17   records. Opp. at 28. Since that analysis is complete, answering the RFAs as to that subset of

18   specific fix objects should take little additional time or effort, and SAP cannot rely on a one-size-

19   fits-all burden argument to avoid it. Further, all fix objects were not created equal at SAP TN.

20   There is no dispute, for example, that fix objects created using SAP TN's "retrofit" support

21   model were developed and tested in generic environments, which is what the RFAs ask SAP to

22   admit. *See, e.g.*, Howard Decl., ¶ 8, Ex. G at 44:25-61:14, 175:2-189:2.

23   **IV.   CONCLUSION**

24   For the above reasons, Oracle's Motion to Compel should be granted.

25   _____

26   [6] SAP compares these RFAs to Interrogatory 14, which the Court ordered SAP to answer as to a
     subset of environments. Opp. at 27-28. But that Interrogatory was not part of the choice
27   between using a stipulation or RFAs to explain SAP TN's business model. These RFAs address
     the same facts as the proposed stipulation, which Interrogatory 14 did not.

28

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL

1

DATED: January 12, 2010   BINGHAM McCUTCHEN LLP

2

3

4   By: /s/ Geoffrey M. Howard
                                                    Geoffrey M. Howard
5   Attorneys for Plaintiffs Oracle USA, Inc.,
                                           Oracle International Corporation, Oracle EMEA
6   Limited, and Siebel Systems, Inc.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

16   Case No. 07-CV-01658 PJH (EDL)

REPLY MEMORANDUM IN SUPPORT OF ORACLE'S MOTION TO MODIFY THE PROTECTIVE
ORDER AND TO COMPEL