	ORIGINAL		
	UNITED STATES DISTRICT COURT		
	NORTHERN DISTRICT OF CALIFORNIA		
	SAN JOSE DIVISION		
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,	VIACOM INTERNATIONAL INC., ET AL.,		
	PLAINTIFFS,) CASE NO. C 08-80211-JF		
	YOUTUBE, INC., ET AL., YOUTUBE, INC., ET AL., DECEMBER 9, 2008		
	DEFENDANTS.) DEFENDANT'S MOTION TO		
9) COMPEL PRODUCTION OF DOCUMENTS OF THIRD		
10	THE FOOTFALL ASSOCIATION PREMIER) PARTY BAYTSP.COM, INC. LEAGUE LIMITED, ET AL.,		
12	PLAINTIFFS,)		
13	YOUTUBE, INC., ET AL.,		
14	DEFENDANTS.)		
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17	BEFORE THE HONORABLE PATRICIA V. TRUMBULL UNITED STATES DISTRICT MAGISTRATE JUDGE		
18	<u>APPEARANCES</u> :		
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SAN JOSE, CALIFORNIA

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DECEMBER 9, 2008

PROCEEDINGS

THE COURT: GOOD MORNING. THIS IS VIACOM INTERNATIONAL INC. VERSUS YOUTUBE, C 08-80211-JF.

SO ARE YOU SITTING AT THE RIGHT PLACES?

MR. MANCINI: WE BELIEVE WE ARE, YOUR HONOR.

WE ARE THE MOVANT.

THE COURT: PLAINTIFFS THERE? OKAY.

WHY DON'T YOU COME, THEN, AND IDENTIFY

YOURSELVES.

MR. MANCINI: YOUR HONOR, JOHN MANCINI FROM
MAYER BROWN ON BEHALF OF THE MOVANTS, GOOGLE AND YOUTUBE.

I HAVE WITH ME MY PARTNER, BRANDON BAUM -- AND
CO-COUNSEL, BRANDON BAUM, IS HERE; AND CO-COUNSEL, DAVID
KRAMER FROM WILSON SONSINI.

THE COURT: WELCOME.

MR. KRAMER: GOOD MORNING.

MR. HEMMINGER: GOOD MORNING, YOUR HONOR.

19 STEVE HEMMINGER FROM ALSTON & BIRD FOR THIRD PARTY

BAYTSP. AND I HAVE WITH ME OSAMA HUSSAIN, WHO IS THE

21 IN-HOUSE COUNSEL FOR BAYTSP.

MR. HIBBARD: GOOD MORNING, YOUR HONOR. I AM
STEPHEN HIBBARD OF SHEARMAN & STERLING, AND I AM COUNSEL
FOR VIACOM INTERNATIONAL, INC. AND I'M SPECIALLY
APPEARING FOR THE LIMITED PURPOSE TO FOCUS ON TIMING OF

PRODUCTION ISSUES, WHEN WE REACH THAT STAGE.

THE COURT: OKAY. THIS IS DEFENDANT'S MOTION
TO COMPEL PRODUCTION OF DOCUMENTS OF THE THIRD PARTY
BAYTSP.COM.

SO WHO IS ADDRESSING THIS?

MR. MANCINI: GOOD MORNING, YOUR HONOR.

I WILL BE ADDRESSING THE MOTION, AND I'M JOHN
MANCINI FROM MAYER BROWN ON BEHALF OF GOOGLE AND YOUTUBE.

IF I MAY, I WILL BE BRIEF ON THE BACKGROUND OF THIS MOTION.

BAYTSP HAS BEEN ACTING AS AN AGENT FOR VIACOM
IN CANVASSING THE YOUTUBE WEB SITE AND ISSUING NOTICES TO
TAKE DOWN ALLEGEDLY INFRINGING CONTENT. IT'S UNDISPUTED
THAT VIACOM USED BAYTSP TO ACTUALLY COMMENCE THE LAWSUIT
IN THE CASE IN CHIEF IN THE SOUTHERN DISTRICT OF NEW
YORK. THE SUBPOENA WAS ISSUED IN SEPTEMBER 2007,
PURSUANT TO A DISCOVERY PLAN WHERE THE THIRD PARTY WOULD
ACTUALLY COMMENCE FIRST, THE THIRD PARTY DISCOVERY WOULD

THEN AN EXTENSIVE MEET-AND-CONFER PROCESS FOLLOWED, NO LESS THAN SIX TELEPHONE CONFERENCES, 33 LETTERS FOLLOWING THE FILING OF THE MOTION.

BAYTSP FAILED TO MEET MULTIPLE SELF-SET

DEADLINES TO PRODUCE THOSE DOCUMENTS, IN MAY OF 2008,

JULY AGAIN; AND THEN ON AUGUST 21ST THE FINAL DEADLINE

WAS SET WHERE WE WERE TO GET DOCUMENTS WITHIN SEVERAL
WEEKS, THEY FAILED TO MEET THAT TIME AGAIN. YOUTUBE HAD
NO OPTION BUT TO PROCEED WITH A MOTION TO COMPEL BECAUSE
WE HAVE BEEN PREJUDICED BY THIS.

THESE DOCUMENTS POSSESSED BY BAYTSP ARE AMONGST
THE MOST IMPORTANT IN THE ENTIRE CASE, NOT JUST BY THIRD
PARTIES, BUT ALSO BY THE PARTIES THEMSELVES.

INDEED, TWO DEPOSITIONS HAVE ALREADY OCCURRED OF VIACOM WITNESSES, NAMELY MICHAEL HOUSLEY AND STANLEY PIERRE LOUIS, WHERE EXTENSIVE REFERENCES WERE MADE TO THE PROCESSES EMPLOYED BY BAYTSP AT VIACOM'S BEHEST TO LOCATE ALLEGEDLY INFRINGING CONTENT ON THE SITE AND TO TAKE IT DOWN. IN ADDITION, FOUR MORE DEPOSITIONS ARE YET TO PROCEED WHICH CANNOT PROCEED WITHOUT THESE DOCUMENTS. THEY ARE KEY VIACOM WITNESSES, NAMELY WARREN SOLOW, MICHELENA HALLIE, ALLAN BELL, AND LEE D'ARCHEVESQUE.

THERE ARE SIX ISSUES BEFORE THE COURT. THE FIRST IS THE SCOPE OF DOCUMENTS SOUGHT AND THERE ARE TWO ISSUES THAT RELATE TO THAT, THE FIRST OF WHICH THERE MAY NOT BE A DISPUTE, AND THAT IS DOCUMENTS RELATING TO VIACOM ENTITIES. IT APPEARS THAT BAYTSP IS READY TO PRODUCE THOSE, BUT THE CONCERN IS THE MODE IN WHICH THEY SEEK TO PRODUCE THEM.

THE SECOND ISSUE, THOUGH, IS ONE THAT IS RIPE FOR DETERMINATION. THEY SEEK TO -- THEY ARE REFUSING TO

PRODUCE DOCUMENTS RELATING TO NON-VIACOM ENTITIES. THEY
PURPORT TO CLAIM THAT THE SOLE BASIS FOR WITHHOLDING
THOSE DOCUMENTS IS BECAUSE OF SOME HARM, SOME HARM TO
THEIR REPUTATION IF THE INFORMATION ABOUT THEIR DEALINGS
WITH OTHER CLIENTS WERE TO GET INTO THE PUBLIC REALM.

WE HAVE ALREADY DISCUSSED ENTERING A PROTECTIVE ORDER. THERE IS A PROTECTIVE ORDER IN THE CASE IN CHIEF THAT HAS A PROVISION FOR THIRD PARTIES THAT SHOULD SOLVE THAT ISSUE, BUT THAT IS AN ISSUE THAT THERE IS A DISPUTE ON, AND WE NEED THIS COURT'S INTERVENTION.

BRIEFLY PUT, THOSE DOCUMENTS ARE CRITICALLY
IMPORTANT BECAUSE THEY WILL SHOW, AMONG OTHER THINGS,
THAT OTHER CLIENTS OF BAYTSP OTHER THAN VIACOM ENTITIES
HAVE GIVEN INSTRUCTIONS TO EITHER LEAVE CONTENT ON THE
YOUTUBE WEB SITE, PERHAPS FOR PROMOTIONAL REASONS OR FOR
STEALTH MARKETING REASONS, UNDERSTATING THE POWERFUL
VIRAL VALUE THAT YOUTUBE HAS TO MARKET THEIR CONTENT.
THE EXISTENCE OF THAT CONTENT WILL DISPUTE ONE OF
VIACOM'S CHIEF CLAIMS IN THE CASE IN CHIEF, NAMELY, THAT
YOUTUBE IS ABLE TO PERHAPS DISCERN THE AUTHORIZATION OF
CONTENT ON THE SITE MERELY BY ITS EXISTENCE. THOSE
DOCUMENTS WILL INDISPUTABLY REFUTE THAT POSITION. THEY
ARE CLEARLY WITHIN THE POSSESSION OF BAYTSP; THEY ARE
REFUSING AGAIN TO PROVIDE IT. THE ONLY BASIS ARTICULATED
IS THIS HARM, WHICH WE WOULD SUBMIT IS DEALT WITH BY A

PROTECTIVE ORDER.

THEY ARE ALSO IMPORTANT DOCUMENTS BECAUSE THEY WILL SHOW MISTAKES; FOR EXAMPLE, BAYTSP WILL MAKE MISTAKES, DESPITE BEING ARMED WITH THE BEST KNOWLEDGE BY THE CONTENT HOLDER OF WHAT IS OR IS NOT ITS CONTENT, OF WHAT IS OR IS NOT AUTHORIZED BY IT. BAYTSP ITSELF MAKES MISTAKES WHEN IT SENDS A TAPE DOWN THE LINES TO YOUTUBE. AGAIN, ONE OF THE CHIEF ISSUES IN DISPUTE IN THE CASE. THEY ARE REFUSING TO PROVIDE THOSE DOCUMENTS.

THE SECOND ITEM FOR THIS COURT'S DETERMINATION

IS A DATE CERTAIN FOR THE EXCHANGE OF THESE DOCUMENTS.

WE HAVE HEARD AS RECENTLY AS YESTERDAY THAT -- IT'S

REALLY THE FIRST TIME WE HAVE ACTUALLY GOTTEN A DATE

CERTAIN -- THAT IT LOOKS LIKE THEY ANTICIPATE MAKING

THESE DOCUMENTS AVAILABLE BY MARCH 15TH.

AS YOUR HONOR HAS HEARD THIS MORNING, THERE ARE FOUR UPCOMING DEPOSITIONS THAT SIMPLY CANNOT BE SCHEDULED WITHOUT THESE DOCUMENTS. WE DON'T THINK THAT'S LONG ENOUGH -- WE THINK THAT'S TOO LONG. WE THINK IT SHOULD HAPPEN FAR EARLIER. THESE DOCUMENTS ARE NECESSARY TO SCHEDULE DEPOSITIONS, AND WE HAVE ALREADY BEEN PREJUDICED IN DEPOSITIONS.

THE THIRD ISSUE FOR YOUR HONOR'S DECISION IS

THE FORMAT OF THIS PRODUCTION. YOU HAVE SEEN FROM THE

PAPERS THAT BAYTSP HAS OFFERED TO PRODUCE THEM AT TWO

COMPUTER TERMINALS DURING REGULAR BUSINESS HOURS, BUT 1 WITH A TEMPORAL CUTOFF, NAMELY, TWO WEEKS AFTER THEY HAVE FINALLY UPLOADED THE LAST FILES WERE DONE. PERHAPS 4 UNDERSTANDING THE UNREASONABLENESS IN DEPOSITION, YESTERDAY FOR THE FIRST TIME WE RECEIVED A NEW PROPOSAL. 5 6 THAT NEW PROPOSAL WOULD PURPORT TO GIVE US ELECTRONIC ACCESS TO A KROLL DATABASE, WE UNDERSTAND, WHICH VIACOM'S 8 APPARENTLY HAD ACCESS TO. THIS IS SOME TYPE OF 9 PASSWORD-PROTECTED ACCESS, BUT WE ARE NOT ALLOWED TO PRINT. THE PRINTING WILL ONLY OCCUR AT THEIR OFFICES AT 10 OUR EXPENSE, AND THEY WOULD NOT EVEN AGREE TO BLOCK 11 12 VIEWING ACTIVITY OF OUR ACTIVITIES ON THE SITE, WHICH IS CLEARLY WORK PRODUCT MATERIAL. 13 WE THINK THE SIMPLEST SOLUTION TO THIS --14

THE COURT: IT'S ELECTRONIC, SO THAT'S WHY THE

PRINTING ISSUE IS IMPORTANT THERE, AS TO WHO PRINTS WHERE AND WHEN THEY PRINT?

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MR. MANCINI: WELL, IT'S ALSO IMPORTANT TO US,
YOUR HONOR, BECAUSE WITH DEPOSITIONS ONGOING, WE CAN'T BE
AT THEIR --

THE COURT: NO, I UNDERSTAND THE TIMING ISSUE.

BUT THE "WHERE" AND THE "WHEN" AND THE PRINTING ...

MR. MANCINI: IS AT THEIR OFFICES.

THE COURT: OKAY. I WAS JUST TRYING TO FIGURE
OUT WHETHER IT'S PAPER THAT THEY ARE COPYING OR WHETHER

IT'S THE ELECTRONIC THING THAT YOU PRINT OUT.

MR. MANCINI: THE ELECTRONIC VERSION WOULD BE PRINTED OUT ON PAPER.

THE COURT: OKAY.

MR. MANCINI: SO WE THINK THE SIMPLEST SOLUTION
TO THIS IS THAT THE DOCUMENTS OUGHT TO BE PRODUCED

CONSISTENT WITH THE AMENDED ESI PLAN THAT IS IN EXISTENCE
IN THE CASE IN CHIEF. WE ALREADY HAVE A REVIEW DATABASE.

IF THOSE DOCUMENTS WERE PROVIDED TO US IN SOME ELECTRONIC
MEDIUM, DVDS OR OTHERWISE, WE WOULD UPLOAD THEM TO OUR
DATABASE. THE ONLY ARTICULATED CONCERN THERE IS COST.

NOW, WHEN PRESSED YESTERDAY, WE RECEIVED ONLY A HALF ANSWER IN THIS. IT SEEMS RATHER CLEAR TO US THAT VIACOM IS REIMBURSING THEM FOR ALL THEIR EXPENSES IN RESPONDING TO THE SUBPOENA. THEY DID NOT ANSWER TO US THE SIMPLE QUESTION: IF YOU WERE TO PUT IT ON DVDS FOR US, WOULD YOU BE REIMBURSED BY VIACOM? BECAUSE IF THEY ARE, THEN THE COST ISSUE IS OFF THE TABLE. PERHAPS THEY WILL ANSWER IT FOR YOUR HONOR.

BUT LEAVING THAT ASIDE, WE CAN'T IMAGINE, GIVEN
THAT THEY HAVE ALREADY UPLOADED IT TO THIS KROLL
DATABASE, THAT THE COST COULD BE THAT SIGNIFICANT AT ALL.
IT'S A MATTER OF TAKING THOSE DATA FILES, PUTTING THEM
INTO SOME OTHER ELECTRONIC MEDIUM, WE WILL UPLOAD IT TO
OUR DATABASE. WE THINK THAT THAT OUGHT TO BE THE METHOD

IN WHICH THEY ARE ORDERED TO BE PRODUCED.

THERE ARE THREE OTHER ISSUES, PERHAPS ONLY ONE
OF WHICH IS OF EQUAL IMPORTANCE, AND THAT IS THE
PROVISION OF A PRIVILEGE LOG, CRITICALLY IMPORTANT,
BECAUSE WHAT WE NOW UNDERSTAND IS THAT VIACOM IS
REVIEWING EACH AND EVERY DOCUMENT THAT BAYTSP HAS
IDENTIFIED AS BEING RESPONSIVE, AND WE ARE NOT ALLOWED TO
SEE THOSE DOCUMENTS UNTIL VIACOM HAS MADE A DETERMINATION
ABOUT THEIR PRIVILEGE. FRANKLY, WE ARE BIT SURPRISED BY
THIS BECAUSE WE WONDER HOW VIACOM HAS STANDING IN THIS
COURT TO BE ABLE TO ASSERT THAT PRIVILEGE; IN FACT,
BELIEVE THAT THEY HAVE WAIVED IT BECAUSE THERE'S BEEN
NO APPEARANCE BY THEM IN THIS PROCESS UNTIL JUST VERY
RECENTLY.

LEAVING THAT ASIDE, ASSUMING THAT THIS COURT
WILL ALLOW THEM TO ASSERT THE PRIVILEGE, WE JUST NEED A
PROCESS IN PLACE FOR PROVISION OF A PRIVILEGE LOG. THAT
PRIVILEGE LOG OUGHT TO HAVE A REASONABLE CERTAINTY AS TO
IDENTIFICATION OF THE DOCUMENT AND THE BASIS FOR THE
PRIVILEGE, AND THERE OUGHT TO BE A PROCESS IN PLACE FOR
US TO CONTEST IT. BASED ON DEPOSITIONS THAT HAVE TAKEN
PLACE ALREADY IN THE CASE IN CHIEF, WE EXPECT THAT THAT
PRIVILEGE LOG IS GOING TO CONTAIN AN INORDINATE NUMBER OF
THESE DOCUMENTS.

JUST TO GIVE SOME PERSPECTIVE TO YOUR HONOR, WE

ARE UNDERSTAND THAT BAYTSP HAS IDENTIFIED APPARENTLY 1.35 MILLION DOCUMENTS AGAINST WHICH THEY HAVE APPLIED SEARCH TERMS AND HAVE DEEMED 650,000 OF THEM TO BE RESPONSIVE TO OUR SUBPOENA. THOSE DOCUMENTS ARE NOW BEING REVIEWED BY VIACOM FOR PRIVILEGE AND AS OF, I GUESS, YESTERDAY THERE'S ONLY A FEW THOUSAND OF THEM THAT ARE READY FOR US TO VIEW ON THESE COMPUTER TERMINALS AT BAYTSP'S COUNSEL'S OFFICES, WHICH TAKES ME TO THE NEXT ISSUE.

WE DO HAVE SOME CONCERN ABOUT THE METHODOLOGIES
THAT HAVE BEEN EMPLOYED BY BAYTSP TO RESPOND TO THE
SUBPOENA. WE HAVE HAD LONG DISCUSSIONS WITH THEM ABOUT
THE SEARCH TERMS THAT WERE EMPLOYED; AT ONE POINT
CRITICAL TERMS LIKE "GOOGLE" AND "YOUTUBE" WERE MISSING.
WE HAVE NOT GOTTEN ANY CLARITY ON THIS, BUT WE THINK
THERE IS A SOLUTION, AND THAT IS THAT BAYTSP BE REQUIRED
TO PROVIDE FOR US A SIMPLE AFFIDAVIT ABOUT THE
METHODOLOGIES THAT HAVE BEEN USED TO RESPOND TO THE
SUBPOENA AND THAT WE BE ENTITLED TO A BRIEF MAY TWO- TO
THREE-HOUR ESI DEPOSITION TO EXAMINE THOSE. AND
HOPEFULLY, AFTER THAT PROCESS, THERE WILL NOT BE ANY
REMAINING ISSUES ABOUT THE SUFFICIENCY OF THE SEARCH FOR
PURPOSES OF PRODUCTION.

FINALLY, THE SIXTH ISSUE IS THAT WE HAVE
REQUESTED DOCUMENTS RELATING TO THEIR SOURCE CODE BECAUSE
THEIR SOURCE CODE HAS EMBEDDED TECHNOLOGY THAT SEARCHES

THE YOUTUBE WEB SITE, AND WE UNDERSTAND THAT BAYTSP HAS
OFFERED TO GIVE US, INSTEAD OF THE CODE ITSELF, DOCUMENTS
SUFFICIENT TO SHOW THE OPERATION. THAT MAY BE AN ISSUE
THAT WE CAN AGREE UPON, PROVIDED WE GET THOSE DOCUMENTS
IN A REASONABLE TIME BASIS. BUT AGAIN, THEY WOULD BE
DOCUMENTS THAT WOULD BE SUFFICIENT TO SHOW THE OPERATION
OF THE CODE SO THAT WE CAN UNDERSTAND WHAT THE SERVICE IS
DOING ON THEIR SITE IN TERMS OF LOCATING POTENTIALLY
INFRINGING CONTENT, TAKING THEM DOWN OR LEAVING THEM UP.

THOSE ARE THE ISSUES FOR YOUR HONOR'S

DETERMINATION, AND AGAIN, WE REQUEST AN ORDER COMPELLING

THAT PRODUCTION UNDER THE CIRCUMSTANCES.

THE COURT: RESPONSE?

MR. HEMMINGER: GOOD MORNING, YOUR HONOR.

ONCE AGAIN, MY NAME IS STEVE HEMMINGER. I'M REPRESENTING
BAYTSP.

WITH REGARD TO THE ISSUES PRESENT, WHAT I WILL

DO FIRST IS GIVE A LITTLE BACKGROUND AS TO WHO BAYTSP IS

AND THE RELATIONSHIP THAT IT HAS BOTH WITH VIACOM AND

OTHER COPYRIGHT HOLDERS, THEN EXPLAIN AND ADDRESS SOME OF

THESE ISSUES RELATING TO RELEVANCE OF THE THIRD PARTIES

AND THE HARM IT WOULD IMPOSE. I'LL ALSO ADDRESS THE

ISSUE RELATING TO THE METHODOLOGY WHICH HAS BEEN

DISCUSSED AD NAUSEAM WITH YOUTUBE, AND THEN ADDRESS A

LITTLE BIT THIS ISSUE OF THE DELAY BECAUSE IT PERMEATED

SO MUCH OF THEIR PAPERS, WHICH IT REALLY IS KIND OF MOOT BECAUSE THE DOCUMENTS HAVE BEEN AVAILABLE, AT LEAST A PORTION OF THEM. AND QUITE FRANKLY, IT'S STRANGE TO ME THAT IF THESE DOCUMENTS ARE ABSOLUTELY SO CRITICAL, REGARDLESS OF THE METHODOLOGY TO BE ABLE TO REVIEW THEM, IF I NEEDED DOCUMENTS, I CERTAINLY WOULD HAVE GONE IN AND REVIEWED THEM WHEN I COULD HAVE IN THE PAST TWO OR THREE WEEKS.

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VIACOM'S COUNSEL WILL ADDRESS THE ISSUE WITH
REGARD TO THE DEPOSITIONS. FRANKLY, BAYTSP IS TOTALLY
REMOVED FROM THE LAWSUIT. IT HAS NO INVOLVEMENT --

THE COURT: IS IT CORRECT TO CHARACTERIZE YOU

AS A CONTRACTOR BASICALLY HELPING THEM WITH THE

NON-DEPOSITION DISCOVERY? I HATE IT CALL IT "PAPER";

IT'S NOT PAPER ANYMORE, IT'S ELECTRONIC MOSTLY. IS IT

THAT YOU ARE BASICALLY HIRED BY THEM TO HELP THEM WITH

THE RESPONSE OR WITH THE ORGANIZING OF THE ELECTRONIC AND

THE PAPER DISCOVERY?

MR. HEMMINGER: NO, THAT'S --

THE COURT: IS THAT TOO SIMPLE?

MR. HEMMINGER: WHETHER IT'S SIMPLE OR NOT,
THAT IS NOT AT ALL WHAT BAYTSP DOES. SO LET ME START, IF
I CAN GIVE YOU A BACKGROUND.

BAYTSP STARTED A COMPANY AFTER THE DIGITAL MILLENNIUM COPYRIGHT ACT CAME INTO PLACE. THE DIGITAL

1 MILLENNIUM COPYRIGHT ACT HAD SOME PROVISIONS CALLED SAFE 2 HARBORS FOR INTERNET SERVICE PROVIDERS, PROVIDED THEY MET CERTAIN CRITERIA. THE DMCA ALSO ALLOWED COPYRIGHT HOLDERS TO HIRE AN AGENT WHO WOULD BE AUTHORIZED TO ISSUE 4 5 TAKEDOWN NOTICES TO THE ISP WHEN THEY FOUND, OR IF THEY FOUND, INFRINGING MATERIAL ON THE INTERNET. BAYTSP 6 7 CONTRACTS WITH COPYRIGHT HOLDERS, OBVIOUSLY SOME OF THE 8 VIACOM ENTITIES -- FOX, HBO, UNIVERSAL, AND EVEN MANY 9 SMALLER TYPE ENTITIES -- WHO CREATE COPYRIGHTED MATERIAL, 10 AND IS FEARFUL THAT ITS MATERIAL WILL END UP ON THE 11 INTERNET. YOUTUBE OBVIOUSLY ALLOWS PEOPLE TO POST 12 MATERIALS ONTO ITS WEB SITE. IT'S BECOME VERY, VERY POPULAR. THERE ARE ALSO OTHER ISSUES DEALING WITH MOVIES 13 14 AND THE LIKE WHERE MOVIES WILL ALL OF A SUDDEN APPEAR ON THE INTERNET A WEEK BEFORE THE RELEASE OF THE MOVIE. 15 16 THOSE ARE OTHER AREAS THAT BAYTSP WORKS ON.

SO BAYTSP'S INVOLVEMENT IS NOT WITH REGARD TO LITIGATION. BAYTSP WAS HIRED BY VIACOM, AS IT IS WITH OTHERS, TO LOOK AT THE INTERNET, FIND OUT IF EXCERPTS OF SOUTH PARK ARE APPEARING ON --

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THE COURT: BUT YOU ARE NOT A PARTY IN THIS CASE; NO ONE IS COMING AFTER YOU FOR MONEY.

MR. HEMMINGER: WE ARE ABSOLUTELY NOT A PARTY.
WE GET NO MONEY. WE HAVE NO INTEREST WHATSOEVER IN THE
OUTCOME OF THIS SUIT. IT HAS NOTHING TO DO WITH US.

EARLY ON --

THE COURT: SO YOUR ROLE -- CHARACTERIZE YOUR ROLE FOR ME IN THIS CASE, BECAUSE YOU ARE REALLY THE ONE WHO HAS MADE THE DECISIONS ABOUT WHAT TO PRODUCE AND NOT PRODUCE, AS FAR AS I SEE IT, AND I AM NOT SURE THAT I UNDERSTAND THAT SINCE I THINK THAT IT PROBABLY IS VIACOM INTERNATIONAL WHO HAS SOME ISSUES HERE. AND IF YOU DON'T DO WHAT THEY THINK SHOULD HAVE BEEN DONE -- AND I ASSUME THAT'S NOT TRUE -- THEN THE MOTION TO COMPEL -- AM I COMPELLING YOU? AM I COMPELLING THEM? AND IF I'M COMPELLING THEM, ARE THEY MAKING YOU A -- I DON'T UNDERSTAND THAT RELATIONSHIP.

MR. HEMMINGER: WELL, AND THAT'S BEEN LOST IN THE MOTION PAPERS. QUITE FRANKLY, ALL OF THE DISCOVERY THAT IS PRESENTED HERE WITH YOU, WITH THE EXCEPTION OF BAYTSP'S CUSTOMERS -- OTHER THAN THE PLAINTIFFS IN THE SUIT -- HAS BEEN DIRECTED AT VIACOM. THOSE DISCOVERIES ARE OUT THERE. THE FACT -- AND AGAIN, I'M TELLING YOU INFORMATION THAT HAS BEEN RELAYED TO ME BY VIACOM IN PREPARING FOR THIS HEARING. THE DISCOVERY REQUESTS HAVE BEEN DONE. VIACOM IS DOING THE EXACT SAME WORK PRODUCT PRIVILEGE REVIEW OF THE DOCUMENTS IT HAS, NAMELY, WHENEVER WE SEND SOMETHING TO VIACOM, OF COURSE, VIACOM HAS A COPY OF IT, AND THEY ARE THE ONES THAT HAVE ACTUALLY BEEN DECIDING WHAT THEY WANT TO DO WITH THE

INFORMATION BAYTSP SENDS.

OF WHAT THEY SHOULD BE DOING. THEY SHOULD BE GOING WITH JUDGE STANTON IN NEW YORK, WHO IS FULLY VERSED WITH WHAT IS RELEVANT AND NOT RELEVANT AND CAN MAKE THE DECISIONS. BUT THESE DEPOSITIONS THEY HAVE BEEN GOING FORWARD WITH, THEY HAVE BEEN GOING FORWARD WITH WITHOUT EVEN FILING A MOTION TO COMPEL FOR THE EXACT SAME MATERIAL THAT IS SITTING THERE IN VIACOM, WHICH IS THE MATERIAL THAT WE HAVE BEEN COLLECTING AND ORGANIZING TO PRODUCE. SO IT'S A BIT OF A MYSTERY TO US, AS IT IS TO YOUR HONOR.

IS MERELY TO, FOR EXAMPLE, RECEIVE THE ACTUAL DIGITAL
VIDEO OF A SOUTH PARK EPISODE, HAVE THAT AND BE RETAINED
TO LOOK ON THE INTERNET, AND IN PARTICULAR, VIACOM ASKED
BAYTSP TO RESTRICT ITS SEARCHES ON THE INTERNET I BELIEVE
TO YOUTUBE. SO IT GETS THE INFORMATION SAYING "SOUTH
PARK IS OWNED BY US; NICKELODEON IS OWNED BY US. WE
WOULD LIKE YOU TO FIND OUT IF ANYONE HAS POSTED
INFRINGING MATERIAL ON YOUTUBE." ITS ENTIRE METHODOLOGY
IS TO DO JUST WHAT YOU WOULD WANT TO DO. IF YOU WANTED
TO TAKE A LOOK AT WHETHER A NICKELODEON EPISODE HAD BEEN
UP THERE, YOU WOULD TYPE IN A SEARCH TERM.

BAYTSP, WHICH IS A SMALL COMPANY -- I THINK IT

HAS ABOUT 100 EMPLOYEES, AND PROBABLY ABOUT HALF OF THOSE

ARE PART-TIME OR HOURLY PEOPLE THAT SIT IN FRONT OF A MONITOR, PULL UP THE YOUTUBE WEB SITE AND ENTER SEARCHES. THEY DOWNLOAD THE VIDEOS JUST LIKE YOU WOULD ON YOUR COMPUTER. OF COURSE THEY DOWNLOAD LARGE NUMBERS OF THEM. THEY SIT THERE. THEY LOOK AT IT. IS THIS A SOUTH PARK EPISODE? IF IT IS, THEN THE FIRST REVIEWER SAYS, "I THINK THIS MAY DESERVE A COPYRIGHT TAKEDOWN NOTICE." IT GETS PUT OVER INTO A BAY. A SECOND, A SUPERVISOR, THEN LOOKS AT THE MATERIAL AND SAYS, "YES, THIS LOOKS LIKE VIACOM'S INFORMATION. WE WANT TO SEND A TAKEDOWN NOTICE."

NOW, IF YOUTUBE REALLY IS MERELY JUST AN ISP,

ALL OF THIS ACTIVITY HAS NOTHING TO DO WITH YOUTUBE. IN

OTHER WORDS, YOU SEND A TAKEDOWN NOTICE TO YOUTUBE, AND

THEY ARE OBLIGATED UNDER THE SAFE HARBOR PROVISIONS TO

TAKE DOWN THAT POSTING. THEY THEN NOTIFY THE POSTER, THE

PERSON WHO PUT IT THERE, TO SAY, "WE HAVE RECEIVED A

NOTICE THAT THIS IS AN INFRINGEMENT OF VIACOM'S

COPYRIGHT." THE PERSON WHO POSTED IT THEN WITHIN 10 DAYS

CAN GO BACK AND, IF YOU WILL, DISPUTE IT, SAYING -- JUST

LIKE THIS ONE WHERE THE SONG "CRAZY" I THINK THAT YOU

HAVE BEEN HEARING ABOUT, ABOUT UNIVERSAL AND WHETHER

THERE'S AN INFRINGEMENT -- THEY CAN COME BACK AND SAY, "I

DISPUTE THAT." AND THEN IF THERE'S ANY LITIGATION, IT'S

VIACOM AGAINST THE PERSON WHO POSTED IT.

THE ISSUES THAT VIACOM HAS WITH YOUTUBE DOES

NOT HAVE TO DO WITH OUR PROCESSES. MY UNDERSTANDING IS

IT HAS TO DO WITH SOME OF THE LIMITATIONS WITH THE

YOUTUBE SITES. IT HAS FRIENDS AND FAMILIES WHICH MAKES

IT DIFFICULT TO SEARCH ALL OF THE CONTENT. THE VOLUME OF

INFORMATION THERE THAT YOU NEED TO REVIEW, THE MILLIONS

OF POSTINGS A DAY -- WE ARE NOT PARTY TO THIS; I'M JUST

SPECULATING AS THE BASIS OF THEIR CLAIMS AGAINST YOUTUBE.

BUT IT CERTAINLY DOESN'T INVOLVE BAYTSP, OTHER THAN THE

FACT THAT BAYTSP DID WHAT THE COPYRIGHT ACT SAID IT

SHOULD DO, WHICH IS IDENTIFY INFRINGING MATERIAL, GET IT

TAKEN DOWN. AND THE VOLUME OF THESE WAS HUGE. I THINK

INITIALLY THERE WERE 300,000 POSTINGS THAT WERE SET OUT.

THE ISSUE ABOUT THIS RELEVANCE AS TO THE INSTRUCTIONS, FIRST OF ALL TO THE EXTENT WE GET INSTRUCTIONS FROM VIACOM, VIACOM HAS ALL THAT INFORMATION AND THEY ARE THE ONES THAT CAN EXPLAIN WHY AND WHERE IT CAME FROM. HOWEVER, WHEN WE RECEIVED THE SUBPOENA A YEAR AGO, WE BEGAN NEGOTIATING WITH THE PREVIOUS COUNSEL, AND THIS MAY BE PART OF THE DELAY. FOR TWO OR THREE MONTHS, WE TALKED TO HER ABOUT THE SCOPE OF THE SUBPOENA, AND WE SAID, "LOOK, WE ARE WILLING TO PROVIDE YOU THE INFORMATION ABOUT THE VIACOM COMMUNICATIONS AND COLLECT ALL THAT INFORMATION. WE ARE WILLING TO PROVIDE YOU INFORMATION OF OUR TRAINING MATERIALS, OF THE INFORMATION

THAT DESCRIBES THE CAPABILITIES OF OUR PROCEDURES AND ALL OF THAT." AND, IN FACT, IT'S TAKEN QUITE A WHILE, BUT WE HAVE THAT AND THAT'S BEEN MADE AVAILABLE -- SOME OF IT -- FIRST TO VIACOM BECAUSE IT'S ALL VIACOM'S MATERIAL TO DO THEIR REVIEW. SO ALL OF THAT HAS BEEN DISCUSSED AND EXPLAINED.

THE ISSUE WITH THE THIRD PARTIES AND THE RELEVANCE IS DIFFICULT TO UNDERSTAND. THEIR ARGUMENT APPARENTLY IS THAT -- WHICH VIACOM HAS SAID THAT IT IS DIFFICULT FOR COPYRIGHT OWNERS TO BE ABLE TO PROTECT ITS CONTENT. APPARENTLY, THEY WANT TO USE BAYTSP TO SAY, "LOOK, BAYTSP IS SUCCESSFUL IN FINDING THESE MATERIALS." CERTAINLY. AND YOUTUBE KNOWS EXACTLY HOW MANY TAKEDOWN NOTICES HAVE BEEN SENT ON BEHALF OF VIACOM, KNOWS WHO THEY WERE FROM, WHEN THEY HAPPENED, HAS THE VIDEOS, HAS ALL OF THE INFORMATION ABOUT THAT BECAUSE IT'S REQUIRED TO BE SENT TO THEM WITH THE TAKEDOWN NOTICE.

BAYTSP TO DO SOME WORK THAT IT IS ENTITLED THROUGH BAYTSP TO APPARENTLY DO AN END AROUND THE REAL PARTY IN INTEREST IN HBO AND FORCE US, FORCE BAYTSP TO DIVULGE WHATEVER INFORMATION THAT THEY HAVE, WHICH FRANKLY, IF THEY WOULD LOOK AT THE MATERIAL, THEY WOULD FIND OUT IT'S NOTHING STARTLING, NOTHING EARTH SHATTERING; IT IS NEVER GOING TO PROVE WHATEVER IT IS THEY ARE THINKING IT'S GOING TO.

BUT REALITY? IT'S THE COPYRIGHT OWNER. THEY KNOW HOW
MANY TAKEDOWN NOTICES BAYTSP HAS SENT TO YOUTUBE FOR THE
OTHER PARTIES. THEY ALSO KNOW HOW MANY OTHER DMCAS OR
HOW MANY UNIVERSALS AND OTHER PEOPLE HAVE SENT TAKEDOWN
NOTICES TO YOUTUBE, AND THEY HAVE THAT INFORMATION. THEY
DON'T NEED US FOR THAT.

SO WHAT WOULD HAPPEN IS, YOU NOW REQUIRE BAYTSP TO CONTACT EVERY ONE OF ITS CUSTOMERS, TELL THEM THEY HAVE RECEIVED A SUBPOENA FROM YOUTUBE, WHICH HAS ASKED FOR EVERY SINGLE DOCUMENT THAT BAYTSP HAS WITH REGARD TO THAT COMPANY. THEN THAT COMPANY, YOU KNOW -- WHAT? WE ARE GOING TO HAVE TO THEN HAVE THEM COME IN AND MAKE PROTECTIVE ORDERS AND DO ALL OF THAT? THAT'S NOT THE WAY TO DO IT. IT'S NOT TO TAKE SOME THIRD PARTY AND TRY TO DO AN END AROUND SOMEONE WHO ONLY HAS A VERY, VERY, VERY, VERY LIMITED AGENCY ONLY TO SEND TAKEDOWN NOTICES. WE ARE NOT THEIR AGENT FOR ANY OTHER PURPOSE AND HAVE NO OTHER INVOLVEMENT.

SO GOING TO THESE THIRD PARTIES TO SUPPOSEDLY
UNDERSTAND THE INSTRUCTIONS AND THE DIFFICULTY, THOSE CAN
BE OBTAINED BY THE COPYRIGHT OWNERS. YOUTUBE FOR
WHATEVER REASON PROBABLY DOESN'T WANT TO GO AGAINST HBO
OR FOX BECAUSE THEY MAY HAVE LICENSE AGREEMENTS WITH
THEM. SO I'M NOT SURE WHY THEY ARE FORCING IT THROUGH US
TO GO THERE, BUT IT'S A HUGE BURDEN FOR THE THIRD PARTIES

AND THE RELEVANCE IS REMOTE.

IF IT'S ONLY THE INSTRUCTIONS THEY WANT, THEY CAN TALK TO HBO.

BUT AGAIN, IF INDEED THEY ARE TRULY AN ISP,
THEY DON'T KNOW ABOUT THE CONTENT AND THEY DON'T CARE,
THEY JUST TAKE IT DOWN AND THEY ARE DONE. IF THEY HAVE
SOME OTHER INTERESTS, WELL, MAYBE THEY ARE NOT AN ISP AND
MAYBE VIACOM'S SUIT GETS MERIT. WE DON'T KNOW; WE DON'T
TAKE A POSITION.

THE OTHER THING THEY MENTIONED IS WE WANT TO

KNOW HOW SUCCESSFUL, HOW GOOD IT IS -- BAYTSP IS. BAYTSP

CERTAINLY SAYS, "WE'RE GOOD. WE GO OUT THERE AND FIND

THEM." BUT IT IS ABSOLUTELY IMPOSSIBLE FOR BAYTSP TO

HAVE STATISTICS ABOUT HOW MUCH INFRINGEMENT IS OUT THERE

THAT IT DIDN'T FIND. IF IT DIDN'T FIND IT, IT DOESN'T

KNOW IT EXISTS, AND THEREFORE THERE'S NO COMPARISON.

THE OTHER ISSUE IS ABOUT THESE QUOTE/UNQUOTE

"MISTAKES" BY BAYTSP IN THEIR PAPERS SENDING THE TAKEDOWN

NOTICE. IN THEIR PAPERS THEY REFER TO SOME PORNOGRAPHIC

SITE AND A FEW OTHER THINGS THAT WERE POSTED UP ON

YOUTUBE. I THINK THERE WERE MAYBE A HALF DOZEN. OUT OF

THE THREE- TO 400,000 TAKEDOWN NOTICES THAT HAVE BEEN

SENT, THAT'S A PRETTY SMALL PERCENTAGE. BUT AGAIN, THIS

IS ALL DONE UNDER THE TERMS OF THE COPYRIGHT ACT, WHICH

IT AUTHORIZES THEM TO DO THAT. AND THE FACT THAT THEY

WERE ABLE TO ATTACH THEM TO THEIR PAPERS INDICATES THEY
CERTAINLY KNOW, BECAUSE WHEN SOMEONE GETS A TAKEDOWN
NOTICE, APPARENTLY THEY GO BACK AND THEY CONTACT YOUTUBE.
YOUTUBE'S RESPONSE SHOULD BE, "SORRY. YOU HAVE TO TALK
TO VIACOM AND YOU WORK IT OUT." THEY DON'T NEED TO BE
INVOLVED. SO WE DON'T HAVE THE STATISTICS, WE DON'T HAVE
THE INFORMATION THEY WANT. PERHAPS THEY HAVE EXPERTS
THAT CAN DO IT, BUT IT'S NOT BAYTSP.

ALSO TALKED ABOUT IS THE SOURCE CODE. THE DETERMINATION OF WHAT IS AND IS NOT AN INFRINGEMENT FOR THE VIACOM/YOUTUBE ANALYSIS IS DONE BY A PERSON. THE ONLY SOFTWARE THAT THEY HAVE IS SOFTWARE THAT ONCE YOU HAVE DOWNLOADED IT, THEY WILL PUT IT INTO A DATABASE; IN OTHER WORDS, THEY WILL PUT IT INTO A FILE LOCATION SO THEY DON'T HAVE TO ACCESS THE INTERNET, WHICH IS PERMITTED UNDER YOUTUBE. THIS IS NOT AN ISSUE OF A VIOLATION OF THEIR TERMS. YOUTUBE WANTS PEOPLE TO DOWNLOAD THE VIDEOS; THEY DO. THEY PUT IT IN A PARTICULAR PLACE, THE PERSON REVIEWS IT, HE PUTS A LITTLE CHECK MARK, SAYS, "GO TO THE SECOND REVIEW." IT IS JUST A BIG DATABASE THAT HAS A FEW FIELDS. WHEN THE NEXT PERSON SEES IT, LOOKS AT IT, SAYS, "I HAVE REVIEWED IT, SEND OUT A TAKEDOWN NOTICE," THE SYSTEM AUTOMATICALLY SENDS OUT AN E-MAIL.

AND THIS IS AGAIN SOMETHING -- THE WAY WE DO IT

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IS VERY PROPRIETARY AND EFFICIENT, BUT IT HAS NOTHING TO

DO WITH THE SUCCESS OR ABILITY TO MONITOR THE SOFTWARE

AND WHAT'S ON THE INTERNET. AND IF THIS INFORMATION BORE

OUT, IT WOULD HAVE A VERY DELETERIOUS EFFECT ON BAYTSP'S

BUSINESS BECAUSE OTHER PEOPLE WOULD THEN BE ABLE TO COPY

THE SOFTWARE.

NOW, YOUTUBE'S COUNSEL ALLUDED TO THE
PROTECTIVE ORDER, AND THEY ATTACHED IT, AND I'M SURE YOU
HAVEN'T SPENT A LOT OF TIME REVIEWING; IT'S A PRETTY
STANDARD PROTECTIVE ORDER FOR THE PARTIES. THERE IS ONE
CLAUSE THAT DEALS WITH THIRD PARTIES AND, IN FACT, IT'S
PARAGRAPH 18; IT'S FOUR LINES LONG. IT SAYS, "ANY
NON-PARTY SUBPOENA" -- "ANY NON-PARTY SUBPOENA OR REQUEST
TO PRODUCE DOCUMENTS AND THINGS OR INFORMATION OR TO GIVE
DEPOSITION TESTIMONY SHALL HAVE THE FULL BENEFITS AND
PROTECTIONS OF THIS PROTECTIVE ORDER" -- SO IT'S
PERMISSIVE -- "AND MAY DESIGNATE DOCUMENTS OR DEPOSITION
TESTIMONY AS CONFIDENTIAL OR HIGHLY CONFIDENTIAL, SUBJECT
TO THE PROVISIONS HERE."

A COUPLE OF PROCEDURAL THINGS.

THIS PROTECTIVE ORDER IS ISSUED OUT OF NEW YORK. THAT WOULD MEAN THAT ANYTIME THERE WOULD BE AN ENFORCEMENT, BAYTSP WOULD HAVE TO GO ALL THE WAY ACROSS THE COUNTRY TO JUDGE STANTON'S COURT AND THEN PURSUE.

SECOND OF ALL, THERE'S ONLY TWO LEVELS OF

CONFIDENTIALITY THAT THIS PROTECTIVE ORDER ALLOWS THIRD PARTIES TO USE. THERE IS ANOTHER CATEGORY CALLED "HIGHLY RESTRICTIVE SOURCE CODE" OR SOMETHING. THIS PROTECTIVE ORDER DOESN'T ALLOW IT. SO THIS -- AT AN ABSOLUTE MINIMUM, IF SOURCE CODE WERE TO BE PRODUCED, THERE WOULD HAVE TO BE MODIFICATIONS UNKNOWN. WE OFFERED TO TALK TO THEM ABOUT IT AT THE TIME, BUT QUITE FRANKLY, WE REACHED AN AGREEMENT THAT THEY DIDN'T WANT THE SOURCE CODE. ALL THEY WANTED TO KNOW IS WHAT IT DOES AND THE INFORMATION AS TO HOW IT GOES. THAT WAS THE AGREEMENT REACHED; THAT'S WHY WE DIDN'T PURSUE NEGOTIATIONS.

FURTHERMORE, "CONFIDENTIAL" AND "HIGHLY CONFIDENTIAL," CONFIDENTIAL" -- STICKING WITH THE "HIGHLY CONFIDENTIAL," IT ALLOWS ANYONE THAT EITHER VIACOM, YOUTUBE, OR THE FOOTBALL LEAGUE -- AND IN THE PROTECTIVE ORDER -- IF YOU EVER LOOKED AT THE FULL CITE, THERE'S LIKE A HUNDRED PLAINTIFFS ALL INVOLVED HERE -- AND ANY ONE OF THEM, IF THEY THINK THE INFORMATION IS USEFUL, CAN USE IT AT TRIAL OR AT A DEPOSITION. BAYTSP AND/OR ANY OF ITS CUSTOMERS THAT THEY PRODUCE DOCUMENTS FOR, EVEN IF IT'S DESIGNATED "HIGHLY CONFIDENTIAL," WOULD HAVE NO IDEA OF WHAT IT'S BEING USED FOR.

NOW, WE ARE WILLING TO DO THIS FOR VIACOM
BECAUSE WHEN THIS HAPPENED, WE SAID, "VIACOM, CAN WE
PRODUCE THIS MATERIAL? IT'S YOUR INFORMATION. IT'S

COMMUNICATIONS FROM YOU."

AND THEY SAID, "YES. WE ENTERED INTO THE PROTECTIVE ORDER, WE ARE GOING TO BE AT THE HEARINGS, WE ARE GOING TO BE AT THE DEPOSITIONS, WE ARE GOING TO BE AT TRIAL, WE KNOW WHO HAS SEEN IT." SO IT'S OKAY TO THEM. THE THIRD PARTIES HAVE NO WAY OF KNOWING WHO IS SEEING IT.

THE COURT: BUT YOU ARE THE KEEPER OF THE INFORMATION?

MR. HEMMINGER: OH, NO -- WELL, WE ARE THE KEEPER --

THE COURT: I DON'T UNDERSTAND WHY YOU ARE HERE AS OPPOSED TO VIACOM STANDING UP HERE. IT'S ADDRESSED TO YOU, AND IT'S ADDRESSED TO YOU BECAUSE WHAT THEY WANT FROM VIACOM THEY NEED AND -- MAYBE YOU CAN HELP THEM WITH THIS -- YOU HAVE IT, YOU HAVE ACCESS TO IT, YOU ARE THE ONE THAT'S STANDING HERE SAYING, "NO, THIS IS ONEROUS, IT'S TOO MUCH, YOU ARE NOT GOING TO GET IT." AND THAT CONFUSES ME AS TO WHICH PARTY I AM DEALING WITH OVER HERE.

MR. HEMMINGER: FIRST OF ALL, WHY THEY

SUBPOENAED US -- NOT 100 PERCENT SURE. I DON'T THINK

SUBPOENAING BAYTSP FOR INFORMATION IT HAS ABOUT VIACOM

AND ITS COMMUNICATIONS IS -- IS IT RELEVANT? I DON'T

KNOW. BUT I WOULD NOT COME IN FRONT OF YOU, YOUR HONOR,

AND SAY, "NO, I DON'T HAVE TO PRODUCE THAT." WE AGREED TO PRODUCE THAT. OKAY?

THE ONLY ISSUE AND THE REASON WE ARE HERE, I
THINK, IS WITH THESE THIRD PARTIES, THEIR ATTEMPT TO
CIRCUMVENT GOING TO HBO, UNIVERSAL, AND THE SMALLER
LITTLE ENTITIES WHO WE DO WORK FOR AND TRY TO GET THAT
INFORMATION FROM US. THEY AGREE THE ONLY ISSUE RELATED
TO THE VIACOM DOCUMENTS AND THE FOOTBALL LEAGUE DOCUMENTS
ISN'T IN FACT WITH REGARD TO HOW THEY GET COPIES OF THEM,
HOW THEY LOOK AT THEM AND HOW THEY REVIEW THEM WHICH,
QUITE FRANKLY, I THINK IS NOT NECESSARILY SOMETHING THAT
SHOULD BE HERE.

SO WHY ARE THEY GOING AFTER US? I DON'T SEE THE RELEVANCE OF IT.

THE COURT: WELL, I GUESS WHAT I AM TRYING

TO -- I MEAN, IT'S NOT THE "WHY" AS MUCH AT THIS POINT AS

THE "PROCEDURAL," AS THIS IS A MOTION.

MR. HEMMINGER: YES.

THE COURT: AND IT'S A MOTION ABOUT GETTING
THINGS. AND IT'S FROM YOU AS OPPOSED TO -- WHAT ARE WE
DOING?

MR. HEMMINGER: THEY ARE LOOKING TO GET OUR
VIACOM-RELATED AND PLAINTIFF-RELATED MATERIAL WHICH WE
HAVE ALL ALONG BACK A YEAR AGO AGREED TO PRODUCE TO THEM.

AS I UNDERSTAND THE ISSUE NOW, THERE ARE TWO

CATEGORIES OF DOCUMENTS THEY WANT: ALL OF THE
INFORMATION THAT WE HAVE WITH ALL OF OUR THIRD PARTIES
WHICH, QUITE FRANKLY, WOULD BE EVERY DOCUMENT, AND
THERE'S OVER FOUR TERABYTES OF INFORMATION. IT'S A WHOLE
LOT OF INFORMATION, A THOUSAND OR WHATEVER GIGABYTES.

THE COURT: NO, I UNDERSTAND THAT.

MR. HEMMINGER: SO IT WOULD PROBABLY BE ABOUT A YEAR OR MORE BEFORE THEY COULD GET THAT, EVEN IF THEY WANTED IT, NOT TO MENTION THE OTHER THINGS.

SO THEY WANT THESE THIRD PARTIES: THE HBOS,
THE OTHERS. VIACOM DOESN'T HAVE THAT. I MEAN, BAYTSP'S
BUSINESS IS, "I WILL BE YOUR AGENT TO REVIEW THE
INTERNET." THAT'S ALL IT DOES. WE ARE GIVING THAT
MATERIAL TO THEM. WE DON'T WANT TO GIVE THE THIRD PARTY
INFORMATION; IT WOULD TOTALLY DESTROY OUR BUSINESS AND IT
WOULD CREATE A HUGE BURDEN -- FORGET THE MONEY ISSUE -IT WOULD CREATE A HUGE BURDEN IN TRYING TO CONTACT AND
DEAL WITH ALL OF THESE PEOPLE. AND THEY WANT OUR SOURCE
CODE, WHICH THE SOURCE CODE EXACTLY HOW IT DOES IT,
DOESN'T MATTER. THE SOURCE CODE FOR THE SIMS, WHICH IS
USED FOR THE YOUTUBE, IS BACK-END DATABASE SOFTWARE. IF
DOESN'T HAVE TO DO WITH MONITORING THE CONTENT.

SO WHY ARE THEY WITH US? THOSE ARE THE ONLY TWO REASONS I CAN THINK. THE WHOLE ISSUE OF DELAY AND EVERYTHING THEY ARE TALKING ABOUT WITH THE VIACOM

DOCUMENTS, FRANKLY, I DON'T REALLY KNOW WHY THEY ARE HERE COMPLAINING TO YOU. OKAY? WE HAVE AGREED TO GIVE IT TO THEM. VIACOM, YOU KNOW, THEY COULD HAVE GONE IN FRONT OF STANTON AND GOTTEN THIS PERHAPS SIX, NINE MONTHS AGO IF THEY THOUGHT IT WAS IMPORTANT. MY UNDERSTANDING IS THE AGREEMENT — THEY ARE PRODUCING THE DOCUMENTS FOR THE DEPOSITIONS BEFORE THE DEPOSITIONS OF THE PEOPLE.

AND MY OTHER UNDERSTANDING IS ALSO THAT JUDGE STANTON HAS ADDRESSED THIS VERY ISSUE. AND HE SAID, "VIACOM AND YOUTUBE, I'M SORRY. I'M NOT GOING TO SIT HERE AND WAIT FOR ALL THE DOCUMENTS TO BE PRODUCED, WHETHER IT'S THIRD PARTIES OR IN-HOUSE PEOPLE. YOU ARE GOING TO START TAKING YOUR DEPOSITIONS, AND I UNDERSTAND THERE MAY HAVE TO BE SOME DUPLICATE DEPOSITIONS. THAT'S THE WAY IT IS."

SO THIS WHOLE CRITICAL NEED -- "WE ABSOLUTELY NEED" -- THIS HAS BEEN ADDRESSED, AS I UNDERSTAND IT, BY JUDGE STANTON, AND IT SHOULD NOT BE HERE THROWN ON YOU OR BAYTSP. THAT'S AN ISSUE BETWEEN THEM.

THE COURT: WELL, THAT'S NOT QUITE HOW IT HAPPENS; THAT'S WHY IT IS HERE. BUT --

MR. HEMMINGER: NO, I UNDERSTAND.

THE COURT: BUT IN THE PAPERS, I DIDN'T SORT OF UNDERSTAND THE RELATIONSHIPS, AND THAT WAS CONFUSING TO ME.

MR. HEMMINGER: RIGHT.

THE COURT: COUNSEL, COME UP NEXT TO HIM AND HELP WITH THIS.

MR. HIBBARD: YOUR HONOR, MAY I SPEAK BEFORE WE HEAR AGAIN FROM MR. MANCINI?

THE COURT: GO AHEAD.

MR. HIBBARD: YOUR HONOR, STEVE HIBBARD OF SHEARMAN & STERLING FOR VIACOM INTERNATIONAL.

MR. MANCINI BEGAN BY SAYING THERE ARE SIX

ISSUES. AND THE FIRST ISSUE, I THINK, REALLY RELATES IN

PART WHY THIS COURT HAS THIS MOTION TO COMPEL IN FRONT OF

IT.

THE COURT: WELL, IT'S A DISCOVERY -- AN OUT OF DISTRICT DISCOVERY MOTION, AND THAT USUALLY ENDS UP IN THE DISTRICT THEY ARE SEEKING THE DISCOVERY. SO THAT'S WHY YOU ARE HERE, RIGHT?

MR. HIBBARD: YES, YOUR HONOR. BUT WHAT I MEAN SPECIFICALLY IS IF YOU THINK OF BAYTSP SERVICING DOZENS AND DOZENS OF CLIENTS, THE SCOPE OF THE SUBPOENA REACHES THE ENTIRE CLIENT BASE OF BAYTSP. A SMALL NUMBER OF THOSE CLIENTS WOULD BE THE VIACOM ENTITIES, VIACOM INTERNATIONAL.

NOW, AS TO THE VIACOM INTERNATIONAL DOCUMENTS,
THERE HAS BEEN AN AGREEMENT TO PRODUCE THOSE DOCUMENTS,
SUBJECT TO THE APPROPRIATE WORK PRODUCT REVIEW. SO THAT

ISSUE OF "SHOULD THOSE DOCUMENTS BE PRODUCED BY BAYTSP?"

IS NOT REALLY BEFORE THE COURT. WHAT I THINK THE COURT

WAS HEARING IS THE GREAT CONCERN OF BAYTSP AS TO THOSE

DOCUMENTS OF ALL OF ITS OTHER CUSTOMERS, AND AS TO WHICH,

OF COURSE, VIACOM HAS NO POSITION OR NO INTEREST AT ALL.

SO I THINK THAT IS PART OF WHAT MAY BE A LITTLE BIT OF

THE CONFUSION ABOUT WHAT IS ASKED OF THE COURT AND SO

FORTH.

RELATES SPECIFICALLY TO THE DOCUMENTS RELATING TO VIACOM, IF I MAY. THOSE DOCUMENTS HAVE BEEN SOUGHT BY DOCUMENT REQUESTS BY THE DEFENDANTS FROM VIACOM DIRECTLY. THOSE REQUESTS ARE SUBSTANTIALLY OVERLAPPING WITH THE SUBPOENA DIRECTED TO BAYTSP. THOSE DOCUMENTS ARE IN THE PROCESS OF BEING PRODUCED BY VIACOM, A PROCESS THAT'S BEEN GOING ON FOR SOME TIME, AND WILL BE TURNED OVER. SO IN SOME RESPECTS, TO THE EXTENT THE SUBPOENA DIRECTED TO BAYTSP SEEKS THE DOCUMENTS RELATING TO VIACOM, ALTHOUGH IT'S NOT TRUE FOR ALL CATEGORIES -- FOR EXAMPLE, SOURCE CODE AND SO ON -- IT WOULD BE SUBSTANTIALLY OVERLAPPING AND WE WOULD EXPECT THAT THE PRODUCTION WHEN MADE BY VIACOM WILL BE --

THE COURT: AND SO WHEN IS THAT?

MR. HIBBARD: THAT IS -- IT IS HAPPENING ON A ROLLING-BASIS.

THE COURT: WHEN IS THE ROLL OVER?

MR. HIBBARD: EXCUSE ME, YOUR HONOR?

THE COURT: WHEN IS THE ROLL OVER?

MR. HIBBARD: I DON'T KNOW THAT. I BELIEVE

IT'S MARCH 15, YOUR HONOR. I THINK THAT WE ARE TRYING TO

HAVE THESE THINGS MOVE ON A CALENDAR THAT IS THE SAME

TIME BECAUSE ESSENTIALLY IT'S THE SAME DOCUMENT REVIEW AT

THIS POINT.

WITH RESPECT TO THE TIMING, ONE OF THE
THINGS -- THIS IS A VERY, VERY LARGE LAWSUIT. BOTH
SIDES, I THINK, ARE BURDENED FOR THEIR OWN DOCUMENTS, LET
ALONE ISSUES INVOLVING THIRD PARTIES. AND THERE'S A
GREAT AMOUNT OF ENERGY BEING DEVOTED BY ALL SIDES TO MOVE
THIS CASE FORWARD AS RAPIDLY AS POSSIBLE.

ONE OF THE THINGS, FOR EXAMPLE, THAT YOUTUBE
HAS TOLD JUDGE STANTON IN NEW YORK IS THAT EVEN THOUGH IT
HAS 100 ATTORNEYS REVIEWING ITS OWN DOCUMENTS TO BE ABLE
TO PRODUCE THOSE DOCUMENTS TO VIACOM, IT TAKES YOUTUBE AT
LEAST A MONTH TO REVIEW HALF A MILLION DOCUMENTS. AND SO
WE HAVE A SET OF DOCUMENTS THAT ARE SUBJECT TO NOW A WORK
PRODUCT REVIEW; THAT'S ABOUT 650,000 DOCUMENTS. SO WE
HAVE TOLD YOUTUBE THAT WE WILL WORK EXTREMELY DILIGENTLY,
DEPLOY A LARGE NUMBER OF ATTORNEYS, AND WE WILL GET THAT
DONE BY MARCH 15, AND THAT'S WHAT WE ARE WORKING
EXTREMELY HARD TO DO AND TO ACCOMPLISH. AND, OF COURSE,

IT'S ON A ROLLING-BASIS.

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THERE ARE ALREADY OVER 100,000 PAGES AVAILABLE TO YOUTUBE FOR REVIEW, WHICH THEY HAVEN'T BEGUN TO REVIEW FOR REASONS THAT RELATE TO, I THINK, A DISPUTE WITH BAYTSP OVER ACCESS, BUT AN OFFER HAS BEEN MADE THAT THEY SHOULD HAVE THE EXACT SAME ACCESS TO THIS DATABASE THAT VIACOM HAS. AND INDEED, WE HAVE TOLD YOUTUBE THAT WE DO NOT BELIEVE -- "WE," VIACOM -- WOULD BE ABLE TO SEE TECHNICALLY ANYTHING THAT YOUTUBE IS LOOKING AT IN THE SAME DATABASE BECAUSE WE BELIEVE WE ARE GOING TO BE IN A DIFFERENT USER GROUP. SO WE WILL APPROACH IT FROM AN ENTIRELY DIFFERENT POINT OF VIEW. WE, VIACOM, WOULD NEVER SEE WHAT YOUTUBE DOES OR DOES NOT DO WITH THE DATABASE. IF THAT WERE NOT TECHNOLOGICALLY THE CASE, YOUR HONOR, WE HAVE SAID TO THEM, SPECIFICALLY, WE WILL STIPULATE THAT WE WOULD NOT DO THAT AS A MATTER OF ETHICS AND THE WAY ATTORNEYS SHOULD PRACTICE LAW; WE WILL NOT IN ANY WAY, SHAPE OR FORM SEEK TO FIND OUT WHAT AND HOW THEY DO WHEN THEY CHOOSE TO LOOK AT THE ELECTRONIC DOCUMENTS. AND SO WE WILL NOT DO THAT.

THE COURT: BUT IT'S PHYSICALLY POSSIBLE? IN
OTHER WORDS --

MR. HIBBARD: NO, I BELIEVE IT'S NOT. I
BELIEVE THAT WE ARE IN A DIFFERENT ACCESS POINT TO A
DATABASE AND SO WE CAN'T SEE HOW THEY GO IN. FRANKLY, I

DON'T KNOW THAT THE TECHNICAL PEOPLE HAVE FULLY
INVESTIGATED THAT. WE BELIEVE THAT THERE WILL BE NO
ISSUE THERE. BUT WE HAVE SAID FORTHRIGHTLY THAT EVEN IF
IT WERE TECHNOLOGICALLY POSSIBLE, IT IS SOMETHING THAT WE
WILL NOT GO ANYWHERE NEAR.

I BELIEVE THERE IS AN ISSUE THAT THEY STILL HAVE WITH REGARD TO --

THE COURT: THAT'S LIKE IN AN ORDINARY PAPER

CASE TELLING THEM, "GEE, GIVE ME EVERYTHING THAT YOU HAVE

EVER DONE IN THIS CASE, AND WE PROMISE NOT TO LOOK AT

THAT WHICH WE ARE NOT SUPPOSED TO SEE"?

MR. HEMMINGER: YOUR HONOR, MAY I ADDRESS THAT?
BECAUSE THIS CAME UP YESTERDAY.

THE COURT: COME ON.

MR. HEMMINGER: AND THE QUESTION WAS, YOU KNOW,
"WELL, WITH THIS DATABASE YOU HAVE, WE DON'T WANT BAYTSP
OR VIACOM SEEING WHAT WE ARE LOOKING AT." SETTING ASIDE
WHETHER THEY LOOK AT ONE DOCUMENT OR THE SEARCH TERMS
THEY USE, WHETHER OR NOT THAT IS WORK PRODUCT, FRANKLY,
BAYTSP DOESN'T CARE. VIACOM SAID IT DOESN'T CARE.

AND WE WERE ABLE TO EARLY THIS MORNING CONFIRM WITH KROLL -- THIS IS ALL BEING HANDLED BY AN OUTSIDE THIRD PARTY, KROLL. KROLL INTERNATIONAL IS A WELL KNOWN ELECTRONIC DISCOVERY FIRM, HIGHLY REPUTABLE. WE WENT WITH THEM BECAUSE OF THE SECURITY OF BAYTSP'S DOCUMENTS.

I HAVE BEEN INFORMED THAT IT CAN BE SET UP THAT THEY CAN LOCK IT OUT AND WE CANNOT SEE THE SEARCH TERMS. OF COURSE, WHEN THEY CHECK A DOCUMENT AND SAY, "WE WOULD LIKE YOU TO PRODUCE A FORMAL COPY WITH A PRODUCTION NUMBER AND CONFIDENTIALITY DESIGNATION," WE WOULD KNOW THAT AND WE WOULD ONLY KNOW THAT.

MR. HIBBARD: YOUR HONOR, BOTH SIDES HAVE

ACCESS TO THE DATABASE SO WE CAN ALL LOOK AT WHATEVER WE

WANT TO LOOK AT. THE ISSUE IS WHETHER WE ARE LOOKING

OVER THEIR SHOULDER.

THE COURT: OKAY. THAT WAS MY QUESTION.

MR. HIBBARD: YEAH, AND WE WOULDN'T BE. AND IT'S THE SAME AS IN A PAPER CASE.

THE COURT: IT JUST WOULDN'T BE THAT YOU CAN OR WOULDN'T BE BECAUSE YOU CAN'T?

MR. HEMMINGER: BECAUSE YOU CAN'T.

MR. HIBBARD: IT WOULD BE BOTH; IT WOULD BE BOTH. WE WOULD NOT DO IT BECAUSE WE HAD SAID WE WOULD NOT DO IT, AND WE WOULD NOT DO IT BECAUSE WE CANNOT DO IT. AND THE ANALOGY WOULD BE THIS: --

THE COURT: OH, I'M SURE THE COMFORT LEVEL IS MORE IF YOU CANNOT DO IT.

MR. HIBBARD: CLEARLY. AND WE ARE IN FAVOR OF THAT AND WE SUPPORT WE THAT AND WE WANT THAT.

THE COURT: EVEN IN THE PAPER WORLD, THAT IS A

PRETTY DICEY PROPOSITION.

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MR. HIBBARD: WELL, YOU ARE RIGHT, YOUR HONOR.

I SUPPOSE IT WAS. BUT IF YOU PUT A BUNCH OF DOCUMENTS IN
A ROOM AND YOU PROMISE THAT YOU ARE NOT GOING TO GO IN
AND WATCH THEM WHILE THEY DO IT, THAT'S REALLY THE SAME
SORT OF THING WE ARE SAYING; WE ARE NOT GOING TO GO WATCH
IT.

THE COURT: EXCEPT THEY DON'T WON'T LET YOU IN

THE ROOM TO -- THEY HAVE THEIR COPY MACHINE IN THERE AND

THEY ARE DOING THAT.

MR. HIBBARD: MY POINT IS SIMPLY -- I DON'T

MEAN TO QUIBBLE OR ARGUE ABOUT THIS AT ALL, YOUR HONOR,

BUT --

THE COURT: I JUST WANT TO MAKE SURE I

UNDERSTAND IT, BECAUSE THE TECHNOLOGY IN THIS IS A LITTLE

BIT MORE COMPLICATED THAN USUAL, AND SO I'M TRYING TO

MAKE SURE I UNDERSTAND WHO IS ASKING FOR WHAT AND WHY AND

UNDER WHAT CONDITIONS.

MR. HIBBARD: WE ARE DELIGHTED AND HOPE THAT
THE TECHNOLOGY FULLY BLOCKS US OUT PERPETUALLY AND
PERMANENTLY AS TO ANYTHING THEY ARE LOOKING AT. WE HAVE
NO INTEREST IN SEEING WHAT THEY SEE AND HOW THEY SEE IT.

THE COURT: AND I DON'T DOUBT THAT. BUT IS IT POSSIBLE, OR IS THERE --

MR. HIBBARD: I UNDERSTAND --

THE COURT: -- A REAL TECHNICAL DOUBT ABOUT THAT?

MR. HIBBARD: I HAVE NOT DISCUSSED THIS WITH KROLL ONTRACK. WE HAVE JUST HEARD THAT HE HAS HAD A CONVERSATION, AND KROLL ONTRACK SAYS WE ARE LOCKED OUT. SO I THINK THE ANSWER IS WE ARE LOCKED OUT.

THE COURT: IS THAT THE MAJOR PROBLEM?

MR. MANCINI: YOUR HONOR, THERE'S TWO PROBLEMS.

MAY I SPEAK?

THE COURT: WHY DON'T YOU JUST COME UP. MIGHT AS WELL STAND UP HERE.

MR. MANCINI: SO THERE'S TWO PROBLEMS. THE
PROPOSAL THAT WE JUST GOT YESTERDAY IS THAT WE HAVE
ACCESS TO THEIR DATABASE. WE ASKED THEM SPECIFICALLY
YESTERDAY, "IF THE SYSTEM HAS A BLOCKING FUNCTION, WOULD
YOU AGREE TO ENABLE THE BLOCKING FUNCTION SO YOU COULD
NOT VIEW OUR ACTIVITY?" NEITHER OF THEM WOULD SAY THEY
WOULD AGREE.

MR. HIBBARD: THAT'S NOT CORRECT.

MR. MANCINI: LET ME FINISH.

THE COURT: DON'T STAND AT THE PODIUM AND TALK TO EACH OTHER.

MR. HIBBARD: I APOLOGIZE, YOUR HONOR.

MR. MANCINI: WHAT VIACOM SAID IS THAT THEY
WILL AGREE AS A MATTER OF PROFESSIONAL RESPONSIBILITY TO

NOT DO THAT, BUT THEY WOULD NOT AGREE TO ENABLE THE BLOCK 1 2 FUNCTION. BAYTSP WOULD NOT MAKE EITHER REPRESENTATION; THEY WERE GOING TO INVESTIGATE. THAT'S THE FIRST PROBLEM. THE SECOND PROBLEM IS THE CALL WE ARE TALKING 5 6 ABOUT. THEY --7 THE REPORTER: COUNSEL, YOU NEED TO SLOW DOWN. THE COURT: SLOW DOWN. 8 9 MR. MANCINI: SORRY. 10 THEY WILL PRINT THE DOCUMENTS FOR US. NO 11 BETTER WAY TO KNOW ABOUT OUR WORK PRODUCT ACTIVITY THAN TO SEE EVERYTHING WE ARE LOOKING AT AND PRINT IT. 12 13 THE COURT: IF YOU AGREE TO THAT, THAT'S FINE. MR. MANCINI: NO, THERE'S NO WAY WE WILL AGREE. 14 15 WE THINK --16 THE COURT: YOU DO NOT ORDER THAT. 17 MR. MANCINI: I'M SORRY, YOUR HONOR, WITH ALL DUE RESPECT -- I UNDERSTAND. 18 19 WE THINK THE SIMPLEST SOLUTION IS SIMPLY BURN 20 IT ONTO CDS, AND WE WILL UPLOAD IT TO OUR SYSTEM. WE CAN 21 AVOID ALL THESE THORNY WORK PRODUCT, WAIVER -- OR 22 POTENTIAL WAIVER PROBLEMS THAT THEY ARE SUGGESTING BY 23 THEIR SYSTEM. IT SHOULD NOT BE THAT BIG OF A BURDEN.

THEY HAVE ALREADY UPLOADED IT TO THE KROLL DATABASE; JUST

GIVE IT TO US IN THE NATIVE FORMAT AND WE WILL UPLOAD IT

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TO OUR EPIC DATABASE. IT'S AS SIMPLE AS THAT.

MR. HIBBARD: YOUR HONOR, TO BE VERY CLEAR,

I MADE THE REPRESENTATION -- MY COLLEAGUE MADE THE

REPRESENTATION YESTERDAY THAT WE WOULD ABSOLUTELY,

ABSOLUTELY DEPLOY ANY TECHNICAL BLOCK THAT WE COULD.

SO MR. MANCINI IS INCORRECT IN THAT REGARD.

WITH REGARD TO THE FORM OF THE DATABASE AND WHETHER IT'S DOWNLOADED, PROVIDED TO THEM, THAT IS NOT A VIACOM ISSUE. THE POINT WE WERE SPEAKING TO WAS BAYTSP HAS MADE IT AVAILABLE THE WAY IT HAS CHOSEN TO MAKE IT AVAILABLE AND THAT THEY HAVE UNDERTAKEN TO GIVE DEFENDANTS THE SAME ACCESS THAT VIACOM HAS. IF BAYTSP CHOOSES TO GIVE IT IN ONE FORM VERSUS ANOTHER FORM, THAT'S NOT A POSITION THAT VIACOM TAKES ONE WAY OR THE OTHER.

I JUST WANT IT TO BE CLEAR FOR THE RECORD THAT VIACOM HAS SAID YESTERDAY AND SAYS TODAY -- STANDS BEFORE YOUR HONOR -- THAT IF IT WERE THROUGH THIS DATABASE, VIACOM EMBRACES ANY TECHNOLOGICAL BLOCK THAT MAKES IT BLIND AS TO ANYTHING THE DEFENDANTS ARE DOING, AND BEYOND THAT MAKES ITS REPRESENTATION TO THE COURT THAT IT WOULD NOT LOOK, EVEN IF IT COULD. THAT WAS REALLY THE POINT WE WERE MAKING AND NOTHING MORE THAN THAT.

MR. MANCINI: YOUR HONOR, CAN I BE -- AT SOME POINT I WANT TO RESPOND TO THE ARGUMENTS THAT HAVE BEEN

SAID IN OPPOSITION. SHOULD I SIT AND COME BACK? 1 2 THE COURT: NO, YOU MIGHT AS WELL ALL JUST 3 STAND THERE. MR. HEMMINGER: EXCUSE ME, YOUR HONOR. I KNOW HOW THE DOCUMENTS ARE KEPT. I KNOW -- I 6 CAN ADDRESS ALL OF THESE ISSUES, IF I MAY. 7 THE COURT: WELL, LET ME -- WHY DON'T I GIVE 8 YOU MY PROPOSED -- WHAT I WALKED OUT HERE WITH, AND THEN 9 WE WILL FIGURE OUT WHERE YOU WANT TO GO FROM THERE. 10 DOCUMENT REQUEST NO. 1, GRANT. 11 DOCUMENT REQUEST NO. 2, GRANT. 12 DOCUMENT REQUEST NO. 3, GRANT. 13 DOCUMENT REQUEST NO. 4, GRANT. 14 DOCUMENT NO. 5, GRANT, WITH SOME NARROWING. NO. 6, TOO BROAD, MIGHT HAVE TO LIMIT THAT. 15 16 NO. 7, GRANT. 17 NO. 8, GRANT. 18 NO. 9, GRANT, WORRIED ABOUT ATTORNEY-CLIENT 19 PRIVILEGE ISSUES THERE. 20 NO. 10, BROAD, SEE IF YOU CAN NARROW THAT. 21 NO. 11, GRANT. 22 NO. 12, GRANT. 23 NO. 13, GRANT. 24 NOW, THOSE ARE SIMPLISTIC RESPONSES TO THE 25 REQUESTS. I DIDN'T EVEN ATTEMPT TO FIGURE OUT HOW TO DO

THE ELECTRONIC ISSUES AND SOME OF THOSE OTHER THINGS.

ADJOURN THIS FOR A HALF HOUR AND I AM GOING TO LET YOU USE MY COURTROOM AND THE CONFERENCE ROOM OUT FRONT AND SEE IF YOU CAN FIGURE OUT THE TECHNOLOGICAL PROBLEMS, BECAUSE THIS IS PRETTY MUCH WHERE I AM GOING ON THE SUBSTANTIVE ISSUES. BUT I DON'T FEEL LIKE I HAVE THE TECHNOLOGICAL ABILITY TO GRASP WITH THE TECHNOLOGICAL PROBLEMS, AND I WOULD BE HAPPY TO ORDER ANYTHING THAT THE THREE OF YOU CAN AGREE ON.

BUT SUBSTANTIVELY, AS FAR AS REQUESTS FOR

DISCOVERY, THIS IS PRETTY MUCH WHERE MY POSITION IS. BUT

IT'S MORE COMPLICATED BECAUSE OF THESE OTHER ISSUES, AND

I DON'T KNOW THAT I CAN DO THAT WITHOUT YOUR HELP OR YOUR

AGREEMENT, AND I DON'T THINK I GOT THAT KIND OF HELP IN

YOUR PLAIN OLD ORDINARY DISCOVERY MOTION I HAD IN FRONT

OF ME WITH ALL OF ITS TECHNOLOGICAL NUANCES.

SO DOES THAT MAKE SENSE TO YOU TO DO IT THAT WAY?

MR. MANCINI: YES.

MR. HIBBARD: YES.

THE COURT: OKAY.

MR. HEMMINGER: MAY I ASK A COUPLE QUESTIONS?

THE COURT: YOU MAY.

MR. HEMMINGER: BECAUSE, QUITE FRANKLY, THE

PRODUCTION AND TECHNOLOGICAL ISSUES ARE ABSOLUTELY MINOR.

WE HAD OFFERED TO PRODUCE THE DOCUMENTS, ALL OF THEM, IF

THEY PAID FOR IT, WHICH IS SIX CENTS A PAGE, WHICH IS

ABOUT SIX TIMES SEVERAL MILLION, WHICH IS SIX HUNDRED,

700,000.

THE COURT: I'LL PUT "COST" ON HERE, QUESTION MARK. IS THAT WHAT YOU ARE WORRIED ABOUT?

MR. HEMMINGER: YES. THAT'S ONE ISSUE.

THE OTHER THING IS YOU ARE SAYING GOING THROUGH
AND GRANTING THESE -- ARE YOU SAYING THAT YOU ARE
REJECTING THE ARGUMENTS ABOUT THE THIRD PARTIES? BECAUSE
ALL OF THESE INCLUDE WITH THEM ANYBODY WHO HAS EVER DONE
ANY WORK -- WE HAVE DONE ANY WORK FOR AT BAYTSP.

THE COURT: CAN THAT BE RESOLVED BY PROTECTIVE ORDER?

MR. HEMMINGER: NO. I EXPLAINED THE ISSUES.

AND WE ONLY HAVE LIMITED INFORMATION ABOUT THEM. AND THE

BURDEN OF REQUIRING US TO GO ON AND -- IT'S LIKE --

THE COURT: COUNSEL, THAT'S PRETTY MUCH WHERE I
AM AT, BASED ON THE PAPERS I HAVE. SO GO OUT AND TALK
AND COME BACK TO ME AND YOU CAN RAISE THAT AGAIN AFTER
THAT.

I DON'T KNOW, MAYBE THE THREE OF YOU CAN COME
UP WITH SOMETHING CREATIVE I CAN BUY INTO, BUT RIGHT NOW
THAT'S WHERE I AM AT. SO HALF HOUR -- COME BACK AT 20

MINUTES AFTER?

MR. MANCINI: THANK YOU, YOUR HONOR.

MR. HIBBARD: THANK YOU, YOUR HONOR.

MR. HEMMINGER: THANK YOU.

THE COURT: AND LIKE I SAID, YOU CAN HAVE THE COURTROOM HERE -- THERE'S NOBODY ELSE HERE -- OR YOU CAN USE THE CONFERENCE ROOM, WHICH IS RIGHT OUTSIDE THE FRONT DOOR. I WILL MAKE SURE IT'S UNLOCKED.

(RECESS FROM 10:49 TO 11:28 A.M.)

THE CLERK: REMAIN SEATED. PLEASE COME TO ORDER.

THE COURT: YOU CAN SIT DOWN. RETURNING TO VIACOM INTERNATIONAL VERSUS YOUTUBE, C 08-80211.

SO, COUNSEL, WHERE ARE WE?

MR. MANCINI: YOUR HONOR, I THINK WE MADE SOME PROGRESS.

THE COURT: GOOD.

MR. MANCINI: SO THERE WERE A FEW ITEMS LEFT OPEN BY YOUR HONOR'S RULINGS. THE FIRST IS THE FORM OF DISCOVERY.

AN ELECTRONIC DOWNLOAD FROM THEIR SERVICE PROVIDER,

KROLL, TO OUR SERVICE PROVIDER. THE OPEN REMAINING

QUESTION IS REIMBURSEMENT OF COSTS. WE DO NOT BELIEVE WE

NEED TO INCUR THAT COST BECAUSE WE BELIEVE THIS IS

ALREADY VIACOM'S OBLIGATION. WE WOULD BE WILLING TO CONSIDER, PROVIDED THERE WERE A REPRESENTATION THAT VIACOM IS NOT ALREADY COMMITTED TO REIMBURSE BAYTSP FOR THE COSTS OF COMPLIANCE WITH THE SUBPOENA, AND THAT THERE BE SOME CLARITY ON -- SO THAT WE CAN UNDERSTAND WHAT THESE COSTS ARE AND HAVE A FRAMEWORK OF THE OUTER GOALPOST FOR THOSE COSTS.

THE SECOND --

THE COURT: GO AHEAD.

MR. MANCINI: THE SECOND --

THE COURT: OH, YOU WANT TO RESPOND ONE BY ONE?

MR. HEMMINGER: I THINK IT WOULD BE BETTER IF WE RESPOND BY ONE BY ONE.

THE COURT: OKAY. SO WHY DON'T YOU DO THE COST ISSUE.

MR. HEMMINGER: CERTAINLY. THERE IS NO PROVISION IN THE FEDERAL RULES OF CIVIL PROCEDURE THAT REQUIRES THE PRODUCING PARTY TO BEAR THE COST OF MAKING THE COPY PRODUCED FOR INSPECTION.

IN THIS REGARD THE INFORMATION WAS COLLECTED

AND PUT ON A DATABASE. TO GET IT OFF THE DATABASE, THE

ELECTRONIC DISCOVERY PROVIDER IN THIS CASE, KROLL

ONTRACK, REQUIRES A FEE IN THE NEIGHBORHOOD OF SIX CENTS

A PAGE TO DOWNLOAD IT.

WE HAVE OFFERED TO THEM ALL ALONG THAT WE WOULD

BE HAPPY TO PUT IT IN WHATEVER FORMAT THEY WANT IF THEY PAID KROLL, NOT TO PAY BAYTSP, NOT TO ANYBODY, THEY JUST PAID FOR THE ACTUAL COST OF GETTING IT DOWNLOADED IN THE FORMAT THEY WANT FOR THE DATABASE. AND I DON'T THINK THIS IS A BURDEN THAT ANY PARTY PRODUCING DOCUMENTS --- WHETHER OR NOT THERE'S ANY INDEMNIFICATION AGREEMENT OR NOT IN THIS CASE.

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THE COURT: AND WHY SHOULDN'T IT BE THAT WAY? MR. MANCINI: WELL, YOUR HONOR, THESE WOULD OTHERWISE BE VIACOM COSTS, AND THERE'S A SIMPLE QUESTION ON THE TABLE. IS THERE ALREADY AN AGREEMENT IN PLACE FOR VIACOM TO REIMBURSE THIS EXPENSE? OTHERWISE, THERE WOULD BE A CLEAR WINDFALL HERE. AND THEY ARE VIACOM'S COSTS BECAUSE THEY JUST OUTSOURCED THIS FUNCTION TO BAYTSP. VIACOM COULD HAVE ITSELF DECIDED TO SEND TAKEDOWN NOTICES TO YOUTUBE. IT HIRED BAYTSP TO DO THAT; THEY ARE THEIR AGENT. THESE ARE VIACOM'S DOCUMENTS THAT ARE PRODUCED AT THEIR REQUEST BY BAYTSP, BUT APPARENTLY NOT ALL KEPT BY VIACOM, WHICH IS WHY WE ARE HERE; WE NEED THEM FROM BAYTSP. SO WE ARE SIMPLY SAYING IT IS A COST THAT VIACOM ALREADY HAS AN OBLIGATION TO INCUR. THERE MAY ALREADY BE AN AGREEMENT, AND IF THAT AGREEMENT EXISTS, THEY SHOULD INCUR THEM.

MR. HIBBARD: YOUR HONOR, IF I MAY. STEVE HIBBARD FROM SHEARMAN & STERLING.

I DON'T BELIEVE THE CHARACTERIZATION OF THESE DOCUMENTS AS "VIACOM'S DOCUMENTS" IS CORRECT. BAYTSP IS AN INDEPENDENT COMPANY CONTRACTED TO PROVIDE A SERVICE, AND I DON'T BELIEVE THAT WE HAVE POSSESSION, CUSTODY OR CONTROL OVER THESE DOCUMENTS, SO I DON'T BELIEVE IT'S ACCURATE TO CALL THEM "VIACOM'S DOCUMENTS."

AS TO THE ISSUE OF WHETHER OR NOT THERE'S ANY WRITTEN AGREEMENT --

THE COURT: ARE THEY ANYBODY'S DOCUMENTS?

MR. HIBBARD: ARE THEY BAYTSP'S DOCUMENTS, YOUR HONOR? AND THAT'S EXACTLY THE POINT, I THINK, THAT MR. HEMMINGER WAS MAKING WITH REGARDS TO BAYTSP HAVING SATISFIED THE OBLIGATIONS OF MAKING THE DOCUMENTS AVAILABLE FOR INSPECTION. I AM NOT AWARE OF ANY WRITTEN UNDERTAKING BY VIACOM TO INDEMNIFY BAYTSP FOR THE COSTS OF COMPLYING WITH THE SUBPOENA. AND IF THERE WERE ANY UNDERSTANDINGS, I AM FAIRLY CONFIDENT THAT THOSE UNDERSTANDINGS WOULD NOT REACH THE SCOPE OF THE KIND OF PRODUCTION THAT'S BEEN SOUGHT FROM BAYTSP, WHICH IS FAR BEYOND ANYTHING FOR WHICH VIACOM HAD RETAINED BAYTSP TO PROVIDE SERVICES.

SO I THINK WE ARE LEFT WITH THE POINT THAT THIS
IS A FINANCIAL ISSUE BETWEEN BAYTSP AND THE DEFENDANTS IN
THIS ACTION. AND AS I UNDERSTAND IT, BAYTSP HAS MADE THE
DOCUMENTS AVAILABLE FOR INSPECTION AND THE ISSUE IS THAT

DEFENDANTS WISH TO HAVE THEM IN A DIFFERENT FORMAT MORE CONVENIENT FOR THEM. IT'S JUST THAT TO OBTAIN THAT, KROLL ONTRACK, WHICH NOW HAS CREATED ITS DATABASE, CHARGES FOR THAT.

THE COURT: RESPOND.

MR. MANCINI: YOUR HONOR, GIVEN THAT
REPRESENTATION, WE SIMPLY ASK FOR CONFIRMATION OF THAT
FACT. AND AGAIN, WE DO BELIEVE THEY ARE ACTING AS THEIR
AGENT, SO IT IS THEIR OBLIGATION, AND UNDER THE CASE LAW
THAT MR. HEMMINGER HAS CITED.

BUT GIVEN THAT REPRESENTATION, THIS IS

SOMETHING THAT, FRANKLY, WE DON'T BELIEVE WE SHOULD PAY

FOR, BUT IF WE ARE OBLIGATED TO PAY FOR IT, WE JUST NEED

AN UNDERSTANDING HERE OF WHAT IT IS. KROLL, I'M SURE,

HAS A LISTING OF HOW MANY DOCUMENTS ARE IN THE DATABASE,

WHAT THE CHARGES ARE. IF WE CAN HAVE FULL DISCLOSURE OF

THESE CHARGES, WE BELIEVE WE ARE ENTITLED TO IT.

THE COURT: AND IS THAT POSSIBLE, FULL DISCLOSURE OF THE CHARGES?

MR. HEMMINGER: OH, ABSOLUTELY.

THE COURT: IT'S POSSIBLE, BUT IT'S NOT BEEN COMPUTED? I'M SORRY, I KEEP INTERRUPTING YOU.

MR. HEMMINGER: NO, NO, THAT'S OKAY.

WHAT KROLL'S CHARGES ARE ARE THE ONES I HAVE BEEN TELLING YOU. IT DEPENDS ON THE FORMAT, BUT IT'S

ROUGHLY SIX TO EIGHT CENTS A PAGE FOR THEM TO DOWNLOAD THAT.

THE COURT: THE MATH, ULTIMATELY -- APPROXIMATELY?

MR. HEMMINGER: WELL, IF YOU ARE GOING TO

CONTINUE WITH YOUR ORDER THAT IT REQUIRES EVERY DOCUMENT

IN BAYTSP WHICH, IF YOU DON'T CHANGE ANY OF YOUR

PRELIMINARIES -- I CAN'T TELL YOU. IT COULD BE -- LET'S

SEE, WE JUST PULLED OUT OF THIS ONE A MILLION -- COULD BE

THREE, FOUR MILLION DOCUMENTS AT 10 PAGES A DOCUMENT. IT

COULD BE 40 MILLION PAGES AT WHAT, 10 CENTS APIECE? WHAT

DOES THAT COME OUT TO?

THE COURT: A LOT OF MONEY.

MR. HEMMINGER: YEAH.

MR. MANCINI: AGAIN, WE NEED TO HAVE A BETTER UNDERSTANDING OF WHAT'S IN THE DATABASE. I THINK WHAT MR. HEMMINGER JUST ARTICULATED IS THAT'S WHAT HE THINKS THE NEXT PRODUCTION IS, GIVEN YOUR HONOR'S RULINGS. BUT WHAT WE UNDERSTAND THE CURRENT PRODUCTION IS, IS 650,000 DOCUMENTS. WE ARE HYPOTHECATING SOME MULTIPLIER, EITHER FIVE OR 10 PAGES PER, SO ESTIMATING IN THE RANGE OF SOMEWHERE BETWEEN THREE MILLION AND SIX MILLION PAGES.

AND IF I UNDERSTOOD HIM CORRECTLY, THE CHARGE THAT KROLL WOULD TRANSFER TO US IS APPROXIMATELY SIX CENTS PER PAGE TO UPLOAD THE FILES TO US. WE JUST WANT

GREATER CLARITY. FOR EXAMPLE, I WOULD IMAGINE KROLL WOULD HAVE SOME BULK RATES; AFTER SEVERAL HUNDRED THOUSAND DOCUMENTS, PERHAPS THAT COST PER PAGE GOES TO SOME LOWER AMOUNT.

THE COURT: WE HAVE A SHAKING "NO" HEAD HERE.

MR. HEMMINGER: LOOK, WE ARE WASTING A LOT OF TIME ON AN ISSUE WHICH I -- AS TO THE COST THAT KROLL IS GOING TO CHARGE. I OFFERED, YOU KNOW, THAT WE WOULD BE MORE THAN HAPPY TO SIT DOWN AND IF THEY WANT TO ENTER INTO A SEPARATE AGREEMENT WITH KROLL TO TRY TO GET THE INFORMATION AND TRY TO DO WHAT THEY WANT, THAT'S FINE; HOWEVER, I DON'T THINK WE OUGHT TO BE COMING BACK AND REVISITING THIS IF INDEED AND AFTER WE FIND OUT THAT THERE ARE 40 MILLION PAGES OF DOCUMENTS THAT HAVE TO BE PRODUCED, AND THEM COMING IN AND SAYING, "WELL, GEEZ, WE DON'T WANT TO HAVE TO PAY FOR THAT."

SO FROM BAYTSP'S STANDPOINT, IT WOULD SIT THERE AND WHATEVER -- IF THEY DON'T HAVE A SEPARATE AGREEMENT, WHATEVER AGREEMENT THAT -- WHATEVER KROLL CHARGES, WE WOULD PASS ON OFF TO YOUTUBE FOR THEM TO MAKE THE PAYMENT TO KROLL FOR THE DOCUMENTS IN WHATEVER FORMAT THEY WANT.

MR. MANCINI: AND AGAIN, WE ARE SIMPLY ASKING
FOR A FULL DISCLOSURE TO UNDERSTAND THIS PROCESS BETTER.
FOR EXAMPLE, YOUR HONOR, WHAT WE ARE NOT UNDERSTANDING IS
THIS DATA WAS UPLOADED TO KROLL AT SOME POINT. I CAN'T

IMAGINE THAT UPLOADING WAS AT SIX CENTS A PAGE. IF THERE ARE DISKS AT BAYTSP -- IN OTHER WORDS, IF WE STARTED FROM SCRATCH, THEY SHOULD JUST GIVE US COPIES OF THOSE DISKS; THAT WOULD BE FAR LESS THAN SIX CENTS A PAGE.

MR. HEMMINGER: YOUR HONOR, THE PROCESS THAT
WAS PROCEEDED THROUGH TO OBTAIN THIS INFORMATION, WE
RETAINED KROLL. KROLL CAME IN, WENT TO EVERYBODY IN
BAYTSP, UPLOADED AN IMAGE OF THEIR COMPUTER AS WELL AS
OFF OUR SERVERS. THEY THEN PROCESSED THAT REMOVING
SYSTEM FILES AND THE LIKE. THERE ARE NO QUOTE/UNQUOTE
"DISKS." AND THEN TO TURN BACK AND SAY THAT IN RESPONSE
TO THE SUBPOENA WE WOULD NEED TO JUST GO IN AND TURN OVER
EVERYBODY'S COMPUTER REGARDLESS OF WHETHER THEY HAD ANY
RELEVANT INFORMATION IS JUST UNWORKABLE.

THE COURT: WELL, I'M NOT SURE HE SAID THAT. I THOUGHT HE THOUGHT IT WAS MORE ISOLATED THAN WHAT YOU ARE SAYING.

MR. HEMMINGER: NO, WE TRIED TO COMPLY AS BEST WE COULD TO GET THEM ALL THE DOCUMENTS RELATED TO VIACOM AND YOUTUBE AND THE PLAINTIFFS. SO THEY UPLOADED THE INFORMATION AND IT'S ALL SITTING ON A KROLL DATABASE, WHICH WE ARE PAYING A MONTHLY FEE TO MAINTAIN IT AND STORE IT, AND THEN WE ARE PAYING A MONTHLY FEE ONCE WE PROCESS THOSE THROUGH A FILTER. SO THERE'S NO DISK.

THE COURT: THAT'S AVAILABLE TO THE OTHER SIDE?

I'M SORRY, GO AHEAD.

MR. HEMMINGER: AFTER WE FILTERED IT, DID OUR REVIEW, AND NOW IT'S UP TO VIACOM TO DO THEIR WORK PRODUCT PRIVILEGE REVIEW. YES, THEY WILL BE ABLE TO USE KROLL'S ONTRACK'S END-VIEW DATA PROCESSOR TO LOOK AT THAT, IF THEY WANT. THEY ARE SAYING THEY DON'T WANT TO DO THAT. WHAT THEY ARE SAYING IS, "WE WOULD MUCH RATHER GET A HARD DISK, A CD OR DVD WITH THIS INFORMATION ON IT."

TO DOWNLOAD THE INFORMATION THAT VIACOM SAYS IS NOT PRIVILEGED AND "YOU CAN HAVE" IS GOING TO REQUIRE THIS COST. I DON'T KNOW HOW MANY, YOU KNOW, PAGES OR HOW MANY DOCUMENTS THAT'S GOING TO BE, BUT IT IS A FIXED FEE THAT KROLL WILL CHARGE.

MR. MANCINI: YOUR HONOR, ALL I'M SAYING IS
THERE MUST HAVE BEEN SOME INTERMEDIATE COPIES BEFORE
KROLL UPLOADED IT TO THIS DATABASE.

MR. HEMMINGER: THERE IS NOT.

MR. MANCINI: WELL, ALL I'M ASKING FOR IS SOME DISCLOSURE ON THIS BECAUSE THERE MAY BE A SOLUTION THAT'S LESS THAN SIX CENTS A PAGE.

MR. HEMMINGER: YOUR HONOR, THERE IS NO SOLUTION OTHER THAN TURNING OVER THE RAW COMPUTERS, WHICH EXCEEDS THE SCOPE OF THE REQUEST. THERE'S INFORMATION ON THERE THAT IS NOT AT ALL CALLED FOR. AND THEN WHAT WE

WOULD HAVE TO DO, WE WOULD HAVE TO GO THROUGH AND LOOK -WE WOULD HAVE TO RE-DO EVEN THE WORK WE HAVE DONE BEFORE
TO FILTER IT. I MEAN, THIS IS -- I CANNOT BELIEVE THAT
THEY ARE REPRESENTING THAT WITH ALL THEIR EXPERIENCE THAT
THERE MUST BE SOME RAW DATA THAT COULD BE PROVIDED THAT
HASN'T BEEN REVIEWED. WHEN YOU ARE TALKING ABOUT FOUR
TERABYTES OF DATA, YOU ARE TALKING ABOUT MILLIONS AND
MILLIONS AND MILLIONS OF PAGES OF DOCUMENTS WHICH CAN
ONLY BE REVIEWED THROUGH ELECTRONIC SEARCHES.

MR. MANCINI: YOUR HONOR, I HAVE A SUGGESTION.
THE COURT: GO AHEAD.

MR. MANCINI: I BELIEVE WHAT IS THE ISSUE HERE IS -- KNOWING A LITTLE BIT ABOUT DISCOVERY, I BELIEVE WHAT MR. HEMMINGER IS TALKING ABOUT IS THIS COST PER PAGE IS PROBABLY WHAT IS KNOWN IN THE INDUSTRY AS A "BLOWBACK." KROLL HAS TO CREATE SOME DATA. ALL WE WOULD SUGGEST -- AND I THINK MR. HEMMINGER IS OFFERING THIS -- IS WE, COUNSEL FOR GOOGLE AND YOUTUBE, OPEN UP A DIALOG WITH KROLL AND THAT WE NEGOTIATE AN ARRANGEMENT TO FIGURE OUT WHAT IS THE MOST EXPEDITIOUS AND INEXPENSIVE MEANS TO GET THAT DATA TO OUR DATABASES. BECAUSE I WOULD SUSPECT THAT IF WE HAVE THAT DIALOG, WE WOULD FIND A WAY TO DO THIS FOR LESS THAN SIX CENTS A PAGE. AND I THINK HE IS OFFERING THAT.

MR. HEMMINGER: I OFFERED THAT BEFORE. AND

IT'S NOT CALLED A "BLOWBACK"; IT'S CALLED "CREATING A LOAD FILE."

MR. MANCINI: BUT I THINK THERE IS A SOLUTION THAT WE CAN FIGURE OUT THAT'S LESS EXPENSIVE.

MR. HEMMINGER: WELL, ONCE AGAIN, THOUGH, WITH THIS, PROVIDED THAT WE HAVE PRODUCTION NUMBERS TO CONTROL THESE DOCUMENTS, AND ALSO PUTTING ON THEM THE CONFIDENTIALITY DESIGNATION BECAUSE WE WILL NOT AND DO NOT WANT TO PRODUCE DOCUMENTS WHICH ARE UNCONTROLLED.

MR. MANCINI: WE HAVE NO DISAGREEMENT WITH THAT, YOUR HONOR.

THE COURT: OKAY. SO IT SOUNDS LIKE THIS IS SOMETHING THAT I SHOULD SUBMIT, AND GIVE YOU AN OPPORTUNITY TO WORK IT OUT.

MR. MANCINI: I WOULD AGREE, YOUR HONOR.

THE COURT: BECAUSE IT SOUNDS LIKE IF YOU
UNDERSTAND EACH OTHER, AND I'M NOT COMPLETELY SURE THAT
YOU DO, BUT I THINK YOU ARE CLOSER THAN YOU WERE BEFORE,
THAT THIS MIGHT BE SOMETHING THAT YOU CAN WORK OUT.

MR. MANCINI: I THINK THAT'S RIGHT, YOUR HONOR.

THE COURT: I CAN'T HELP BUT CONFUSE IT.

MR. MANCINI: WELL, YOU CAN HELP CERTAINLY IN ONE RESPECT, WHICH, WITH ALL DUE RESPECT, WE THINK THAT THIS COST SHOULD NOT BE BORNE BY US. BUT IF YOUR HONOR IS INCLINED TO CAUSE US TO BEAR THAT -- AT LEAST WITH

RESPECT TO VIACOM'S DOCUMENTS -- WE BELIEVE THAT THIS IS

A SOLUTION THAT WE CAN WORK OUT WITH KROLL.

THE COURT: AND YOU ANTICIPATE THAT IT'S LESS
THAN SIX CENTS A PAGE THE WAY THAT YOU ARE --

MR. MANCINI: I WOULD THINK THAT WE CAN FIGURE OUT A TECHNOLOGICAL FIX THAT WOULD BE LESS THAN THAT.

MR. HEMMINGER: I HOPE TO LEARN THAT

INFORMATION BECAUSE KROLL IS GENERALLY INFLEXIBLE, BUT

MORE POWER TO YOU.

MR. MANCINI: SO THE SECOND ISSUE, YOUR HONOR, IS DEADLINES FOR PRODUCTION OF DOCUMENTS. THE FIRST CATEGORY RELATES TO VIACOM ENTITIES. IT SEEMS THAT WE HAVE AGREED WITH COUNSEL FOR VIACOM THAT THEY WILL PRODUCE -- THAT THEY WILL COMPLETE THEIR REVIEW OF DOCUMENTS THAT BAYTSP HAS IDENTIFIED AS BEING RESPONSIVE FROM VIACOM-RELATED ENTITIES, AND PRODUCE TO US BY FEBRUARY 15TH.

AS FOR NON-VIACOM-RELATED ENTITIES,

MR. HEMMINGER HAS REPRESENTED TO US, BUT WILL NOT COMMIT,

THAT HE BELIEVES IT WILL TAKE HIM SIX MONTHS. WE THINK

THAT THEY SHOULD BE ORDERED TO PRODUCE THOSE DOCUMENTS

WITHIN SIX MONTHS, OR ROUGHLY JUNE 15TH.

I BELIEVE THERE'S NO DISPUTE AS TO THE FEBRUARY

15TH DATE. I BELIEVE MR. HEMMINGER IS NOT WILLING TO

COMMIT TO JUNE 15TH, BUT WE THINK THAT THAT SHOULD BE

ORDERED BECAUSE THAT IS SUFFICIENT TIME; IT'S SIX MONTHS, ESSENTIALLY.

MR. HEMMINGER: OF COURSE, IT WILL DEPEND ON
THE SCOPE OF WHAT WE END UP COMING OUT OF HERE. BUT WHAT
THIS INVOLVES IS NOTIFYING ALL OF THE THIRD PARTIES,
GETTING A RESPONSE BACK FROM THEM, ALLOWING THEM AT SOME
POINT TO INTERCEDE. I HAVE NO DOUBT THEY WILL WANT TO DO
THE SAME TYPE OF REVIEW THAT VIACOM IS DOING, AND VIACOM
RECEIVED ACCESS TO THIS EITHER -- SOMETIME IN OCTOBER, SO
WE ARE LOOKING AT FIVE MONTHS THERE. THAT DOESN'T EVEN
INCLUDE THE FIVE TO SIX MONTHS IT TOOK BAYTSP TO FILTER
AND PROCESS THE DATA TO GET IT THERE.

SO WHAT I TOLD COUNSEL WAS, I THINK INTERNALLY
THAT WE CAN HAVE THE BAYTSP REVIEW -- IN SEPARATING OUT
THE FEW NONRESPONSIVE DOCUMENTS THERE ARE AND PRIVILEGED
DOCUMENTS THAT MAY EXIST THAT AREN'T CALLED FOR -- WITHIN
ABOUT SIX MONTHS.

I DON'T KNOW ABOUT THE THIRD PARTIES BECAUSE, FRANKLY, I HAVEN'T LOOKED AT THE SCOPE OF THAT AS TO EXACTLY HOW MANY THERE ARE, HOW LONG IT'S GOING TO TAKE THEM TO RESPOND AND SO FORTH.

AND THEN WE ALSO NEED TO WORK OUT A PROTECTIVE ORDER IN THAT REGARD AS WELL. AND AGAIN, WE CAN CERTAINLY WORK OUT A PROTECTIVE ORDER THAT IS -- TRY TO ANTICIPATE THIRD PARTIES, BUT WE ARE NOT SURE WHAT THE

THIRD PARTIES WILL SAY ABOUT THE PROTECTIVE ORDER AND WHETHER THEY THINK THE PROTECTIONS ARE SUFFICIENT.

MR. MANCINI: IF YOUR HONOR -- IF I MAY, I WOULD LIKE TO SPEAK TO THE PROTECTIVE ORDER SECOND, AND START WITH THE DEADLINE.

THE COURT: OKAY.

MR. MANCINI: SO WITH RESPECT TO THE DEADLINE,
IF HISTORY IS ANY GUIDANCE HERE, SOFT COMMITTALS TO
PRODUCE BY A CERTAIN DATE HAVE NOT SERVED US WELL, WHICH
IS WHY WE ARE HERE. WE THINK THAT A COURT-ORDERED
DEADLINE FOR THE PRODUCTION OF THOSE DOCUMENTS BY JUNE
15TH IS MORE THAN FAIR, AND IT WILL GUIDE BAYTSP TOWARDS
COMPLIANCE. OTHERWISE, I FEAR IF WE HAVE -- JUST LIKE WE
HAVE HAD FOR THE LAST 13 MONTHS, SOFT DEADLINES, WE WILL
SIMPLY BE BACK BEFORE YOUR HONOR RATHER QUICKLY BECAUSE
WE HAVE NO ASSURANCE OF AN OUTSIDE DATE. AND WHAT AN
OUTSIDE DATE DOES IS CERTAINLY CRYSTALLIZE THE
OBLIGATIONS OF THE PARTIES TO PRODUCE IN A TIMELY
FASHION.

THE COURT: AND YOUR PROPOSED OUTSIDE DATE IS
JUNE 15TH?

MR. MANCINI: JUNE 15TH, YES.

THE COURT: CONCEPTUALLY, IS A FIRM DEADLINE BETTER FOR YOU, WHETHER YOU AGREE WITH THE JUNE 15TH DEADLINE OR NOT?

MR. HEMMINGER: WELL, WE CERTAINLY -- AND WHAT WE CAN AGREE TO IS THAT WE WILL BE DONE WITH OUR REVIEW BY JUNE 15TH. I'M NOT SURE WHAT OTHER THIRD PARTIES WOULD SAY OR DO OR WHEN WE WOULD BE ABLE -- SO BY THAT DATE WE COULD HAVE THE DOCUMENTS AVAILABLE FOR THIRD PARTIES TO COME IN AND REVIEW. I DON'T KNOW HOW LONG THEY WOULD TAKE. AND I JUST -- I'M WILLING TO COMMIT TO THE HARD DEADLINE FOR THINGS THAT I CAN CONTROL, BUT NOT THINGS I CAN'T.

MR. MANCINI: SO YOUR HONOR --

THE COURT: HOW MUCH DOES A THIRD PARTY KNOW

ABOUT -- I MEAN, OBVIOUSLY YOU CAN SAY TO THIRD PARTIES,

"WE ARE DOING THIS REVIEW AND WE HAVE A REVIEW THAT WE

HAVE TO DO BY COURT ORDER, AND WE HAVE COMMITTED THAT WE

CAN FINISH OUR REVIEW BY JUNE 15." WHEN CAN THEY START

THEIR REVIEW? IS THERE ANY WAY THAT THEY CAN START IT

EARLIER?

MR. HEMMINGER: AGAIN, I DON'T FULLY KNOW THE SCOPE OF WHAT WE ARE TALKING ABOUT AND THE COMMITMENT THAT BAYTSP WOULD HAVE TO HAVE TO REVIEW THE DOCUMENTS.

SO I DON'T KNOW IF I WOULD HAVE, YOU KNOW, EVERYBODY'S DOCUMENTS AVAILABLE EARLIER. IF WE COULD, WE WOULD, BUT MY GUESS IS IT'S GOING TO BE SOMETHING WE FIRST COLLECT IT, DO A SEARCH, GO THROUGH, DO OUR PRIVILEGE AND RESPONSIVENESS REVIEW TO THEM, AND WE WILL DO THAT ON THE

WHOLE THING. AND WE CAN DO THAT, AS I SAY -- IF WE LOOK AT HISTORY, WHICH WAS IT TOOK US ABOUT SIX MONTHS TO GET IT DONE BASED UPON THIS LIMITED SCOPE.

WE ARE A LITTLE BETTER AT IT. I THINK WE CAN GET SOME EFFICIENCIES. AND INTERNALLY, WE CAN HAVE IT READY FOR THIRD PARTIES TO REVIEW BY JUNE 15TH. WE CERTAINLY WOULD TRY TO GET IT DONE EARLIER IF WE COULD. BUT AS FAR AS A COMMITMENT, THAT'S ALL I CAN COMMIT TO. I DON'T KNOW WHAT A THIRD PARTY IS GOING TO SAY.

THE COURT: CAN YOU DO IT PIECEMEAL? IN OTHER WORDS, YOU CAN DO -- I DON'T KNOW HOW YOU WOULD ...

MR. HEMMINGER: PIECEMEAL ENDS UP BEING LESS EFFECTIVE.

THE COURT: "PIECEMEAL" BEING THIS HUNK, AND
THEN IT'S DONE AND IT'S AVAILABLE TO THE PARTIES, AND
THEN THIS HUNK IS DONE AND AVAILABLE TO THE PARTIES. I
DON'T KNOW HOW YOU DEFINE THE "HUNK."

MR. HEMMINGER: THAT'S THE PROBLEM. WE WOULD
DO THE FILTERING ONCE, OKAY, AND WE WOULD DO ALL OF OUR
SEARCHES ON THE ONE THING. TO TRY TO DO IT IN PIECES,
YOU DON'T GET TO SEE THEN WHEN THERE ARE DUPLICATE
DOCUMENTS AND THINGS BECAUSE -- THE DATABASE IS PRETTY
GOOD, BUT YOU CAN SIT THERE AND, OKAY, HERE'S ALL THESE
DOCUMENTS THAT LOOK LIKE THEY ARE SIMILAR. OUR REVIEW IS
BETTER IF WE DO IT ONLY ONCE RATHER THAN COMING IN AND

LOOKING AT THEM MULTIPLE TIMES.

MR. MANCINI: SO I THINK YOUR HONOR'S

SUGGESTION IS A GOOD ONE. THERE OUGHT TO BE SOME ROLLING

OR PARALLEL-BASIS THAT THEY CAN MAKE THESE DOCUMENTS

AVAILABLE TO THESE VARIOUS THIRD PARTIES SO THAT WE CAN

HAVE PRODUCTION ON JUNE 15TH. OTHERWISE, I FEAR THAT IF

THEY ARE FIRST GOING TO MAKE THEM AVAILABLE ON JUNE 15TH,

THERE COULD BE ANOTHER SEVERAL-MONTH DELAY FOR THESE

THIRD PARTIES TO REVIEW. WHY NOT HAVE PARALLEL

PRODUCTION TO THESE THIRD PARTIES SO THEY CAN REVIEW IT

AT THE SAME TIME, AND WE CAN GO BE DONE BY JUNE 15TH.

MR. HEMMINGER: WE CAN'T HAVE PARALLEL
PRODUCTION BECAUSE I CAN'T GIVE -- JUST LIKE I CAN'T GIVE
VIACOM HBO'S INFORMATION TO LOOK AT, I CAN'T GIVE FOX
HBO'S INFORMATION. SO WE HAVE TO GO THROUGH, DO OUR
REVIEW, THEN SORT THEM OUT. AND IT JUST -- TO TAKE A
REVIEW AND, FOR EXAMPLE, SEARCH ON ENTITIES FOR ANY ONE
OF THESE PEOPLE, WE END UP LOOKING AT THEM TWICE. WHILE
IT WOULD BE NICE TO DO THAT, THAT IS NOT THE REALITIES OF
ELECTRONIC DISCOVERY.

ELECTRONIC DISCOVERY IS A MARVELOUS THING FOR HANDLING LARGE GROUPS OF DOCUMENTS, LETS YOU LOOK AT THEM, BUT IT DOESN'T NECESSARILY MAKE THE TASK THAT MUCH QUICKER. IT ALLOWS YOU TO DO SOMETHING THAT YOU COULDN'T DO, WHICH IS TO LOOK AT --

THE COURT: BUT TO SEARCH IT, YOU PUT A SEARCH TERM INTO IT AND PULL THINGS OUT, RIGHT?

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MR. HEMMINGER: WE COME UP WITH SEARCH TERMS;
WE FILTER IT ON THAT. AND THEN WHEN YOU HAVE A MILLION
DOCUMENTS, OKAY, THEN YOU HAVE TO START MANIPULATING
THOSE AND YOU LOOK AT ALL OF THOSE AND YOU DO YOUR
SEARCHES. AND IF WE BREAK IT UP INTO PIECES, WE ARE
GOING TO BE DOING THOSE SEARCHES MULTIPLE TIMES AND NOT
GETTING THE BENEFIT OF LOOKING AT IT IN ITS ENTIRETY
ONCE.

THE COURT: YOU COULDN'T TAKE ONE ENTITY AND
THEN PUT ALL OF THE CATEGORIES THAT YOU ARE LOOKING FOR
AND DO IT FOR THAT ONE ENTITY?

MR. HEMMINGER: THAT IS GROSSLY INEFFICIENT.

YOU COULD, BUT IT'S GROSSLY INEFFICIENT AND WILL END UP

COSTING A LOT MORE MONEY TO GO THROUGH IT. I MEAN,

THAT'S THE ISSUE. I MEAN -- AND IT'S JUST -- YOU COULD

DO ANYTHING, BUT IT TAKES TIME AND MONEY. AND THE MORE

YOU BREAK IT UP, THE MORE TIME IT'S GOING TO TAKE.

THE COURT: EXCEPT THEY WOULD HAVE ROLLINGS ON THE END OF IT.

MR. MANCINI: SO YOUR HONOR, THERE MAY BE A SOLUTION. THEY CAN CERTAINLY -- AND I THINK WE HAVE HEARD THIS MORNING A FEW ENTITIES LIKE FOX AND UNIVERSAL -- THEY CAN CERTAINLY PRIORITIZE A FEW SO THAT

WE CAN GET SOME ROLLING PRODUCTION EARLIER. OTHERWISE --

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THE COURT: WELL, DO YOU HAVE PRIORITIES? I MEAN, ARE THERE THINGS THAT YOU ARE MORE INTERESTED IN HAVING FIRST?

MR. MANCINI: OTHER THAN THE LIST THAT WE HEARD THIS MORNING, WE DON'T KNOW THE UNIVERSE THAT WE ARE BIDDING AGAINST. BUT PERHAPS IF WE SAW THAT LIST, WE CAN IDENTIFY THOSE THAT WE WOULD WANT TO PRIORITIZE SO THAT WE CAN GET THEM EVEN EARLIER.

THE COURT: IS THERE ANY REASON YOU CAN'T SIT DOWN AND TALK ABOUT THE LIST SO HE CAN --

MR. HEMMINGER: THE CLIENTS ARE CONFIDENTIAL. I HAVE TO TALK TO THE CLIENTS BEFORE I CAN EVEN TELL YOUTUBE POTENTIAL -- AND WE HAVE HUGE -- I KNOW YOU SAY SIX MONTHS. BY GOLLY, THAT'S A LONG TIME. THAT REQUIRES A WHOLE LOT OF WORK AND PROCESSING. SO I MEAN, EVEN IF WE WERE ABLE TO DO IT IN PIECES, AT MOST WE ARE MAYBE TALKING ABOUT A MONTH EARLIER TO GET THESE BROKEN UP INTO PIECES, WHICH IS IN MY VIEW NOT WORTH JUSTIFYING THE BREAKING UP INTO PIECES.

THE COURT: AND THE CASE MEETS A SCHEDULE IN NEW YORK?

MR. HEMMINGER: I DON'T KNOW.

MR. MANCINI: WELL, THAT'S EXACTLY WHAT I WAS ABOUT TO SAY, YOUR HONOR. ALTHOUGH THERE IS NO

DEFINITIVE SCHEDULE, THE PARTIES ARE SCHEDULING

DEPOSITIONS FOR THE FIRST QUARTER OF '09 NOW. AND AS YOU HAVE HEARD THIS MORNING, THESE DOCUMENTS ARE A GATING ISSUE TO SCHEDULING THESE DEPOSITIONS. SO NOW WE ARE HEARING POSSIBLY BY JUNE 15TH. IT WILL HAVE A DETRIMENTAL IMPACT ON THAT SCHEDULE IF WE MAY NOT BE GETTING DOCUMENTS UNTIL PERHAPS EVEN THREE MONTHS LATER, IF I UNDERSTAND MR. HEMMINGER'S PROPOSAL. YOU ARE TALKING ABOUT SCHEDULING DEPOSITIONS OUT TO THE FALL OF '09, BECAUSE THESE DOCUMENTS ARE ESSENTIAL FOR SOME OF THESE DEPOSITIONS.

THE COURT: AND I TAKE IT THAT THE JUDGE IN NEW YORK DOESN'T YET KNOW ABOUT HOW COMPLEX THIS IS.

MR. MANCINI: I DON'T BELIEVE -- CORRECT.

THE COURT: SO YOU HAVE FURTHER STATUS
CONFERENCES IN FRONT OF HIM?

MR. MANCINI: INDEED. WE HAVE THEM QUITE

REGULARLY ABOUT THE DISCOVERY. THERE IS NO SCHEDULE, BUT

THERE IS A COMMITMENT BY BOTH PARTIES TO SCHEDULE

DEPOSITIONS AS QUICKLY AS POSSIBLE, AND THEY ARE ONGOING.

BUT THIS WILL BE A GATING ISSUE FOR SEVERAL DEPOSITIONS.

THE COURT: SO YOU NEED SIX MONTHS IS WHAT YOU ARE SAYING?

MR. HEMMINGER: IF YOU ARE GOING TO MAINTAIN -AND I STILL WOULD LIKE TO GO THROUGH THESE BECAUSE I

DON'T THINK YOUR COMMENTS, SUCH AS NO. 5 "SHOULD BE NARROWED," MAKES ANY SENSE WHEN YOU HAVE ONES THAT ARE BROADER THAN THAT WHICH SWEEP WITHIN THE SCOPE.

THE COURT: SO LET'S GO THROUGH THEM.

MR. MANCINI: WELL, YOUR HONOR, THERE ARE A COUPLE OF THESE THAT I THINK ARE EASY, AND THEN WE CAN GET DO THAT ARGUMENT.

THE COURT: OKAY.

MR. MANCINI: SO THE NEXT IS THE PRIVILEGE LOG.

AGAIN, RELATING NOW JUST TO VIACOM, IT SEEMS THAT WE HAVE

AN AGREEMENT THAT VIACOM WILL PRODUCE ITS FIRST PRIVILEGE

LOG ON OR ABOUT JANUARY 15TH -- ASSUMING THAT'S NOT A

WEEKEND -- AND THEN A ROLLING PRODUCTION OF PRIVILEGE

LOGS TWO WEEKS THEREAFTER. TWO WEEKS AFTER THE

COMPLETION OF --

THE COURT: JANUARY 15TH IS A THURSDAY.

MR. MANCINI: FINE. SO THE FIRST PRIVILEGE LOG
BY JANUARY 15TH, ROLLING PRIVILEGE LOGS TWO WEEKS AFTER
PRODUCTIONS, WITH THE FINAL ONE TWO WEEKS AFTER THE
COMPLETION DATE OF FEBRUARY 15TH. I THINK WE ARE IN
AGREEMENT ON THAT.

MR. HIBBARD: WE ARE, YOUR HONOR.

THE COURT: OKAY.

MR. MANCINI: SO THE NEXT ITEM IS SEARCH TERMS, YOUR HONOR. IT SEEMS THAT WE HAVE AGREED WITH

MR. HEMMINGER THAT WE WOULD MEET AND CONFER ON A PROCESS WHERE WE WILL BOTH EXCHANGE TOPICS FOR SEARCH TERMS -- NOW THESE ARE AS THEY APPLY TO THIRD PARTIES -- AND THAT WE WILL RESOLVE BY MONTH END TO AGREE ON A DEFINITIVE LIST OF SEARCH TERMS SO IT DOES NOT DELAY THE COLLECTION OF DOCUMENTS FROM THIRD PARTIES.

MR. HEMMINGER: PROVIDED I GET APPROVAL FROM THE THIRD PARTIES TO EVEN REVEAL WHO THEY ARE TO PUT THEIR NAMES IN THE SEARCH.

THE COURT: HOW FAST ARE YOU GOING TO BE ABLE TO DO THAT?

MR. HEMMINGER: YOUR HONOR, I DON'T KNOW.

I DON'T KNOW THE FULL SCOPE OF THE LIST, BUT I WOULD

THINK THAT WITHIN THE NEXT -- BY A WEEK FROM FRIDAY

I COULD GET LETTERS OUT TO EVERYBODY TELLING THEM ABOUT

THE SUBPOENA AND ASKING IF WE COULD REVEAL THEIR NAME TO

YOUTUBE UNDER THE TERMS OF THE EXISTING PROTECTIVE ORDER.

IF THEY WON'T DO IT ON THAT, WE WILL TRY TO FIGURE OUT

WHAT OTHER TERMS WE COULD REVEAL THE INFORMATION FROM.

THE COURT: IF THEY DON'T DO THAT, THEN WHAT?

MR. MANCINI: SO WITH RESPECT TO THAT -- THAT

ACTUALLY TAILS TO THE NEXT ISSUE, WHICH IS A PROTECTIVE

ORDER. WE HAVE SAID TO MR. HEMMINGER THAT WE ARE HAPPY

TO SIT WITH HIM AND CONSIDER SUGGESTIONS THAT HE HAS TO

THE PROTECTIVE ORDER, PERHAPS CHANGE THE VENUE IF HE

WANTS, OR PERHAPS HAVE A THIRD-PARTY-SPECIFIC PROTECTIVE ORDER. WE THINK THAT THAT SOLVES ALL OF THESE THIRD PARTY CONFIDENTIALITY CONCERNS. IF HE WANTS TO VENUE IT HERE, WE ARE AMENABLE TO THAT, BUT WE SHOULD DO THAT QUICKLY SO THAT TOO IS NOT A GATING ISSUE.

THE COURT: THEN YOU WOULD HAVE A PROTECTIVE ORDER TO TAKE TO THE INDIVIDUALS TO SAY "THIS IS THE PROTECTION ORDER." THAT WOULD MAKE IT EASIER FOR YOU, PROBABLY.

MR. HEMMINGER: WELL, WHAT I WOULD DO INITIALLY
IS SEE IF THEY WOULD AGREE TO THE EXISTING PROTECTIVE
ORDER -- AT LEAST REVEALING THEIR NAMES, WE COULD GET THE
SEARCH TERMS. AND WE WOULD WORK QUICKLY TRYING TO COME
UP WITH NEW TERMS AND SO FORTH FOR THE PROTECTIVE ORDER
THAT WE HOPE WOULD SATISFY OUR CUSTOMERS.

THE COURT: SO LET'S SET A SCHEDULE FOR WORKING
ON A PROTECTIVE ORDER BECAUSE THAT SEEMS THAT THAT'S KIND
OF IMPORTANT TO DO.

MR. MANCINI: WE WOULD ACTUALLY SUBMIT, YOUR
HONOR -- BECAUSE WE HAVE DONE THIS MANY TIMES -- THAT WE
WOULD ACTUALLY SUBMIT SOMETHING TO YOUR HONOR BY MONTH
END, WHICH SHOULD NOT BE A DIFFICULT THING TO DO.

THE COURT: WELL, YOU NEED TO DO A LOT OF MEET

AND CONFER ABOUT IT TO MAKE SURE THAT ALL OF THE ISSUES

ARE RESOLVED.

1 MR. HEMMINGER: I THINK MONTH END IS REASONABLE TO SUBMIT A PROTECTIVE ORDER OR COME TO YOU WITH ANY 3 ISSUES WE HAVE. THE COURT: "MONTH END" BEING THE DECEMBER MONTH? MR. HEMMINGER: YES. 7 THE COURT: WELL, IT'S A COMPLICATED MONTH, AND 8 I WANTED TO MAKE SURE THAT'S WHAT YOU MEANT. 9 MR. MANCINI: YES. 10 MR. HEMMINGER: YES, I DID MEAN DECEMBER. 11 THE COURT: SO DECEMBER 31ST? 12 MR. MANCINI: YES. PERHAPS WE SHOULD JUST SAY 13 THE 30TH, YOUR HONOR, FOR THE HOLIDAY. 14 THE COURT: RIGHT. SINCE YOU WOULD PROBABLY 15 LIKE TO GO PARTY, PERHAPS. 16 MR. MANCINI: AT LEAST MY KIDS WOULD. 17 MR. HEMMINGER: DEPENDING ON YOUR RULING, I 18 WON'T BE PARTYING MUCH. 19 THE COURT: YOUR LIFE IS FILLED WITH THIS, SO 20 YOU HAVE ALWAYS GOT TO TAKE OCCASIONS IN THE MIDDLE OF IT 21 TO PARTY. 22 MR. MANCINI: SO YOUR HONOR, I BELIEVE WE HAVE WORKED OUT THE ITEMS THAT WE ARE ABLE TO. 23 I THINK MR. HEMMINGER WANTS TO SPEAK TO THIRD 24

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PARTY DISCOVERY.

THANK YOU, YOUR HONOR.

THE COURT: THANK YOU.

MR. HEMMINGER: YOU INDICATED IN YOUR TENTATIVE
THAT YOU THOUGHT NO. 5 WOULD HAVE TO BE NARROWED. AND
NO. 5 TALKS ABOUT ALL DOCUMENTS AND COMMUNICATIONS
CONCERNING BAYTSP'S RELATIONSHIP WITH ANY THIRD PARTY
CONCERNING THE MONITORING, SEARCHING OR SCREENING OF THE
YOUTUBE WEB SITE FOR ALLEGED VIOLATIONS, INCLUDING BUT
NOT LIMITED TO, SERVICE CONTRACTS, INVOICES OR
AGREEMENTS. MAYBE GETTING SOME INFORMATION TO YOU AS FAR
AS NARROWING WILL HELP ME IN EXPLAINING WHAT THESE ARE.
WHAT WERE YOUR THOUGHTS THAT THIS NEEDED TO BE NARROWED?

THE COURT: WELL, TO LIMIT THE PRODUCTION TO VIACOM AND VIACOM-RELATED ENTITIES. IS THAT ONE WAY OF LIMITING IT? I MEAN, I'M KIND OF SHOOTING IN THE DARK WHEN I COME UP WITH LIMITING, SINCE I DON'T KNOW AS MUCH ABOUT THIS AS YOU DO.

MR. HEMMINGER: AND IN FACT, WE HAVE NO PROBLEM AND WE HAVE COLLECTED UP THE DOCUMENTS RESPONSIVE TO THE REQUEST, NOTWITHSTANDING OUR OBJECTIONS FOR THE VIACOM AND VIACOM-RELATED ENTITIES AND THE FOOTBALL LEAGUE THINGS. WE HAVE ALREADY DONE THAT NARROWING.

THE COURT: OKAY.

MR. HEMMINGER: AND IF THAT, IN FACT, IS A NARROWING, CAN WE LOOK AT NO. 1? IT SAYS, "ALL DOCUMENTS

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AND COMMUNICATIONS CONCERNING BAYTSP'S MONITORING,
SEARCHING OR SCREENING OF YOUTUBE." THAT THEN JUST
BRINGS BACK EVERYTHING THAT WE WERE TALKING ABOUT IN
NO. 5 AND EVERYTHING. IT RELATES TO ALL COMMUNICATIONS
WITH THIRD PARTIES AND, YOU KNOW, A HUGE PIECE OF OUR
BUSINESS. SO THIS IS WHERE WE GET INTO ALL OF THESE
ISSUES WITH THESE THIRD PARTIES AND THEN THEIR LACK OF
RELEVANCE.

THE COURT: "ALL DOCUMENTS AND COMMUNICATIONS

CONCERNING MONITORING, SEARCHING AND SCREENING OF

YOUTUBE." SO WHAT DOES THAT MEAN TO YOU? BECAUSE IT'S

HARD FOR ME TO TELL WITH THESE AS TO WHAT THAT MEANS FROM

YOUR POINT OF VIEW.

MR. HEMMINGER: THAT MEANS EVERY CLIENT, EVERY CUSTOMER WE HAVE THAT HAS WITHIN IT ANYTHING RELATING TO "PLEASE GO OUT AND MONITOR OUR CONTENT" BECAUSE YOUTUBE OBVIOUSLY IS A SITE THAT'S MONITORED. SO THAT THEN JUST BRINGS IN ALL OF THE EFFORT -- PROBABLY EVERYTHING AT BAYTSP.

THE COURT: IS THERE ANY WAY THAT THAT CAN BE MORE SPECIFIC?

MR. KRAMER: YOUR HONOR, DAVID KRAMER FROM WILSON SONSINI. MAY I SPEAK TO THESE ISSUES?

THE COURT: SURE.

MR. KRAMER: THANK YOU, YOUR HONOR.

YOUR HONOR, THAT REALLY IS THE WHOLE BALL OF WAX HERE. THE QUESTION IS, THIS IS A COMPANY WHOSE EXISTENCE IS MONITORING THE ONLINE WORLD FOR ALLEGED INSTANCES OF COPYRIGHT INFRINGEMENT. VIACOM'S ALLEGATIONS IN THIS CASE, COUPLED WITH THE PLAINTIFF PUTATIVE CLASS ACTION ALLEGATIONS IN THIS CASE, ARE THAT YOUTUBE IS A PIRATE SITE, THAT YOUTUBE IS RIFE WITH INFRINGING CONTENT, THAT YOUTUBE KNOWS SIMPLY BY VIRTUE OF SEEING THE CONTENT THAT IT IS UNAUTHORIZED INFRINGING CONTENT -- NOT JUST FOR VIACOM, BUT YOUTUBE SHOULD KNOW SIMPLY BY SEEING A PARTICULAR PIECE OF PROFESSIONAL CONTENT THAT THAT CONTENT IS UNAUTHORIZED. AND BECAUSE OF THAT, YOUTUBE SHOULD BE HELD LIABLE FOR COPYRIGHT INFRINGEMENT FOR ALL VIACOM CONTENT THAT'S ON THE SERVICE AND FOR ALL OF THE PUTATIVE CLASS PLAINTIFFS' CONTENT THAT'S ON THE SERVICE.

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AND I SHOULD POINT OUT THE PUTATIVE CLASS

ACTION HERE IS ON BEHALF OF EVERY COPYRIGHT HOLDER IN THE
WORLD CLAIMING THAT THEIR CONTENT HAS BEEN UPLOADED TO
YOUTUBE WITHOUT AUTHORIZATION. NO CLASS VERIFICATION
YET, BUT THAT'S THE SCOPE OF THE CASE THAT WE ARE DEALING
WITH.

BAYTSP SPENDS ITS DAYS REVIEWING YOUTUBE
LOOKING FOR CONTENT -- BAYTSP -- ON BEHALF OF NOT JUST
VIACOM, BUT ALL SORTS OF THIRD PARTIES. AND WHAT IS

CRITICAL IN THIS CASE IS THAT THIRD PARTIES AND VIACOM
USE YOUTUBE FOR ITS PROMOTIONAL VALUE. THEY FLOOD THE
SERVICE WITH CONTENT THEY PUT THERE THEMSELVES; THEY WANT
IT TO BE THERE. AND THEN THEY HAVE TO TELL BAYTSP,
"WELL, HERE'S THE CONTENT WE WANT ON YOUTUBE. DON'T TAKE
THIS CONTENT DOWN. HERE'S THE CONTENT WE DON'T WANT. GO
GET THIS CONTENT OFF."

IN ORDER TO DEMONSTRATE THE SCALE OF THAT

ISSUE, WHAT WE CALL STEALTH OR VIRAL MARKETING, IT'S

CRITICAL THAT WE NOT JUST BE LIMITED TO WHAT VIACOM IS

DOING. ALTHOUGH WE ARE QUITE SURE THAT THERE IS A

SIGNIFICANT AMOUNT OF STEALTH AND VIRAL MARKETING BY

VIACOM, WE NEED TO BE ABLE TO PRESENT THE PICTURE TO THE

JURY THAT REFUTES THE SUGGESTION THAT YOUTUBE SHOULD KNOW

IT WHEN IT SEES IT. BECAUSE THERE IS THIS UNIVERSE OF

CONTENT OWNERS IN THE WORLD FILLING YOUTUBE WITH CONTENT

THAT IS AUTHORIZED, THAT THEY WANT TO BE THERE. THERE IS

A HOST OF OTHER CONTENT THAT THE WORLD OF CONTENT OWNERS

IS AWARE OF ON YOUTUBE AND INSTRUCTS BAYTSP NOT TO

REMOVE.

SO THAT'S WHY THESE REQUESTS SWEEP NOT JUST TO VIACOM, BUT TO THE ACTIVITIES OF OTHER PARTIES WHOM BAYTSP REPRESENTS. BAYTSP WILL HAVE THE INSTRUCTIONS THAT THESE PARTIES PROVIDE SAYING, "THIS IS AUTHORIZED CONTENT. ALL OF THIS CONTENT IS AUTHORIZED. THIS

CONTENT WE WANT YOU TO TAKE DOWN."

THERE'S MORE, AND WE DISCUSSED THIS IN OUR

SEPARATE STATEMENT AT SOME LENGTH -- IT'S ON PAGE 3 AND 4

OF OUR REPLY BRIEF IN SOME DETAIL -- AND IT WAS NOT

RESPONDED TO BY BAY.

ANOTHER CRITICAL ISSUE IS, AND MR. MANCINI
REFERENCED IT IN HIS REMARKS, BUT WHEN BAYTSP TAKES STUFF
DOWN, THEY ROUTINELY MAKE MISTAKES. IT'S NOT A HANDFUL
OF EXAMPLES THAT WE PUT INTO THE COURT AS EXAMPLES; IT'S
ON A REGULAR BASIS. POSSESSED OF ALL OF THE INFORMATION
THAT BAYTSP HAS ABOUT WHO OWNS WHAT AND WHETHER CONTENT
IS AUTHORIZED, BAYTSP ROUTINELY SENDS NOTICES TO YOUTUBE
ASKING IT TO REMOVE STUFF THAT THE USER HAD EVERY RIGHT
TO POST, THAT'S THERE WITH AUTHORIZATION. AND THAT
DEMONSTRATES AGAIN THAT YOUTUBE CAN'T POSSIBLY KNOW WHEN
IT'S LOOKING AT CONTENT ON THE SERVICE WHETHER OR NOT
IT'S AUTHORIZED.

IF BAYTSP CAN'T KNOW -- ACTING AS THE AGENT FOR THESE COPYRIGHT HOLDERS -- WHETHER CONTENT IS OR IS NOT AUTHORIZED, THEN IT ROUTINELY IS MAKING MISTAKES. SURELY YOUTUBE, WHICH IS MERELY A PASSIVE REPOSITORY FOR CONTENT THAT USERS ARE UPLOADING TO THE SERVICE -- HOW IS YOUTUBE SUPPOSED TO KNOW?

THAT KNOWLEDGE ISSUE, "YOU KNOW IT WHEN YOU SEE IT," IS CRITICAL TO VIACOM'S CLAIMS; IT'S CRITICAL TO

YOUTUBE'S DEFENSES.

THE COURT: IT'S LIKE YOU DON'T EVEN KNOW IT WHEN YOU SEE IT.

MR. KRAMER: OH, CERTAINLY NOT, YOUR HONOR.

CERTAINLY, YOUTUBE CAN'T KNOW IT WHEN IT SEES IT BECAUSE

VIACOM IS ROUTINELY UPLOADING THIS CONTENT ITSELF TO THE

YOUTUBE SERVICE, OR WHEN IT'S AWARE OF THAT CONTENT ON

THE SERVICE, CHOOSING TO LEAVE IT THERE AND INSTRUCTING

ITS AGENT NOT TO TAKE IT DOWN, EVEN IF VIACOM DIDN'T PUT

IT THERE ITSELF.

SO THAT'S WHAT'S AT ISSUE WITH BAYTSP, AND THAT KNOWLEDGE ISSUE IS ONE OF THE MOST IMPORTANT PARTS OF THE CASE. MR. MANCINI STARTED HIS REMARKS BY SAYING THE DOCUMENTS SOUGHT FROM BAYTSP ARE AMONG THE MOST IMPORTANT IN THE CASE. HE IS NOT OVERSTATING THE ISSUE.

THERE IS ONE OTHER POINT TO MAKE HERE, AND THAT IS WITH RESPECT TO THE WAY THAT YOUTUBE COMPARES TO OTHER ONLINE SERVICES. AS I SAID, VIACOM IN THE PUTATIVE CLASS WANTS TO PAINT YOUTUBE AS A PIRATE SITE, AS A SITE THAT WANTS TO BENEFIT FROM COPYRIGHT INFRINGEMENT. IN FACT, YOUTUBE DOES FAR MORE THAN ANY OTHER SITE ON THE INTERNET, AS FAR AS WE CAN TELL, TO PROTECT THE RIGHTS OF COPYRIGHT OWNERS. THEY ARE FAR MORE RESPONSIVE THAN ANY OTHER SITE, AS FAR AS WE KNOW, TO REQUESTS TO REMOVE CONTENT. THEY HAVE FAR BETTER TOOLS.

AND BAYTSP'S INTERNAL DOCUMENTS -- BECAUSE THEY ARE CHARGED NOT WITH JUST POLICING YOUTUBE, BUT POLICING THE ENTIRE WEB -- BAYTSP'S INTERNAL DOCUMENTS WILL SHOW HOW MUCH BETTER YOUTUBE IS THAN ALL OF THESE OTHER SITES AND -- WE THINK -- UNDERMINE VIACOM'S POSITION THAT YOUTUBE IS A SLACKER, THAT YOUTUBE WANTS THIS STUFF ON THE WEB. YOUTUBE IS IN FACT AN INDUSTRY LEADER.

SO THAT'S A BRIEF SUMMARY. AS I SAY, IT'S IN
OUR PAPERS, AND IT WAS NOT RESPOND TO DO, BUT I THOUGHT I
WOULD PROVIDE THAT CLARIFICATION.

MR. HEMMINGER: WELL, WE DISAGREE IT WAS NOT RESPONDED TO -- PERHAPS NOT IN GREAT DETAIL.

HOWEVER, A COUPLE OF POINTS HAVE COME UP. HE
HAS INDICATED HE WANTED INSTRUCTIONS -- WELL, PERHAPS IF
WE WERE LIMITED TO THE INSTRUCTIONS. ALSO, HE IS TALKING
ABOUT WHEN THERE WERE COMMUNICATIONS BACK FROM THE
COPYRIGHT HOLDER AS TO A COMPLAINT THAT, I'M SORRY, I
THINK IT WAS IMPROPERLY -- I THINK IT WAS PROPERLY POSTED
AND WE THINK IT IS NOT SOMEBODY'S COPYRIGHT, LIMITED TO
THE COMMENTS BACK. IF THOSE ARE THE TYPES OF THINGS THEY
ARE TALKING ABOUT, IT IS MUCH EASIER TO GO THROUGH ON A
MUCH SMALLER SCOPE TO GO FIND THOSE TYPES OF DOCUMENTS.

THERE'S ANOTHER ISSUE THAT COMES UP, WHICH WE REALLY HAVEN'T TALKED ABOUT, BECAUSE PREVIOUSLY THE AGREEMENT WAS THE SCOPE WOULD BE LIMITED TO YOUTUBE.

THERE ARE OTHER CLIENTS THAT BAYTSP HAS, MOVIE

MANUFACTURERS -- OR PRODUCERS THAT MAKE THE FILMS. AND I

MENTIONED EARLIER THAT WE HAVE CLIENTS WHO WANT TO KNOW

WHEN AND WHERE A DIGITAL COPY OF A MOVIE SHOWED UP ON THE

INTERNET. NOW, THAT HAS ABSOLUTELY NOTHING TO DO WITH

THE YOUTUBE-TYPE SITE FOR THE POSTING. THIS IS ACTUALLY

INFORMATION ABOUT WHERE, IN FACT, PEOPLE ARE -- IT'S A

SERVICE CALLED FIRST SOURCE WHERE BAYTSP SAYS, "WHICH WEB

SITE WAS THE FIRST SOURCE FOR THE DOWNLOAD OF -- FOR THE

LAST RELEASE OF THE JAMES BOND MOVIE," SO THAT THEN THE

COPYRIGHT OWNER COULD FIGURE OUT IF THEY WANT TO PROCEED

OR WHAT PROTECTION. THAT HAS NOTHING TO DO WITH THE

ISSUES IN THIS LAWSUIT.

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SO THE THING IS THEN TO LIMIT THAT AND ELIMINATE THE WORK THAT BAYTSP IS DOING FOR MOVIE PRODUCERS AND/OR DISTRIBUTORS IN THAT REGARD, BECAUSE IT'S COMPARING APPLES AND ORANGES.

AND I THINK, IF I HEARD COUNSEL RIGHT, IT'S THE INSTRUCTIONS AND THE COMMENTS BACK THAT THEY THINK ARE THE MOST RELEVANT. I'M GOING TO WITHHOLD MY COMMENTS WITH REGARD TO WHETHER I THINK THEY ARE RELEVANT, BUT AT LEAST THAT WOULD PUT A LIMIT ON THE INFORMATION THAT THEY ARE GOING -- AND STREAMLINE THE ABILITY TO, ONE, GET APPROVAL FROM THE CLIENTS, AND TWO, PRODUCE THEM AND GET THE DOCUMENTS TO THEM SOONER.

MR. KRAMER: SORRY, YOUR HONOR, DOING THIS ON
THE FLY AND NARROWING IT IS VERY DIFFICULT. AS I SAID,
THIS WASN'T IN OUR -- THIS WASN'T IN THEIR PAPERS AND IT
WAS IN OURS, AND THESE REQUESTS HAVE BEEN OUTSTANDING FOR
MORE THAN A YEAR.

THE COURT: NO, AND THIS ENDED UP BEING A MUCH BIGGER MONSTER THAN IT LOOKED LIKE ON PAPER WHEN I WALKED OUT HERE.

MR. KRAMER: I UNDERSTAND, YOUR HONOR. I UNDERSTAND, AND I APOLOGIZE FOR IT BEING THE MONSTER THAT IT IS, BUT WE ARE DEALING WITH IT IN THE DAY-TO-DAY OF THE LITIGATION.

THE COURT: BUT ABSOLUTELY. I MEAN, THERE ARE A LOT OF ISSUES HERE WE ARE GOING TO HAVE TO ADDRESS AND THEN PARSE THEM OUT.

MR. KRAMER: SO WITH RESPECT TO THE FIRST

SOURCE SERVICE, YOU KNOW, THINKING ABOUT IT, AS I SAY,

"ON THE FLY," I CAN THINK OF REASONS WHY THAT ACTUALLY

WOULD BE RELEVANT, BECAUSE PARAMOUNT IS ONE OF THE

PLAINTIFFS IN THIS ACTION. PARAMOUNT WANTS TO KNOW WHEN

AND WHERE ITS MOVIES APPEARED ONLINE. IF A PORTION OF

THAT MOVIE APPEARED ON YOUTUBE AND PARAMOUNT IS CHOOSING

TO SUE YOUTUBE OVER THAT ALLEGED INFRINGEMENT, THEN WHEN

AND WHERE THAT CONTENT APPEARED FIRST ONLINE WILL THEN

FORM THE QUESTION OF HOW LONG IT'S BEEN THERE, WHETHER

VIACOM TOOK STEPS TO MITIGATE DAMAGES, WHETHER IT

ACTUALLY REQUESTED THE REMOVAL OF THE CONTENT FROM THE

ORIGINAL SOURCE.

1.0

IF VIACOM, KNOWING THROUGH FIRST SOURCE THAT
ITS CONTENT WAS ON THE WEB JANUARY OF 2004, DID NOTHING
ABOUT IT AND CHOSE TO LEAVE IT THERE FOR FOUR YEARS, IT'S
HARDLY IN A POSITION TO CLAIM THAT IT WAS DAMAGED TO THE
TUNE OF HUNDREDS OF THOUSANDS OF DOLLARS BY HAVING A
SHORT CLIP OF THAT FILM ACCESSIBLE THROUGH YOUTUBE.

SO I CAN MAKE RELEVANCE ARGUMENTS TO THE STUFF THAT I'M HEARING FOR THE FIRST TIME, BUT THESE ARE THE KINDS OF THINGS THAT SHOULD HAVE BEEN RAISED DURING THE MEET-AND-CONFER PROCESS, AND WEREN'T.

THESE ARE ISSUES THAT AT THIS POINT WE HAVE NO CHOICE BUT TO COME TO THE COURT AND REQUEST. I'M NOT ASKING THAT THE COURT LIMIT THIS. IN FACT, I'M ASKING THAT THE COURT NOT LIMIT THIS TO INSTRUCTIONS AND COMMENTS.

I HAVE NO IDEA HOW BAYTSP KEEPS ITS DOCUMENTS.

THEY MAY HAVE HOARDS OF E-MAIL IN BETWEEN PEOPLE THAT

WORK FOR THE COMPANY TALKING ABOUT HOW GREAT YOUTUBE IS.

THAT'S NOT AN INSTRUCTION. THAT'S NOT A COMMENT. I

WON'T KNOW ABOUT THAT, AND I WANT THAT DOCUMENT. SO WE

CRAFTED THE REQUESTS THE WAY THAT WE DID IN AN EFFORT TO

GET AT DOCUMENTS THAT ARE REASONABLY CALCULATED -- THE

REQUESTS ARE REASONABLY CALCULATED TO LEAD TO THE DISCOVERY OF ADMISSIBLE EVIDENCE.

WITH RESPECT TO REQUEST NO. 5, WHICH I THINK
YOUR HONOR ALLUDED TO AS ONE THAT SHOULD BE NARROWED, I
BELIEVE THAT THAT REQUEST REALLY IS WHAT WE NEED. I
REALLY BELIEVE THAT WE NEED TO KNOW HOW THESE THIRD
PARTIES ARE MONITORING THE YOUTUBE SERVICE. I DON'T KNOW
THAT WE NEED -- NO, I'M SORRY. I BELIEVE THAT THAT'S
EXACTLY WHAT I'M TALKING ABOUT. HOW THESE THIRD PARTIES
ARE USING BAYTSP TO MONITOR THE YOUTUBE SERVICE IS AS
RELEVANT AS ANY DOCUMENT -- AS RELEVANT AS ANY DOCUMENT
THERE IS IN THIS CASE.

THE COURT: SO THIS ONE IS "ALL DOCUMENTS AND COMMUNICATIONS CONCERNING YOUR RELATIONSHIP WITH ANY THIRD PARTY CONCERNING THE MONITORING, SEARCHING, SCREENING OF WWW.YOUTUBE.COM FOR ALLEGED COPYRIGHT VIOLATIONS INCLUDING, BUT NOT LIMITED TO, ANY SERVICE CONTRACTS INVOICES AND AGREEMENTS." I GOT THE IMPRESSION THAT IN A MEET AND CONFER, THERE WAS SOME NARROWING OF THIS. IS THAT --

MR. HEMMINGER: YOUR HONOR, THERE WAS. AND HE WASN'T INVOLVED IN ANY OF THE MEET AND CONFERS. AND IN THE FIRST MEET AND CONFER, QUITE FRANKLY, WE TALKED ABOUT THESE ISSUES ABOUT FIRST ALERT WITH SHANE & COOK AT THE TIME. SO I UNDERSTAND HE WASN'T INVOLVED AND WASN'T

AWARE, BUT THESE ARE NOT BEING RAISED FOR THE FIRST TIME.
WE HAVE HAD LENGTHY --

AGREEMENT.

THE COURT: MY UNDERSTANDING IS THERE WAS SOME NARROWING CONCERNING THE PRODUCTION OF VIACOM AND VIACOM-RELATED ENTITIES.

MR. HEMMINGER: THAT WAS WHAT THE AGREEMENT WAS, AND THAT IS WHAT WE HAVE COLLECTED UP TO PRODUCE.

THE COURT: BUT THAT WASN'T IN THE AGREEMENT?

MR. KRAMER: NO. CERTAINLY NOT, YOUR HONOR.

ABSOLUTELY, POSITIVELY NOT. WE COULD NOT POSSIBLY HAVE
ENTERED INTO THAT AGREEMENT. THE OTHER INFORMATION IS
FAR TOO IMPORTANT TO US TO HAVE ENTERED INTO THAT

I WOULD SAY THAT THE DISCUSSIONS THE PARTIES

HAD DURING THIS MEET-AND-CONFER PROCESS WERE INTENDED TO

SEGMENT PRODUCTIONS SO THAT THE STUFF THAT WAS MOST

IMPORTANT WOULD BE PRODUCED FASTEST AND WOULD BE

AVAILABLE TO US FOR USE IN DEPOSITIONS. THEY WERE ALL

CONDITIONED ON THE IDEA THAT, "OKAY, YOU GOT THE SUBPOENA

IN SEPTEMBER OF '07. IF YOU GIVE US THESE DOCUMENTS BY

FEBRUARY OF '07, GREAT, WE CAN WAIT ON SOME OTHER

DOCUMENTS. BUT THESE ARE THE ONES YOU SHOULD PRIORITIZE.

THESE ARE THE ONES WE CAN WAIT ON." WE DIDN'T GET ANY.

THIS WAS THE BACK AND FORTH OF THE MEET-AND-CONFER

PROCESS. IT WAS ALL CONDITIONED ON TIMELY COMPLIANCE

WITH THE SUBPOENA, AND OBVIOUSLY WE HAVEN'T GOTTEN THAT.

MR. HEMMINGER: WELL, AGAIN, HE WASN'T INVOLVED IN THE MEET AND CONFERS, AND THERE WAS NEVER A DISCUSSION ABOUT THE DATE, "WE'LL AGREE TO THIS IF YOU GET IT BY SUCH AND SUCH." I THINK THE RECORD -- YOU HAVE GOT ALL THE COMMUNICATIONS. YOU CAN SEE ALL THE EFFORTS AND DISCUSSIONS THAT WENT BACK AND FORTH WITH REGARD TO NARROWING AND HOW WE GOT TO THE POINT WHERE WE ARE AT. I DON'T REALLY WANT TO BELABOR IT.

WHAT I AM TRYING TO DO NOW IS TO PUT THIS TO A REASONABLE SCOPE OF TRULY DOCUMENTS THAT THEY KNOW THAT THEY WANT. THE COMMENT ABOUT THIS FIRST SOURCE AND PARAMOUNT, QUITE FRANKLY, BECAUSE PARAMOUNT IS IN FACT A VIACOM ENTITY, AS PART OF OUR AGREEMENT, THOSE TYPES OF DOCUMENTS WERE MADE AVAILABLE. I, HOWEVER, THINK THAT THOSE DOCUMENTS MAY BE BEING WITHHELD ON WORK PRODUCT BECAUSE A DECISION AS TO WHAT A CLIENT DOES WITH THE INFORMATION WITH REGARD TO SOMETHING TOTALLY DIFFERENT THAN, YOU KNOW, THE ISP IS -- WHERE UNDER THE SAFE HARBOR ACT, "WHAT DO I DO WITH THE UNDERLYING INDIVIDUAL?" THAT IS A LITIGATION QUESTION AND DEALS WITH MENTAL IMPRESSIONS OF THE CLIENTS AS TO WHAT THEY DO.

SO THIS OPENS UP A HUGE CAN OF WORMS, WHICH WE HAVE NO TROUBLE WITH BECAUSE VIACOM IS A PLAINTIFF; THEY CAN GO IN AND PROTECT THEMSELVES. OUR OTHER CLIENTS AND

CUSTOMERS ARE NOT IN THAT SITUATION, AND THE BURDEN THAT THIS IS GOING TO PUT ON THEM IS HUGE.

AND AGAIN, THIS -- IN THESE TIMES WITH THIS

ECONOMIC SITUATION WHERE EVERYBODY IS LAYING OFF -- AND

BAYTSP HAS HAD TO LAY OFF -- TO REQUIRE US TO GO IN AND

SAY, "I'M SORRY. NOW IF YOU USE US, YOU ARE GOING TO

HAVE TO GIVE UP ALL YOUR DOCUMENTS AND GET INVOLVED IN

THIS VIACOM/GOOGLE HUGE LAWSUIT" WHEN THEY REALLY HAVE NO

SAY IN IT, IT IS JUST OUTRAGEOUSLY BROAD.

AND THE COMMENT THAT, "WELL, IT MAY NOT BE
WORTH \$100,000," THAT'S A MISREPRESENTATION, YOUR HONOR,
OF WHAT THE CASE IS ABOUT. AND I'VE READ THE COMPLAINTS
AND I HAVE GOT SOME SENSE OF THE ANSWERS AND SO FORTH
ABOUT WHAT'S GOING ON, MORE THAN YOU HAVE HAD THE
OPPORTUNITY TO DO. SO I UNDERSTAND.

BUT WHAT YOU HEAR, THE CRITICALITY IN THESE
THINGS, QUITE FRANKLY, I CAN'T ADDRESS, BUT KNOWING WHAT
I KNOW ABOUT READING THE COMPLAINT, THESE ARE GROSS
OVERSTATEMENTS OF THE NEED FOR THESE TYPES OF DOCUMENTS.
AND, IN FACT, IF THEY NEEDED THEM, THE WAY TO GO IS NOT
BACK TOWARD -- THROUGH SMALL LITTLE BAYTSP AND DESTROY
ITS BUSINESS.

IF ONE WERE TO STEP BACK AND LOOK AT IT -- I
MEAN, THIS IS YOUTUBE SAYING, "GOD, YOU KNOW, BAYTSP,
THEY ARE ONE OF THE PEOPLE THAT SEND US A HUGE NUMBER OF

TAKEDOWN NOTICES. IF WE CAN GET RID OF THEIR BUSINESS,
IT'S GOING TO MAKE OUR LIFE EASIER." SO IF YOU WANT TO
CAST ASPERSIONS, WHICH I HAVE BEEN TRYING TO AVOID DOING,
THE TACTIC OF NOT GOING TO THE PEOPLE WHO ACTUALLY ARE
DOING COPYRIGHT PROTECTION, THE ACTUAL COPYRIGHT OWNERS,
INSTEAD GOING TO SOME THIRD PARTY WHO HAPPENS TO ONLY BE
AN AGENT UNDER THE COPYRIGHT ACT TO DO THE THINGS FOR
THEM, IS CIRCUMVENTING, AND IN OUR VIEW IS JUST BAD
FAITH, QUITE FRANKLY.

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GO TO THE CONTENT PROVIDERS, ASK FOR ALL OF
THEIR DOCUMENTS RELATING TO COPYRIGHT PROTECTION AND THE
INSTRUCTIONS AND THE THINGS THEY DO, AND THEN THEY DON'T
HAVE TO WORRY ABOUT WHAT GOES IN BETWEEN AND PIECEMEAL
EFFORTS AND SO FORTH.

AN ORDER ORDERING US FOR THE NEXT SIX MONTHS TO SPEND TIME GOING THROUGH ALL OF THIS, CONTACTING ALL OF OUR CUSTOMERS, IS GOING TO HAVE A DEVASTATING EFFECT ON BAYTSP'S BUSINESS. AND IT'S JUST NOT JUSTIFIED BY THE RELEVANCE HERE. YOU ARE HEARING, YOU KNOW, VERY GREAT RHETORIC. HE IS DOING A GOOD JOB EXPLAINING HOW HORRIBLE AND HOW CRITICAL THESE ARE. QUITE FRANKLY, AS I SAID, WE DON'T HAVE STATISTICS AS TO WHEN THERE IS OR IS NOT AN INFRINGEMENT. THEY HAVE ALL OF THE TAKEDOWN NOTICES FROM EVERYBODY. THEY ARE IN THE BEST POSITION TO KNOW WHETHER OR NOT THERE'S BEEN A TAKEDOWN.

AND AS FAR AS PUTTING IT BACK UP, TO THE EXTENT THE COPYRIGHT OWNER OBJECTS, THEY ARE OBLIGATED -- THEN THEY CAN PUT IT BACK UP; THEY KNOW THAT. THEY HAVE VIACOM; THEY CAN DO ALL OF THOSE THINGS THROUGH VIACOM. SO THIS IS NOT SOMETHING THAT NEEDS TO TAKE AND REQUIRE A SMALL COMPANY IN THE BAY AREA HERE -- WHO IS HAVING ITS OWN TROUBLES, LIKE EVERYBODY IS -- TO SPEND THE NEXT SIX MONTHS TELLING ITS CUSTOMERS THAT, YOU KNOW, "BECAUSE YOU USE ME, YOU ARE GOING TO END UP HAVING TO GET EMBROILED IN THIS LAWSUIT."

WANTS TO PARTICIPATE, IT'S A CLASS ACTION SUIT," OR AT
LEAST -- I DON'T KNOW IF IT'S BEEN CERTIFIED, BUT "IT'S A
CLASS ACTION SUIT." THEY WENT OUT LOOKING FOR PEOPLE.
ANY OF THE COPYRIGHT OWNERS THAT WANTED TO GET INVOLVED,
THEY COULD GET INVOLVED; OTHERS DON'T. THEY SHOULD NOT
BE DRAGGED IN, AT LEAST THROUGH THIS BACK DOOR. THEY
SHOULD GO -- IF THEY WANT THEM, THEY KNOW WHO HAVE BEEN
USING YOUTUBE. THEY SHOULD GO OUT AND GO AFTER THEM
DIRECTLY AND HAVE THE REAL PARTIES OF INTEREST RATHER
THAN TAKING THESE INTERMEDIARIES.

AND THESE ARGUMENTS ABOUT RELEVANCE ARE VERY,

VERY REMOTE. THE ISSUE IS NOT WHETHER OR NOT THE

TAKEDOWN NOTICES WERE PROPER. EVEN IF IT IS, THEY HAVE

THAT INFORMATION -- OKAY? -- OR THEY COULD GO AFTER THEIR

COMPETITOR ISPS IF THEY WANT TO GET THE INFORMATION ABOUT OTHER PEOPLE THAT ARE DOING THOSE THINGS. BUT THAT IS NOT THE ISSUE.

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THE ISSUE HERE IN THE CASE IS REALLY WHETHER OR NOT VIACOM -- I'M SORRY, WHETHER YOUTUBE BY ALL OF ITS OTHER ACTIVITIES, OF ITS DRESSING UP AND PRESENTING AND THE WAY THAT IT ENDS UP SHOWING THE VIDEOS, WHETHER THAT BRINGS IT OUTSIDE THE SCOPE OF THE SAFE HARBOR ACT AND THE COPYRIGHT ACT. IT IS NOT WHETHER OR NOT THE PUBLIC POLICY OF ALLOWING A COPYRIGHT OWNER TO HIRE BAYTSP OR ANY OTHER THIRD PARTY TO SEND A TAKEDOWN NOTICE IS PROPER. THE QUESTION IS "THEIR" ACTIVITY. AND THEY ARE TRYING TO GO OUT AND, FRANKLY, CREATE ISSUES THAT WILL NOT FURTHER THE CORE OF THE ISSUE BEFORE THE COURT.

NOW, I'M NOT INVOLVED IN THAT. THIS IS MY
READING OF THE COMPLAINTS AND THE ANSWER, AND I'M
ADDRESSING IT BECAUSE THE SCOPE OF THE SUBPOENA
DRAMATICALLY IMPACTS THE BUSINESS, REGARDLESS OF ANY
AGREEMENT BY VIACOM TO REIMBURSE BAYTSP -- OKAY? -- AND I
KNOW THEY HAVE MADE A BIG DEAL ABOUT THAT SAYING IT'S NOT
THE BURDEN. AND YES, I DON'T KNOW OF ANY WRITTEN
AGREEMENT, BUT THERE HAVE BEEN SOME EFFORTS BY VIACOM -HAS BEEN TRYING TO HELP OUT. WHETHER THEY WILL PAY ALL
OF IT, WHO KNOWS? BUT THIS WILL HAVE A DRAMATIC BURDEN;
EVEN IF VIACOM WERE TO PAY ALL OF THE EXPENSES IN DOING

ALL OF THIS, IT WILL HAVE A DRAMATIC IMPACT ON THE
CUSTOMER SERVICE PEOPLE WHO NOW HAVE TO DEAL WITH THESE
CLIENTS TO TELL THEM, "I HAVE THIS BROAD ORDER ASKING FOR
EVERY DOCUMENT I HAVE ABOUT YOU." IT'S JUST NOT FAIR AND
NOT AT ALL RELEVANT.

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MR. KRAMER: VERY BRIEFLY, YOUR HONOR. THE
TIME TO MAKE A BURDEN SHOWING WAS IN RESPONSE TO OUR
MOTION TO COMPEL. THERE IS NOT ONE SCINTILLA OF EVIDENCE
OF ANY BURDEN SHOWN BY BAYTSP IN RESPONSE TO THE
SUBPOENA. THERE IS NO BURDEN SHOWING AT ALL.

WITH RESPECT TO WHAT YOU SAY TO THIRD PARTIES,
GOOGLE GETS MORE SUBPOENAS THAN ANYBODY COULD POSSIBLY
RECEIVE; IT GETS MORE SUBPOENAS THAN ANYBODY. PEOPLE
UNDERSTAND THAT WHEN THEY USE THIRD PARTIES TO FULFILL
FUNCTIONS THAT THEY THEMSELVES COULD FULFILL, THAT THOSE
THIRD PARTIES POSSESS INFORMATION THAT IS SUBJECT TO
SUBPOENA.

NOW, I HEARD MR. HEMMINGER SUGGEST THAT WE SHOULD JUST GO AFTER THESE THIRD PARTIES AND GET INFORMATION FROM HUNDREDS OF THEM OR DOZENS OF THEM BY SEPARATE SUBPOENAS. A NUMBER OF PROBLEMS WITH THAT. ONE, IS THE JUDICIAL EFFICIENCY PROBLEM.

MORE IMPORTANTLY, THOUGH, THERE IS NO
INDICATION THAT THOSE PARTIES ACTUALLY HAVE THESE
DOCUMENTS. YOU HEARD VIACOM SAY, "OH, NOT OURS. WE

DON'T HAVE POSSESSION, CUSTODY OR CONTROL OF THESE

DOCUMENTS. THESE ARE BAYTSP'S DOCUMENTS." WHY WOULDN'T

A THIRD PARTY SAY THE SAME THING? OF COURSE THEY WOULD.

THERE IS NO RESPONSE THAT I HEARD TO OUR
RELEVANCE ARGUMENTS. THEY ARE NOT MAKEWEIGHT RELEVANCE
ARGUMENTS. THEY GO TO THE CORE OF THE CASE.

THE LANGUAGE THAT COUNSEL IS PUTTING OUT THERE
ABOUT TAKEDOWN NOTICES AND RESPONSES TO TAKEDOWN NOTICES,
THAT'S NOT THE ISSUE. I DESCRIBED THE ISSUE WHEN I GOT
UP FOR THE FIRST TIME. THERE ISN'T A RESPONSE TO THAT
BECAUSE IT IS CRITICALLY RELEVANT INFORMATION, AND BAYTSP
HAS HAD PLENTY OF OPPORTUNITY TO PROVIDE A RESPONSE ON
THAT ISSUE AND STILL HASN'T DONE SO.

FINALLY, WITH RESPECT TO BAYTSP ITSELF, IT WENT INTO A BUSINESS THAT CONSISTS OF AIDING PARTIES IN BRINGING LITIGATION. VIACOM HAS IDENTIFIED BAYTSP AND PRAISED IT FOR HELPING TO BRING THIS VERY ACTION.

BAYTSP, AT VIACOM'S DIRECTION, TROLLED THE YOUTUBE SITE, COLLECTED UP INSTANCES OF ALLEGED INFRINGEMENT FOR MONTH AFTER MONTH, AND THEN BLASTED IT TO YOUTUBE IN ONE DAY, AND THEN ANNOUNCED IT IN THE PRESS.

WHEN YOU DO THAT, WHEN YOU ARE A BUSINESS THAT SETS OUT TO AID IN A BILLION-DOLLAR LAWSUIT, IT SHOULD NOT COME AS A SURPRISE TO YOU THAT THE DEFENDANT IN THAT LAWSUIT WANTS TO KNOW WHAT YOU KNOW. AND THAT'S WHY WE

SENT THE SUBPOENA. IT WAS THE VERY FIRST SUBPOENA THAT
WAS SERVED IN THIS CASE, I BELIEVE, SEPTEMBER OF 2007.
WE HAVE BE WAITING A VERY LONG TIME FOR THIS INFORMATION.
AND AS MR. MANCINI HAS REPEATEDLY REFERRED TO, WE NEED IT
TO CONDUCT DEPOSITIONS.

I THINK WITH THAT, I'LL SUBMIT THE MATTER.

MR. HEMMINGER: BAYTSP IS NOT IN THE BUSINESS OF LITIGATION. THE WHOLE PURPOSE OF THE DMCA WAS TO PROVIDE A WAY TO AVOID LITIGATION.

WHAT YOUTUBE IS TALKING ABOUT IS WHAT BAYTSP'S CLIENTS AND CUSTOMERS DO WITH THE INFORMATION. THEY ARE AN AGENT THAT SENDS TAKEDOWN NOTICES BASED UPON INSTRUCTIONS. HE SAID, "TAKEDOWN NOTICES AREN'T THE ISSUE." WELL, THAT'S COMPLETELY CONTRARY TO WHAT MR. MANCINI SAID. ARE THEY OR AREN'T THEY? THEY ARE TRYING TO COME UP WITH EVERY ARGUMENT THEY CAN TO GET THE BROADEST, MOST SWEEPING PRODUCTION OF DOCUMENTS, HOPING THEY CAN FIND SOMETHING. IT'S A FISHING EXPEDITION OF A THIRD PARTY.

BAYTSP HAS NO INTEREST IN THE OUTCOME OF THIS LITIGATION -- AT ALL. WHETHER OR NOT YOUTUBE IS AN ISP PROVIDER OR NOT MAKES NO DIFFERENCE TO BAYTSP.

EVEN STILL, EVEN IF YOU WANT TO PAINT THAT
PICTURE WITH REGARD TO VIACOM SAYING, "OH, THEY GOT INTO
THIS BUSINESS, THEY SHOULD ACCEPT THEIR BURDEN AND

PRODUCE THE DOCUMENTS," BAYTSP HAS. IT HAS SPENT A YEAR AND OVER \$1 MILLION. I THINK WELL OVER \$1 MILLION HAS BEEN EXPENDED IN COLLECTING AND GETTING THESE DOCUMENTS READY TO PRODUCE.

OR ANY OF ITS ENTITIES, THAT'S BEEN TAKEN CARE OF. IT IS NOT IN THE BUSINESS OF LITIGATION, AND I THINK IF YOU WENT AND DID A SEARCH OF ANY OF THE RECORDS, I DON'T THINK YOU WILL SEE BAYTSP INVOLVED IN ANY LITIGATION.

THAT IS NOT ITS BUSINESS; ITS BUSINESS IS ENFORCING THE DIGITAL MILLENNIUM COPYRIGHT ACT PROVISIONS ON BEHALF OF ITS CLIENTS.

ASK FOR EVERY DOCUMENT RELATING TO EVERY ONE OF ITS

CLIENTS. THERE SHOULD BE A RESTRICTION WITH -- AT LEAST

WITH REGARD TO THE INSTRUCTIONS, IF THAT'S WHAT THEY ARE

LOOKING FOR. ALTHOUGH IF THEY ARE LOOKING FOR THE

INSTRUCTIONS FROM THE CLIENT, THE COPYRIGHT OWNER WOULD

HAVE THAT. IF THEY ARE LOOKING FOR ERRONEOUS TAKEDOWN

NOTICES, YOUTUBE HAS THAT.

BUT EVEN STILL, IF YOU LIMIT IT TO THOSE

THINGS, THOSE ARE MUCH MORE REASONABLE AND THINGS THAT I

THINK CAN BE DONE MUCH MORE QUICKLY AND WOULD SERVE THEIR

PURPOSES. THOSE ARE THE ONLY TWO BONA FIDE ARGUMENTS

THAT I SAW WITH REGARD TO RELEVANCE IN THIS WHOLE MIX

THAT WE HAVE SEEN TODAY.

SO I WOULD ASK YOUR HONOR TO RECONSIDER A
TENTATIVE AND LIMIT IT TO THE EXTENT IT GOES TO THIRD
PARTIES, TO BE LIMITED TO THE INSTRUCTIONS AND, IF YOU
WILL, ERRONEOUS TAKEDOWN NOTICES. I THINK THAT SATISFIES
ALL OF THEIR RELEVANCE CLAIMS. TO THE EXTENT THEY WANT
ANYTHING ELSE, THEY SHOULD GO AHEAD AND TALK TO MAYBE THE
OTHER ISP SITES, MAYBE THE OTHER COPYRIGHT OWNERS, BUT
NOT THROUGH BAYTSP.

THANK YOU.

THE COURT: RESPONSE TO HIS CONCLUSION?

MR. KRAMER: YOUR HONOR, THERE IS A HOST OF INFORMATION AT BAYTSP THAT WE CAN'T IDENTIFY THAT BEARS ON THE ISSUES THAT I MENTIONED IN MY REMARKS. THERE ARE E-MAILS, THERE ARE ACCOUNT NAMES, YOUTUBE ACCOUNT NAMES SHOWING HOW BAYTSP ITSELF ACCESSES THE YOUTUBE SERVICE USING ACCOUNT NAMES THAT WE DON'T EVEN KNOW.

COUNSEL MENTIONED THAT WE WOULD KNOW ABOUT
ERRONEOUS TAKEDOWN NOTICES. WE HAVE NO IDEA WHETHER A
TAKEDOWN NOTICE WAS ERRONEOUS. WE GOT A TAKEDOWN NOTICE
FROM BAYTSP AND A USER COMPLAINED OR A CONTENT OWNER
COMPLAINED TO BAYTSP THAT THIS CONTENT SHOULDN'T BE TAKEN
DOWN. WE DON'T KNOW THAT; BAYTSP KNOWS THAT. YOUTUBE
HAS NO IDEA THAT THE TAKEDOWN NOTICE WAS ERRONEOUS OR
NOT. WE MAY NEVER KNOW. WE HAVE NO IDEA WHAT'S GOING ON

AT BAYTSP, HOW THEY ARE MONITORING THE YOUTUBE SITE, HOW THEY ARE ACCESSING VIDEOS. THE ENTIRE PROCESS, WHAT THEY ARE DOING, IS A MATTER OF EXTREME SIGNIFICANCE IN THIS CASE.

I WISH I COULD IDENTIFY FOR YOU EVERY SINGLE CATEGORY OF DOCUMENTS, BUT THAT'S WHY WE ASKED THE REQUESTS THAT WE DID.

THE COURT: HOW ARE YOU GOING TO LEARN WHAT
THEY DO? YOU HAVE NO IDEA WHAT THEY DO IN THESE
INSTANCES. IS THAT ULTIMATELY WHAT YOU WILL FIND OUT IN
SOME SORT OF A DEPOSITION?

MR. KRAMER: WE BELIEVE THAT ONCE WE GET

THESE -- WE BELIEVE THAT IT WOULD HAVE ALREADY TAKEN

PLACE, BUT WE BELIEVE THAT ONCE WE GET THESE DOCUMENTS,

WE ARE GOING TO TAKE A DEPOSITION OF BAYTSP AND ASK

QUESTIONS THAT ARE SUGGESTED BY THE DOCUMENTS WE RECEIVE,

BUT DOCUMENTS SUGGESTING THE PROCESS BY WHICH THEY

MONITOR THE YOUTUBE SITE.

THEY HAVE 20 PEOPLE TRAINED TO LOOK FOR CERTAIN THINGS. WHAT THINGS? WHAT ARE THEY LOOKING FOR? WHY ARE THEY LOOKING FOR THAT? THERE ARE ALL SORTS OF OPERATIONAL ISSUES WITH WHAT THEY DO THAT -- AND AGAIN, I THINK WE DISCUSSED THEM AT SOME LENGTH IN OUR SEPARATE STATEMENT, SO I'M NOT GOING TO GO BACK AND REHASH THEM, BUT I BELIEVE THAT IT WOULD BE EXTREMELY PREJUDICIAL TO

YOUTUBE TO NARROWLY CONSTRUE REQUESTS TO SPECIFIC TYPES OF DOCUMENTS. WE DON'T KNOW WHAT DOCUMENTS THEY HAVE; THAT'S WHY WE ASKED THE REQUESTS THAT WE DID.

THAT'S ALL.

MR. HEMMINGER: I'M SORRY, YOUR HONOR, BUT ONE LAST COMMENT. HE RAISED NEW ISSUES.

THE COURT: I'M GOING TO LISTEN UNTIL NONE OF YOU CAN TALK ANYMORE.

MR. HEMMINGER: THANK YOU, YOUR HONOR, I APPRECIATE IT. IT'S A VERY IMPORTANT ISSUE, AS YOU RECOGNIZE.

THE COMMENT ABOUT WE NEED TO KNOW HOW BAYTSP
DOES WHAT IT DOES, TO THE EXTENT THEY TAKE THE TIME TO
LOOK AT THE VIACOM-RELATED DOCUMENTS, THEY ARE GOING TO
GET ALL OF THAT INFORMATION. THEY DO NOT HAVE TO SEE
THAT IT'S THE SAME PROCESS FOR EVERYBODY ELSE. AND TO
THE EXTENT THEY WANT TO KNOW THAT, THIS IS THE FIRST I
HAVE HEARD THAT THEY ARE GOING TO WANT TO TAKE A
DEPOSITION.

THE COURT: SO MUCH FOR MEET AND CONFER.

MR. HEMMINGER: OVER A YEAR, TOO. YOU WOULD THINK. BUT ANYWAY, THEY CAN ASK THAT QUESTION AT THE MEET AND CONFER, THAT IT IS THE SAME. TO FORCE AND SAY "GIVE US EVERY DOCUMENT" IS JUST NOT WITHIN THE SCOPE OF RELEVANCE BECAUSE THEY ARE FISHING. HE SAID, "I DON'T

KNOW WHAT THEY HAVE." AND QUITE FRANKLY, HOW BAYTSP

OPERATES, ITS INTERNAL BUSINESS ACTIVITIES IS WHOLLY

IRRELEVANT TO WHETHER OR NOT YOUTUBE IS A PIRATE SITE.

WHAT DOES HOW BAYTSP HAS ITS EMPLOYEES -- WHAT DOES IT MATTER IF THEY ARE THERE FOUR HOURS, HAS AN HOUR OFF? DOES THAT IMPACT WHETHER OR NOT VIACOM --

THE COURT: I WOULD BE SURPRISED IF THOSE WERE THE QUESTIONS.

MR. HEMMINGER: WELL, HE IS TALKING ABOUT THE OPERATIONAL ASPECTS. I DON'T KNOW WHAT THAT MEANS. AND THEIR SUBPOENA IS SO BROAD; ARGUABLY, IT COVERS EVERYTHING. AND AGAIN, WHAT THEY HAVE SAID THEY WANT TO KNOW, WHAT THEY THINK IS RELEVANT IS HOW THE DECISION IS MADE OR WHAT INSTRUCTIONS BAYTSP HAS FROM ITS CLIENTS TO TAKE DOWN -- TO SEND A TAKEDOWN NOTICE. OKAY? FRANKLY, THOSE TYPES OF INSTRUCTIONS I DON'T THINK ARE RELEVANT AS TO WHAT THEY DO. IT MAY BE RELEVANT AS TO WHETHER OR NOT THE PERSON WHO POSTED IT IS VIOLATING A COPYRIGHT OR WHETHER OR NOT THE INSTRUCTIONS WERE SUFFICIENT TO CAPTURE EVERYTHING. BUT THOSE THINGS, ALL OF THAT INFORMATION IS GOING TO BE OBTAINED -- IF IT EXISTS -- THROUGH THE VIACOM DOCUMENTS, TO THE EXTENT THAT THEY ARE PRODUCED THAT ARE NOT WORK-PRODUCT RELATED.

INSTEAD, THEY ARE COMING IN HERE AND SAYING,
"I DON'T KNOW WHAT ALL THEY ARE GOING TO SAY ABOUT ALL OF

THEIR CLIENTS, BUT WE WANT TO LOOK AT IT AND SEE IF WE CAN FIND ANYTHING RELEVANT," OTHER THAN THE TWO THINGS THAT THEY HAVE INDICATED. HOW WE SIT THERE AND MAINTAIN A SERVER THAT HAS A COPY OF A VIDEO, THAT -- TO THE EXTENT IT COMES OUT, THAT'S GOING TO COME OUT THERE. AND THEY ALREADY KNOW THAT, I'M SURE. THAT'S NOT AN ISSUE. THEY DON'T NEED DOCUMENTS TO SEE THAT.

SO ALL OF THE QUOTE/UNQUOTE "RELEVANCE" IS JUST SUPERFICIAL. IT DOES NOT GET INTO THE HEART OF THE REAL ISSUE, WHICH IS WHAT YOUTUBE DOES IN COMPLIANCE WITH THE COPYRIGHT ACT, AND THAT IS WHAT THE LAWSUIT IS IN FACT ABOUT. AND EXACTLY HOW BAYTSP, A THIRD PARTY WHO DOES NOT GET INVOLVED IN LITIGATION AND HAS ONLY DONE ONE THING, WHICH IS SEND TAKEDOWN NOTICES -- OKAY? -- SHOULD NOT BE FORCED TO DISGORGE THE ENTIRETY OF ITS DOCUMENTS.

JUST FISHING. AND I JUST THINK THAT THERE ARE OTHER MORE EFFICIENT WAYS TO GET IT, EITHER THROUGH THE COPYRIGHT OWNERS -- PERHAPS THE DEPOSITION WOULD RESOLVE THEIR ISSUE. PERHAPS THAT IS A WAY TO GO INSTEAD OF REQUIRING THE PRODUCTION OF MILLIONS AND MILLIONS OF PAGES OF DOCUMENTS. BUT IT IS CERTAINLY NOT SOMEONE WHO IS A THIRD PARTY. AND MERELY BECAUSE THE THIRD PARTY USED THE INFORMATION THAT WAS PROVIDED BY BAYTSP BECAUSE IT FOUND OVER 300,000 INSTANCES OF INFRINGEMENT, THAT SOMEHOW NOW

IT IS SUBJECT TO BEING DRAGGED INTO THIS HUGE LAWSUIT,
THAT CONNECTION IS NOT THERE.

THERE ARE OTHER MORE MEANINGFUL AND EFFICIENT WAYS TO GET THIS THAN THROUGH THE BURDENING OF A THIRD PARTY.

THANK YOU.

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THE COURT: QUICK RESPONSE, AND THEN I'LL ASK ANYBODY ELSE IF YOU HAVE ANYTHING TO SAY, AND THEN I'M SUBMITTING IT.

MR. KRAMER: THANK YOU, YOUR HONOR.

THERE ISN'T A RELEVANCE ARGUMENT -- A RESPONSE TO THE RELEVANT ARGUMENTS WE ARTICULATED. THERE ISN'T A SHOWING OF BURDEN. AND EVEN IF THERE HAD BEEN A SHOWING OF BURDEN, WE STILL HAVEN'T GOTTEN TO THE BOTTOM OF THE QUESTION OF HOW MUCH VIACOM IS PAYING OF THIS. THE PARTIES IN THIS LITIGATION ARE EACH BEARING MILLIONS OF DOLLARS IN COST. THERE'S NO QUESTION ABOUT THAT.

BAYTSP SHOULD NOT BE HEARD TO CLAIM BURDEN FOR DOING THAT WHICH VIACOM COULD HAVE DONE ITSELF AND FOR WHICH VIACOM WOULD HAVE HAD TO BEAR THE COST OF PRODUCING THIS INFORMATION, PARTICULARLY IF VIACOM IS NOW PAYING FOR BAYTSP TO COMPLY WITH THE SUBPOENA, AS WE THINK IT IS, AND WE HAVE HEARD NO SUGGESTION TO THE CONTRARY TODAY.

THAT'S ALL I HAVE, YOUR HONOR.

MR. HEMMINGER: LAST COMMENT, YOUR HONOR, THIS ISSUE ABOUT VIACOM REIMBURSING.

1.0

AS I SAID, THERE'S NO WRITTEN AGREEMENT.

VIACOM HAS BEEN PAYING AND REIMBURSING BAYTSP FOR ITS

LEGAL COSTS AND SO FORTH FOR RESPONDING. BAYTSP HOPES

THAT IT WILL CONTINUE TO DO SO. WITH THE SCOPE OF YOUR

ORDER, I DON'T KNOW.

THAT ASIDE, EVEN ASSUMING -- EVEN ASSUMING THAT
VIACOM WOULD CONTINUE TO REIMBURSE BAYTSP, AND THE BURDEN
AND THE IMPACT ON ITS BUSINESS -- WHICH IS IN FACT IN OUR
OPPOSITION, CONTRARY TO THE REPEATED STATEMENTS BY
COUNSEL -- COULD BE DEVASTATING TO ITS BUSINESS BECAUSE
IT'S GOING TO THIRD PARTIES REQUIRING THEM TO NOW GET
EMBROILED IN A LAWSUIT WHERE IT HADN'T BEFORE.

THE FACT THAT GOOGLE, A MULTI-BILLION-DOLLAR

COMPANY, I ASSUME -- I DON'T KNOW HOW MUCH IT MAKES -
WHICH IS HUNDREDS OF THOUSANDS OF TIMES BIGGER THAN

BAYTSP -- OKAY, THAT'S IN THEIR BUSINESS; THAT IS NOT

BAYTSP'S BUSINESS. BAYTSP IS SIMPLY "I'M GOING TO LOOK

AT THE WEB, I'M GOING TO FIND INFRINGEMENT, I'M GOING TO

SEND A TAKEDOWN NOTICE." AND IF THE ISP WANTS TO COMPLY

WITH THE DMCA, IT TAKES IT DOWN. AND THAT SHOULD BE THE

END OF IT.

THE OTHER ARGUMENTS BY VIACOM RELATE TO "YOU ARE OUTSIDE THE SCOPE OF THE SAFE HARBOR ACT AND THE

DMCA, SECTION 512; YOU ARE OUTSIDE OF THAT." THAT DOESN'T HAVE ANYTHING TO DO WITH THIS, THE ACTIVITIES OF BAYTSP. THANK YOU. THE COURT: THANK YOU, GENTLEMEN. IT'S SUBMITTED. MR. KRAMER: THANK YOU, YOUR HONOR. (WHEREUPON, THE PROCEEDINGS WERE CONCLUDED.) ---000----

CERTIFICATE OF REPORTER

I, JANA L. RIDENOUR, OFFICIAL REPORTER PRO TEM
IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN
DISTRICT OF CALIFORNIA, 280 SOUTH FIRST STREET, SAN JOSE,

CALIFORNIA, DO HEREBY CERTIFY:

THAT THE FOREGOING TRANSCRIPT IS A FULL, TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HAD IN CASE NO.

C 08-80211-JF-PVT, VIACOM INTERNATIONAL, INC., ET AL., V. YOUTUBE, INC., ET AL., AND THE FOOTBALL ASSOCIATION PREMIER LEAGUE LIMITED, ET AL., V. YOUTUBE, INC., ET AL., DATED DECEMBER 9, 2008; THAT I REPORTED THE SAME IN STENOTYPE AND TRANSCRIBED THE SAME BY COMPUTER-AIDED TRANSCRIPTION TO THE BEST OF MY ABILITY AS HEREIN APPEARS.

DATED THIS 16th DAY OF DECEMBER, 2008.

JANA L. RIDENOUR, CSR OFFICIAL REPORTER PRO TEM LICENSE NUMBER 9302

ORIGINAL