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12
 13 UNITED STATES DISTRICT COURT
 14 NORTHERN DISTRICT OF CALIFORNIA

RS

15
 16 GOOGLE INC. AND YOUTUBE LLC, **CV 11-80-016 MISC**
 CASE NO.

17 Plaintiffs,
 18 v.
 19 IPVALUE MANAGEMENT INC.
 20 Defendant.

**GOOGLE AND YOUTUBE'S MOTION
 TO COMPEL PRODUCTION OF
 DOCUMENTS FROM THIRD PARTY
 IPVALUE MANAGEMENT INC.**

REDACTED

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NOTICE OF MOTION AND MOTION

PLEASE TAKE NOTICE that, pursuant to Federal Rules of Civil Procedure 37 and 45 and Civil Local Rules 7 and 37, Plaintiffs Google Inc. and YouTube LLC, Defendants in Delaware action Xerox Corp. v. Google Inc. et al., 1:10-cv-136-LPS, for patent infringement, move this Court for an order to compel third party IPValue Management Inc. to produce documents responsive to a properly issued Subpoena to Produce Documents.

Good cause exists for such an order because the properly issued subpoena requests documents that are highly relevant to the issues in the Delaware action, which IPValue has refused to produce, because the requests are not unduly burdensome, and because this is the only Court empowered to compel IPValue to produce these documents.

This motion is supported by the accompanying Memorandum of Points and Authorities, the supporting Declaration of Eugene Novikov and accompanying exhibits, and any additional evidence or argument the Court may receive. Good cause appearing, Google and YouTube respectfully request that the Court grant its motion to compel this discovery.

1 Pursuant to Federal Rules of Civil Procedure 26 and 45, Google Inc. and YouTube LLC
2 respectfully move the Court for an order compelling third party IPValue Management Inc. to
3 produce certain relevant documents pursuant to a subpoena duly issued from this Court.

4 **I. INTRODUCTION**

5 This concerns a patent infringement lawsuit pending in the District of Delaware. Delaware
6 Plaintiff Xerox Corporation accuses Delaware Defendants Google and YouTube (hereafter
7 "Defendants") of infringing two unrelated patents: U.S. Patent No. 6,778,979 ("System for
8 Automatically Generating Queries"), and U.S. Patent No. 6,236,994 ("Method and Apparatus for
9 the Integration of Information and Knowledge").¹ (Ex. A.)

10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED] Nonetheless, IPValue, represented
14 by Plaintiff Xerox's counsel Cravath, Swaine & Moore, has taken the position that internal
15 IPValue communications and documents are irrelevant to the case, even if they directly concern
16 the asserted patents or Defendants' accused products. IPValue has stated that it will not search for
17 or produce such internal documents. Under the Federal Rules and this Court's case law, however,
18 the requested documents are well within the scope of relevant discovery, and must be provided.

19 **II. FACTUAL BACKGROUND**

20 **Third Party IPValue Management Represents Xerox in Licensing Negotiations Involving the**
21 **Patents-in-Suit.**

22 Third party IPValue Management Inc. is an intellectual property consulting company
23 based in Mountain View, California. [REDACTED]
24 [REDACTED]
25 [REDACTED]

26 _____
27 ¹ Xerox has also accused co-defendants Yahoo! Inc. and Right Media LLC of infringing the
28 two patents.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]

12 **Google and YouTube Issue a Subpoena for Documents to IPValue.**

13 On November 11, 2010, Defendants served a subpoena for production of documents on
14 IPValue, a third party to the Delaware action. Based on the above facts, the subpoena requested,
15 among other things, "communications with the inventors [of the patents-in-suit]"; documents
16 relating to "any analysis of whether any entity or individual infringes any of the claims of the
17 patents-in-suit" or "of whether the patents-in-suit are valid"; documents relating to the ownership
18 of the patents-in-suit, documents related to potential prior art, and documents relating to IPValue's
19 efforts to license these and similar technologies. (Ex. E.)

20 **IPValue Refuses to Produce Relevant Documents Responsive to the Subpoena.**

21 In its objections served November 26, 2010, IPValue – through counsel for Plaintiff Xerox
22 – stated that, for many of Defendants' document requests, it would produce only documents that
23 were "communicated to or from Xerox." (See Ex. F, at IPValue's responses to document request
24 nos. 3-6, 8-12.) Further, in response to Defendants' request for documents relating to "any
25 analysis of whether any entity or individual infringes any of the claims of the patents-in-suit,"
26 IPValue stated that it will produce only documents "that have been communicated to or from
27 Xerox and that relate to analyses of whether the Defendants in this action infringe either of the
28 patents-in-suit." (*Id.*, at IPValue's response to document request no. 4.)

1 As became clear in subsequent emails and a conference call between counsel, IPValue is
2 broadly refusing to produce any IPValue documents that were not communicated to either Xerox
3 or some third party. For example, it will not produce any IPValue internal documents or internal
4 communications – even if they relate directly to Xerox's claims of infringement, the validity of the
5 patents-in-suit, or some other subject clearly relevant to this case. When asked to explain this
6 refusal, IPValue and Xerox's counsel would state only that these documents are not relevant
7 because they are "non-party documents." (Ex. G, 12/17/10 Leslie email to Novikov, at 1.)

8 Importantly, IPValue is not refusing to produce these documents because of any claim of
9 privilege – whether common-interest, settlement, attorney-client, or otherwise.² IPValue likewise
10 has not argued, except in boilerplate objections to every document request, that collecting and
11 producing documents from this discrete category would be unduly (or at all) burdensome under
12 Fed. R. Civ. P. 45; nor has IPValue raised any confidentiality concerns. Rather, IPValue is
13 refusing to even search for responsive internal documents, on the grounds that such documents are
14 irrelevant under Rule 26.

15 III. LEGAL STANDARD

16 IPValue's only argument to justify its refusal to produce internal documents and
17 communications is that such documents are irrelevant. However, “[t]he scope of discovery under
18 the Federal Rules is extremely broad. A relevant matter [under Fed. R. Civ. P. 26] is ‘any matter
19 that bears on, or that reasonably could lead to other matters that could bear on, any issue that is or
20 may be in the case.’” *Soto v. City of Concord*, 162 F.R.D. 603, 610 (N.D. Cal. 1995) (citation
21 omitted). “[D]iscovery should be allowed unless the information sought has no conceivable
22 bearing on the case.” *Id.* This standard applies to third party discovery as well as discovery from
23 parties to the action. See *Zynga Game Network Inc. v. John Does 1-5*, 2010 WL 271426, at *1
24 (N.D. Cal. Jan. 21, 2010) (“[T]he scope of discovery through subpoena is the same as that
25 applicable to Rule 34 and the other discovery rules.”) (internal quotation marks omitted).

26
27 ² IPValue stated that it may make claims of privilege, including common interest privilege,
28 and provide a privilege log.

1 **IV. ARGUMENT**

2 IPValue and Xerox cannot credibly argue that IPValue's internal communications and
3 documents are irrelevant under the expansive Rule 26 standard. To the contrary, these documents
4 likely contain highly relevant information related to prior art, validity, infringement, and
5 inventorship – information that may not be available elsewhere. As Xerox's appointed agent with
6 respect to the patent-in-suit, IPValue's statements and representations may also constitute party
7 admissions. Notably, IPValue has not argued that it would be unduly burdensome for it to collect
8 and produce these documents. Instead, IPValue relies solely on its position that these documents
9 are irrelevant. That position is untenable.

10 **A. Internal IPValue Documents are Relevant and Must Be Produced.**

11 [REDACTED]
12 [REDACTED] Accordingly, IPValue's
13 internal documents and communications are almost certain to contain highly relevant information.

14 Defendants are entitled to IPValue's analysis of the patents-in-suit, Defendants' products,
15 and other products that IPValue and Xerox considered potentially infringing.³ Not only is that
16 analysis itself relevant, but IPValue's work may contain relevant facts not available elsewhere.
17 For example, an IPValue employee analyzing the patents-in-suit could have discovered relevant
18 prior art, or found a reason why the asserted claims of one or both of the patents do not read on the
19 accused products, which information may be reflected in internal emails or presentations – and
20 nowhere else. IPValue employees may have performed research related to the background of the
21 inventions, which could have a bearing on inventorship and priority date issues. IPValue
22 employees likely discussed the value of the patents-in-suit, the prospects of the instant lawsuit,
23 and flaws in Xerox's infringement case. Internal IPValue documents may reflect or record

24
25 ³ Analysis of third party infringement is relevant here. *See Phoenix Solutions, Inc. v. Wells*
26 *Fargo Bank, N.A.*, 254 F.R.D. 568, 582-83 (N.D. Cal. 2008) (compelling production of documents
27 related to third party infringement and finding that "licensing and infringement positions may be
28 taken and discarded or otherwise changed over time based on a myriad of extrinsic factors that
could well be relevant to another party accused of infringement.").

1 statements by Xerox or other third parties regarding infringement or invalidity. The relevance of
2 this information is self-evident, and it would not be discoverable from Xerox.⁴ IPValue's status as
3 a non-party is thus a red herring. IPValue has relevant information, and must produce it in
4 response to the duly issued Rule 45 subpoena.

5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]

9 [REDACTED] This is a disingenuous attempt at a litigation
10 "gotcha."

11 IPValue and Xerox thus may not exempt these highly relevant documents from discovery.
12 IPValue should be ordered to produce all internal communications and documents responsive to
13 Defendants' subpoena.

14 **B. IPValue Cannot Credibly Claim That Producing These Documents Would Be**
15 **Unduly Burdensome.**

16 Aside from boilerplate objections to each document request in the subpoena, IPValue has
17 not argued that producing the requested documents would be unduly burdensome. Nor can it.
18 Defendants have requested a discrete, limited set of documents, related to a subset of IPValue's
19 work for a single client, Xerox. IPValue is also represented by Plaintiff Xerox's litigation counsel
20 in this case, who are obviously fully capable of assisting IPValue. And Xerox's counsel, like
21 IPValue itself, will require no time to get up to speed on the case. In fact, excluding the requested
22 documents from its production will likely require more work by IPValue and its counsel, as they
23 will have to screen out the categories of documents IPValue is refusing to produce. Thus, IPValue
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25
26 ⁴ IPValue will likely argue that it communicated such research and work product to Xerox.
27 Defendants, however, have no way of knowing that to be the case, and are entitled to discovery of
28 non-duplicative internal communications, especially considering the lack of burden this request entails.

1 is left to rely solely on its Rule 26 relevance arguments, which fail for the reasons discussed
2 above.

3 **Conclusion**

4 Google and YouTube respectfully request that the Court order third party IPValue to
5 comply with their subpoena in full. Specifically, Google and YouTube request that IPValue be
6 ordered to produce all internal documents and communications responsive to the subpoena.

7
8 DATED: January 26, 2011

9 QUINN EMANUEL URQUHART &
10 SULLIVAN, LLP

11 By



12 Andrea P. Roberts

13 Attorneys for Google Inc. and YouTube LLC
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