

EXHIBIT 1

CRAVATH, SWAINE & MOORE LLP

WORLDWIDE PLAZA
825 EIGHTH AVENUE
NEW YORK, NY 10019-7475

TELEPHONE: (212) 474-1000
FACSIMILE: (212) 474-3700

CITYPOINT
ONE ROPEMAKER STREET
LONDON EC2Y 9HR
TELEPHONE: 44-20-7453-1000
FACSIMILE: 44-20-7660-1150

WRITER'S DIRECT DIAL NUMBER

(212) 474-1564

ALLEN FINKELSON
RONALD S. ROLFE
MAX R. SHULMAN
STUART W. GOLD
JOHN W. WHITE
JOHN E. BEERBOWER
EVAN R. CHESLER
MICHAEL L. SCHLER
RICHARD LEVIN
KRIS F. HEINZELMAN
B. ROBBINS KIESSLING
ROGER D. TURNER
PHILIP A. GELSTON
RORY O. HILLSON
RICHARD W. CLARY
WILLIAM P. ROGERS, JR.
JAMES D. COOPER
STEPHEN L. GORDON
DANIEL L. MOSLEY
GREGORY M. SHAW
PETER S. WILSON
JAMES C. VARDELL, III
ROBERT H. BARON
KEVIN J. GREHAN

STEPHEN S. MADSEN
C. ALLEN PARKER
MARC S. ROSENBERG
SUSAN WEBSTER
DAVID MERCADO
ROWAN D. WILSON
PETER T. BARBUR
SANDRA C. GOLDSTEIN
THOMAS G. RAFFERTY
MICHAEL S. GOLDMAN
RICHARD HALL
ELIZABETH L. GRAYER
JULIE A. NORTH
ANDREW W. NEEDHAM
STEPHEN L. BURNS
KEITH R. HUMMEL
DANIEL SUFKIN
JEFFREY A. SMITH
ROBERT I. TOWNSEND, III
WILLIAM J. WHELAN, III
SCOTT A. BARSHAY
PHILIP J. BOECKMAN
ROGER G. BROOKS
WILLIAM V. FOGG

FAIZA J. SAEED
RICHARD J. STARK
THOMAS E. DUNN
MARK I. GREENE
SARKIS JEBEJIAN
JAMES C. WOOLERY
DAVID R. MARRIOTT
MICHAEL A. PASKIN
ANDREW J. PITTS
MICHAEL T. REYNOLDS
ANTONY L. RYAN
GEORGE E. ZOBITZ
GEORGE A. STEPHANAKIS
DARIN P. MCATEE
GARY A. BORNSTEIN
TIMOTHY G. CAMERON
KARIN A. DEMASI
LIZABETHANN R. EISEN
DAVID S. FINKELSTEIN
DAVID GREENWALD
RACHEL G. SKAISTIS
PAUL H. ZUMBRO
JOEL F. HEROLD
ERIC W. HILFERS

GEORGE F. SCHOEN
ERIK R. TAVZEL
CRAIG F. ARCELLA
TEENA-ANN V. SANKOORIKAL
ANDREW R. THOMPSON
DAMIEN R. ZOUBEK
LAUREN ANGELILLI
TATIANA LAPUSHCHIK
ERIC L. SCHIELE
ALYSSA K. CAPLES
JENNIFER S. CONWAY
MINH VAN NGO

SPECIAL COUNSEL
SAMUEL C. BUTLER
GEORGE J. GILLESPIE, III

OF COUNSEL
PAUL C. SAUNDERS

November 26, 2010

Xerox v. Google, et al., Case No. 10-136-LPS-MPT

Dear Gene:

Enclosed please find IPValue Management Inc.'s ("IPValue") Responses and Objections to Defendants Google Inc.'s and YouTube LLC's Subpoena. As Cravath is IPValue's counsel, please direct any communications regarding these Responses and Objections to the Cravath attorneys currently on the service list used by the parties in this matter.

Very truly yours,

/s/

Richard J. Stark

Eugene Novikov
Quinn Emanuel Urquhart & Sullivan, LLP
50 California Street, 22nd Floor
San Francisco, CA 94111

Encl.

FIRST CLASS MAIL

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

XEROX CORPORATION

Plaintiff,

vs.

GOOGLE INC., YAHOO! INC., RIGHT
MEDIA INC., RIGHT MEDIA LLC,
YOUTUBE, INC. AND YOUTUBE, LLC

Defendants.

CASE NO. 10-136-LPS-MPT

(Action pending in the District of Delaware)

**NON-PARTY IPVALUE'S RESPONSES
AND OBJECTIONS TO DEFENDANTS
GOOGLE INC.'S AND YOUTUBE LLC'S
SUBPOENA**

Pursuant to Rule 45 of the Federal Rules of Civil Procedure, non-party IPValue Management Inc. ("IPValue") hereby responds and objects to Defendants Google Inc.'s and YouTube LLC's (collectively, "Google") Subpoena to Produce Documents, Information, or Objects (the "Subpoena"), served on IPValue on November 11, 2010.

GENERAL OBJECTIONS

1. IPValue's responses and objections herein and IPValue's production of any documents in response to the Subpoena shall not waive or prejudice any objections IPValue may later assert, including, but not limited to, objections as to relevancy, materiality or admissibility of any document in subsequent proceedings or at the trial of this or any other action.
2. IPValue objects to the Subpoena to the extent that it purports to impose obligations beyond those imposed by the Federal Rules of Civil Procedure, the local rules of this court or other applicable law.
3. IPValue objects to the Subpoena to the extent it requires production of all responsive documents by December 1, 2010. IPValue will produce documents in response to the Subpoena on a rolling basis as soon as practicable.

1 4. IPValue objects to the Subpoena to the extent it seeks discovery of
2 information that is prepared in anticipation of litigation, or is subject to the attorney-client privilege,
3 the attorney work-product doctrine or other applicable privileges, including without limitation
4 common-interest privilege (collectively, "Privileged Information"). IPValue hereby claims such
5 privileges, protections and immunities to the extent implicated by each request. Inadvertent
6 disclosure of Privileged Information shall not constitute a waiver of any privilege or any other
7 ground for objecting to discovery with respect to such information.

8 5. IPValue objects to the Subpoena to the extent it seeks documents not in
9 IPValue's possession, custody or control.

10 6. IPValue objects to the Subpoena to the extent it seeks documents that are
11 already in Google's possession, custody or control.

12 7. IPValue objects to the Subpoena to the extent it seeks documents that are
13 publicly available, or are otherwise readily available to Google from other sources, in particular
14 Plaintiff Xerox Corporation ("Xerox") and/or Defendants, on the grounds that such documents are
15 equally available to Google and the burden and expense of obtaining such documents is not greater
16 for Google than it is for IPValue.

17 8. IPValue objects to the Subpoena to the extent it seeks documents that are not
18 permitted to be disclosed under the statutory or common law, regulation, policy or rules of the
19 country in which those documents are located.

20 9. IPValue objects to the Subpoena to the extent it is cumulative or duplicative
21 of document requests made on other parties in this action, in particular Plaintiff Xerox.

22 10. IPValue objects to the Subpoena to the extent it is vague, ambiguous and
23 unclear.

24 11. IPValue objects to the Subpoena to the extent it seeks production and
25 disclosure of information that is not relevant to any claim or defense in this action.
26

1 12. IPValue objects to the Subpoena to the extent it is overbroad and unduly
2 burdensome, including without limitation to the extent it seeks "all" or "any" documents and/or
3 communications (or analogous formulations), and to the extent it seeks documents "referring to" or
4 "relating to" a given subject.

5 13. IPValue objects to the Subpoena to the extent it is premature in light of the
6 Delaware court's bifurcation of issues in this action.

7 14. IPValue objects to the Subpoena on the grounds and to the extent that it
8 requires IPValue to produce materials at substantial cost without payment by Google of attorneys'
9 fees, costs and expenses incurred by IPValue in responding to the Subpoena.

10 15. IPValue objects to the Subpoena to the extent it seeks documents that
11 constitute or contain confidential third-party information disclosed to IPValue on the condition that,
12 or subject to an obligation that, IPValue keep that information confidential.

13 16. IPValue objects to the Subpoena to the extent it requires IPValue to search for
14 or produce any electronically stored information that is not readily accessible without undue burden
15 or cost. IPValue also objects to the Subpoena as unduly burdensome to the extent it calls for
16 IPValue to search central repositories, including, for example, databases, that are unduly
17 burdensome in either number or size.

18 17. The responses and objections to the Subpoena provided herein do not
19 constitute IPValue's agreement with any of the definitions set forth in the Subpoena. IPValue
20 further objects to the Subpoena to the extent it assumes disputed facts or legal conclusions in
21 defining the documents requested. Any production of documents by IPValue in response to any
22 request is without prejudice to this objection.

23 18. IPValue objects to the definition of "YOU" or "YOUR" in the Subpoena as
24 irrelevant, as the definition includes Amazon.com, Inc., a third party unrelated to IPValue. IPValue
25 will construe "YOU" and "YOUR" as used in the Subpoena to mean IPValue Management, Inc., and
26

1 will produce only non-privileged responsive documents that may be located within the possession,
2 custody or control of IPValue so construed.

3 19. IPValue objects to the definition of "RELATED
4 PATENTS/APPLICATIONS" in the Subpoena as overbroad and unduly burdensome.

5 20. IPValue objects to the Subpoena to the extent it calls for confidential
6 information. IPValue will produce non-privileged, responsive confidential documents in response to
7 the Subpoena in accordance with the Protective Order entered in this action on September 23, 2010.

8 21. A response that IPValue will produce documents responsive to any Request
9 does not imply that IPValue has located any responsive documents, but only that IPValue will
10 produce all such non-privileged documents that it has located following a search of reasonable
11 scope.

12 22. IPValue reserves the right to supplement its responses and objections to the
13 Subpoena.

14 **SPECIFIC OBJECTIONS AND RESPONSES**

15 Request No. 1

16 All communications with XEROX regarding DEFENDANTS, DEFENDANTS'
17 alleged infringement of PATENTS-IN-SUIT, or this lawsuit.

18 Response to Request No. 1

19 IPValue incorporates by reference its general objections as though they were set forth
20 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
21 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
22 defense in this action, including without limitation information or communications concerning
23 Defendants that do not involve the patents-in-suit or this lawsuit. IPValue further objects to this
24 Request to the extent it seeks disclosure of Privileged Information.

25 Subject to and without waiving its foregoing general and specific objections, IPValue
26 will produce non-privileged documents responsive to this Request after a search of reasonable scope.

1 Request No. 2

2 All communications with DEFENDANTS regarding the PATENTS-IN-SUIT.

3 Response to Request No. 2

4 IPValue incorporates by reference its general objections as though they were set forth
5 fully herein. IPValue further objects to this Request as unduly burdensome to the extent it seeks
6 documents that are already within Google's possession, custody or control.

7 Subject to and without waiving its foregoing general and specific objections, IPValue
8 will produce non-privileged documents responsive to this Request after a search of reasonable scope.

9 Request No. 3

10 All communications with the INVENTORS.

11 Response to Request No. 3

12 IPValue incorporates by reference its general objections as though they were set forth
13 fully herein. IPValue further objects to this Request on the grounds that it is overbroad, unduly
14 burdensome, and seeks information that is not relevant to any claim or defense in this action.
15 IPValue further objects to this Request to the extent that it seeks disclosure of Privileged
16 Information.

17 Subject to and without waiving its foregoing general and specific objections, IPValue
18 will produce non-privileged documents that are responsive to this Request and that have been
19 communicated to or from Xerox after a search of reasonable scope.

20 Request No. 4

21 All DOCUMENTS and THINGS that REFER or RELATE to any analysis of whether
22 any entity or individual infringes either of the PATENTS-IN-SUIT.

23 Response to Request No. 4

24 IPValue incorporates by reference its general objections as though they were set forth
25 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
26 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or

1 defense in this action. IPValue further objects to this Request to the extent that it seeks disclosure of
2 Privileged Information.

3 Subject to and without waiving its foregoing general and specific objections, IPValue
4 will produce non-privileged documents that have been communicated to or from Xerox and that
5 relate to analyses of whether the Defendants in this action infringe either of the patents-in-suit after a
6 search of reasonable scope.

7 Request No. 5

8 All DOCUMENTS and THINGS that REFER or RELATE to any analysis of whether
9 the PATENTS-IN-SUIT are valid.

10 Response to Request No. 5

11 IPValue incorporates by reference its general objections as though they were set forth
12 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
13 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
14 defense in this action. IPValue further objects to this Request to the extent that it seeks disclosure of
15 Privileged Information.

16 Subject to and without waiving its foregoing general and specific objections, IPValue
17 will produce non-privileged documents that are responsive to this Request and that have been
18 communicated to or from Xerox after a search of reasonable scope.

19 Request No. 6

20 All DOCUMENTS and THINGS that REFER or RELATE to the ownership of the
21 PATENTS-IN-SUIT.

22 Response to Request No. 6

23 IPValue incorporates by reference its general objections as though they were set forth
24 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
25 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
26

1 defense in this action. IPValue further objects to this Request to the extent that it seeks disclosure of
2 Privileged Information.

3 Subject to and without waiving its foregoing general and specific objections, IPValue
4 will produce non-privileged documents that are responsive to this Request and that have been
5 communicated to or from Xerox after a search of reasonable scope.

6 Request No. 7

7 All DOCUMENTS and THINGS that REFER or RELATE to the prosecution of the
8 PATENTS-IN-SUIT.

9 Response to Request No. 7

10 IPValue incorporates by reference its general objections as though they were set forth
11 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
12 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
13 defense in this action. IPValue further objects to this Request to the extent that it seeks disclosure of
14 Privileged Information. IPValue further objects to this Request to the extent it seeks documents that
15 are publicly available, or are otherwise readily available to Google from other sources, in particular
16 Plaintiff Xerox.

17 Request No. 8

18 All DOCUMENTS and THINGS that REFER or RELATE to the alleged inventions
19 claimed in the PATENTS-IN-SUIT, including the conception or reduction to practice
20 of those alleged inventions.

21 Response to Request No. 8

22 IPValue incorporates by reference its general objections as though they were set forth
23 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
24 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
25 defense in this action. IPValue further objects to this Request to the extent that it seeks Privileged
26 Information. IPValue further objects to this Request to the extent it seeks documents that are
publicly available, or are otherwise readily available to Google from other sources, in particular

1 Plaintiff Xerox, including without limitation documents that refer or relate to the conception or
2 reduction to practice of inventions claimed in the patents-in-suit.

3 Subject to and without waiving its foregoing general and specific objections, IPValue
4 will produce non-privileged documents that are responsive to this Request and that have been
5 communicated to or from Xerox after a search of reasonable scope.

6 Request No. 9

7 All prior art to the PATENTS-IN-SUIT, and/or all DOCUMENTS and THINGS that
8 any entity or individual represented to IPVALUE constitute prior art to the
PATENTS-IN-SUIT.

9 Response to Request No. 9

10 IPValue incorporates by reference its general objections as though they were set forth
11 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
12 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
13 defense in this action. IPValue further objects to this Request to the extent that it seeks Privileged
14 Information.

15 Subject to and without waiving its foregoing general and specific objections, IPValue
16 will produce non-privileged documents that are responsive to this Request and that have been
17 communicated to or from Xerox after a search of reasonable scope.

18 Request No. 10

19 All DOCUMENTS and THINGS that REFER or RELATE to any efforts to license
20 the PATENTS-IN-SUIT.

21 Response to Request No. 10

22 IPValue incorporates by reference its general objections as though they were set forth
23 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
24 is overbroad and unduly burdensome; and seeks information that is not relevant to any claim or
25 defense in this action. IPValue further objects to this Request as premature in light of the Delaware
26

1 court's bifurcation of issues in this action. IPValue further objects to this Request to the extent that
2 it seeks disclosure of Privileged Information.

3 Subject to and without waiving its foregoing general and specific objections, IPValue
4 will produce non-privileged documents that are responsive to this Request and that have been
5 communicated to or from Xerox after a search of reasonable scope.

6 Request No. 11

7 All DOCUMENTS and THINGS that REFER or RELATE to any efforts to license
8 patents in the area of automatic generation of information, including but not limited to
queries.

9 Response to Request No. 11

10 IPValue incorporates by reference its general objections as though they were set forth
11 fully herein. IPValue further objects to this Request on the grounds that the phrase "[a]ll
12 DOCUMENTS and THINGS that REFER or RELATE to any efforts to license patents in the area of
13 automatic generation of information, including but not limited to queries" is vague and ambiguous,
14 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
15 defense in this action. IPValue further objects to this Request as premature in light of the Delaware
16 court's bifurcation of issues in this action. IPValue further objects to this Request to the extent that
17 it seeks disclosure of Privileged Information.

18 Subject to and without waiving its foregoing general and specific objections, IPValue
19 will produce non-privileged documents that relate to efforts to license the '979 Patent and that have
20 been communicated to or from Xerox after a search of reasonable scope.

21 Request No. 12

22 All DOCUMENTS and THINGS that REFER or RELATE to any efforts to license
23 patents in the area of knowledge management technology, including but not limited to
24 the interoperability and synchronization of heterogeneous data sources.
25
26

1 Response to Request No. 12

2 IPValue incorporates by reference its general objections as though they were set forth
3 fully herein. IPValue further objects to this Request on the grounds that the phrase “[a]ll
4 DOCUMENTS and THINGS that REFER or RELATE to any efforts to license patents in the area of
5 knowledge management technology, including but not limited to the interoperability and
6 synchronization of heterogeneous data sources” is vague and ambiguous, is overbroad and unduly
7 burdensome, and seeks information that is not relevant to any claim or defense in this action.

8 IPValue further objects to this Request as premature in light of the Delaware court’s bifurcation of
9 issues in this action. IPValue further objects to this Request to the extent that it seeks disclosure of
10 Privileged Information.

11 Subject to and without waiving its foregoing general and specific objections, IPValue
12 will produce non-privileged documents that relate to efforts to license the ’994 Patent and that have
13 been communicated to or from Xerox after a search of reasonable scope.

14 Request No. 13

15 DOCUMENTS sufficient to show the identities of all IPVALUE employees and
16 consultants involved in any analysis of the PATENTS-IN-SUIT or any efforts to
license the PATENTS-IN-SUIT.

17 Response to Request No. 13

18 IPValue incorporates by reference its general objections as though they were set forth
19 fully herein. IPValue further objects to this Request on the grounds that it is vague and ambiguous,
20 is overbroad and unduly burdensome, and seeks information that is not relevant to any claim or
21 defense in this action. IPValue further objects to this Request to the extent that it seeks disclosure of
22 Privileged Information.


23
24
25
26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Subject to and without waiving its foregoing general and specific objections, IPValue will produce non-privileged documents that are responsive to this Request after a search of reasonable scope.

November 26, 2010

CRAVATH, SWAINE & MOORE LLP

by 
Richard J. Stark
Andrei Harasymiak
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
(212) 474-1000

*Attorneys for non-party
IPValue Management Inc.*

EXHIBIT 2

**THIS EXHIBIT HAS BEEN
REDACTED IN ITS ENTIRETY**

EXHIBIT 3

1 PETER C. McMAHON (State Bar No. 161841)
2 KATHERINE DEBSKI (State Bar No. 271528)
3 MCMAHON SEREPCA LLP
4 985 Industrial Road, Suite 201
5 San Carlos, CA 94070-4157
6 Tel: 650-637-0600
7 Fax: 650-637-0700

8 Attorneys for Third Party
9 IPVALUE MANAGEMENT, INC.

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13 GOOGLE, INC., and YOUTUBE, LLC,

14 Google(s),

15 v.

16 IPVALUE/IPVALUE MANAGEMENT
17 INC.,

18 Defendant.

Case No. CT11-80016 MISC RS (BZ)

**THIRD PARTY IPVALUE
MANAGEMENT, INC.'S
OPPOSITION TO GOOGLE, INC.'S
AND YOUTUBE, LLC'S MOTION TO
COMPEL PRODUCTION OF
DOCUMENTS**

TABLE OF CONTENTS

I.	<u>INTRODUCTION</u>	2
II.	<u>RELEVANT FACTS</u>	3
III.	<u>LEGAL ARGUMENT</u>	6
	A. <u>Google's Motion Does Not Comply With the Local Rules.</u>	7
	B. <u>The Court Should Deny Enforcement Of The Facially Overbroad Subpoena.</u>	7
	C. <u>Google Has Not Established Good Cause To Enforce The Subpoena As To The Categories Of Documents To Which IPValue Has Maintained Its Objections.</u>	9
	1. <u>Google's Search Terms Would Encompass Many Irrelevant Documents.</u>	9
	2. <u>Google Has Not Established Good Cause To Force IPVALUE To Collect And Log The Documents Of Its In-House Counsel.</u>	11
	3. <u>Damages Bifurcation.</u>	13
	4. <u>Time Cut-off.</u>	13
	D. <u>The Court Should Deny Google's Motion to Compel Because It Imposes An Undue Burden On IPValue.</u>	13
	E. <u>To The Extent The Court Does Not Quash The Subpoena For One Of The Reasons Stated Herein The Court Must Rule on IPValue's Objections.</u>	14
	F. <u>In The Event The Court Enforces Any Aspect Of The Subpoena Google Should Be Ordered To Advance IPValue Its Estimated Costs.</u>	15
IV.	<u>CONCLUSION</u>	16

TABLE OF AUTHORITIES

<u>Case Law</u>	Page
<i>Anderson v. Abercrombie and Fitch Stores, Inc.</i> 2007 U.S. Dist. LEXIS 47795, *6 (S.D. Cal. 2007)	6,7
<i>Cantaline v. Raymark Industries, Inc.</i> 103 F.R.D. 447 (S.D. FL 1984)	11
<i>Concord Boat Corp. v. Brunswick Corp.</i> 169 F.R.D. 44, 53-54 (S.D.N.Y. 1996)	7, 8
<i>CSC Holdings, Inc. v. Redisi</i> , 309 F.3d 988, 993 (7th Cir. 2002)	6
<i>Diagnostics Systems Corporation v. Symantec et. al</i> (Case No. SA CV 06-1211 DOC (ANx))	12
<i>Exxon Shipping Co. v. U.S. Dept. of Interior</i> 34 F.3d 774, 779 (9 th Cir. 1994)	14
<i>First American Corp. v. Price Waterhouse LLP</i> 184 F.R.D. 234, 238 (S.D.N.Y. 1998)	6, 15
<i>Heat & Control, Inc. v. Hester Indus.</i> 785 F.2d 1017, 1024 (Fed. Cir. 1986)	7
<i>IP Co., LLC v. Cellnet Tech., Inc. No. C08-80126 MIS MMC (BZ)</i> , 2008 WL 3876481, at * 1 (N.D. Cal. Aug. 18, 2008).	11
<i>In Re Natural Gas Commodity Litigation</i> 235 F.R.D. 199, 208 (S.D.N.Y. 2005)	7, 9
<i>Klay v. All Defendants</i> 425 F.3d 977, 984 (11 th Cir. 2005)	15

<i>Mattel, Inc. v. Walking Mountain Prods.</i> 353 F.3d 792, 813-14 (9 th Cir. 2003)	7
<i>Nicholas v. Wyndham Int'l, Inc.</i> 373 F.3d 537, 543 (4 th Cir. 2004)	13
<i>Paekman v. Chicago Tribune, Co.</i> 267 F.3d 628, 647 (7 th Cir. 2001)	9
<i>Phillips Petroleum Co. v. Pickens</i> 105 F.R.D. 545 (D.C. Tex. 1985)	6, 15
<i>Schaaf v. Smithkline Beecham Corp.</i> 233 F.R.D. 451, 453 (E.D.N.C. 2005)	7, 8
<i>United States v. American Optical Co.</i> 39 F.R.D. 580 (D. Cal. 1966)	9
<i>United States v. Columbia Broadcasting Sys.</i> 666 F.2d 364, 371-72 (9 th Cir. 1982)	13, 15
<u>Other Authorities</u>	
Fed. R. Civ. Pro. 45	2, 6, 9, 13, 15
Northern District Civ. L.R. 37, 37-2	7
Schwarzer, Tashima & Wagstaffe <i>Cal. Prac. Guide: Fed. Civ. Pro. Before Trial</i> (The Rutter Group 2010), Sec. [11:2379.1]	9, 14

1
2 **I. INTRODUCTION**

3 On or about November 11, 2010, Google, Inc./YouTube, LLC (collectively
4 "Google") served an excessively broad subpoena on third-party IPVALUE Management, Inc.
5 ("IPVALUE") ("Third Party Subpoena"). On or about November 26, 2010, IPVALUE
6 submitted its objections, and on January 26, 2011, Google filed the present motion to compel. At
7 the Court's request, Google and IPVALUE submitted letter briefs on February 2, 2011, and
8 participated in a teleconference with the Court on February 3, 2011.

9 Since that time, following the Court's direction, IPVALUE and Google have met
10 and conferred regarding the scope of IPVALUE's production of documents. IPVALUE has
11 produced its external communications, and the parties are negotiating the scope of internal
12 documents to be produced. Although IPVALUE has agreed to narrow many aspects of the Third
13 Party Subpoena, the parties are at impasse with respect to other issues. In particular, Google has
14 rejected the two suggestions made by the Court during the February 3, 2011 teleconference – that
15 reasonable cost-shifting be employed to lessen the burden on IPVALUE, and that the documents
16 of IPVALUE's in house counsel need not be collected or logged in a privilege log.

17 Google's motion to compel is flawed in many respects. First, the document
18 requests themselves are grossly overbroad and would impose severe burdens on IPVALUE if
19 literal compliance were ordered. Second, the motion to compel itself is flawed in that it does not
20 comply with local rules for bringing a motion to compel. Third, Google cites rules and cases
21 pertaining to document requests to a party – not the proper Rule 45 standards and applicable case
22 law.¹ Indeed, Google has not met its burden to show that it will suffer substantial prejudice
23 under the facts and circumstances of the present case if IPVALUE does not produce under this
24 Third Party Subpoena.

25
26
27 ¹ IPVALUE is a licensing company that often works on a contingency fee basis. Notwithstanding the fact that
28 IPVALUE's may be compensated on contingency, Xerox, not IPVALUE, is the owner of the patent-in-suit and the
plaintiff in the underlying lawsuit. While IPVALUE is willing to bear some additional burden as a cost of doing
business – IPVALUE's compensation scheme does not rob it of the protections of Rule 45 or the attorney-client
privilege.

1 Accordingly, the Court should flatly deny Google's motion. In the alternative, the
2 Court should exercise its discretion to modify the subpoena to narrow it in a manner consistent
3 with IPVALUE's reasonably proposed limitations. Moreover, the Court should order Google to
4 pay for all, or part, of IPVALUE's costs as set forth below.

5 **II. RELEVANT FACTS**

6 In its motion to compel, Google does not identify the documents or document
7 requests for which it is moving to compel other than to attach a copy of the subpoena to Eugene
8 Novikov's declaration. To assist the Court, the Third Party Subpoena requested:

- 9 1. All communications with XEROX regarding DEFENDANTS,
10 DEFENDANTS' alleged infringement of PATENTS-IN-
11 SUIT, or this lawsuit.
- 12 2. All communications with DEFENDANTS regarding the
13 PATENTS-IN-SUIT.
- 14 3. All communications with the INVENTORS.
- 15 4. All DOCUMENTS and THINGS that REFER or RELATE to
16 any analysis of whether any entity or individual infringes
17 either of the PATENTS-IN-SUIT.
- 18 5. All DOCUMENTS and THINGS that REFER or RELATE to
19 any analysis of whether the PATENTS-IN-SUIT are valid.
- 20 6. All DOCUMENTS and THINGS that REFER or RELATE to
21 the ownership of the PATENTS-IN-SUIT.
- 22 7. All DOCUMENTS and THINGS that REFER or RELATE to
23 the prosecution of the PATENTS-IN-SUIT.
- 24 8. All DOCUMENTS and THINGS that REFER or RELATE to
25 the alleged inventions claimed in the PATENTS-IN-SUIT,
26 including the conception or reduction to practice of those
27 alleged inventions.
- 28 9. All prior art to the PATENTS-IN-SUIT, and/or all
DOCUMENTS and THINGS that any entity or individual
represented to IPVALUE constitute prior art to the
PATENTS-IN-SUIT.
10. All DOCUMENTS and THINGS that REFER or RELATE to
any efforts to license the PATENTS-IN-SUIT.
11. All DOCUMENTS and THINGS that REFER or RELATE to
any efforts to license patents in the area of automatic
generation of information, including but not limited to queries.
12. All DOCUMENTS and THINGS that REFER or RELATE to
any efforts to license patents in the area of knowledge
management technology, including but not limited to the
interoperability and synchronization of heterogeneous data
sources.
13. DOCUMENTS sufficient to show the identities of all
IPVALUE employees and consultants involved in any
analysis of the PATENTS-IN-SUIT or any efforts to license
the PATENTS-IN-SUIT.

1 See Novikov Decl., Ex. E.

2 The issues currently in dispute are as follows:

Issues	Google's Position	IPVALUE's Position
Custodians' E-mails to be searched:	(i) Paul Riley (ii) Kapu Kumar (iii) Katerina Varsou (iv) Andres Diaz (v) Steve Shin (IP Counsel) (vi) Sanjay Prasad (former IP Counsel) (vii) Keith Wilson (Sr. IP Counsel) (viii) Mitch Rosenfield (former IP Counsel)	(i) Paul Riley (ii) Kapu Kumar (iii) Katerina Varsou (iv) Andres Diaz In-house counsel to be excluded.
Time Period	Up to the present.	Up to the date Complaint filed.
Search Terms (emails and worksite documents)	6778979 979 Grefenstette Shanahan Xerox /20 patent (Google or Yahoo!)/5 "prior art" Organized classification of document content Automatically identifying a set of entities Automatically categorizing the selected document content Automatically formulating the query to restrict a search Formulaf /3 query AdSense for Content Content Ads AFC (Google or Yahoo!) w/10/prior art/ (Google or Yahoo!) w/10 979 (Google or Yahoo!) w/10 automat* (Google or Yahoo!) w/10 complaint* (Google or Yahoo!) w/10	6778979 979 Grefenstette Shanahan Xerox /20 patent Organized classification of document content Automatically identifying a set of entities Automatically categorizing the selected document content Automatically formulating the query to restrict a search Formulaf /3 query DocSouls Document Souls XLP56 XLP57 XLP58

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	court* (Google or Yahoo!) w/10 generat* (Google or Yahoo!) w/10 infring* (Google or Yahoo!) w/10 investigat* (Google or Yahoo!) w/10 Xerox (Google or Yahoo!) w/10 judg* (Google or Yahoo!) w/10 law (Google or Yahoo!) w/10 laws (Google or Yahoo!) w/10 lawsuit* (Google or Yahoo!) w/10 lawyer (Google or Yahoo!) w/10 legal* (Google or Yahoo!) w/10 patent* (Google or Yahoo!) w/10 quer* (Google or Yahoo!) w/10 sue (Google or Yahoo!) w/10 sued (Google or Yahoo!) w/10 sues (Google or Yahoo!) w/10 suit (Google or Yahoo!) w/10 violat* (Google or Yahoo!) w/25 licens* (Google or Yahoo!) w/25 offer* (Google or Yahoo!) w/25 proposal* (Google or Yahoo!) w/5 case (Google or Yahoo!) w/5 cases (Google or Yahoo!) w/5 content* (Google or Yahoo!) w/5 context* (Google or Yahoo!) w/5 exchang* (Google or Yahoo!) w/5 market*	
--	--	--

1	(Google or Yahoo!) w/ match*	
2	(Google or Yahoo!) w/ matter*	
3	(Google or Yahoo!) w/5 network	
4	Content Match	
5	Y!Q	
6	Contextual Search	
7	Right Media	
8	RMX	
9	Yahoo! Publisher Network	
10	Yahoo! Search Marketing	
11	DocSouls	
12	Document Souls	
13	XLP56	
14	XLP57	
15	XLP58	
16	Cost-Shifting	None.
17	Damages	Not clear.
18		50-50. ²
19		None (b/c bifurcated)

III. ARGUMENT

Under Rule 45, any party may serve a subpoena commanding a non-party such as IPVALUE "to attend and give testimony or to produce and permit inspection [and] copying of documents." F.R.C.P. 45(e)(1)(C). The non-party may make objections to the subpoena within fourteen days after service, or before the time for compliance if less than fourteen days. F.R.C.P. 45(c)(2)(B).

When a district court considers a motion to compel, it must evaluate such factors as timeliness, good cause, utility, and materiality. *CSC Holdings, Inc. v. Redisi*, 309 F.3d 988, 993 (7th Cir. 2002). In addition, although relevance is not among the enumerated reasons for quashing a subpoena under Rule 45 (c)(3), federal courts have incorporated relevance as a factor to be considered when considering whether or not to quash a subpoena. *See e.g. Anderson v. Abercrombie and Fitch Stores, Inc.*, 2007 U.S. Dist. LEXIS 47795, *6 (S.D. Cal. 2007) ("an evaluation of undue burden requires the court to weigh the burden to the subpoenaed party

² If the Court orders the in-house counsel's records to be produced, Google should be responsible for 100% of the electronic discovery costs and privilege review costs since this will knowingly impose an excessive burden on IPVALUE. *Phillips Petroleum Co. v. Pickens*, 105 F.R.D. 545 (D.C. Tex. 1985); *First American Corp. v. Price Waterhouse LLP*, 184 F.R.D. 234, 238 (S.D.N.Y. 1998) (respondent awarded expenses plus a portion of attorney's fees).

1 against the value of the information to the serving party, and mandates the courts consideration
 2 of such factors as relevance, the serving party's need for the documents, the breadth of the
 3 discovery request, the particularity with which the documents are described, and the burden
 4 imposed."); *Heat & Control, Inc. v. Hester Indus.*, 785 F.2d 1017, 1024 (Fed. Cir. 1986) (trial
 5 court should consider "the relevance of the discovery sought, the requesting party's need, and the
 6 potential hardship to the party subject to the subpoena"); *Schaaf v. Smithkline Beecham Corp.*,
 7 233 F.R.D. 451, 453 (E.D.N.C. 2005) ("In the context of evaluating subpoenas issued to third
 8 parties, a court will give extra consideration to the objections of a non-party, non-fact witness in
 9 weighing burdensomeness versus relevance."); *In Re Natural Gas Commodity Litigation, supra*,
 10 235 F.R.D. at 208 ("the Court should be particularly sensitive to weighing the probative value of
 11 the information sought against the burden of production on the non party").

12 **A. Google's Motion Does Not Comply With The Local Rules.**

13 The Court should deny Google's motion to compel for its failure to comply with
 14 Local Rule 37. Indeed, in order to properly tee the matter up for the Court's consideration – the
 15 Motion was supposed to set forth each response, each objection, and then detail the basis for
 16 Google's contention that it is entitled to the requested discovery, and how the requirements under
 17 the federal rules of civil procedure are satisfied. *See* N.D. Local Rule 37-2. Google's motion is
 18 completely void of such elements and analysis. Indeed, Google has never addressed, let alone
 19 briefed, many of IPVALUE's objections, such as its objections to Request Nos. 11 and 12. As a
 20 result, the motion should be denied.

21 **B. The Court Should Deny Enforcement Of The Facially Overbroad**
 22 **Subpoena.**

23 One of the hallmarks of undue burden is overbreadth. *See e.g. Mattel, Inc. v.*
 24 *Walking Mountain Prods.*, 353 F.3d 792, 813-14 (9th Cir. 2003) (holding subpoena properly
 25 quashed for overbreadth); *see also Concord Boat Corp. v. Brunswick Corp.*, 169 F.R.D. 44, 53-
 26 54 (S.D.N.Y. 1996) (quashing subpoena because non-party subpoena was overbroad on its face);
 27 *Anderson v. Abercrombie and Fitch Stores, Inc, supra*, 2007 U.S. Dist. LEXIS 47795 * 9-27
 28 (S.D. Cal. 2007) (quashing overly broad portions of subpoena requests). Trial courts routinely

1 quasi such subpoenas. Indeed, in *Schaaf*, 233 F.R.D. at 454-455, the district court quashed the
2 subpoena because it found the document request:

3 Any and all Smithkline Beecham Corporation and/or
4 GlaxoSmithKline ("GSK") documents in your possession,
5 custody, or control not previously provided by GSK or
6 yourself to Ashe Rafuse & Hill LLP, as counsel for
7 Google. You may limit your compliance to documents
8 created or used within the last ten years.

9 to be facially overbroad and unduly burdensome. *Id.*, at 455. The Court noted that such a
10 subpoena which demands that a "non party... [produce] all GSK documents in here possession
11 from the past ten years stands as a paradigmatic example of a facially overbroad subpoena."
12 Similarly, in *Brunswick Corp.*, 169 F.R.D. at 53-54, the district court there found that almost half
13 of the requests listed in Brunswick's subpoena "utterly fail[ed] to describe the documents sought
14 with any particularity... [and] effectively [sought] every document generated, received or
15 maintained by [the non party] for a ten year period..." *Id.*, at 53.

16 In the present case, without exception, all of Google's 13 document requests,
17 particularly when considered *in-toto*, effectively demand that IPVALUE produce all documents
18 in its possession for multi-year period relating a number of categories. These requests are not
19 limited to the patent-in-suit, Xerox, or the assertion of that patent against Google. For example,
20 Request No. 11 seeks all documents relating to licensing of patent "in the area of automatic
21 generation of information," while Request No. 12 seeks documents relating to "the area of
22 knowledge management technology." *See* Novikov Decl., Ex. E. As a result, Google's Motion
23 should be denied. *See e.g., Brunswick Corp.*, 169 F.R.D. at 53-54 (where because the district
24 court found half of the twenty two requests for documents "vague, inexplicit, and
25 overbroad... [and]... beyond the capabilities of [the] Court to divine precisely which of the
26 voluminous documents received, created or maintained" by the non party "might assist plaintiff's
27 preparation of their underlying lawsuit" it declined to modify the subpoena). Google's motion to
28 compel should be similarly denied.

///

///

1 **C. Google Has Not Established Good Cause To Enforce The Subpoena**
2 **As To The Categories Of Documents To Which IPVALUE Has**
3 **Maintained Its Objections.**

4 In the event that the Court does not flatly deny Google's motion, the Court should
5 exercise its discretion to modify the subpoena under F.R.C.P. 45(c)(3)(A), and this Court should
6 do so in the instant case according to IPVALUE's reasonably agreed to limitations. In this
7 regard, as the Court considers the positions of the parties, it should consider the appropriate
8 burdens under Rule 45, to wit: when a party objects to the enforcement of a subpoena, the burden
9 is on the party seeking production of the documents or testimony to show good cause, to wit: that
10 the requested documents are necessary to establish its claim or that denial will unduly prejudice
11 preparation of its case or cause it undue hardship or injustice. *United States v. American Optical*
12 *Co.*, 39 F.R.D. 580 (D. Cal. 1966). Thus, the burden is on the party bring the motion to compel
13 to demonstrate actual and substantial prejudice from the denial of discovery. *Paekman v.*
14 *Chicago Tribune, Co.*, 267 F.3d 628, 647 (7th Cir. 2001) (emphasis added); *see also* Schwarzer,
15 Tashima & Wagstaffe, *Cal. Prac. Guide: Fed. Civ. Pro. Before Trial* (The Rutter Group 2010),
16 Sec. [11:2379.I], p. 11-337. In addition, the serving party bears the burden of showing the
17 appropriateness of a subpoena served on a non-party. *In Re Natural Gas Commodity Litigation*,
18 235 F.R.D. 199, 208 (S.D.N.Y. 2005).

19 **I. Google's Search Terms Would Encompass Many Irrelevant**
20 **Documents.**

21 IPVALUE has agreed to 15 of Google's proposed search terms. These search
22 terms encompass the patent-in-suit, based on the patent number and inventors:

23 6778979
24 979
25 Grefenstette
26 Shanahan

27 IPVALUE's search terms also encompass documents related to patent-holder's (Xerox's)
28 patents:

 Xerox /20 patent

1 IPVALUE's search terms also encompass the technology at issue, as well as the accused
2 products:

3 Organized classification of document content
4 Automatically identifying a set of entities
5 Automatically categorizing the selected document content
6 Automatically formulating the query to restrict a search
7 Formulaf /3 query
8 DocSouls
9 Document Souls
10 XLP56
11 XLP57.

12 These search terms should encompass all documents related to Xerox's assertion
13 of the patent-in-suit against Google, Yahoo, or anyone else. Wu Decl., ¶ 7.

14 Google's additional search terms extend far beyond the underlying lawsuit. Many
15 of Google's additional search terms would encompass IPVALUE's work related to clients other
16 than Xerox, who might have patents that read on Google's (or Yahoo's) products, such as the
17 following:

18 (Google or Yahoo!) w/10 infring*
19 (Google or Yahoo!) w/10 law
20 (Google or Yahoo!) w/10 patent*
21 (Google or Yahoo!) w/25 licens*
22 (Google or Yahoo!) w/10 judg*
23 (Google or Yahoo!) w/10 law
24 (Google or Yahoo!) w/10 laws
25 (Google or Yahoo!) w/10 lawsuit*
26 (Google or Yahoo!) w/10 lawyer
27 (Google or Yahoo!) w/10 legal*
28 (Google or Yahoo!) w/10 patent*

Such search terms would encompass work related to patents other than the patent-in-suit (the
'979 patent), patent-holders other than the plaintiff (Xerox), and could encompass any e-mail
relating to Google or Yahoo patent or legal disputes, or even the "Google Patents" product which
is widely used to find publicly-available information regarding patents.³

³ <http://www.google.com/patents>

1 Other search terms appear to have no connection to patent assertion, such as the
2 following:

3 (Google or Yahoo!) w/25 proposal*
4 (Google or Yahoo!) w/10 automat*
5 (Google or Yahoo!) w/10 generat*
6 (Google or Yahoo!) w/5 content*
7 (Google or Yahoo!) w/5 context*
8 (Google or Yahoo!) w/5 exchang*
9 (Google or Yahoo!) w/5 market*
10 (Google or Yahoo!) w/ match*
11 (Google or Yahoo!) w/ matter*
12 (Google or Yahoo!) w/5 network
Content Match
Y!Q
Contextual Search
Right Media
RMX
Yahoo! Publisher Network
Yahoo! Search Marketing

13 Every document relating to “Google content,” “Yahoo market,” “Google
14 generated” or any “Yahoo matter” is not relevant to Xerox’s assertion of the ‘979 patent. These
15 additional search terms will encompass no relevant documents that are not already encompassed
16 by IPVALUE’s search terms, and should be rejected.

17 **2. Google Has Not Established Good Cause To Force IPVALUE To**
18 **Collect And Log The Documents Of Its In-House IP Counsel.**

19 During the February 3 teleconference, the Court suggested that the burden on
20 IPVALUE could be reduced by agreeing that the documents of certain individuals, such as in-
21 house counsel, need not be searched. Again, this approach reflects not only the high likelihood
22 that an in-house counsel’s documents will be privileged, but also the need to minimize the
23 burden on a non-party. *IP Co., LLC v. Cellnet Tech, Inc.*, No. C08-80126 MISC MMC (BZ),
24 2008 WL 3876481, at *1 (N.D. Cal. Aug. 18, 2008) (“Rule 45 emphasizes the need to minimize
25 the burden of a subpoena on a nonparty”).

26 IPVALUE has tried to adopt the Court’s suggestion, by proposing that the
27 documents of its IP Counsel need not be searched or logged. IPVALUE employs many
28 attorneys, some of whom perform in business functions, some in technical functions, and some

1 who bear the title of IP Counsel and whose responsibility is to advise the company regarding
2 legal issues. Wu Decl., ¶¶ 3-6. IPVALUE has not sought to exclude from the search attorneys
3 whose job functions are a business or technical role, but rather only those in the IP Counsel role.

4 Google has rejected the Court's suggestion, and demands that IPVALUE collect
5 and log the documents of its in-house IP Counsel whose job it is to whose job is to provide legal
6 advice to IPVALUE.⁴ Including these IP Counsels' records will increase the number of
7 documents to review, require extremely careful scrutiny to protect against the production of
8 privileged documents, and will generate a massive privilege log thereby placing an enormous –
9 and unnecessary – burden on IPVALUE. Wu Decl., ¶ 8.

10 Google's Motion (and its meet and confer efforts) lack any explanation of how
11 limiting the searches to (i) non-lawyer custodians; and (ii) to using the subset of search terms
12 proposed by IPVALUE would "*substantially prejudice*" Google's case. Instead, Google merely
13 broadly suggests that certain types of documents "may" or are "likely" to relate in some way to
14 Google's claims. *See* Motion, p. 6. The simple fact is that Google has not and cannot show
15 "good cause" for the production of the broad swath of documents demanded by its Document
16 Requests.

17 The only justification Google has offered is an Order from United States District
18 Court Judge David Carter for the Central District of California in the case: *Diagnostics Systems*
19 *Corporation v. Symantec et. al.*, (Case No. SA CV 06-1211 DOC (ANx). However, that case
20 dealt with a small company whose executives played multiple roles, both business and legal. For
21 example, one executive had created documents regarding how to acquire patents, how to identify
22 assertion targets, and how to develop an "assertion plan." (Slip Op., at 9-10).

23 In the present case, IPVALUE is only seeking to exclude from production the
24 documents of its IP Counsel, whose job is to provide legal advice to IPVALUE's business people
25 – and who do not perform "business" functions as is the *DSC* case. Wu Decl., ¶ 3. IPVALUE's
26

27
28 ⁴ It should be noted that IPVALUE has agreed that Mr. Paul Riley's documents be searched, and non-privileged documents be produced. Wu Decl., ¶ 4. During the period in question, Mr. Riley was originally in the IP Counsel function, and later moved into more of a licensing position. *Id.*

1 IP Counsel advise the company regarding legal issues, such as patent infringement theories and
2 possible defenses; they do not create the type of business plans found not to be non-privileged in
3 the *DSC* case. Further, in the *DSC* case - *DSC was a party*. As a result, the Court's analysis did
4 not involve as high a concern for burden that is mandated by Rule 45. As a result, the Court
5 should not order that IPVALUE's IP Counsels' emails and documents be subjected to collection
6 and review.⁵

7 **3. Damages Bifurcation.**

8 Damages have been bifurcated in the underlying patent litigation, and IPVLUE
9 has been informed that Google is refusing to produce damages-related documents. Accordingly,
10 IPVALUE should not be required to produce damages-related documents either.

11 **4. Time Cut-off.**

12 IPVALUE has proposed cutting off discovery at the filing of the complaint, since
13 subsequent documents are almost to be privileged. Requiring IPVALUE to log documents
14 generated in connection with responding to this subpoena or to the motion to compel would be
15 pointless, unduly burdensome, and abusive.

16 **D. The Court Should Deny Google's Motion To Compel Because It**
17 **Imposes An Undue Burden On IPVALUE.**

18 In the unlikely event that the Court finds "good cause" to enforce the subpoena
19 because the documents are discoverable, this does not mean the discovery must be had. *Nicholas*
20 *v. Wyndham Int'l, Inc.*, 373 F.3d 537, 543 (4th Cir. 2004). The Court may quash or modify the
21 subpoena for any one of the reasons set forth in Rule 45(c)(3)(A), including, but not limited to, if
22 it "subjects a person to undue burden." F.R.C.P. 45(c)(3)(A). Rule 45(c)(1) requires the Court
23 to protect persons subject to a subpoena from undue burden and expense. F.R.C.P. 45(c)(1).
24 This duty is at its apex where non parties are subpoenaed. *United States v. Columbia*
25 *Broadcasting Sys.*, 666 F.2d 364, 371-72 (9th Cir. 1982) (noting that non parties are powerless to
26 control the scope of discovery, and should not be forced to subsidize an unreasonable share of

27
28 ⁵ As IPVALUE proposed in its meet and confer efforts to Google – if after production, the documents produced demonstrate that IPVALUE's in-house counsel are significantly involved in business related issues – IPVALUE will be willing to revisit the production.

1 the costs of litigation to which they are not a party). In this regard, Courts have broad discretion
2 to determine whether a subpoena is unduly burdensome. *Exxon Shipping Co. v. U.S. Dept. of*
3 *Interior*, 34 F.3d 774, 779 (9th Cir. 1994).

4 In the event the Court gets beyond the manifest burdens imposed by the facially
5 overbroad Third Party Subpoena, the Court should nonetheless consider the burdens imposed on
6 third-party IPVALUE. Causing a **non party** to hire an electronic discovery vendor to harvest
7 tens of thousands or hundreds of thousands of pages of documents at cost of between \$20,000 -
8 \$35,000, and to spend an additional tens of thousand dollars on mandatory legal reviews of
9 gigabytes of information demanded by the nature of the search terms or to otherwise suffer
10 crippling losses in manpower (*see* Wu Decl., ¶ 3) is not reasonable or warranted to obtain the
11 tangentially relevant information to Google's patent infringement case.

12 In support of its motion to compel Google does not argue that it will suffer
13 substantial hardship if the requested data is not produced. In other words, although imposing
14 such serious burdens on IPVALUE may be helpful to Google's case in some small way - that is
15 not the standard for enforcing a subpoena. As pointed out above, the burden is on the party bring
16 the motion to compel to demonstrate actual and substantial prejudice from the denial of
17 discovery. *Packman*, 267 F.3d at 647; *see also* Schwarzer, Tashima & Wagstaffe, *Cal. Prac.*
18 *Guide: Fed. Civ. Pro. Before Trial* (The Rutter Group 2008), Sec. [11:2379.1], p. 11-337. Since
19 the evidence demonstrates that the burden to IPVALUE greatly outweighs the benefit to Google,
20 the subpoena should be quashed to the extent it exceeds the meet and confer agreement of
21 IPVALUE.

22 E. **To The Extent The Court Does Not Quash The Subpoena For One Of**
23 **The Reasons Stated Herein The Court Must Rule On IPVALUE's**
24 **Objections.**

25 If the Court does not quash Google's facially overbroad and unduly burdensome
26 subpoena outright, and the Court either considers enforcing some or all of the document requests
27 therein, before doing so the Court must rule on IPVALUE's Objections with respect to each
28 particular request. IPVALUE hereby asserts each of its objections to each of Google's
Document Requests. However, IPVALUE recognizes the impracticality of setting forth the law

1 and the reasoning behind each of IPVALUE's objections juxtaposed to each of Google's 13
2 document requests. Moreover, the page limits imposed by the Federal Rules would impair
3 IPVALUE's to adequately flesh out the depth and substance of some of its objections. Instead,
4 IPVALUE respectfully requests that if the Court actually gets to the point where it is considering
5 enforcing all or even a portion of Google's subpoena that additional briefing be permitted to
6 further articulate IPVALUE's objections. By suggesting this practical step, IPVALUE does not
7 waive any of its objections.

8 **F. In The Event The Court Enforces Any Aspect Of The Subpoena**
9 **Google Should Be Ordered To Advance IPVALUE Its Estimated**
10 **Costs.**

11 During the February 2 teleconference, the Court suggested that the burden on
12 IPVALUE could be addressed by cost-shifting. That approach is consistent with Rule 45, under
13 which district courts are required to protect non parties from "significant expense." *Klay v. All*
14 *Defendants*, 425 F.3d 977, 984 (11th Cir. 2005); *see also Columbia Broadcasting, supra*, 666
15 F.2d at 372 (non party status is also an important factor in determining whether to allocate
16 discovery costs on the demanding or producing party). Attorneys fees and professional services
17 are recoverable where third party can demonstrate that such services are necessary to comply
18 with the production request. *Phillips Petroleum Co. v. Pickens*, 105 F.R.D. 545 (D.C. Tex.
19 1985); *First American Corp. v. Price Waterhouse LLP*, 184 F.R.D. 234, 238 (S.D.N.Y. 1998)
20 (respondent awarded expenses plus a portion of attorney's fees). Despite the Court's suggestion
21 and the supporting authority, Google has refused to pay any part of IPVALUE's costs.

22 IPVALUE is not asking Google to shoulder the entire cost of IPVALUE's
23 production. In the interest of compromise, IPVALUE is asking Google to pay half of
24 IPVALUE's costs and attorneys fees. This would lessen the burden on IPVALUE, and create an
25 incentive for both parties to minimize the costs and fees. This is particularly significant where
26 Google's demands would dramatically increase the costs of IPVALUE's production, by
27 requiring, for example, logging of in house counsel's documents, including documents
28 generating after filing of the lawsuit, such as documents generating in the course of responding
to the instant subpoena and motion to compel.

1 In the present case, IPVALUE has made a showing of the costs required to
2 produce the requested documents. Wu Decl., ¶ 8. Accordingly, in the unlikely event that the
3 Court does not quash the subpoena as it relates to the IPVALUE's IP Counsel in this matter, and
4 that it overrules IPVALUE's objections, IPVALUE respectfully requests that the Court order
5 Google to advance IPVALUE at least \$50,000, or an adequate amount in proportion to the
6 Court's further modification of the Subpoena, search terms, and custodians.

7 **IV. CONCLUSION**

8 For the reasons stated herein, Google's Motion should be denied. In the
9 alternative, the Court should modify the Third Party Subpoena to the scope reasonably agreed to
10 by IPVALUE. Moreover, in the event the Court orders IPVALUE to comply with the subpoena,
11 Google should be ordered to advance IPVALUE \$50,000 – and to cover any additional costs not
12 covered by such advance – that non party IPVALUE incurs by responding to the subpoena.

13
14 Dated: March 4, 2011

MCMAHON SEREPKA LLP

15
16
17 
18 Peter C. McMahon, Esq.
Attorneys for Third Party
IPVALUE MANAGEMENT, INC.

EXHIBIT 4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

GOOGLE INC AND YOUTUBE LLC,)	
Plaintiff(s),)	No. C11-80016 MISC RS (BZ)
v.)	
IPVALUE MANAGEMENT INC,)	ORDER GRANTING
Defendant(s).)	MOTION TO COMPEL

Before me is plaintiffs' motion to compel IP Value to provide responses to plaintiffs' November 4, 2010 subpoena. Docket No. 5. At the March 30, 2011 hearing on this matter, the parties resolved many of the outstanding issues regarding plaintiffs' motion. The only issue that currently requires my ruling is whether IP Value shall be required to search for and produce responsive documents from its in-house counsel (Steve Shin, Sanjay Prasad, Keith Wilson, and Mitch Rosenfield), and, if so, whether some of the costs associated with this production shall be shifted to the plaintiffs. Having considered the arguments presented by counsel and reviewed the papers submitted, **IT IS HEREBY ORDERED** that plaintiffs' motion

1 is **GRANTED** for the reasons explained below.

2 It is IP Value's burden to establish that the attorney-
3 client privilege would apply to its in-house counsel's
4 documents. See von Bulow by Auersperg v. von Bulow, 811 F.2d
5 136, 144 (2d Cir. 1987) ("[t]he burden is on a party claiming
6 the protection of a privilege to establish those facts that
7 are the essential elements of the privileged relationship").
8 If IP Value's in-house counsel were functioning in a capacity
9 to further the business goals of IP Value, then their
10 documents would not be privileged. But if counsel were
11 providing legal advice to IP Value, then their documents may
12 potentially be privileged. See Diagnostic Systems Corp. v.
13 Symantec, CV06-1211 at *8-9 (C.D. Cal. 2008);¹ In re Sealed
14 Case, 737 F.2d 94, 99 (D.C. Cir. 1984) (a company can only
15 shelter its in-house counsel's advice upon a clear showing
16 that he gave it in a professional legal capacity and not while
17 performing his non-legal functions as the company's vice
18 president).

19 Here, IP Value has submitted declarations from its in-
20 house counsel explaining IP Value's business model and
21 counsel's job duties. Contrary to the conclusory statements
22 in these declarations that counsel only wear a "legal" hat
23 while performing their work, the declarations show that
24 counsel do function in a capacity to further the business
25 goals of IP Value. For instance, Wilson's declaration
26 explains that IP Value's business consists of two major

27
28 ¹ This case was submitted by plaintiffs as appendix A
to their reply.

1 components: "(1) the identification of patent
2 commercialization opportunities, and (2) the conduct of
3 licensing or sales that comprise that commercialization."
4 Wilson Decl. at ¶ 4. Wilson then testifies that Prasad,
5 Rosenfield, and Shin may have participated in negotiations
6 with plaintiffs led by IP Value's licensing group. Id. at ¶
7 10. Thus, IP Value's in-house counsel were involved in
8 licensing negotiations, one of the main functions of IP
9 Value's business. IP Value concedes that it believes that
10 about 10% of the disputed documents are not privileged and
11 other than cost, presents no reason for not disclosing them.

12 Wilson's testimony that counsel mainly provided advice to
13 IP Value regarding patent infringement theories and defenses
14 to patent assertions also shows that counsel worked in the
15 capacity of furthering IP Value's business goals. IP Value's
16 decision to use attorneys for this function does not result in
17 all communications relating to the counsel's work becoming
18 privileged. See U.S. v. Cohn, 303 F.Supp.2d 672, 684 (D. Md.
19 2003) (holding that a telemarketing company's in-house
20 counsel's communications regarding her review of telemarketing
21 scripts were not privileged because counsel's advice, although
22 partly legal, was mainly intended to help the company increase
23 profits and therefore constitutes business advice). Like
24 Cohn, the primary purpose behind IP Value's in-house counsel's
25 advice was to increase IP Value's business.² For the

26
27 ² Another reason that Cohn held that in-house counsel's
28 advice was not privileged was because the advice was
"customarily reviewed by both legal and non-legal personnel,
thereby undermining any claim to confidentiality necessary to a

1 foregoing reasons, IP Value has not met its burden of
2 establishing that the attorney-client privilege would apply to
3 the documents at issue. IP Value shall therefore search for
4 and produce any responsive documents requested by plaintiffs
5 from Shin, Prasad, Wilson, and Rosenfield.

6 IP Value's request to shift some of the costs associated
7 with this production onto plaintiffs is denied. IP Value has
8 chosen to enter a business in which it commercializes patents
9 for other companies. Its role as Xerox's agent in the
10 instigation of this suit distinguishes it from a true non-
11 party, as to whom the Court might be more concerned about
12 saddling it with costly discovery. IP Value should have been
13 aware that its efforts to enforce others' patents might lead
14 to litigation that would require it to search for and produce
15 documents through the discovery process. It could have
16 developed a better system for filing privileged documents.
17 See e.g., The Sedona Conference Working Group, The Sedona
18 Principles: Best Practices Recommendations & Principles for
19 Addressing Electronic Document Production, Comment 5.b
20 (Jonathan M. Redgrave et al. eds., 2d ed. 2007). Or it could
21 have passed these costs on to its clients. Having done

22 ///

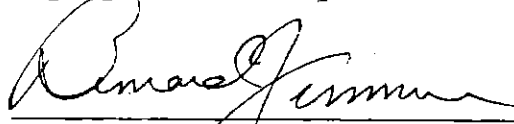
23 ///

24 ///

25 _____
26 claim of attorney-client privilege." 303 F.Supp.2d at 684-85.
27 Although neither of the parties addressed this issue in their
28 papers or at the hearing, it appears likely from IP Value's
declarations that in-house counsel's advice was not kept
confidential and was used by non-management personnel in
running the day-to-day aspects of IP Value's business.

1 neither, it cannot thwart proper discovery.

2 Dated: April 28, 2011



3
4 Bernard Zimmerman
United States Magistrate Judge

5
6 G:\BZALL\REFS\GOOGLE V. IP VALUE\ORDER RE MOTION TO COMPEL (AFTER
HEARING).wpd

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28