

[Dockets.Justia.com](http://Dockets.Justia.com)



1313 North Market Street  
P.O. Box 951  
Wilmington, DE 19899-0951  
302 984-6000

www.potteranderson.com

David E. Moore  
Partner  
Attorney at Law  
dmoore@potteranderson.com  
302 984-6147 Direct Phone  
302 658-1192 Fax

May 12, 2011

**VIA ELECTRONIC FILING**

The Honorable Leonard P. Stark  
United States District Court  
844 King Street  
Wilmington, DE 19801

**PUBLIC VERSION**

**Re: *Xerox Corporation v. Google Inc., et al.*, C.A. No. 10-136-LPS**

Dear Judge Stark:

Pursuant to the Court's May 2, 2011 Order, Defendants Google Inc., Yahoo! Inc., and Right Media LLC (collectively "Defendants") respectfully file this letter brief, requesting that the Court amend the February 15, 2011 Scheduling Order to (1) extend the fact discovery cut-off, and (2) alter the expert discovery and dispositive motion deadlines.

**Fact Discovery.** Under the Scheduling Order, fact discovery closes on July 1, 2011. (D.I. 115.) Defendants request a three-month extension of this deadline because they cannot complete necessary fact depositions by July 1. The need for this request is not due to any lack of diligence by Defendants, but rather the failure of Xerox and its counsel to disclose relevant information and documents, or make witnesses available for deposition, in a timely manner.

For example, on January 28, 2011, after Xerox represented (incorrectly) that its document production was complete (Ex. D), Defendants requested deposition dates in March for the named inventors, Grefenstette and Shanahan. (Ex. E.) On February 8, Xerox proposed April 27 and 29 for these depositions, 11 weeks after Defendants requested dates, but ultimately agreed to produce the inventors for deposition on March 30 and April 1. (Exs. F and G).

On the eve of the March 30 Grefenstette deposition, Xerox produced numerous critical documents for the first time, such as the Xerox "Invention Disclosure Statement" for the patent at issue.<sup>1</sup> Not only did this make preparation for the deposition difficult, these critical documents made clear that other witnesses previously not disclosed to Defendants had relevant information and may also need to be deposed. For example, Xerox produced a presentation co-authored by Yutaka Yamauchi [REDACTED]. (Ex. H.) Similarly, the Xerox "Invention Disclosure Form" includes "Manager's Comments" from Christer Fernstrom, which say [REDACTED]. (Ex. I.) Subsequently, Defendants asked Xerox's counsel for deposition dates for the following Xerox

---

<sup>1</sup> Xerox has repeatedly refused to explain why these documents were produced on the eve of the inventor depositions and not earlier.

witnesses: Laurence Hubert, Yutaka Yamauchi, Christer Fernstrom, Mattieu Chuat, and Michel Gastaldo. (Exs. J-K (5/9/11 email).) Of these, only Chuat was identified by Xerox in its Initial Disclosures. (Ex. L.) The others were first identified on March 25, only after Defendants had pushed Xerox to supplement its interrogatory response on conception and reduction to practice. (Ex. M.)

We have only recently learned from Xerox's counsel that the newly disclosed individuals live overseas, and that only Chuat and Gastaldo are still affiliated with Xerox. (Ex. K (4/28/11 and 5/6/11 emails).) Xerox's counsel has stated that Chuat and Gastaldo are not available for deposition until the last two weeks of June, and that if Defendants want to depose them both in the same week so that Defendants' counsel (who reside in California) only need to travel to New York once, then the witnesses are not available until June 29 and July 1, the last few days of fact discovery. (Ex. K (5/6/11 email), Ex. N.)

We have also been told that we must contact the other individuals directly (and presumably go through the Hague Convention procedures to obtain any discovery from them). (Exs. K (4/28/11 email), Ex. N.) There is no reason why Xerox could not have informed Defendants at an earlier date that witnesses having relevant knowledge were not only not U.S. residents, but also no longer affiliated with Xerox, so that Defendants could plan for the extra hoops they would need to jump through to schedule those depositions. Indeed, Yamauchi left Xerox as recently as late 2010 (Ex. O); had Xerox disclosed him to Defendants earlier in the case, Defendants could have deposed him before he left Xerox.

Moreover, after the deposition of Grefenstette, and on the eve of the deposition of Shanahan, Xerox produced additional documents, including another version of source code purportedly supporting an earlier date of conception and reduction to practice. This again made preparation for the deposition more difficult, if not impossible, for certain issues at the deposition. Defendants have outstanding interrogatories to Xerox requesting that Xerox provide its positions in response to Defendants' invalidity contentions. Depending upon what Xerox says about particular prior art references on which Defendants rely, Defendants do not yet know how critical the conception date will be. Defendants, however, may need to depose Shanahan a second time because it did not have the documents on which Xerox relies for an earlier date until the night before his deposition. Defendants will not know that, however, until they receive Xerox's interrogatory responses later this month. Based on past experience, Defendants assume that Shanahan will not be immediately available for deposition either.

Further, Xerox disclosed five employees of Xerox's licensing agent IPValue Management, Inc ("IPValue") in its initial disclosures. (Ex. L.) Defendants, however, have not yet been able to schedule the depositions of any IPValue witnesses because IP Value, through Xerox's counsel, refused to produce many documents responsive to Google's November 2010 subpoena. (Ex. P.) This forced Google to file a motion to compel in the Northern District of California, which was granted. (Ex. Q.) IPValue has not yet completed its production of documents in response to Google's subpoena, and Defendants need an opportunity to review those documents in advance of any depositions of IPValue employees.

In response to Defendants' proposal, Xerox refused to agree to extend the fact discovery deadline, simply stating that it disagrees with Defendants' "mischaracterizations" of the facts

above, without contesting a single fact laid out by Defendants. Accordingly, Defendants respectfully request that the fact discovery deadline be extended three months to give them a fair opportunity to take the discovery needed to prepare their defenses.<sup>2</sup>

**Expert discovery and dispositive motions.** Under the current schedule, there are just two months between the Markman hearing and the due date for the first expert reports. Given the Court's current case load, there is a substantial possibility that a claim construction order will not issue sufficiently in time for the parties to incorporate the Court's findings into expert reports, and potentially even dispositive motions. *See e.g. Wyeth, LLC v. Intervet, Inc.*, C.A. No. 09-161-LPS, 2011 WL 1043575 (D. Del. Mar. 22, 2011) (4.5 months between claim construction hearing and issuance of order). If this occurs, experts will have to address alternative theories based upon the proposed constructions in their reports, and potentially serve supplemental reports and sit for multiple depositions. Each party may also have to address alternative theories based upon the proposed constructions in dispositive motion briefs, and potentially file supplemental briefs. The Court's claim constructions may also affect settlement discussions, which are more likely to be productive if the parties have not already gone through the time and expense of expert discovery and summary judgment.

Defendants respectfully request that the Court amend the Scheduling Order as follows<sup>3</sup>:

Event	Current Deadline	Proposed Deadline
Opening expert reports	July 29, 2011	30 days after Claim Construction Order
Rebuttal expert reports	August 19, 2011	21 days after opening expert reports are served
Reply expert reports	September 9, 2011	21 days after rebuttal expert reports are served
Expert depositions	September 23, 2011	To be completed within 14 days of service of reply expert reports
Dispositive motions	October 21, 2011	Due within 30 days of the close of expert discovery.

Xerox does not dispute that it would be more efficient for expert discovery and dispositive motion practice to proceed in this manner. Rather, Xerox reasons nothing has changed since the Court issued its February 15, 2011 Scheduling Order. (Ex. A.) As an initial matter, the Court did not completely adopt Xerox's proposed schedule, but rather adopted a date for the Claim Construction hearing later than Xerox's proposal, resulting in a shorter time between the hearing and expert discovery than Xerox had proposed. (*Compare* D.I. 99 (Proposed Order) and D.I. 115.) In any event, altering the deadlines as proposed by Defendants is simply the most efficient approach to discovery in this case and Xerox has provided no argument to the contrary.<sup>4</sup>

<sup>2</sup> Should additional time be necessary in order for Defendants to comply with the procedures for taking foreign depositions, Defendants will approach the Court at that time.

<sup>3</sup> This proposal uses the same time frames after opening reports as the Scheduling Order (i.e., the amount of time between opening reports and rebuttal reports, rebuttal and reply, etc . . . )

<sup>4</sup> Notably, in the pending *inter partes* reexamination in which every claim of the '979 patent currently stands rejected, Xerox sought and obtained an extension of time to respond to the PTO's Office Action rejecting the claims of the '979 patent, from May 7, to June 7. (Exs. B- C.)

The Honorable Leonard P. Stark

Page 4

May 12, 2011 **PUBLIC VERSION DATED: May 19, 2011**

Respectfully,

*/s/ David E. Moore*

David E. Moore

DEM/msb/1013514/35374

Enclosures

cc: Clerk of Court (via hand delivery)  
Counsel of Record (via electronic mail)