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11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA
 13 SAN JOSE DIVISION

14 DIGITAL ENVOY, INC.,
 15 Plaintiff/Counterdefendant,
 16 v.
 17 GOOGLE, INC.,
 18 Defendant/Counterclaimant.

Case No. C 04 01497 RS

**MEMORANDUM OF POINTS AND
 AUTHORITIES IN SUPPORT OF
 DIGITAL ENVOY'S MOTION FOR
 PARTIAL SUMMARY JUDGMENT ON
 CONTRACT ISSUES**

**Date: August 10, 2005
 Time: 9:30 a.m.
 Courtroom: 4, 5th Floor**

The Honorable Richard Seeborg

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I. INTRODUCTION

Google violated its agreement with Digital Envoy by impermissibly licensing Digital Envoy's technology to third parties.

Section 3.1 of the Agreement clearly and unambiguously prohibits Google from licensing Digital Envoy's technology to third parties. Google licensed AdSense with geo-targeting capabilities to third parties. Digital Envoy's technology was a component of AdSense's geo-targeting capabilities.

In short, a license of the whole necessarily entails a license of its component parts. Thus, because Digital Envoy's technology was a component of AdSense, a license of AdSense was necessarily a license of Digital Envoy's technology.

Given the clarity of the Agreement and the uncontroverted evidence supporting Google's licensing of Digital Envoy's technology to third parties, Digital Envoy is entitled to judgment as a matter of law that Google's licensing of Digital Envoy's technology violates the parties licensing agreement.

II. RELEVANT FACTS

On November 30, 2000, Digital Envoy and Google entered into the Product and Electronic Database Evaluation and License Agreement (hereafter "Agreement"). Google's Answer to Amended Complaint of Digital Envoy and Counterclaims for Breach of Contract and Declaratory Judgment (hereafter "Answer to Amended Complaint"), ¶¶ 26 and 72.¹ The subject matter of the Agreement included Digital Envoy's proprietary and confidential geographic/IP address database ("Database Libraries"). Exh. A.² The Database Libraries included information that permitted IP-based geo-targeting. The Agreement expressly recites that Digital Envoy was the sole owner of the Database Libraries. Exh. A at 1; Google's Answer to Amended Complaint, ¶ 28.

¹ The Agreement expired in January of 2005.

² Both Google and Digital Envoy have stipulated to the authenticity of the Agreement

1 Section 3.1 of the Agreement allowed Google to "use in its Business (and not distribute to
2 any third party in whole or in part)" Digital Envoy's Database Libraries. Exh. A, § 3.1; Google's
3 Answer to Amended Complaint, ¶ 27. Section 3.1 also provided:

4 Such rights shall be strictly limited to the right to . . . input,
5 download, and store some or all of the Database Libraries in file and
6 memory; and compile some or all of the Database Libraries at the
7 Site. . . . In no event, however, are the Database Libraries to be
sold, licensed, distributed, shared, or otherwise given (in any form)
to any other party or used outside of the site set forth herein.

8 *Id.* (emphasis added).

9 In addition to the limitations in section 3, section 7.2 of the Agreement provided that "in no
10 event shall Licensee [Google] distribute, disclose, or otherwise make available the Database
11 Libraries, or any information contained therein . . ." Exh. A, § 7.2.

12 Between November 30, 2000, and January of 2005, Google implemented a program
13 through which it executed licenses with third parties. Declaration of Susan Wojcicki in Support of
14 Google Inc.'s Motion for Summary Judgment (hereafter "Wojcicki Declaration"), ¶¶ 6, 7, and 8.
15 That program is "AdSense."

16 Google used Digital Envoy's Database Libraries to implement the geo-targeting
17 capabilities for third parties who licensed AdSense with geo-targeting capabilities. Declaration of
18 Mark Rose in Support of Google Inc.'s Motion for Summary Judgment (hereafter "Rose
19 Declaration"), ¶ 8. In fact, "Google often used Digital Envoy's IP Address/Location data as one of
20 several factors in making its determination about a user's geographic location in AdSense." Rose
21 Declaration, ¶ 4 (emphasis added). In other words, geo-targeting was a necessary part of the
22 AdSense license for some third parties.

23 Digital Envoy notified Google, in February of 2004, that Digital Envoy believed Google
24 was exceeding the scope of the Agreement. Answer to Amended Complaint, ¶ 43. After
25 attempting unsuccessfully to resolve this issue with Google, Digital Envoy brought this lawsuit for
26 recovery of damages.

27 During the course of litigation, Google filed a Motion for Summary Judgment, contending
28 that Google had not violated the Agreement. *See* Google's Motion for Summary Judgment.

1 Specifically, Google argued that "[i]n operating [AdSense for Content], Google in no way
2 distributed, disclosed, shared or otherwise gave Digital Envoy's data to any third-party." Google's
3 Motion for Summary Judgment at 18. Google, however, never addressed whether Google
4 *licensed* Digital Envoy's Database Libraries to third parties.

5 The Court denied Google's motion, finding that the term "[to] share" (among other terms)
6 was ambiguous, and that the violation of the Agreement turned on disputed facts. Order at 14.
7 The Court, however, did not rule on whether the term "license" was ambiguous, because Google
8 had conspicuously omitted that key contract term from its arguments.

9 **III. ARGUMENT**

10 **A. Digital Envoy is Entitled to Summary Judgment Because the Language of the**
11 **Agreement is Clear and Unambiguous, and There Are No Genuine Issues of Material**
12 **Fact as to Whether Google Licensed Digital Envoy's Database Libraries to Third**
13 **Parties.**

14 Summary judgment is appropriate where no genuine issue of material fact exists and a
15 party is entitled to prevail in the case as a matter of law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S.
16 242, 250 (1986). The moving party has the initial responsibility of informing the district court of
17 the basis for its motion, and identifying those portions of the record which it believes demonstrate
18 the absence of a genuine issue of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323
19 (1986).

20 Here, as described in greater detail below, the relevant terms of the Agreement are
21 susceptible only to one interpretation. Thus, Digital Envoy is entitled to judgment as a matter of
22 law. Additionally, no reasonable juror could find that Google did not license Digital Envoy's
23 Database Libraries to third parties. Thus, Digital Envoy is entitled to judgment as a matter of law
24 that Google violated its Agreement with Digital Envoy.

25 **B. The Plain and Ordinary Meaning of the Agreement Must Be Adopted Because the**
26 **Relevant Language of the Agreement is Clear and Unambiguous.**

27 "[T]he construction of a contract is always a matter of law for the court, no matter how
28 ambiguous or uncertain or difficult its terms, that the jury can only assist the court by determining

1 disputed questions of fact." *O'Connor v. West Sacramento Co.*, 189 Cal. 7, 18 (1922). "If the
2 facts and circumstances to be considered in the interpretation of the contract are undisputed, there
3 is nothing to submit to the jury and the court must direct a verdict in accordance with the
4 construction placed on the contract by the court in the light of the admitted circumstances." *Id.*
5 (emphasis added). "On the other hand, if such circumstances are in dispute and the meaning of the
6 contract is to be determined one way according to one view of the facts and another way in
7 accordance with the other view of the facts, then the determination of the disputed fact must be left
8 to the jury, but in no case can the proper construction of the contract be left to a jury." *Id.* "Any
9 instruction that leaves more than this to a jury is erroneous." *Id.*

10 "Under statutory rules of contract interpretation, the mutual intention of the parties at the
11 time the contract is formed governs interpretation." Cal. Civ. Code, § 1636; *AIU Insurance Co. v.*
12 *Superior Court*, 51 Cal. 3d 807, 822 (1990). "Such intent is to be inferred, if possible, solely from
13 the written provisions of the contract." Cal. Civ. Code, § 1639; *AIU*, 51 Cal. 3d at 822 (emphasis
14 added). "The clear and explicit meaning of the provisions, interpreted in their ordinary and
15 popular sense, unless used by the parties in a technical sense or a special meaning is given to them
16 by usage, controls judicial interpretation." Cal. Civ. Code, §§ 1638 and 1644; *AIU*, 51 Cal. 3d at
17 822. "Thus, if the meaning a layperson would ascribe to the contract language is not ambiguous,
18 we apply that meaning." *AIU*, 51 Cal. 3d at 822. Additionally, "[t]he whole of a contract is to be
19 taken together, so as to give effect to every part, if reasonably practical, each clause helping to
20 interpret the other." Cal. Civ. Code, § 1641. Where the contract is integrated, extrinsic evidence
21 is generally not admissible to interpret the contract. *In re Bennett*, 298 F.3d 1059, 1064 (9th Cir.
22 2002).

23 "It is well settled that in order to construe words in an insurance policy in their 'ordinary
24 and popular sense,' a court may resort to a dictionary." *Humboldt Bank v. Gulf Ins. Co.*, 323 F.
25 Supp. 2d 1027, 1033 (N.D. Cal. 2004), citing *Jordan v. Allstate Ins. Co.*, 116 Cal. App. 4th 1206
26 (2004) and *Stamm Theatres, Inc. v. Hartford Casualty Ins. Co.*, 93 Cal. App. 4th 531 (2001).

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1 Additionally, all contracts are to be interpreted by the same rules. Cal. Civ. Code, § 1635. Thus,
2 this Court may resort to a dictionary to construe the words in the Agreement at issue.³

3 Here, the plain and ordinary meaning of the prohibition of licensing Digital Envoy's
4 Database Libraries is clear and unambiguous. The Court should, therefore, construe the contract
5 as a matter of law.

6 **C. The Plain and Customary Meaning of the Agreement Prohibits Google from**
7 **Licensing Digital Envoy's Database Libraries to Third Parties.**

8 The prohibition of licensing Digital Envoy's technology is clear and unambiguous.
9 Specifically, the relevant portion of the Agreement recites: "In no event, however, are the
10 Database Libraries to be sold, licensed, distributed, shared, or otherwise given (in any form) to any
11 other party or used outside of the site set forth herein." Exh. A, § 3.1.

12 Stated differently, section 3.1 provides several prohibitions related to Digital Envoy's
13 Database Libraries. Specifically, the prohibitions can be separated as follows:

- 14 (A) "In no event, however, are the Database Libraries to be sold . . . to any other party";
- 15 (B) "In no event, however, are the Database Libraries to be . . . licensed . . . to any other party";
- 16 (C) "In no event, however, are the Database Libraries to be . . . distributed . . . to any other party";
- 17 (D) "In no event, however, are the Database Libraries to be . . . shared . . . [with] any other party";
- 18 (E) "In no event, however, are the Database Libraries to be . . . otherwise given . . . to any other party"; and
- 19 (F) "In no event, however, are the Database Libraries to be . . . used outside of the site set forth herein."

21 Thus, any one of the following actions by Google results in a violation of the Agreement:

- 22 (a) Selling the Database Libraries in any form to any other
- 23 party;
- 24 (b) Licensing the Database Libraries in any form to any other
- 25 party;

26 ³ In relying heavily on dictionary definitions, Google implicitly admits that the plain and
27 customary meaning of the terms in the Agreement can be discerned from the dictionary. *See,*
28 *e.g.,* Google Inc.'s Reply Brief in Support of Its Motion for Summary Judgment, n. 3 (citing to
the American Heritage Dictionary of the English Language and Merriam Webster Online
dictionary).

- 1 (c) Distributing the Database Libraries in any form to any other party;
- 2 (d) Sharing the Database Libraries in any form with any other party;
- 3 (e) Otherwise giving the Database Libraries in any form to any other party; or
- 4 (f) Using the Database Libraries outside of the "site set forth herein," (Google's own website).

6 Google previously moved for summary judgment, arguing that it did not "distribute,"
7 "share," or "otherwise give" Digital Envoy's Database Libraries to third parties. The Court,
8 however, ruled that those particular terms were ambiguous. *See* Order at 9. Noticeably absent
9 from Google's arguments was an analysis of the prohibition of *licensing* the Database Libraries to
10 any other party.

11 This prohibition is susceptible of only one reasonable interpretation. Thus, the
12 interpretation of that particular provision is a matter of law for the Court. *AIU*, 51 Cal. 3d at 822.

13 **1. A "license" is a grant of permission to do a particular thing.**

14 "License" is both a noun and a verb. As a verb, the dictionary defines "license" as "to
15 permit or authorize especially by formal agreement" or "to give permission or consent to."
16 *Merriam-Webster Online Dictionary*, attached as Exh. B to the Declaration of Sam S. Han in
17 Support of Digital Envoy's Motion for Partial Summary Judgment (hereafter "Han Declaration").
18 As a noun, the dictionary defines "license" as "permission to act" or "a document, plate, or tag
19 evidencing a license granted." *Id.*

20 Many California courts have adopted the dictionary definition of "license." *See, e.g.,*
21 *Herman v. United Brotherhood of Carpenters and Joiners of Am.*, 60 F.3d 1375, 1381 (9th Cir.
22 1995) (adopting dictionary definition of the term "license"); *San Gabriel Tribune v. Superior*
23 *Court*, 143 Cal. App. 3d 762 at n.12 (1983) (adopting dictionary definition of the term "license");
24 *Blatz Brewing Co. v. Collins*, 69 Cal. App. 2d 639, 642-643 (1945) (adopting Webster's dictionary
25 definition of "license"). In fact, as one court noted:

26 Webster defines 'license' as 'Authority or liberty given to do or
27 forbear an act; permission to do something (specified); esp., a
28 formal permission from the proper authorities to perform certain acts
or to carry on a certain business which without such permission
would be illegal.' License means leave to do a thing which licensor

1 could prevent. The word 'license,' generally speaking, means a grant
2 of permission to do a particular thing, to exercise a certain privilege,
or to carry on a particular business or to pursue a certain occupation.

3 *Blatz Brewing*, 69 Cal. App. 2d at 642-643. Therefore, the ordinary and popular sense of the term
4 "license" is understood to be a grant of permission to do a particular thing.

5 Additionally, various legal authorities define "license" consonantly with its ordinary and
6 popular sense. For example, the National Conference of Commissioners on Uniform State Laws
7 approved and recommended for enactment in all states the Uniform Computer Information
8 Transactions Act (UCITA), which included the following language:

9 "License" means a contract that authorizes access to, or use,
10 distribution, performance, modification, or reproduction of,
11 information or informational rights, but expressly limits the access
12 or uses authorized or expressly grants fewer than all rights in the
13 information, whether or not the transferee has title to a licensed
copy. The term includes an access contract, a lease of a computer
program, and a consignment of a copy. The term does not include a
reservation or creation of a security interest to the extent the interest
is governed by [Article 9 of the Uniform Commercial Code].

14 Uniform Computer Information Transactions Act (UCITA) § 102(a)(41), approved 2002, attached
15 as Exhibit C to Han Declaration..

16 The Agreement uses the term "license" in its ordinary and popular sense, and there is no
17 ambiguity to the term "license." Insofar as "license" has only one discernable legal meaning, this
18 Court must construe that term as a matter of law. In particular, the Court should adopt the same
19 definition of "license" that other courts in this jurisdiction have adopted - namely, that "license"
20 means a grant of permission to do a particular thing.

21 **2. The phrase "in no event are the database libraries to be . . . licensed . . . to any**
22 **other party" clearly forbids licensing of the database libraries to third parties.**

23 Section 3.1 of the Agreement provides: "In no event, however, are the Database Libraries
24 to be . . . licensed . . . to any other party." Exh. A, § 3.1.

25 The Agreement expressly defines "Database Libraries" as "certain geographic/IP address
26 databases." Exh. A at 1. Google admits to "often us[ing] Digital Envoy's IP Address/Location
27 data as one of several factors in making its determination about a user's geographic location in
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1 AdSense." Google's Motion for Summary Judgment at 10. Thus, the meaning of the phrase
2 "Database Libraries" is undisputed.

3 The Agreement also expressly identifies the parties to the Agreement as being Google
4 ("Licensee") and Digital Envoy ("Licensor"). Exh. A at 1. In other words, *only* Google and
5 Digital Envoy are parties to the Agreement. Thus, the ordinary and popular sense of the phrase
6 "any other party" means any person or group that is neither Digital Envoy nor Google. Thus, there
7 can be no doubt that "any other person" means third parties who were not parties to the
8 Agreement.

9 Given that "license" is clear and unambiguous, the prohibition "in no event, however, are
10 the Database Libraries to be . . . licensed . . . to any other party" is likewise clear and
11 unambiguous. Simply, this prohibition means that Google is forbidden to license the Database
12 Libraries to third parties.

13 Google apparently agrees with Digital Envoy that the Agreement is unambiguous. *See*
14 Google Inc.'s Reply Brief in Support of Its Motion for Summary Judgment at 4, internal citations
15 omitted ("Here, Digital Envoy contends the License Agreement is unambiguous. Digital Envoy is
16 correct"). Given the unequivocal meaning of this prohibition, the interpretation of "in no event,
17 however, are the Database Libraries to be . . . licensed . . . to any other party" is a matter of law for
18 the Court. *AIU*, 51 Cal. 3d at 822. Thus, the Court should interpret this limitation to mean what it
19 says - namely, that Google was prohibited from licensing Digital Envoy's Database Libraries to
20 third parties.

21 **D. Google's Licensing of AdSense with Geo-Targeting Necessarily Resulted in a**
22 **Licensing of Digital Envoy's Database Libraries in Violation of the Agreement.**

23 Google violated the clear prohibition in the Agreement. Specifically, Google violated the
24 Agreement by licensing Digital Envoy's Database Libraries to third parties as a part of AdSense
25 and various search technologies that employed geo-targeting in support of AdSense.

26 It is axiomatic that a license to the whole necessarily encompasses a license to its
27 component parts. Here, Digital Envoy's Database Libraries were a component of geo-targeting,
28 and geo-targeting was a component of AdSense. Deposition of Susan Wojcicki (hereafter

1 "Wojcicki Deposition") at 117, relevant portions attached hereto as Exh. K. Thus, it necessarily
2 follows that a license to AdSense with geo-targeting capabilities resulted in a license to the
3 Database Libraries.

4 In short, Google's violation is summed up as follows:

- 5 (1) Google licensed AdSense with geo-targeting capabilities to
6 third parties;
- 7 (2) Digital Envoy's Database Libraries were a component of
8 AdSense with geo-targeting capabilities;
- 9 (3) Thus, when Google licensed AdSense with geo-targeting
10 capabilities to third parties, Google necessarily licensed
11 Digital Envoy's Database Libraries to those third parties.

12 **1. It is undisputed that Google licensed AdSense to third parties.**

13 It is undisputed that AdSense is licensed to third parties. Google specifically uses
14 licensing language in describing AdSense. For example, Google's press release related to
15 Amazon.com is entitled "Google Licenses Web Search and Sponsored Links to Amazon.com."
16 Han Declaration, ¶ 4, Exh. D; *Google Licenses Web Search and Sponsored Links to Amazon.com*
17 (hereafter "Google Press Release"), April 3, 2003 (visited Jun. 16, 2005)
18 <<http://www.google.com/press/pressrel/amazon.html>> (emphasis added). In that regard, Google
19 did not hesitate in describing sponsored links, or AdSense, as being "licensed." Han Declaration,
20 ¶ 5, Exh. E; *Google AdSense Program Policies* (visited Jun. 16, 2005)
21 <<http://www.google.com/adsense/policies>>. Insofar as Amazon.com is a third party, it cannot be
22 disputed that Google licensed the AdSense programs to third parties.⁴

23 According admissions by Google's own corporate representative, AdSense was licensed to
24 third parties. Google's corporate representative admitted that AdSense was contractually defined.
25 Wojcicki Deposition at 148 and 169-170. Such a contractual relationship was a license, insofar as

26 ⁴ Digital Envoy believes that review of Google's AdSense contracts with third parties will show
27 that these AdSense contracts are "licenses," insofar as they grant permission to third parties to
28 geo-target their advertisements and searches. Google has, to date, refused to provide these
third-party contracts, adamantly insisting that these contracts are irrelevant to Digital Envoy's
claims. However, as evidenced here, these third-party contracts are relevant to prove that
Google licensed AdSense for Search and AdSense for Content to third parties.

1 it provided various permissions and restrictions for AdSense. Thus, Google can hardly dispute
2 that AdSense was licensed to third parties.

3 There are many other examples from Google, which relate to third-party licensing of
4 AdSense and various Google technologies, all of which employed geo-targeting. The following
5 examples illustrate how Google both explicitly used the term "license" and implicitly used
6 licensing language in describing its products:

- 7 • "Because we also offer to license our web search technology along with Google AdSense
8 for search, companies without their own search service can offer Google WebSearch to
9 improve the usefulness of their web sites for their users while increasing their revenue."
10 Han Declaration, ¶ 6, Exh. F; Google Press Centre: Product Descriptions (hereafter
11 "Google Press Centre") (visited Jun. 16, 2005)
12 <<http://www.google.co.uk/press/descriptions.html>> (emphasis added).
- 13 • "Promptly following the Effective Date, Google shall provide the Google Data Protocol to
14 Customer. Google grants to Customer a nontransferable, nonexclusive license during the
15 Term to use the Google Data Protocol solely for the purpose of communicating
16 information between the Site and the Services." Han Declaration, ¶ 7, Exh. G; Sample
17 Contracts and Business Forms - Advertising Services Agreement (hereafter "Google
18 Example Sales Agreement for Sponsored Links"), ¶ 2.4 (visited Jun. 16, 2005)
19 <<http://contracts.onecle.com/shopping/google.sales.2003.04.14.shtml>> (emphasis added).
- 20 • "Upon the termination of this Agreement for any reason (i) all license rights granted herein
21 shall terminate, (ii) each party shall return to the other party, or destroy and certify the
22 destruction of, all Confidential Information of the other party, and (iii) Customer shall
23 refund to Google any prepayments paid and not yet earned by Customer, if any." Id., ¶ 9.3
24 (emphasis added).
- 25 • "Each party acknowledges that its service/license restrictions contained herein may cause
26 irreparable harm to the other party, the extent of which would be difficult to ascertain."
27 Id., ¶ 9.5 (emphasis added).
- 28 • "AdSense affords third party web sites or "publishers" the ability to display to those
visiting their own web sites the advertising messages of participants in Google's AdWords
program." Wojcicki Declaration, ¶ 6 (emphasis added).⁵
- "Customer shall not acquire any right, title, or interest in or to the Intellectual Property
Rights associated with the Services (including the AdSense for Search program, the
Google Data Protocol, and Google Brand Features), except for the limited use rights
expressly set forth in this Agreement." Han Declaration, ¶ 8, Exh. H; Securities and
Exchange Commission, Form 10-Q, Ask Jeeves, Inc., For the Quarterly Period Ended June
30, 2002, Attachment 10.52 (visited Jul. 6, 2005) <http://yahoo.brand.edgar-online.com/EFX_dll/EDGARpro.dll?FetchFilingHTML1?SessionID=jKwBIuNdQ_VRQM2&ID=1963121> (emphasis added).

⁵ This statement shows that Google enabled others to perform geo-targeted searching and advertising.

1 Given these numerous examples, it can hardly be disputed that Google licensed AdSense
2 and other geo-targeted programs to third parties.

3 **2. It is undisputed that Digital Envoy's Database Libraries were a component of**
4 **geo-targeting for AdSense.**

5 Google admitted that "Google often used Digital Envoy's IP Address/Location data as one
6 of several factors in making its determination about a user's geographic location in AdSense."
7 Google's Motion for Summary Judgment at 10; Rose Declaration, ¶ 4. Additionally, Google
8 admitted that, "[a]s one step in the process of identifying potentially relevant advertising
9 messages, Google would typically look up the user's geographic location in the Digital Envoy IP
10 Address/Location Database stored at Google." Rose Declaration, ¶ 6. As such, Digital Envoy's
11 Database Libraries were necessarily a component of AdSense with IP-based geo-targeting. In
12 fact, Google admits, in the following exchange, that geo-targeting is "part of its advertising
13 program."

14 Mr. Kratz: Another type of targeting that Google employs as part of its
15 advertising program is to target the advertisements based on geo --
geographic location of the user?

16 The Witness: Yes.

17 Wojcicki Deposition at 117 (emphasis added).

18 Although Google may argue that the Database Libraries were not a component of
19 AdSense, it is difficult to imagine how a process that automatically accesses the Database
20 Libraries can, at the same time, not have the Database Libraries as a component of the automated
21 process. Specifically, Google admitted that "[t]he mechanical process by which Google selects the
22 advertising messages to display to users visiting third party sites is identical, in all relevant
23 respects, to the process used to locate advertising messages to display to users visiting Google's
24 own site." Rose Declaration, ¶ 8. Thus, according to Google's admission, any queries from third-
25 party sites were: (1) processed mechanically (automatically); and (2) processed identically as
26 queries from Google's own site. Automating the process resulted in incorporating the Database
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1 Libraries into AdSense. As such, Digital Envoy's Database Libraries necessarily became a
2 component of AdSense.

3 Additionally, Google has acknowledged that geo-targeting is a component of AdSense for
4 which Google "want[ed] all the syndication partners to work with [geo-targeting]" and those
5 partners were "very excited to do [geo-targeting]." Han Declaration, ¶ 9, Exh. I. Digital Envoy's
6 Database Libraries provided the IP-based geo-targeting that was crucial to what all of Google's
7 partners were "very excited to do." As such, Digital Envoy's Database Libraries were a critical
8 component of geo-targeting for AdSense, and Google specifically permitted and encouraged these
9 syndication partners to use Digital Envoy's Database Libraries. In other words, Google expressly
10 encouraged its syndication partners (AdSense customers) to license the Database Libraries as a
11 separate, new component of the AdSense Program and these third parties were "very excited" to
12 license this critical component.

13 **3. Since a license to the whole necessarily encompasses a license to its component**
14 **parts, Google's licensing of AdSense with geo-targeting capabilities necessarily**
15 **resulted in a licensing of Digital Envoy's Database Libraries.**

16 A license of the whole necessarily entails a license of its component parts. Digital Envoy's
17 Database Libraries were a component of Google's geo-targeting capabilities, and Google's geo-
18 targeting capabilities were a component of AdSense. Thus, it is axiomatic that a license of
19 AdSense, which included geo-targeting capabilities, necessarily resulted in a license of the
20 Database Libraries.

21 For third parties that licensed AdSense with geo-targeting from Google, those third parties
22 necessarily licensed Digital Envoy's Database Libraries from Google. In other words, Google
23 integrated geo-targeting using IP addresses into AdSense. The Database Libraries were a
24 necessary component of geo-targeting using IP addresses. Thus, any licensing of AdSense with
25 such geo-targeting resulted in the licensing of Digital Envoy's Database Libraries.

26 Google admitted that "[t]he mechanical process by which Google selects the advertising
27 messages to display to users visiting third party sites is identical, in all relevant respects, to the
28 process used to locate advertising messages to display to users visiting Google's own site." Rose

1 Declaration, ¶ 8. In other words, any queries from third-party sites were processed identically as
2 queries from Google's own site. As such, those third-party sites necessarily had identical access to
3 Digital Envoy's Database Libraries as Google. Insofar as Google permitted third parties access to
4 Digital Envoy's Database Libraries, Google licensed the Database Libraries to third parties.

5 Moreover, a slide presentation prepared by Ms. Leslie Yeh of Google evidences the fact
6 that geo-targeting feature was a licensed component of AdSense, and, hence, Digital Envoy's
7 Database Libraries were necessarily licensed along with the geo-targeting feature. Wojcicki
8 Deposition, Exh. 61. Ms. Yeh's presentation separated various email messages from third parties
9 according to whether or not contracts with those third parties permitted geo-targeting. *Id.*

10 Specifically, the "partner communications" were separated into three distinct categories: (1)
11 "Getting regional targeting"⁶; (2) "Not getting [geo-targeting] due to contract" (emphasis added);
12 and (3) "Not getting [geo-targeting] because not providing end-user IP addresses (in violation of
13 contract)" (emphasis added). *Id.* As shown in that presentation, the geo-targeting feature was
14 provided contractually. In other words, geo-targeting was a licensed component of AdSense.
15 Thus, since Digital Envoy's Database Libraries were a component of IP-based geo-targeting, a
16 license to geo-targeting necessarily entailed a license to Digital Envoy's Database Libraries.

17 Google's various marketing statements bolster the fact that Google deliberately permitted
18 full and automatic access to the Database Libraries to third parties. For example, Google provided
19 code (java script) to third parties, fully knowing that the code would initiate a mechanical
20 (automatic) process by sending an IP address to Google so that the publisher could receive geo-
21 targeted advertisements for display to users. *See* Rose Declaration, ¶¶ 4, 6, and 8; Wojcicki
22 Deposition at 170, Exh. K. In Google's own words, Google knew that "It's your [third party's]
23 show from start to finish." Han Declaration, ¶ 10, Exh. J (emphasis added). In other words, once
24 the automatic process had been set up, Google did not manually intervene in the initiation of the
25 process, the mechanical geo-targeting of advertisements, or the conveying of advertisements to
26 third-party websites. All of these steps occurred automatically.

27 _____
28 ⁶ "Regional targeting" is referred to herein as geo-targeting.

1 Having given permission to third parties for the automatic process of obtaining geo-
2 targeted advertisements, and having removed itself from intervening in the automated process,
3 Google necessarily licensed Digital Envoy's Database Libraries to third parties. Such licensing of
4 the Database Libraries violated the Agreement, which strictly limited Google from selling,
5 licensing, distributing, sharing, or otherwise giving (in any form) the Database Libraries to third
6 parties. Exh. A, § 3.1.

7 **IV. CONCLUSION**

8 Google's violation of the Agreement is indisputable. The phrase "in no event are the
9 Database Libraries to be . . . licensed . . . to any other party" is clear and unambiguous. It means
10 that Google is forbidden to license Digital Envoy's Database Libraries to third parties. Because
11 the ordinary and popular sense of this prohibition is clear and unambiguous, the interpretation of
12 this phrase is a matter of law for the Court. The Court should therefore construe this limitation as
13 forbidding Google from licensing Digital Envoy's Database Libraries to third parties.

14 Digital Envoy's Database Libraries were a component of Google's geo-targeting
15 capabilities, and Google's geo-targeting capabilities were a component of AdSense. Thus, when
16 Google licensed AdSense with geo-targeting to third parties, Google necessarily licensed the
17 Database Libraries to the third parties. The licensing of the whole (AdSense) by Google
18 necessarily resulted in the licensing of its component parts (Digital Envoy's Database Libraries).
19 Such licensing to third parties was a violation of the Agreement. No reasonable juror could find
20 otherwise.

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