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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

**DIGITAL ENVOY'S MOTION
 PURSUANT TO FEDERAL RULE OF
 CIVIL PROCEDURE 56(f)**

**Date: September 21, 2005
 Time: 9:30 a.m.
 Courtroom: 4, 5th Floor**

The Honorable Richard Seeborg

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I. INTRODUCTION

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2 Google's Motion for Partial Summary Judgment Regarding Digital Envoy, Inc.'s Damages
3 Claims should be denied on the face of Google's own arguments because: (i) the undisputed
4 evidence establishes that Google incorporated Digital Envoy's technology into its AdSense
5 programs; and (ii) Google achieved significant revenues from its AdSense programs of which
6 Digital Envoy's technology is a necessary component. In addition, Google's motion
7 misrepresents the applicable burden of establishing any costs and setoffs, if any, to the AdSense
8 revenue, which falls to Google, not Digital Envoy. *See, e.g., USM Corp. v. Marson Fastener*
9 *Corp.*, 467 N.E. 2d 1271, 1276 (Mass. 1984) In essence, Google's Motion for Partial Summary
10 Judgment addresses that value of its unjust enrichment, not the fact of its unjust enrichment. *Cf.*
11 *Stott v. Johnson*, 36 Cal. 2d 864, 875 (1951) (certainty about existence, not the amount, of
12 damages is controlling). For at least these reasons, Google's Motion should fail.

13 Notwithstanding the sufficiency of the record to establish Google's unjust enrichment due
14 to its misappropriation of Digital Envoy's trade secrets, Google in its Reply in Support of Motion
15 for Partial Summary Judgment ("Google's Reply") flaunts the alleged absence of evidence as
16 justification of its entitlement to partial summary judgment. *See, e.g.,* Google's Reply at 11-12.
17 However, the very evidence that Google contends is absent *resides in the hands of Google*, which
18 Google has refused to produce. Subsequent to Digital Envoy's filing of its Opposition to Google's
19 Motion for Partial Summary Judgment, Google definitively stated that it has "completed" its
20 production in compliance with the Court's July 15, 2005 Order, and that it refuses to make
21 available any corporate witnesses on key issues, including Google's use of Digital Envoy's
22 technology in AdSense and revenues Google achieved from AdSense. Google's recent statement
23 that it has satisfied its discovery obligations, including "compliance" with the Court's July 15,
24 2005 Order, is false. Digital Envoy will be forced once again to seek relief from the Court to
25 obtain the discovery to which it is entitled.

26 Under the circumstances, it would be unjust indeed for Google to use its own refusal to
27 provide meaningful discovery responses as the very basis justifying its entitlement to partial
28 summary judgment. Therefore, to the extent the Court were to accept Google's contention that the

1 record does not establish its unjust enrichment, Digital Envoy respectfully requests that the Court
2 continue Google's motion for partial summary judgment until such time as Digital Envoy can
3 bring Google's non-compliance with its discovery obligations before the Court.

4 **II. ARGUMENT AND CITATION OF AUTHORITY**

5 Federal Rule of Civil Procedure 56(f) states:

6 Should it appear from the affidavits of a party opposing the motion that
7 the party cannot for reasons stated present by affidavit facts essential to
8 justify the party's opposition, the court may refuse the application for
9 judgment or may order a continuance to permit affidavits to be obtained or
depositions to be taken or discovery to be had or may make such other
order as is just.

10 Fed. R. Civ. P. 56(f).¹ Google contends that Digital Envoy cannot establish the requisite causation
11 for Google's unjust enrichment, asserting that there is no evidence that Google benefited from its
12 use of Digital Envoy's technology. *See, e.g.*, Google's Reply at 12-13.

13 For the reasons that Digital Envoy stated in its Opposition, Google is wrong on both the
14 facts and the law. *See* Opposition at 16-22; *see also Carter Products v. Colgate-Palmolive Co.*,
15 214 F. Supp. 383, 397 (D. Md. 1963) (rejecting the defendant's argument that it could have
16 produced its product with the trade secrets and achieved the same success on the grounds that the
17 defendant nevertheless chose to market the product with the trade secret). Nevertheless, Google
18 possesses, but refuses to provide, additional evidence that would (i) demonstrate more precisely
19 the revenue achieved from Google's placement of advertisements utilizing geotargeting; and (ii)

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21 ¹ Digital Envoy respectfully contends that this Rule 56(f) is timely. *See Mason v. United*
22 *States*, No. 03-55560, 120 Fed. Appx. 40, 43, 2005 WL 32820, at *3 (9th Cir. Jan. 7, 2005)
23 (holding that a Rule 56(f) must be filed prior to the hearing on the motion to be timely); *see*
24 *also Ashton-Tate Corp. v. Ross*, 916 F.2d 516, 520 (9th Cir. 1990) (holding Rule 56(f) motion
25 must be made prior to summary judgment hearing). Moreover, based on Google's recent
26 assertions that it intends to provide no further responses on key discovery issues, Google
27 should not be allowed to rely on any alleged absence of evidence to justify its entitlement to
28 partial summary judgment without allowing Digital Envoy to bring these issues before the
Court. *See* Digital Envoy's Motion for Leave to File Rule 56(f) Motion, filed
contemporaneous herewith; *see also Mass. School of Law at Andover, Inc. v. American Bar*
Ass'n, 142 F. 3d 26, 44 (1st Cir. 1998) (noting that due to extenuating circumstances, a Rule
56(f) Motion may be filed after the date the response is due); *Patterson-Leitch Co., Inc. v.*
Mass. Municipal Wholesale Elec. Co., 840 F. 2d 985, 988 (1st Cir. 1988) (noting that Rule
56(f) Motion must be filed in timely manner – *i.e.*, served with the response or on “the earliest
practicable date thereafter”).

1 demonstrate the importance and value of geotargeted advertisements through point of sale
2 information, including Google's communications with and marketing to, advertisers whose
3 advertisements were displayed through the AdSense program.

4 Specifically:

- 5 1. Digital Envoy, Inc.'s First Interrogatories, Interrogatory Number 6 requested
6 Google to "identify by month and web site, the total revenue received by Google
7 for the placement of advertisements on third party web sites WHERE THE
8 PLACEMENT OF THE ADVERTISEMENT INCLUDED THE USE OF
9 DIGITAL ENVOY'S DATA." *See* Declaration of Robert J. Waddell, Jr. in Support
10 of Rule 56(f) Motion ("Waddell Declaration"), ¶3, Exhibit A. (emphasis added).
11 Granting Digital Envoy's Motion to Compel, the Court ordered Google to provide
12 this information. *See* July 15, 2005 Order Granting in Part and Denying in Part
13 Digital's Motion to Compel and Denying Motion for Sanctions ("July 15, 2005
14 Order"). However, Google has provided only general and unsupported gross
15 revenue information and unsubstantiated deductions from the gross revenue figure
16 and on September 2, 2005 stated that it intends to provide no additional information
17 in response to this interrogatory. *See* Exhibit 8, Waddell Declaration ¶3. The
18 requested information would establish the precise revenue Google derived from the
19 placement of advertisements where that placement included the use of Digital
20 Envoy's technology. *See id.*, ¶3.
- 21 2. Digital Envoy, Inc.'s First Interrogatories, Interrogatory Numbers 10 and 11
22 requested Google to provide detailed revenue information for Google's AdSense
23 programs and state whether such revenue was derived from advertisements that
24 were geotargeted and those advertisements that were not geotargeted. *See* Waddell
25 Declaration, ¶¶ 4-5, Exhibit C. Granting Digital Envoy's Motion to Compel, the
26 Court ordered Google to provide this information. *See* July 15, 2005 Order.
27 However, Google has provided only general and unsupported gross revenue
28 information and unsubstantiated deductions from the gross revenue figure and on

1 September 2, 2005 stated that it intends to provide no additional information in
2 response to this interrogatory. *See id.*, ¶¶3, 5, Exhibit B. Such information would
3 establish the precise revenue Google derived from the placement of advertisements
4 where that placement included the use of Digital Envoy’s technology. *See id.*, ¶5.

- 5 3. Digital Envoy’s Requests for Production 14, 18 and 19 requested that Google
6 provide detailed information related to communications with and revenue from
7 advertisers. *See* Waddell Declaration, ¶¶ 6-7, Exhibit D. The Court ordered
8 Google to produce a subset of this requested information:

9 Although Google asserts various objections to those requests, it agrees to
10 produce non-privileged documents concerning its use of Digital’s data,
11 including communications which refer to that data, as well as ALL
12 revenue information and other responsive documents regarding its
AdSense for Content program. Based on the discussion set forth above,
however, Google MUST now produce ALL responsive documents
regarding its AdSense for Search program.

- 13 4. *See* July 15, 2005 Order. However, Google has only produced a small number of
14 documents which appear to be less than all of the “communications” and “revenue
15 information required by the Court’s July 15, 2005 Order. *See* Waddell Declaration
16 ¶7. This point-of-sale information would be direct evidence of the importance and
17 value of geotargeted advertising to the advertising customers as well provide a
18 more precise basis for the revenue derived from geotargeted advertisements. *See*
19 *id.*

- 20 5. Digital Envoy has noticed the Rule 30(b)(6) deposition of a Google witness to
21 testify regarding Google’s use of Digital Envoy’s technology and revenue
22 information requested in Interrogatories 6, 10 and 11. *See* Waddell Declaration, ¶8,
23 Exhibits E and F. Despite Digital Envoy’s effort to meet and confer on this issue,
24 Google recently refused to make such a witness available. *See id.*, ¶3, 8, Exhibit B.

- 25 6. Finally pursuant to the July 23, 2005 Stipulated Amended Scheduling Order, the
26 date on which Digital Envoy must designate expert witnesses is not until October
27 21, 2005. Digital Envoy anticipates designating an expert witness to address the
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