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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

**FACEDOUBLE, INC., a
California Corporation,**

Plaintiff,

v.

**FACE.COM, INC., a Delaware
Corporation formerly known as
Vizi Labs, Inc.,**

Defendant.

CASE NO. 12cv1584-DMS (MDD)

CONSOLIDATED ORDER ON
JOINT MOTION FOR
DETERMINATION OF
DISCOVERY DISPUTE RE: (1)
PLAINTIFF'S MOTION TO
COMPEL FURTHER
RESPONSES TO
INTERROGATORIES 3-5, 8 [ECF
NO. 57]; AND, (2) PLAINTIFF'S
MOTION TO COMPEL
FURTHER RESPONSES
PURSUANT TO PATENT L.R.
3.4(a) AND REQUESTS FOR
PRODUCTION OF
DOCUMENTS [ECF NO. 69]

[ECF NOS. 57, 69]

Before the Court are discovery disputes presented by the parties in two Joint Motions for Determination of a Discovery Dispute. One dispute, filed on January 18, 2014, consists of Plaintiff's motion to compel further responses to certain interrogatories by Defendant. [ECF No. 57]. The other dispute, filed on January 29, 2014, consists of Plaintiff's motion to compel further production from Defendant under Patent L.R. 3.4(a) and regarding 65 Requests for Production. [ECF No. 69].

The Court held a discovery conference with counsel for the parties on February 10, 2014. This Order is based upon the filed documents and

1 the discussions held with counsel at the conference.

2 Legal Standard

3 The Federal Rules of Civil Procedure generally allow for broad
4 discovery, authorizing parties to obtain discovery of “any nonprivileged
5 matter that is relevant to any party’s claim or defense” Fed. R. Civ.
6 P. 26(b)(1). Also, “[f]or good cause, the court may order discovery of any
7 matter relevant to the subject matter involved in the action.” *Id.*

8 Relevant information for discovery purposes includes any information
9 “reasonably calculated to lead to the discovery of admissible evidence,”
10 and need not be admissible at trial to be discoverable. *Id.* There is no
11 requirement that the information sought directly relate to a particular
12 issue in the case. Rather, relevance encompasses any matter that “bears
13 on” or could reasonably lead to matter that could bear on, any issue that
14 is or may be presented in the case. *Oppenheimer Fund, Inc. v. Sanders*,
15 437 U.S. 340, 351 (1978). District courts have broad discretion to
16 determine relevancy for discovery purposes. *See Hallett v. Morgan*, 296
17 F.3d 732, 751 (9th Cir. 2002). Similarly, district courts have broad
18 discretion to limit discovery where the discovery sought is “unreasonably
19 cumulative or duplicative, or can be obtained from some other source
20 that is more convenient, less burdensome, or less expensive.” Fed. R.
21 Civ. P. 26(b)(2)(C). Limits also should be imposed where the burden or
22 expense outweighs the likely benefits. *Id.*

23 “An interrogatory may relate to any matter that may be inquired
24 under Rule 26(b).” Fed. R. Civ. P. 33(a)(2). The responding party must
25 answer each interrogatory by stating the appropriate objection(s) with
26 specificity or by “answer[ing] separately and fully in writing under oath.”
27 *Id.* at 33(b). The responding party has the option in certain
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1 circumstances to answer an interrogatory by specifying responsive
2 records and making those records available to the interrogating party.
3 *Id.* at 33(d).

4 Similarly, a party may request the production of any document
5 within the scope of Rule 26(b). Fed. R. Civ. P. 34(a). “For each item or
6 category, the response must either state that inspection and related
7 activities will be permitted as requested or state an objection to the
8 request, including the reasons.” *Id.* at 34(b)(2)(B). The responding party
9 is responsible for all items in “the responding party’s possession, custody,
10 or control.” *Id.* at 34(a)(1). Actual possession, custody or control is not
11 required. Rather, “[a] party may be ordered to produce a document in
12 the possession of a non-party entity if that party has a legal right to
13 obtain the document or has control over the entity who is in possession of
14 the document. *Soto v. City of Concord*, 162 F.R.D. 603, 620 (N.D. Cal.
15 1995).

16 Discussion

- 17 1. Dispute Regarding Interrogatories 3-5 and 8 [ECF No. 57]
 - 18 a. Interrogatory 3

19 Interrogatory 3 asks Defendant to identify third parties with whom
20 Defendant contracted to provide access to the accused technology to
21 include identifying the specific technology supplied and the consideration
22 paid. In response, Defendant relied upon Fed. R. Civ. P. 33(d) and
23 identified specific documents provided earlier to Plaintiff. Plaintiff
24 argues that this response is insufficient as it fails to answer all of the
25 components of the Interrogatory.
26

27 Rule 33(d) provides that if an answer to an interrogatory may be
28 determined from a party’s business records and the burden of

1 ascertaining the answer will be substantially the same for either party,
2 the responding party may answer by specifying the records that must be
3 reviewed.

4 The Court finds that Defendant's reliance on Rule 33(d) in this
5 instance is appropriate - identifying with specificity the relevant
6 contracts provides both parties with substantially the same burden in
7 deriving the terms of the contracts. Plaintiff asserts, however, that
8 certain contracts identify financial terms, such as cost per image, but do
9 not identify what actually was paid. To the extent that payments were
10 made pursuant to these contracts, Plaintiff is required to identify such
11 additional records as necessary or otherwise respond to that aspect of
12 the Interrogatory.

13 b. Interrogatory 4

14 This interrogatory asks Defendant to describe, in narrative form,
15 the steps by which the accused technology provides facial recognition.
16 Defendant again relied upon Rule 33(d) in its response stating that it
17 had provided Plaintiff a copy of its source code. Plaintiff argues that this
18 response is insufficient. The Court agrees with Plaintiff.

19 Rule 33(d), as discussed above, is available only if the burden of
20 ascertaining the answer to the interrogatory is substantially the same
21 for both parties. Here, the Court finds that Plaintiff bears a
22 substantially greater burden in determining how Defendant's software
23 works by examining Defendant's source code than does Defendant. After
24 all, engineers employed by Defendant wrote the code with an object in
25 mind.

26 Accordingly, Defendant is required to provide a guide or road map
27 to its source code to Plaintiff. That guide may be narrative, may be an
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1 index or may be something akin to a detailed table of contents. In any
2 event, appropriate sections of the source code should be referenced in the
3 response.

4 c. Interrogatory 5

5 Interrogatory 5 requests Defendant to state its contentions in
6 support of its defense of non-infringement. Defendant asserts that it
7 should not be required to state its non-infringement contentions at this
8 state of the litigation. In some instances, courts have found “contention”
9 interrogatories to be premature. This is not one of those cases.

10 “Contention” interrogatories are premature if the propounding
11 party cannot present plausible grounds showing that early answers to
12 contention questions will efficiently advance litigation, or if the
13 defendant does not have adequate information to assert its position.
14 *Gen-Probe v. Becton, Dickinson and Co.*, Civil No. 09cv2319, 2010 WL
15 2011526 at *1-2 (S.D. Cal. May 19, 2010); *Carson Optical Inc. v. Prym*
16 *Consumer USA, Inc.*, No. CV 11-3677, 2012 WL 7997611 at *1 (E.D. N.Y.
17 Sept. 7, 2012). Courts have found requiring a defendant to answer a
18 non-infringement contention interrogatory is not premature where the
19 plaintiff has already provided its infringement contention with
20 corresponding claim charts, which allow the defendant to respond
21 accordingly. *Fellowes, Inc. v. Aurora Corp. of America*, No. 07C7237,
22 2009 WL 1097063 at *2 (N.D. Ill. April 1, 2009) (finding defendant would
23 not be forced to prematurely take a position). Further, a contention
24 interrogatory during the early stages of litigation is appropriate where
25 the responses to the interrogatory would “contribute meaningfully” to:
26 (1) clarifying the issues in the case; (2) narrowing the scope of the
27 dispute; (3) setting up early settlement discussion; or (4) providing a
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1 substantial basis for a motion under Rule 11 or Rule 56. *HTC Corp. v.*
2 *Technology Properties Ltd.*, No. C08—882, 2011 WL 97787 at *2 (N.D.
3 Cal. Jan. 12, 2011) (citing *In re Convergent Technologies Securities*
4 *Litigation*, 108 F.R.D. 328, 338-39 (N.D. Cal. 1985)).

5 In this case, as required by Patent L.R. 3.1 and 3.2, Plaintiff has
6 served Defendant with its Infringement Contentions and supporting
7 documentation. The parties have filed their respective views on claim
8 construction. (ECF Nos. 72, 73, 74). Defendant cannot assert that it
9 does not have sufficient information to formulate its non-infringement
10 contentions. Certainly, as the case proceeds through claim construction,
11 both parties may have to amend their contentions; that does not obviate
12 Defendant's obligation to respond to this Interrogatory at this stage of
13 the litigation.

14 d. Interrogatory 8

15 Interrogatory 8 requires Defendant to identify all assets and
16 liabilities assumed in the purchase of Defendant by Facebook and to
17 state its contention regarding apportioning of the purchase price among
18 the assets purchased. Plaintiff relied upon Rule 33(d) and identified
19 documents it produced related to the Facebook transaction. Regarding
20 apportionment, Defendant stated that it did not apportion the purchase
21 price but reserved its right to take positions regarding apportionment in
22 defending this case. Defendant stated that if it does develop
23 apportionment contentions, it will disclose them as required in expert
24 discovery. Plaintiff challenges the adequacy of Defendant's response
25 regarding apportionment.
26

27 The Court agrees with Plaintiff that Defendant must respond more
28 particularly to the portion of the interrogatory requiring disclosure of its

1 contentions regarding apportionment. Valuation is an important
2 component of any patent suit. Plaintiff is entitled to Defendant's theory
3 of valuation. The Court finds no basis to delay disclosure of Plaintiff's
4 valuation contentions until expert discovery.

5 2. Dispute Regarding Production of Documents [ECF No. 69]

6 a. Patent L.R. 3.4(a)

7 This Court's Patent Local Rules require a patent holder to serve
8 infringement contentions and supporting documents upon an alleged
9 infringer no later than 14 days following the initial case management
10 conference. Patent L.R. 3.1, 3.2. No later than 60 days following the
11 service of the infringement contentions, the opposing party must serve
12 its invalidity contentions and supporting documents. Patent L.R. 3.3,
13 3.4. Patent L.R. 3.4(a) specifically requires the opposing party to
14 produce:

15 [s]ource code, specifications, schematics, flow charts, artwork,
16 formulas, or other documentation sufficient to show the
17 operation of any aspects or elements of any Accused
Instrumentality identified by the patent claimant in its
[disclosures under Patent L.R. 3.1].

18 Plaintiff asserts that although Defendant has made its source code
19 available, Defendant has not provided the other forms of documentation
20 listed in the Rule. Plaintiff asserts that disclosure of its source code is in
21 full compliance.

22 The gist of the dispute is the burden placed upon Plaintiff to
23 analyze the source code in a vacuum. In this respect, Defendant's
24 complaint is mirrored in the dispute regarding Interrogatory No. 4
25 above. Inasmuch as the Court has ordered Defendant to provide a road
26 map of its accused technology to Plaintiff, the Court finds that the
27 disclosure of the source code, under these circumstances, is sufficient
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1 compliance with the Rule.

2 b. Request for Production No. 4

3 Plaintiff requests the production of essentially all non-privileged
4 documents relating to the acquisition of Defendant by Facebook.
5 Defendant claims to have produced all relevant, non-privileged
6 documents within its possession. Plaintiff is dissatisfied with the
7 production. Defendant can do no more than produce what it may have.
8 Plaintiff asserts that Defendant, in response, also should identify any
9 relevant, non-privileged documents that it previously may have had but
10 no longer has and where the documents may otherwise exist.

11 The Court finds that Defendant has responded adequately to the
12 request. Plaintiff's assertion that its definitions preceding the requests
13 require Defendant to describe whether or not it ever had responsive
14 documents, and where they might be, is beyond the scope of request for
15 production under Fed.R.Civ.P. 34. The definitional, typically boilerplate,
16 section of requests for production cannot be used to expand the scope of a
17 request for production into an interrogatory.

18 c. Remaining Issues

19 Plaintiff generally challenges Defendants compliance with the
20 remaining 64 Requests for Production. Defendants assert that they have
21 produced responsive information and are continuing to produce
22 responsive information on a rolling basis. To the extent that Plaintiff is
23 moving to compel further production pursuant to these Requests, the
24 motion is denied without prejudice.

25 Conclusion

26 As provided herein, Plaintiff's motion to compel as presented in the
27 instant joint motion, is **GRANTED IN PART AND DENIED IN PART.**
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1 As to ECF No. 57, Defendant must provide a further response to
2 Interrogatory No. 3 pertaining to compensation received pursuant to the
3 identified contracts. Regarding Interrogatory No. 4, Defendant must
4 provide a road map or guide to its source code. Regarding Interrogatory
5 No. 5, Defendant must provide its non-infringement contentions.
6 Regarding Interrogatory No. 8, Defendant must provide its valuation
7 (allocation) contentions.

8 As to ECF No. 69, having provided its source code and having been
9 required to produce a guide to that source code, Defendant is in
10 compliance with Patent L.R. 3.4(a). As to Request for Production No. 4,
11 Defendant need not respond further. The Court denies any motion to
12 compel without prejudice regarding the remaining 64 Requests for
13 Production.

14 Absent agreement to the contrary or further Order of the Court,
15 further responses, as required herein, must be served no later than
16 fourteen (14) days following the date of this Order.

17 IT IS SO ORDERED.

18 DATED: February 13, 2014

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20 Hon. Mitchell D. Dembin
21 U.S. Magistrate Judge
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