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June 24, 2011

VIA ELECTRONIC FILING AND HAND DELIVERY

The Honorable Judge Leonard P. Stark
J. Caleb Boggs Federal Building
844 N. King Street, Unit 26, Room 6124
Wilmington, DE 19801-3556

REDACTED
PUBLIC VERSION

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

Dear Judge Stark:

For the reasons below, Plaintiff Xerox Corp. ("Xerox") respectfully requests that the Court deny Defendants' request for the disclosure of all privileged communications shared between Xerox and its patent licensing agent, IPVALUE Management, Inc. ("IPValue").

1. The Xerox-IPValue Relationship. To better exploit its considerable intellectual property portfolio, Xerox has engaged IPValue, an independent company that identifies and pursues intellectual property assertions and licensing. (*See* Shin Decl. ¶ 3.) Xerox and IPValue entered into agreements that designated IPValue as Xerox's worldwide agent for intellectual property licensing. (*See* Schnose Decl. Ex. A, ¶ 2.01 & Ex. B, ¶ 2.01). Under those agreements, IPValue is entitled to a commission for each intellectual property transaction it facilitates. (*See* Schnose Decl. Ex. A, ¶ 8.01 & B, ¶ 8.01.) Both IPValue and Xerox therefore have the identical interest in successfully licensing or asserting Xerox intellectual property.

Because assertions and licensing continuously involve legal issues such as patent infringement, validity and contract interpretation, Xerox and IPValue each retain attorneys who perform legal analysis concerning such issues and render legal advice to their respective clients. (*See* Schnose Decl. ¶¶ 3-4; Shin Decl. ¶ 5; Ex. A ¶¶ 1-4; Ex. B ¶¶ 1, 3; Ex. C ¶¶ 3-4; Ex. D ¶¶ 3, 7-9.) There is no credible argument (*see* Section 3 below) that the resulting communications and documents are not privileged within each company. Furthermore, because achieving Xerox's and IPValue's joint objective of successfully asserting Xerox intellectual property requires close cooperation between the companies, including regarding the numerous legal matters that arise, both companies routinely share privileged information with each other. All such exchanges are premised on the understanding that they are necessary to advance both companies' common interest, that the shared information will remain privileged, and that shared information will be kept strictly confidential. (*See* Schnose Decl. ¶¶ 12-14; Shin Decl. ¶¶ 6-7.) Without that expectation of privilege, Xerox and IPValue would not have shared their privileged analyses and communications and, indeed, would not be able to maintain an effective agency relationship.

2. Governing Law. The purpose of the attorney-client privilege "is to encourage full and frank communication between attorneys and their clients". *In re Telelobe Commc'ns Corp.*,

493 F.3d 345, 360 (3d Cir. 2007) (citation omitted). “The client, the attorneys, and any of their agents that help facilitate attorney-client communications or legal representation are included within ‘privilege[d] persons’.” *WebXchange Inc. v. Dell Inc.*, 264 F.R.D. 123, 126 (D. Del. 2010) (quoting *In re Teleglobe*, 493 F.3d at 359). In addition, under the common interest doctrine, shared “[c]ommunications between clients and attorneys ‘allied in a ‘common legal cause’” remain protected because it is reasonable to expect that parties pursuing common legal interests intended resultant disclosures to be ‘insulated from exposure beyond the confines of the group’.” *Leader Techs., Inc. v. Facebook, Inc.*, 719 F. Supp. 2d 373, 376 (D. Del. 2010) (citing *In re Regents of the Univ. of Cal.*, 101 F.3d 1386, 1389 (Fed. Cir. 1996)). For the common interest privilege to apply, “there should be a demonstration that ‘the disclosures would not have been made but for the sake of securing, advancing, or supplying legal representation’”, and the interests at issue “must be ‘identical, not similar, and be legal, not *solely* commercial’.” *Id.* (citing *In re Regents*, 101 F.3d at 1389-90) (emphasis added).

3. Common Interest Privilege Applies to the Xerox-IPValue Relationship. The exchange of privileged information between Xerox and IPValue is protected by the common interest privilege. Both companies share an identical legal interest in enforcing Xerox’s intellectual property against third parties, and the exchange of privileged information would not have occurred except to achieve that objective.¹ Indeed, a Delaware court recently held that a relationship virtually identical to Xerox’s and IPValue’s implicated a shared legal interest triggering application of the common interest privilege. *See Rembrandt Techs., L.P. v. Harris Corp.*, C.A. No. 07C-09-059-JRS, 2009 WL 402332, at *7 (Del. Super. Ct. Feb. 12, 2009).²

In *Rembrandt*, a companion case to multi-district patent litigation in this District, the patentholder formed a “patent assertion team” with the original patent owner and an independent partnership focused on the “strategic assertion” of patents. *See id.* at *1, *3. In ensuing litigation, the patentholder maintained that privileged documents shared with representatives or attorneys of the other assertion team members remained privileged “because they were exchanged . . . in order to further a common legal interest: the enforcement and exploitation of [the] patents”. *Id.* at *6. Applying the common interest privilege test articulated in *In re Regents* and *Teleglobe*, the court agreed, holding that this common interest was supported by both contracts among the members and affidavits from their representatives that documented an intent to maintain confidentiality and privilege, as well as by policy considerations. *Id.* at *7-8.

Rembrandt is squarely on point here. Xerox and IPValue share an identical legal interest in the enforcement and exploitation of Xerox’s intellectual property, as evidenced by attorney declarations and the companies’ contractual relationship. Throughout their efforts to further this common interest, the companies have operated under the clear expectation that any shared privileged communications would be kept confidential and protected from disclosure subject to

¹ Defendants claim that Xerox “admitted it has no written common interest agreement with IPValue”. (Defs.’ Br. at 3.) During the parties’ meet-and-confer, Xerox’s counsel stated that a formal “common interest agreement” was not required to invoke the common interest privilege, and Defendants’ counsel did not dispute that, nor do Defendants offer authority for such a requirement in their brief.

² Under Fed. R. Evid. 501, privilege issues in cases involving federal questions are governed by federal common law. But “[i]n deriving the principles of federal common law which apply under Rule 501, the federal courts typically look to the state privilege law and follow its lead unless there is strong federal policy to the contrary”. *Andritz Sprout-Bauer, Inc. v. Beazer East, Inc.*, 174 F.R.D. 609, 632 (M.D. Pa. 1997).

the common interest doctrine, and they would not have exchanged privileged information but for the need to further the legal representation of both parties. (See Schnose Decl. ¶ 12; Shin Decl. ¶ 7.) That IPValue “may gain financially through any Xerox recovery in this case” (Defs.’ Br. at 2) does not negate its legal interest here, just as it did not negate the legal interests in *Rembrandt*.

Nor do the cases cited by Defendants support a contrary result.³ In *Leader Techs.*, the plaintiff tried to invoke common interest privilege to protect documents disclosed to litigation financing companies *before* consummating financing deals with those companies. 719 F. Supp. 2d at 375-76. Under those circumstances, this Court acknowledged that the case “presented a close question”. *Id.* at 376. Yet here, the parties *have* consummated a contractual relationship that requires the exchange of privileged legal advice and analyses, and the challenged communications all took place afterwards. Defendants’ oblique reference to *Corning Inc. v. SRU Biosystems, LLC* is similarly unavailing, as that case involved documents shared with a potential investor prior to any deal actually being reached. 223 F.R.D. 189, 190 (D. Del. 2004) (“the Court views the negotiations between these two corporations to reveal that SRU’s disclosures to BD were made not in an effort to formulate a joint defense but rather to persuade BD to invest in SRU”). In contrast to the third parties in those cases, IPValue has been engaged specifically to assist Xerox in exploiting its patent portfolio, and the parties have exchanged confidential, privileged information in furtherance of that common objective.⁴

4. Xerox and IPValue Attorneys Acted As Lawyers. Citing only cases expressing the familiar rule that privilege does not apply when attorneys act solely in business roles, Defendants’ final argument is that the challenged communications are not privileged because they furthered the business objectives of Xerox and IPValue. Defendants’ doctrinal sleight-of-hand is unavailing. The challenged communications, whether generated by Xerox or IPValue attorneys, involve lawyers performing quintessentially legal work, such as preparing claim charts concerning patent infringement or drafting licensing agreements. (See Schnose Decl. ¶¶ 3-4, 11; Shin Decl. ¶ 5; *see also* Ex. A ¶ 3; Ex. B ¶ 3; Ex. C ¶ 3; Ex. D ¶¶ 7-9.) That this legal work advanced the business objective of both companies is of no moment. Legal advice in the business world is always for the purpose of advancing a company’s business interests. That does not vitiate the privilege. *See Rembrandt*, 2009 WL 402332, at *6 (citing *Hercules, Inc. v. Exxon Corp.*, 434 F.Supp. 136, 147 (D. Del. 1977)). Here, IPValue and Xerox have claimed privilege over only communications that were made “for the purpose of obtaining or providing legal assistance for the client”, *WebXchange*, 264 F.R.D. at 126, as is plainly evident from the entries in Xerox’s privilege log. Where communications between Xerox and IPValue did not relate to confidential legal advice, the companies have produced those communications to Defendants.

Because Defendants’ request for relief rests on faulty and unsubstantiated assumptions about the nature of the common interest privilege and the facts of this case, it should therefore be denied.

³ Defendants suggest that IPValue cannot share a legal interest with Xerox because it does not “have an ownership interest in the patent-in-suit or Xerox”. (Defs.’ Br. at 2.) Defendants cite no authority for this proposition, which would substantially and unjustifiably narrow the scope of common interest privilege.

⁴ Additionally, Defendants’ interest in viewing attorneys’ internal discussions is of dubious relevance to this case. *See Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 115 F.R.D. 308, 311-12 (N.D. Cal. 1987) (“In patent cases the primary focus should be on the real world, on the similarity of the products involved in the dispute and on the history of relevant inventions.... Preoccupation with efforts to paint opposing counsel into some semantic corner or to take advantage of his choice of terms leads to costly, unproductive, and unseemly disputes.”).

Respectfully,

/s/ Andrew C. Mayo

Andrew C. Mayo

ACM: nml
Attachments

c: Richard L. Horwitz, Esquire (hand delivery; w/attachments)
David A. Perlson, Esquire (via electronic mail; w/attachments)
Jack B. Blumenfeld, Esquire (hand delivery; w/attachments)
Matthew B. Lehr, Esquire (via electronic mail; w/attachments)
Richard J. Stark, Esquire (via electronic mail; w/attachments)

EXHIBIT A

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Attorneys for Third Party
IPVALUE MANAGEMENT, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

GOOGLE, INC., and YOUTUBE, LLC,

Plaintiff(s),

v.

IPVALUE MANAGEMENT INC.,

Defendant.

Case No. C11-80016 MISC RS (BZ)

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

1 I, Sanjay Prasad, declare as follows:

2 1. I am an attorney admitted to practice in California and before the United
3 States Patent and Trademark Office. From approximately November 2005 to approximately
4 February 2008, I was employed by IPVALUE Management, Inc. ("IPVALUE"), and held the
5 positions of Vice President, IP Counsel and Head of India Operations. I submit this declaration
6 in support of *IPVALUE's Opposition To Google, Inc.'s and YouTube, LLC's Motion To Compel*
7 *Production of Documents from Third Party IPVALUE* ("Opposition"). I have personal
8 knowledge of the facts set forth herein.

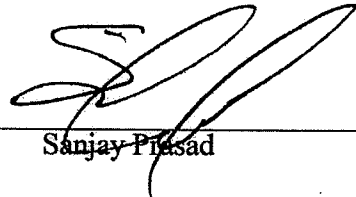
9 2. During the time of my tenure with IPVALUE, IPVALUE's business
10 consisted of two major components: (1) the identification of patent commercialization
11 opportunities, and (2) the conduct of the licensing or sales that comprise that commercialization.
12 These functions were led and primarily conducted by the "Technology and Operations Group,"
13 and the "Licensing Group," respectively. The Technology and Operations Group generally
14 included technical and financial specialists. The Licensing Group focused on license
15 negotiations, and its members were typically designated as "Vice President, Licensing." or
16 similar titles including the word "Licensing."

17 3. From approximately April 2007 to February 2008 I was the attorney
18 assigned to provide legal advice to support IPVALUE's efforts in connection with patent
19 licensing discussions with Google and Yahoo regarding certain patents owned by Xerox. In
20 connection with these patent licensing discussions, I advised IPVALUE regarding infringement
21 of Xerox's patents by Google and Yahoo. I participated in in-person and telephone meetings
22 with Google and Yahoo in connection with these assertions, and I advised IPVALUE regarding
23 preparation for these meetings. I also advised IPVALUE regarding the counter-arguments
24 presented to IPVALUE. The meetings in which I participated were led by the Licensing Group
25 (Ms. Kumar). In addition, Xerox may have requested that IPVALUE generate materials, such as
26 claim charts, for review by counsel for Xerox prior to the use of similar materials by IPVALUE
27 in negotiations, and I advised IPVALUE to support such requests.

1 4. During the course of negotiations with Google, IPVALUE received
2 arguments in response to the patent assertion, such as arguments pertaining to non-infringement
3 or invalidity of the patents at issue. I advised IPVALUE regarding the merits of Google's
4 response, and was sometimes asked to participate in meetings to communicate IPVALUE's
5 response to Google. In the matter at bar, the Licensing Group (Ms. Kumar) performed the
6 "business functions" by leading the licensing negotiations, and my participation was strictly to
7 provide legal advice and counseling to IPVALUE before, during, and after negotiations – and to
8 explain legal positions and answer legal questions from Google's team.

9 I declare under penalty of perjury under the laws of the United States of America
10 that the foregoing is true and correct. Executed in MOUNTAINVIEW, California on April 6,
11 2011.

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Sanjay Prasad

EXHIBIT B

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Attorneys for Third Party
IPVALUE MANAGEMENT, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

GOOGLE, INC., and YOUTUBE, LLC,

Plaintiff(s),

v.

IPVALUE MANAGEMENT INC.,

Defendant.

Case No. C11-80016 MISC RS (BZ)

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

1 I, Mitchell Rosenfeld, declare as follows:

2 1. From approximately August 2005 to April 2007, I was employed by
3 IPVALUE Management, Inc. ("IPVALUE"), and I initially held the position of IP Counsel and
4 then later the position of Vice President, IP Counsel. I have personal knowledge of the facts set
5 forth herein, and, if called upon to testify thereto, I am competent to do so and would do so.

6 2. During the time of my tenure with IPVALUE, IPVALUE's business
7 consisted of two major components: (1) the identification of patent commercialization
8 opportunities, and (2) the conduct of the licensing or sales that comprise that commercialization.
9 These functions were led and primarily conducted by the Operations Group, and the Licensing
10 Group, respectively. The Operations Group generally included technical and financial
11 specialists. The Licensing Group focused on license and sale negotiations, and its members were
12 typically designated as "Vice President, Licensing." or similar titles including the word
13 "Licensing." The members of the Licensing Group were both attorneys and non-attorneys.

14 3. During my tenure as IP Counsel for IPVALUE my work focused on legal
15 advice and services to IPVALUE. My duties were to advise and provide services to IPVALUE
16 regarding legal issues, such as patent infringement theories, and defenses to patent assertion. As
17 IP Counsel, I was not a member of the Operations Group or the Licensing Group, but during my
18 tenure I provided legal advice and services to both groups. The vast majority of my duties
19 included advising and providing services to the company regarding patent issues although I may
20 have engaged in some non-legal related matters from time-to-time.

21 4. To the best of my recollection, during my tenure with IPVALUE I did not
22 participate in any licensing negotiation meetings with Google, Inc. or Yahoo, Inc. All work that
23 I recall performing in relation to Google, Inc. or Yahoo, Inc. involved providing legal advice and
24 services to IPVALUE.

I declare under penalty of perjury under the laws of the United States of America
that the foregoing is true and correct. Executed in San Francisco, California on April 6, 2011.



Mitchell Rosenfeld

EXHIBIT C

1 PETER C. McMAHON (State Bar No. 161841)
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IPVALUE MANAGEMENT, INC.

6 UNITED STATES DISTRICT COURT
7
8 NORTHERN DISTRICT OF CALIFORNIA
9 SAN FRANCISCO DIVISION

10 GOOGLE, INC., and YOUTUBE, LLC,
11 Plaintiff(s),
12 v.
13 IPVALUE MANAGEMENT INC.,
14 Defendant.

Case No. C11-80016 MISC RS (BZ)

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

1 I, Steve Shin, declare as follows:

2 1. I am a Vice President, IP Counsel at IPVALUE Management, Inc.
3 ("IPVALUE"), and have been in my position since June 2008. I submit this declaration in
4 support of *IPVALUE's Opposition To Google, Inc.'s and YouTube, LLC's Motion To Compel*
5 *Production of Documents from Third Party IPVALUE* ("Opposition"). I have personal
6 knowledge of the facts set forth herein, and, if called upon to testify thereto, I am competent to
7 do so and would do so.

8 2. In my capacity I am personally aware of IPVALUE's business model.
9 The business of IPVALUE consists of two major components: (1) the identification of patent
10 commercialization opportunities, and (2) the conduct of the licensing or sales that comprise that
11 commercialization. These functions are led and primarily conducted by the "Technology and
12 Operations Group," and the "Licensing Group," respectively. The Technology and Operations
13 Group includes generally technical and financial specialists. The Licensing Group focuses on
14 license negotiations, and its members are typically designated as "Vice President, Licensing," or
15 similar titles including the word "Licensing." The members of the Licensing Group are both
16 attorneys and non-attorneys. However, these attorneys perform business functions – and do not
17 provide legal advice to IPVALUE.

18 3. Since the start of my employment at IPVALUE in June 2008, I have not
19 held any position in either the Licensing Group or the Technology and Operations Group. The
20 only position I have held at IPVALUE is Vice President, IP Counsel in the Legal Group. My
21 work focuses on providing legal advice to IPVALUE. My duties are to advise IPVALUE
22 regarding legal issues, such as patent infringement theories, and defenses to patent assertion. As
23 Vice President, IP Counsel, I am not a member of the Technology and Operations Group or the
24 Licensing Group, but I provide legal advice and services to both groups. The vast majority of
25 these activities include advising IPVALUE regarding patent issues. I provide this declaration
26 because I am one of the four "In-House counsel" custodians identified by Google. During my
27 tenure I have worked in connection with the Xerox/Google and Xerox/Yahoo assertions. My
28 personal involvement with these projects has included nothing except legal advice in connection

1 with the patent assertion. I have advised the company regarding infringement of Xerox's patents
2 by Google and Yahoo. I participated in a few telephone calls with Google in connection with
3 this assertion, and I advised the company regarding preparation for these meetings. I have
4 advised the company regarding the counter-arguments presented to IPVALUE. The meetings in
5 which I participated were led by the Licensing Group (Mr. Riley and/or Ms. Kumar).
6 ("INTERNAL COMMUNICATIONS"). In addition, Xerox may have requested that IPVALUE
7 generate materials, such as claim charts, for review by counsel for the client prior to the use of
8 similar materials by IPVALUE in negotiations. ("EXTERNAL COMMUNICATIONS").

9 4. During the course of negotiations with Google, IPVALUE received
10 arguments in response to the patent assertion, such as arguments that the products at issue do not
11 infringe the patent, or that the patent is not valid. As Vice President, IP Counsel, I advised
12 IPVALUE regarding the merits of Google's response, and was sometimes asked to participate in
13 meetings to communicate IPVALUE's response to Google. In the matter at bar, the Licensing
14 Group (Mr. Riley and Mr. Kumar) performed the "business functions" by leading the licensing
15 negotiations, and my participation was strictly to provide advice and counseling to IPVALUE
16 before, during, and after negotiations – and to explain legal positions and answer legal questions
17 from Google's team.

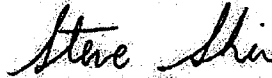
18 5. In performing my duties, I generated INTERNAL COMMUNICATIONS
19 (strictly within IPVALUE) and EXTERNAL COMMUNICATIONS (to Xerox (in this case), and
20 to other third parties). I am informed and believe that IPVALUE has produced its EXTERNAL
21 COMMUNICATIONS to Google.

22 6. I am mindful of my obligations under the Federal Rules of Civil
23 Procedure, i.e., Rule 11 and 26(g). As a result, it is difficult for me to quantify the percentage of
24 strictly privileged communications for myself. However, because my internal function and
25 duties has been to provide legal advice, I believe that a very high percentage of my internal data
26 and my documents will relate to advice and counseling to other IPVALUE personnel. Although
27 I have never quantified this percentage, I am comfortable estimating that well over 90 percent of
28 the documents generated and received by myself for each matter involved are for purposes of the

1 IP Counsel providing legal advice to the company. My documents in the Xerox/Google and
2 Xerox/Yahoo projects were generated in the course of providing legal advice regarding the
3 project. These documents relate to the assertion of Xerox's patents against Google and/or
4 Yahoo, and the related issues of patent claim construction, infringement, validity, and damages.
5 With the exception of documents communicated with Google or Yahoo, the vast majority of
6 these documents are privileged. Although I have not conducted a formal privilege review, I am
7 comfortable estimating that more than 90 percent of my "responsive" documents in this project
8 would be considered privileged.

9 I declare under penalty of perjury under the laws of the United States of America
10 that the foregoing is true and correct.

11 Executed in Bridgewater, New Jersey on April 6, 2011.

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14 Steve Shin
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EXHIBIT D

1 PETER C. McMAHON (State Bar No. 161841)
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8 Attorneys for Third Party
9 IPVALUE MANAGEMENT, INC.

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION
13

14 GOOGLE, INC., and YOUTUBE, LLC,

15 Plaintiff(s),

16 v.

17 IPVALUE MANAGEMENT INC.,

18 Defendant.

Case No. C11-80016 MISC RS (BZ)

**DECLARATION OF KEITH M.
WILSON IN SUPPORT OF THIRD
PARTY IPVALUE MANAGEMENT,
INC.'S OPPOSITION TO GOOGLE,
INC.'S AND YOUTUBE, LLC'S
MOTION TO COMPEL
PRODUCTION OF DOCUMENTS**

1 I, Keith Wilson, declare as follows:

2 1. I am a Senior Vice President, Legal at IPVALUE Management, Inc.
3 ("IPVALUE"). I submit this declaration in support of *IPVALUE's Opposition To Google, Inc.'s*
4 *and YouTube, LLC's Motion To Compel Production of Documents from Third Party IPVALUE*
5 *("Opposition")*. I have personal knowledge of the facts set forth herein, and, if called upon to
6 testify thereto, I am competent to do so and would do so.

7 2. Prior to joining IPVALUE, I held various roles in the field of patent law
8 including General and IP Counsel at Solus Micro Technologies and Chief Patent Counsel at
9 Litton Industries. My practice generally involved counseling and advocacy regarding patent
10 commercialization, and related assertion, litigation, and negotiation of contracts. I have been
11 practicing in this area since 1994.

12 3. I have been the Senior Vice President, Legal at IPVALUE since 2002. In
13 this capacity, I am the head of the small number of attorneys who provide legal advice and
14 counseling to IPVALUE ("Legal Group"). From my experience, I equate the attorneys in the
15 Legal Group as being "in-house counsel" to IPVALUE. These attorneys bear the title "IP
16 Counsel." I provide this declaration in part to edify the Court regarding IPVALUE's business
17 model, and the duties and functions of the IP Counsel within IPVALUE's Legal Group. In
18 addition, I provide this declaration because I am one of the "custodians" identified by Google,
19 and because four of the other custodians identified, Paul Riley, Sanjay Prasad, Mitch Rosenfeld,
20 and Steven Shin, all served as IP Counsel in my group during their tenure at IPVALUE.

21 4. In my capacity I am personally aware of IPVALUE's business model. It
22 should be understood that IPVALUE is not an assignee or owner of the patents at issue, and
23 IPVALUE has no ownership interest whatsoever in Xerox Corporation ("Xerox"). The business
24 of IPVALUE consists of two major components: (1) the identification of patent
25 commercialization opportunities, and (2) the conduct of the licensing or sales that comprise that
26 commercialization. These functions are led and primarily conducted by the "Technology and
27 Operations Group," and the "Licensing Group," respectively. The Technology and Operations
28 Group includes generally non-attorney technical and financial specialists. Their role includes the

1 identification of patent commercialization opportunities and the gathering of information about
2 products and businesses of potential licensees. The Licensing Group focuses on license
3 negotiations, and its members are typically designated as "Vice President, Licensing." or similar
4 titles including the word "Licensing." The members of the Licensing Group are both attorneys
5 and non-attorneys. However, the attorneys perform business functions and, with some
6 exceptions, do not provide legal advice to IPVALUE.

7 5. During the period relevant to the matter at bar, neither Sanjay Prasad,
8 Mitch Rosenfield, nor Steven Shin held any position in either the Licensing Group or the
9 Technology and Operations Group. Each of these gentlemen served as IP Counsel in the Legal
10 Group.

11 6. The situation is different with Paul Riley. Mr. Riley once held the position
12 of "IP Counsel." However, during the period which is relevant to the matter at bar, Mr. Riley
13 switched positions – leaving the Legal Group, and moving to the Licensing Group. Indeed, Mr.
14 Riley led licensing negotiations with Google. This is the reason that during our "meet and
15 confer" efforts with Google, we offered and agreed to identify Mr. Riley as a "Custodian," and
16 both his "internal" and "external" communications have been (or will be imminently) produced
17 to Google. In other words, IPVALUE has never sought to exclude Mr. Riley from the document
18 production because we recognized that for part of the time, he has been in the Legal Group, and
19 for part of the time, he has been in the Licensing Group.

20 7. The Legal Group focuses on providing legal advice to the company, and
21 its members are designated as "IP Counsel" or "Vice President, IP Counsel", depending on
22 experience level. Their duties are to advise the company regarding legal issues, such as patent
23 infringement theories, and defenses to patent assertion. The IP Counsel are not members of
24 Technology and Operations Group or the Licensing Group, but they provide legal advice and
25 services to both groups.

26 8. The job duties of an IP Counsel are to provide legal advice to IPVALUE.
27 The vast majority of these activities include advising the company regarding patent legal issues
28 or other legal issues. For example, an IP Counsel will advise the Technology and Operations

1 Group regarding evidence that could be used to demonstrate that a product infringes a certain
 2 patent. To do this, the IP Counsel may review and analyze various rules of patent claim
 3 construction, infringement, or validity. In large part I say "vast majority" because an IP Counsel
 4 may perform administrative or other functions (it is a small company of 39 employees, only two
 5 of whom are administrators) that do not relate at all to the issues at bar in the lawsuit. These
 6 communications with the Technology and Operations Group are internal to IPVALUE (part of
 7 what we refer to here as "INTERNAL COMMUNICATIONS").

8 9. In short, IPVALUE is organized such that members of the Legal Group
 9 wear a "Legal" hat, and do not wear a "business" hat. With respect to the Xerox / Google
 10 assertion, neither I nor Mr. Shin, Mr. Prasad, or Mr. Rosenfield have worn the "business" hat –
 11 our role has strictly been providing legal advice wearing the "legal" hat.

12 10. As it pertains to the matter at bar, the IP Counsel (Prasad, Rosenfield, and
 13 Shin) may have also participated in negotiations led by the Licensing Group, typically by
 14 advising the Licensing Group member (e.g. Mr. Riley) and by presenting claim charts to a
 15 potential licensee and its attorneys. Advice to the Licensing Group form part of our INTERNAL
 16 COMMUNICATIONS. Copies of presentations made to potential licensees are part of what we
 17 refer to here as "EXTERNAL COMMUNICATIONS". In addition, Xerox may have requested
 18 that IPVALUE generate materials, such as claim charts, for review by Xerox counsel prior to the
 19 use of similar materials by IPVALUE in negotiations. In such a case, the IP Counsel typically is
 20 responsible for generating and providing the material that is suitable for such a review. We also
 21 group these documents into the group called EXTERNAL COMMUNICATIONS. With respect
 22 to the IP Counsel, all of these EXTERNAL COMMUNICATIONS have been gathered and have
 23 been or are being produced to Google as agreed, including creating privilege logs as appropriate.

24 11. During the course of negotiations with Google, IPVALUE likely received
 25 arguments in response to its patent assertion, such as arguments that the products at issue do not
 26 infringe the patent, or that the patent is not valid. The IPVALUE IP Counsel involved at the time
 27 would have advised the company regarding the merits of Google's response, and was sometimes
 28 asked to participate in meetings to communicate IPVALUE's response to Google. In my

1 experience, such a limited support role would analogously be provided by “in-house” or outside
2 counsel during negotiations. Indeed, in the matter at bar, the Licensing Group (Mr. Riley)
3 performed the “business functions” by leading the licensing negotiations, and any participation
4 by a Legal Group member was strictly to provide advice and counseling to IPVALUE before,
5 during, and after negotiations – and to explain legal positions and answer legal questions from
6 Google’s team.

7 12. Here, when analyzing the role of an IP Counsel, it is important to
8 understand that an IP Counsel performing his/her duties would have generated INTERNAL
9 COMMUNICATIONS (strictly within IPVALUE) and EXTERNAL COMMUNICATIONS (to
10 Xerox (in this case), and to other third parties). In the matter at bar, IPVALUE has produced its
11 EXTERNAL COMMUNICATIONS to Google. In the matter at bar, the Court is determining
12 whether in response to this Third Party Subpoena - IPVALUE will be required to produce its
13 Legal Group’s INTERNAL COMMUNICATIONS.

14 13. I am mindful of my obligations under the Federal Rules of Civil
15 Procedure, i.e., Rule 11 and 26(g). As a result, it is difficult for me to quantify the percentage of
16 strictly privileged communications for each Legal Group IP Counsel. However, because the
17 entire internal function of an IP Counsel is to provide legal advice, I believe that a very high
18 percentage of the internal data and documents of IPVALUE’s IP Counsel will relate to advice
19 and counseling to other IPVALUE personnel. Although I have never quantified this percentage,
20 I am comfortable estimating that well over 90 percent of the documents generated and received
21 by each IP Counsel for each matter involved are for purposes of the IP Counsel providing legal
22 advice to the company. This is the natural result of the function of IP Counsel in the company.

23 14. I am one of the “custodians” whom Google is seeking the Court to order
24 production of my INTERNAL COMMUNICATIONS. I have been the head of the Legal Group
25 at IPVALUE throughout IPVALUE’s work in connection with the Xerox/Google assertion. My
26 personal involvement with this project has included nothing except legal advice in connection
27 with the patent assertion. I have advised the company regarding infringement of Xerox’s patents
28 by Google and Yahoo. I participated in a few telephone calls with Google in connection with

1 this assertion, and I advised the company regarding preparation for these meetings. I have
2 advised the company regarding the counter-arguments presented to IPVALUE.

3 15. My documents in the Xerox/Google project were generated in the course
4 of providing legal advice regarding the project. The documents relate to the assertion of Xerox's
5 patents against Google and Yahoo, and the related issues of patent claim construction,
6 infringement, validity, and damages. With the exception of documents communicated with
7 Google or Yahoo, the vast majority of these documents are privileged. Although I have not
8 conducted a formal privilege review, I am comfortable estimating that more than 90 percent of
9 my "responsive" documents in this project would be considered privileged.

10 16. It is my understanding that the Court has expressed concern that
11 IPVALUE's IP Counsel are, in a sense, serving as in-house counsel for Xerox and may have in
12 its custody information that Xerox is required to produce, such as information required to be
13 disclosed by patentees under the Patent Local Rules. First, IPVALUE is not serving as legal
14 counsel to Xerox. Xerox has its own in-house counsel, including counsel who are designated to
15 support Xerox with respect to Xerox's assertion against Google. Second, I am familiar with the
16 relevant Patent Local Rules, and the types of documents that are required to be disclosed are not
17 the types of documents that IPVALUE possess; those documents, if they exist, are in the hands
18 of Xerox, who is the owner of the patents, and not in the hands of IPVALUE. Accordingly,
19 Xerox holds the patent-owner's records regarding development and ownership of the patent.
20 Xerox also holds any documents relating to whether Xerox is practicing the asserted patent.
21 IPVALUE's role as a licensing agent did not give IPVALUE any ownership interest in the
22 asserted patent, nor did it give IPVALUE possession of the patent-owner's records or any other
23 documents called for by the Patent Local Rules of the Northern District of California.
24 Moreover, in the event that IPVALUE was provided any of such documents, then those
25 documents would be provided in communications from Xerox, and such documents would fall in
26 the category of EXTERNAL COMMUNICATIONS, which, as stated above, have already been
27 gathered for production. Any subsequent INTERNAL COMMUNICATIONS regarding that
28

1 information, assuming that information exists or ever existed in IP Counsel files, invariably
2 would be privileged communications.

3 17. In the matter at bar, as it pertains to the EXTERNAL
4 COMMUNICATIONS that IPVALUE has gathered and produced, IPVALUE has received an
5 Invoice for approximately \$51,000 for January 2011 services from the legal counsel conducting
6 the privilege and confidentiality review. I expect to receive additional Invoices for similar
7 amounts for February and March services as well.

8 18. In addition, we have estimated that the amount of data that will be
9 collected and processed by our Electronic Discovery Vendor will be at least seven (7) gigabytes
10 of data (this does not include the collection of Shin's, Prasad's, Rosenfield's, or my data). The
11 amounts listed below are "cut and pasted" from the Estimate that we have received from the
12 Electronic Discovery Vendor's Contract, to wit:

Estimated Amount of Data		7GB
PROCESSING		
First Pass Processing	\$275/GB * 5 GB	\$1,375
Responsive data processing @ Responsive Rate	\$550/GB * 2 GB	\$1,100
HOSTING		
Database Configuration and Setup	\$1,500 * 1	\$1,500
iConnect Hosting/Per GB/ Per Mo.	\$45/GB/mo. * 2 GB	\$90/mo.*
iConnect User License/Per User/Per Mo.	\$85/user/mo. *2 users	\$170/mo.*
Production Costs:		
TIFF Production for Native Files/Per TIFF (Est. 100,000/pages)	\$0.06/page	\$6,000
Electronic Bates Numbering/Per page (Est. 100,000/pages)	\$0.01/page	\$1,000
Attorney/Other Endorsements/Per page (Est. 100,000/pages)	\$0.01/page	\$1,000
Load File Production/Per load file (est. 3 per production)	\$150/load file	\$450
Media: \$300/Hard Drive or \$25/DVD (Required media will be based on production size)		\$300
Misc:		
Project Management/Per hour (If required to help setup searches, database assistance, etc.)		
Estimate 2 hours	\$175.00/hour	\$300
WebEx Training/Per session (1 Session)	\$500/session	\$500
ESTIMATED ONE TIME FEES Scenario 2:		\$13,785 (Plus Production Costs)
ESTIMATED MONTHLY RECURRING FEES Scenario 2 :		\$260*

1 19. In addition, IPVALUE has retained a boutique-sized firm, McMahon
2 Serepca LLP, to conduct the necessary relevance and privilege review of the data that will be
3 processed by the Electronic Discovery Vendor. I am informed and believe that McMahon
4 Serepca LLP is experienced in such data/document reviews and that it provides very competitive
5 prices for such work. IPVALUE has received an estimate from McMahon Serepca that for email
6 files a gigabyte of data averages approximately 100,000 pages. (See also
7 http://www.lexisnexis.com/applieddiscovery/lawlibrary/whitePapers/ADI_FS_PagesInAGigabyte.pdf)
8 e.pdf). Assuming a 50% reduction in data for review once the search terms are applied, the
9 result would be 350,000 pages of documents to be reviewed by McMahon Serepca for relevance
10 and privilege. The estimate that we have received for a review of this size is that it will take at
11 least 15+ "reviewing days" and will cost in excess of \$75,000.

12 I declare under penalty of perjury under the laws of the United States of America
13 that the foregoing is true and correct. Executed in, Tahoe City California on April 6,
14 2011.

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16 Keith M. Wilson
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