PETER C. McMAHON (State Bar No. 161841)
KATHERINE DEBSKI (State Bar No. 271528)
MCMAHON SEREPCA LLP
985 Industrial Road, Suite 201
San Carlos, CA 94070-4157
Tel: 650-637-0600
Fax: 650-637-0700

Attorneys for Third Party
IPVALUE MANAGEMENT, INC.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

GOOGLE, INC., and YOUTUBE, LLC, Google(s), v. IPVALUEIPVALUE MANAGEMENT INC., Defendant.	Case No. C11-80016 MISC RS (BZ) **THIRD PARTY IPVALUE MANAGEMENT, INC.'S OPPOSITION TO GOOGLE, INC.'S AND YOUTUBE, LLC'S MOTION TO COMPEL PRODUCTION OF DOCUMENTS**

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Other Authorities

1

2   **I.   INTRODUCTION**

3   On or about November 11, 2010, Google, Inc./YouTube, LLC (collectively

4   "Google") served an excessively broad subpoena on third-party IPVALUE Management, Inc.

5   ("IPVALUE") ("Third Party Subpoena"). On or about November 26, 2010, IPVALUE

6   submitted its objections, and on January 26, 2011, Google filed the present motion to compel. At

7   the Court's request, Google and IPVALUE submitted letter briefs on February 2, 2011, and

8   participated in a teleconference with the Court on February 3, 2011.

9   Since that time, following the Court's direction, IPVALUE and Google have met

10 and conferred regarding the scope of IPVALUE's production of documents. IPVALUE has

11 produced its external communications, and the parties are negotiating the scope of internal

12 documents to be produced. Although IPVALUE has agreed to narrow many aspects of the Third

13 Party Subpoena, the parties are at impasse with respect to other issues. In particular, Google has

14 rejected the two suggestions made by the Court during the February 3, 2011 teleconference – that

15 reasonable cost-shifting be employed to lessen the burden on IPVALUE, and that the documents

16 of IPVALUE's in house counsel need not be collected or logged in a privilege log.

17   Google's motion to compel is flawed in many respects. First, the document

18 requests themselves are grossly overbroad and would impose severe burdens on IPVALUE if

19 literal compliance were ordered. Second, the motion to compel itself is flawed in that it does not

20 comply with local rules for bringing a motion to compel. Third, Google cites rules and cases

21 pertaining to document requests to a party – not the proper Rule 45 standards and applicable case

22 law.[1] Indeed, Google has not met its burden to show that it will suffer substantial prejudice

23 under the facts and circumstances of the present case if IPVALUE does not produce under this

24 Third Party Subpoena.

25

26 _____

27 [1] IPVALUE is a licensing company that often works on a contingency fee basis. Notwithstanding the fact that IPVALUE's may be compensated on contingency, Xerox, not IPVALUE, is the owner of the patent-in-suit and the plaintiff in the underlying lawsuit. While IPVALUE is willing to bear some additional burden as a cost of doing

28 business – IPVALUE's compensation scheme does not rob it of the protections of Rule 45 or the attorney-client privilege.

Accordingly, the Court should flatly deny Google's motion. In the alternative, the Court should exercise its discretion to modify the subpoena to narrow it in a manner consistent with IPVALUE's reasonably proposed limitations. Moreover, the Court should order Google to pay for all, or part, of IPVALUE's costs as set forth below.

II.   RELEVANT FACTS

In its motion to compel, Google does not identify the documents or document requests for which it is moving to compel other than to attach a copy of the subpoena to Eugene Novikov's declaration. To assist the Court, the Third Party Subpoena requested:

1. All communications with XEROX regarding DEFENDANTS, DEFENDANTS' alleged infringement of PATENTS-IN-SUIT, or this lawsuit.
2. All communications with DEFENDANTS regarding the PATENTS-IN-SUIT.
3. All communications with the INVENTORS.
4. All DOCUMENTS and THINGS that REFER or RELATE to any analysis of whether any entity or individual infringes either of the PATENTS-IN-SUIT.
5. All DOCUMENTS and THINGS that REFER or RELATE to any analysis of whether the PATENTS-IN-SUIT are valid.
6. All DOCUMENTS and THINGS that REFER or RELATE to the ownership of the PATENTS-IN-SUIT.
7. All DOCUMENTS and THINGS that REFER or RELATE to the prosecution of the PATENTS-IN-SUIT.
8. All DOCUMENTS and THINGS that REFER or RELATE to the alleged inventions claimed in the PATENTS-IN-SUIT, including the conception or reduction to practice of those alleged inventions.
9. All prior art to the PATENTS-IN-SUIT, and/or all DOCUMENTS and THINGS that any entity or individual represented to IPVALUE constitute prior art to the PATENTS-IN-SUIT.
10. All DOCUMENTS and THINGS that REFER or RELATE to any efforts to license the PATENTS-IN-SUIT.
11. All DOCUMENTS and THINGS that REFER or RELATE to any efforts to license patents in the area of automatic generation of information, including but not limited to queries.
12. All DOCUMENTS and THINGS that REFER or RELATE to any efforts to license patents in the area of knowledge management technology, including but not limited to the interoperability and synchronization of heterogeneous data sources.
13. DOCUMENTS sufficient to show the identities of all IPVALUE employees and consultants involved in any analysis of the PATENTS-IN-SUIT or any efforts to license the PATENTS-IN-SUIT.

See Novikov Decl., Ex. E.

The issues currently in dispute are as follows:

Issues	Google's Position	IPVALUE's Position
Custodians' E-mails to be searched:	(i) Paul Riley (ii) Kapu Kumar (iii) Katerina Varsou (iv) Andres Diaz (v) Steve Shin (**IP Counsel**) (vi) Sanjay Prasad (former **IP Counsel**) (vii) Keith Wilson (**Sr. IP Counsel**) (viii) Mitch Rosenfield (former **IP Counsel**)	(i) Paul Riley (ii) Kapu Kumar (iii) Katerina Varsou (iv) Andres Diaz **In-house counsel to be excluded.**
Time Period	Up to the present.	Up to the date Complaint filed.
Search Terms (emails and worksite documents)	6778979 979 Grefenstette Shanahan Xerox /20 patent (Google or Yahoo!)/5 "prior art" Organized classification of document content Automatically identifying a set of entities Automatically categorizing the selected document content Automatically formulating the query to restrict a search Formulat! /3 query AdSense for Content Content Ads AFC (Google or Yahoo!) w/10/prior art/ (Google or Yahoo!) w/10 979 (Google or Yahoo!) w/10 automat* (Google or Yahoo!) w/10 complaint* (Google or Yahoo!) w/10	6778979 979 Grefenstette Shanahan Xerox /20 patent Organized classification of document content Automatically identifying a set of entities Automatically categorizing the selected document content Automatically formulating the query to restrict a search Formulat! /3 query DocSouls Document Souls XLP56 XLP57 XLP58

	court* (Google or Yahoo!) w/10 generat* (Google or Yahoo!) w/10 infring* (Google or Yahoo!) w/10 investigat* (Google or Yahoo!) w/10 Xerox (Google or Yahoo!) w/10 judg* (Google or Yahoo!) w/10 law (Google or Yahoo!) w/10 laws (Google or Yahoo!) w/10 lawsuit* (Google or Yahoo!) w/10 lawyer (Google or Yahoo!) w/10 legal* (Google or Yahoo!) w/10 patent* (Google or Yahoo!) w/10 quer* (Google or Yahoo!) w/10 sue (Google or Yahoo!) w/10 sued (Google or Yahoo!) w/10 sues (Google or Yahoo!) w/10 suit (Google or Yahoo!) w/10 violat* (Google or Yahoo!) w/25 licens* (Google or Yahoo!) w/25 offer* (Google or Yahoo!) w/25 proposal* (Google or Yahoo!) w/5 case (Google or Yahoo!) w/5 cases (Google or Yahoo!) w/5 content* (Google or Yahoo!) w/5 context* (Google or Yahoo!) w/5 exchang* (Google or Yahoo!) w/5 market*	

	(Google or Yahoo!) w/ match* (Google or Yahoo!) w/ matter* (Google or Yahoo!) w/5 network Content Match Y!Q Contextual Search Right Media RMX Yahoo! Publisher Network Yahoo! Search Marketing DocSouls Document Souls XLP56 XLP57 XLP58	
Cost-Shifting	None.	50-50.[2]
Damages	Not clear.	None (b/c bifurcated)

III. ARGUMENT

Under Rule 45, any party may serve a subpoena commanding a non-party such as IPVALUE "to attend and give testimony or to produce and permit inspection [and] copying of documents." F.R.C.P. 45(c)(1)(C). The non-party may make objections to the subpoena within fourteen days after service, or before the time for compliance if less than fourteen days. F.R.C.P. 45(c)(2)(B).

When a district court considers a motion to compel, it must evaluate such factors as timeliness, good cause, utility, and materiality. *CSC Holdings, Inc.* v. *Redisi*, 309 F.3d 988, 993 (7th Cir. 2002). In addition, although relevance is not among the enumerated reasons for quashing a subpoena under Rule 45 (c)(3), federal courts have incorporated relevance as a factor to be considered when considering whether or not to quash a subpoena. *See e.g. Anderson* v. *Abercrombie and Fitch Stores, Inc*, 2007 U.S. Dist. LEXIS 47795, *6 (S.D. Cal. 2007) ("an evaluation of undue burden requires the court to weigh the burden to the subpoenaed party

---

[2] If the Court orders the in-house counsel's records to be produced, Google should be responsible for 100% of the electronic discovery costs and privilege review costs since this will knowingly impose an excessive burden on IPVALUE. *Phillips Petroleum Co. v. Pickens*, 105 F.R.D. 545 (D.C. Tex. 1985); *First American Corp. v. Price Waterhouse LLP*, 184 F.R.D. 234, 238 (S.D.N.Y. 1998) (respondent awarded expenses plus a portion of attorney's fees).

against the value of the information to the serving party, and mandates the courts consideration of such factors as relevance, the serving party's need for the documents, the breadth of the discovery request, the particularity with which the documents are described, and the burden imposed."); *Heat & Control, Inc.* v. *Hester Indus.*, 785 F.2d 1017, 1024 (Fed. Cir. 1986) (trial court should consider "the relevance of the discovery sought, the requesting party's need, and the potential hardship to the party subject to the subpoena"); *Schaaf* v. *Smithkline Beecham Corp.*, 233 F.R.D. 451, 453 (E.D.N.C. 2005) ("In the context of evaluating subpoenas issued to third parties, a court will give extra consideration to the objections of a non-party, non-fact witness in weighing burdensomeness versus relevance."); *In Re Natural Gas Commodity Litigation*, *supra*, 235 F.R.D. at 208 ("the Court should be particularly sensitive to weighing the probative value of the information sought against the burden of production on the non party").

A.   Google's Motion Does Not Comply With The Local Rules.

The Court should deny Google's motion to compel for its failure to comply with Local Rule 37. Indeed, in order to properly tee the matter up for the Court's consideration – the Motion was supposed to set forth each response, each objection, and then detail the basis for Google's contention that it is entitled to the requested discovery, and how the requirements under the federal rules of civil procedure are satisfied. *See* N.D. Local Rule 37-2. Google's motion is completely void of such elements and analysis. Indeed, Google has never addressed, let alone briefed, many of IPVALUE's objections, such as its objections to Request Nos. 11 and 12. As a result, the motion should be denied.

B.   The Court Should Deny Enforcement Of The Facially Overbroad Subpoena.

One of the hallmarks of undue burden is overbreadth. *See e.g. Mattel, Inc.* v. *Walking Mountain Prods.*, 353 F.3d 792, 813-14 (9th Cir. 2003) (holding subpoena properly quashed for overbreadth); *see also Concord Boat Corp.* v. *Brunswick Corp.*, 169 F.R.D. 44, 53-54 (S.D.N.Y. 1996) (quashing subpoena because non-party subpoena was overbroad on its face); *Anderson* v. *Abercrombie and Fitch Stores, Inc*, *supra*, 2007 U.S. Dist. LEXIS 47795 * 9-27 (S.D. Cal. 2007) (quashing overly broad portions of subpoena requests). Trial courts routinely

quash such subpoenas. Indeed, in *Schaaf*, 233 F.R.D. at 454-455, the district court quashed the subpoena because it found the document request:

> Any and all Smithkline Beecham Corporation and/or GlaxoSmithKline ("GSK") documents in your possession, custody, or control not previously provided by GSK or yourself to Ashe Rafuse & Hill LLP, as counsel for Google. You may limit your compliance to documents created or used within the last ten years.

to be facially overbroad and unduly burdensome. *Id.*, at 455. The Court noted that such a subpoena which demands that a "non party…[produce] all GSK documents in here possession from the past ten years stands as a paradigmatic example of a facially overbroad subpoena." Similarly, in *Brunswick Corp.*, 169 F.R.D. at 53-54, the district court there found that almost half of the requests listed in Brunswick's subpoena "utterly fail[ed] to describe the documents sought with any particularity…[and] effectively [sought] every document generated, received or maintained by [the non party] for a ten year period…." *Id.*, at 53.

 In the present case, without exception, all of Google's 13 document requests, particularly when considered *in-toto*, effectively demand that IPVALUE produce all documents in its possession for multi-year period relating a number of categories. These requests are not limited to the patent-in-suit, Xerox, or the assertion of that patent against Google. For example, Request No. 11 seeks all documents relating to licensing of patent "in the area of automatic generation of information," while Request No. 12 seeks documents relating to "the area of knowledge management technology." *See* Novikov Decl., Ex. E. As a result, Google's Motion should be denied. *See e.g.*, *Brunswick Corp.*, 169 F.R.D. at 53-54 (where because the district court found half of the twenty two requests for documents "vague, inexplicit, and overbroad…[and]…beyond the capabilities of [the] Court to divine precisely which of the voluminous documents received, created or maintained" by the non party "might assist plaintiff's preparation of their underlying lawsuit" it declined to modify the subpoena). Google's motion to compel should be similarly denied.

///

///

C. Google Has Not Established Good Cause To Enforce The Subpoena As To The Categories Of Documents To Which IPVALUE Has Maintained Its Objections.

In the event that the Court does not flatly deny Google's motion, the Court should exercise its discretion to modify the subpoena under F.R.C.P. 45(c)(3)(A), and this Court should do so in the instant case according to IPVALUE's reasonably agreed to limitations. In this regard, as the Court considers the positions of the parties, it should consider·the appropriate burdens under Rule 45, to wit: when a party objects to the enforcement of a subpoena, the burden is on the party seeking production of the documents or testimony to show good cause, to wit: that the requested documents are necessary to establish its claim or that denial will unduly prejudice preparation of its case or cause it undue hardship or injustice. *United States* v. *American Optical Co.*, 39 F.R.D. 580 (D. Cal. 1966). Thus, the burden is on the party bring the motion to compel to demonstrate actual and substantial prejudice from the denial of discovery. *Packman* v. *Chicago Tribune, Co.*, 267 F.3d 628, 647 (7th Cir. 2001) (emphasis added); *see also* Schwarzer, Tashima & Wagstaffe, *Cal. Prac. Guide: Fed. Civ. Pro. Before Trial* (The Rutter Group 2010), Sec. [11:2379.1], p. 11-337. In addition, the serving party bears the burden of showing the appropriateness of a subpoena served on a non-party. *In Re Natural Gas Commodity Litigation*, 235 F.R.D. 199, 208 (S.D.N.Y. 2005).

1. Google's Search Terms Would Encompass Many Irrelevent Documents.

IPVALUE has agreed to 15 of Google's proposed search terms. These search terms encompass the patent-in-suit, based on the patent number and inventors:

6778979
979
Grefenstette
Shanahan

IPVALUE's search terms also encompass documents related to patent-holder's (Xerox's) patents:

Xerox /20 patent

1 IPVALUE's search terms also encompass the technology at issue, as well as the accused

2 products:

3
4
5
6
7
8
          Organized classification of document content
          Automatically identifying a set of entities
          Automatically categorizing the selected document content
          Automatically formulating the query to restrict a search
          Formulat! /3 query
          DocSouls
          Document Souls
          XLP56
          XLP57.

9   These search terms should encompass all documents related to Xerox's assertion

10 of the patent-in-suit against Google, Yahoo, or anyone else. Wu Decl., ¶ 7.

11   Google's additional search terms extend far beyond the underlying lawsuit. Many

12 of Google's additional search terms would encompass IPVALUE's work related to clients other

13 than Xerox, who might have patents that read on Google's (or Yahoo's) products, such as the

14 following:

15
16
17
18
19
20
          (Google or Yahoo!) w/10 infring*
          (Google or Yahoo!) w/10 law
          (Google or Yahoo!) w/10 patent*
          (Google or Yahoo!) w/25 licens*
          (Google or Yahoo!) w/10 judg*
          (Google or Yahoo!) w/10 law
          (Google or Yahoo!) w/10 laws
          (Google or Yahoo!) w/10 lawsuit*
          (Google or Yahoo!) w/10 lawyer
          (Google or Yahoo!) w/10 legal*
          (Google or Yahoo!) w/10 patent*

21

22 Such search terms would encompass work related to patents other than the patent-in-suit (the

23 '979 patent), patent-holders other than the plaintiff (Xerox), and could encompass any e-mail

24 relating to Google or Yahoo patent or legal disputes, or even the "Google Patents" product which

25 is widely used to find publicly-available information regarding patents.[3]

26

27

28

[3] http://www.google.com/patents

Other search terms appear to have <u>no</u> connection to patent assertion, such as the following:

    (Google or Yahoo!) w/25 proposal*
    (Google or Yahoo!) w/10 automat*
    (Google or Yahoo!) w/10 generat*
    (Google or Yahoo!) w/5 content*
    (Google or Yahoo!) w/5 context*
    (Google or Yahoo!) w/5 exchang*
    (Google or Yahoo!) w/5 market*
    (Google or Yahoo!) w/ match*
    (Google or Yahoo!) w/ matter*
    (Google or Yahoo!) w/5 network
    Content Match
    Y!Q
    Contextual Search
    Right Media
    RMX
    Yahoo! Publisher Network
    Yahoo! Search Marketing

Every document relating to "Google content," "Yahoo market," "Google generated" or any "Yahoo matter" is not relevant to Xerox's assertion of the '979 patent. These additional search terms will encompass no relevant documents that are not already encompassed by IPVALUE's search terms, and should be rejected.

2.   Google Has Not Established Good Cause To Force IPVALUE To Collect And Log The Documents Of Its In-House IP Counsel.

During the February 3 teleconference, the Court suggested that the burden on IPVALUE could be reduced by agreeing that the documents of certain individuals, such as in-house counsel, need not be searched. Again, this approach reflects not only the high likelihood that an in-house counsel's documents will be privileged, but also the need to minimize the burden on a non-party. *IP Co., LLC v. Cellnet Tech., Inc.*, No. C08-80126 MISC MMC (BZ), 2008 WL 3876481, at *1 (N.D. Cal. Aug. 18, 2008) ("Rule 45 emphasizes the need to minimize the burden of a subpoena on a nonparty").

IPVALUE has tried to adopt the Court's suggestion, by proposing that the documents of its IP Counsel need not be searched or logged. IPVALUE employs many attorneys, some of whom perform in business functions, some in technical functions, and some

1   who bear the title of IP Counsel and whose responsibility is to advise the company regarding

2   legal issues. Wu Decl., ¶¶ 3-6. IPVALUE has not sought to exclude from the search attorneys

3   whose job functions are a business or technical role, but rather only those in the IP Counsel role.

4   Google has rejected the Court's suggestion, and demands that IPVALUE collect

5   and log the documents of its in-house IP Counsel whose job it is to whose job is to provide legal

6   advice to IPVALUE.[4] Including these IP Counsels' records will increase the number of

7   documents to review, require extremely careful scrutiny to protect against the production of

8   privileged documents, and will generate a massive privilege log thereby placing an enormous –

9   and unnecessary – burden on IPVALUE. Wu Decl., ¶ 8.

10   Google's Motion (and its meet and confer efforts) lack any explanation of how

11   limiting the searches to (i) non-lawyer custodians; and (ii) to using the subset of search terms

12   proposed by IPVALUE would "*substantially prejudice*" Google's case. Instead, Google merely

13   broadly suggests that certain types of documents "may" or are "likely" to relate in some way to

14   Google's claims. *See* Motion, p. 6. The simple fact is that Google has not and cannot show

15   "good cause" for the production of the broad swath of documents demanded by its Document

16   Requests.

17   The only justification Google has offered is an Order from United States District

18   Court Judge David Carter for the Central District of California in the case: *Diagnostics Systems*

19   *Corporation v. Symantec et. al*, (Case No. SA CV 06-1211 DOC (ANx). However, that case

20   dealt with a small company whose executives played multiple roles, both business and legal. For

21   example, one executive had created documents regarding how to acquire patents, how to identify

22   assertion targets, and how to develop an "assertion plan." (Slip Op., at 9-10).

23   In the present case, IPVALUE is only seeking to exclude from production the

24   documents of its IP Counsel, whose job is to provide legal advice to IPVALUE's business people

25   – and who do not perform "business" functions as is the *DSC* case. Wu Decl., ¶ 3. IPVALUE's

26

27   _____

28   [4] It should be noted that IPVALUE has agreed that Mr. Paul Riley's documents be searched, and non-privileged documents be produced. Wu Decl., ¶ 4. During the period in question, Mr. Riley was originally in the IP Counsel function, and later moved into more of a licensing position. *Id.*

1 IP Counsel advise the company regarding legal issues, such as patent infringement theories and

2 possible defenses; they do not create the type of business plans found not to be non-privileged in

3 the *DSC* case. Further, in the *DSC* case - DSC *was a party*. As a result, the Court's analysis did

4 not involve as high a concern for burden that is mandated by Rule 45. As a result, the Court

5 should not order that IPVALUE's IP Counsels' emails and documents be subjected to collection

6 and review.[5]

3. Damages Bifurcation.

8 Damages have been birfurcated in the underlying patent litigation, and IPVLUE

9 has been informed that Google is refusing to produce damages-related documents. Accordingly,

10 IPVALUE should not be required to produce damages-related documents either.

4. Time Cut-off.

12 IPVALUE has proposed cutting off discovery at the filing of the complaint, since

13 subsequent documents are almost to be privileged. Requiring IPVALUE to log documents

14 generated in connection with responding to this subpoena or to the motion to compel would be

15 pointless, unduly burdensome, and abusive.

D. **The Court Should Deny Google's Motion To Compel Because It Imposes An Undue Burden On IPVALUE.**

In the unlikely event that the Court finds "good cause" to enforce the subpoena

because the documents are discoverable, this does not mean the discovery must be had. *Nicholas*

v. *Wyndham Int'l., Inc.*, 373 F.3d 537, 543 (4th Cir. 2004). The Court may quash or modify the

subpoena for any one of the reasons set forth in Rule 45(c)(3)(A), including, but not limited to, if

it "subjects a person to undue burden." F.R.C.P. 45(c)(3)(A). Rule 45(c)(1) requires the Court

to protect persons subject to a subpoena from undue burden and expense. F.R.C.P. 45(c)(1).

This duty is at its apex where non parties are subpoenaed. *United States* v. *Columbia*

Broadcasting Sys., 666 F.2d 364, 371-72 (9th Cir. 1982) (noting that non parties are powerless to

control the scope of discovery, and should not be forced to subsidize an unreasonable share of

---

[5] As IPVALUE proposed in its meet and confer efforts to Google – if after production, the documents produced demonstrate that IPVALUE's in-house counsel are significantly involved in business related issues – IPVALUE will be willing to revisit the production.

the costs of litigation to which they are not a party). In this regard, Courts have broad discretion to determine whether a subpoena is unduly burdensome. *Exxon Shipping Co. v. U.S. Dept. of Interior*, 34 F.3d 774, 779 (9th Cir. 1994).

In the event the Court gets beyond the manifest burdens imposed by the facially overbroad Third Party Subpoena, the Court should nonetheless consider the burdens imposed on third-party IPVALUE. Causing a **non party** to hire an electronic discovery vendor to harvest tens of thousands or hundreds of thousands of pages of documents at cost of between $20,000 - $35,000, and to spend and additional tens of thousand dollars on mandatory legal reviews of gigabytes of information demanded by the nature of the search terms or to otherwise suffer crippling losses in manpower (*see* Wu Decl., ¶ 3) is not reasonable or warranted to obtain the tangentially relevant information to Google's patent infringement case.

In support of its motion to compel Google does not argue that it will suffer substantial hardship if the requested data is not produced. In other words, although imposing such serious burdens on IPVALUE may be helpful to Google's case in some small way - that is not the standard for enforcing a subpoena. As pointed out above, the burden is on the party bring the motion to compel to demonstrate actual and substantial prejudice from the denial of discovery. *Packman*, 267 F.3d at 647; *see also* Schwarzer, Tashima & Wagstaffe, *Cal. Prac. Guide: Fed. Civ. Pro. Before Trial* (The Rutter Group 2008), Sec. [11:2379.1], p. 11-337. Since the evidence demonstrates that the burden to IPVALUE greatly outweighs the benefit to Google, the subpoena should be quashed to the extent it exceeds the meet and confer agreement of IPVALUE.

E.   **To The Extent The Court Does Not Quash The Subpoena For One Of The Reasons Stated Herein The Court Must Rule On IPVALUE's Objections.**

If the Court does not quash Google's facially overbroad and unduly burdensome subpoena outright, and the Court either considers enforcing some or all of the document requests therein, before doing so the Court must rule on IPVALUE's Objections with respect to each particular request. IPVALUE hereby asserts each of its objections to each of Google's Document Requests. However, IPVALUE recognizes the impracticality of setting forth the law

and the reasoning behind each of IPVALUE's objections juxtaposed to each of Google's 13 document requests. Moreover, the page limits imposed by the Federal Rules would impair IPVALUE's to adequately flesh out the depth and substance of some of its objections. Instead, IPVALUE respectfully requests that if the Court actually gets to the point where it is considering enforcing all or even a portion of Google's subpoena that additional briefing be permitted to further articulate IPVALUE's objections. By suggesting this practical step, IPVALUE does not waive any of its objections.

F. **In The Event The Court Enforces Any Aspect Of The Subpoena Google Should Be Ordered To Advance IPVALUE Its Estimated Costs.**

During the February 2 teleconference, the Court suggested that the burden on IPVALUE could be addressed by cost-shifting. That approach is consistent with Rule 45, under which district courts are required to protect non parties from "significant expense." *Klay* v. *All Defendants*, 425 F.3d 977, 984 (11th Cir. 2005); *see also Columbia Broadcasting*, *supra*, 666 F.2d at 372 (non party status is also an important factor in determining whether to allocate discovery costs on the demanding or producing party). Attorneys fees and professional services are recoverable where third party can demonstrate that such services are necessary to comply with the production request. *Phillips Petroleum* Co. v. *Pickens*, 105 F.R.D. 545 (D.C. Tex. 1985); *First American Corp. v. Price Waterhouse LLP*, 184 F.R.D. 234, 238 (S.D.N.Y. 1998) (respondent awarded expenses plus a portion of attorney's fees). Despite the Court's suggestion and the supporting authority, Google has refused to pay any part of IPVALUE's costs.

IPVALUE is not asking Google to shoulder the entire cost of IPVALUE's production. In the interest of compromise, IPVALUE is asking Google to pay half of IPVALUE's costs and attorneys fees. This would lessen the burden on IPVALUE, and create an incentive for both parties to minimize the costs and fees. This is particularly significant where Google's demands would dramatically increase the costs of IPVALUE's production, by requiring, for example, logging of in house counsel's documents, including documents generating after filing of the lawsuit, such as documents generating in the course of responding to the instant subpoena and motion to compel.
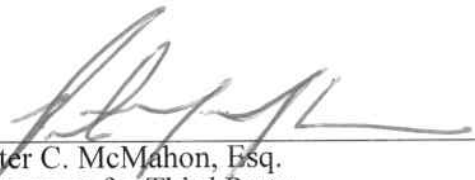
In the present case, IPVALUE has made a showing of the costs required to produce the requested documents. Wu Decl., ¶ 8. Accordingly, in the unlikely event that the Court does not quash the subpoena as it relates to the IPVALUE's IP Counsel in this matter, and that it overrules IPVALUE's objections, IPVALUE respectfully requests that the Court order Google to advance IPVALUE at least $50,000, or an adequate amount in proportion to the Court's further modification of the Subpoena, search terms, and custodians.

IV.   CONCLUSION

For the reasons stated herein, Google's Motion should be denied. In the alternative, the Court should modify the Third Party Subpoena to the scope reasonably agreed to by IPVALUE. Moreover, in the event the Court orders IPVALUE to comply with the subpoena, Google should be ordered to advance IPVALUE $50,000 – and to cover any additional costs not covered by such advance – that non party IPVALUE incurs by responding to the subpoena.

Dated: March 4, 2011

MCMAHON SEREPCA LLP

Peter C. McMahon, Esq.
Attorneys for Third Party
IPVALUE MANAGEMENT, INC.