UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO. 05-80387 CIV RYSKAMP/VITUNAC

STEVEN A. SILVERS, an individual,

Plaintiff,

v.

GOOGLE INC., a Delaware corporation,

Defendant.

GOOGLE INC., a Delaware corporation,

Counterclaimant,

v.

STEVEN A. SILVERS, an individual;
STELOR PRODUCTIONS, INC., a
Delaware corporation; STELOR PRODUCTIONS, LLC,
a business entity of unknown form; and
STEVEN ESRIG, an individual,

Counterdefendants.
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DEFENDANT/COUNTERCLAIMANT GOOGLE INC.'S REPLY IN SUPPORT OF ITS (1) CROSS MOTION TO COMPEL PRODUCTION OF DOCUMENTS AND PRIVILEGE LOG FROM STELOR AND ESRIG AND (2) MOTION FOR COSTS AGAINST STELOR AND ESRIG

I. INTRODUCTION

Defendant Google Inc. ("Google") has moved to compel Steven Silvers, Stelor Productions, Inc. ("Stelor") and Steven Esrig (collectively, "Plaintiffs") to produce communications between Plaintiffs because those communications may be directly relevant to whether they were making a good faith use in commerce of the mark GOOGLES at the time they filed the Section 8/15 affidavit asserting current and continuous use. [DE 130] (Without having filed such affidavit, the GOOGLES trademark registration would have lapsed.) Mr. Silvers originally refused to produce any such documents, requiring Google to move to compel these documents from Mr. Silvers. [DE 98][1] By order of September 11, 2006, the Court granted Google's motion, and ordered Mr. Silvers to provide the requested discovery. [DE 118][2] In response, Stelor brought its own motion for a protective order, asserting that a privilege applied to all communications between Mr. Silvers and Stelor because of the "common interest" they had shared. [DE 120] Along with its motion, Stelor submitted a privilege log consisting of a *single entry* which stated that "between November 2001 and December 2004, 132 emails were exchanged between Steven Silvers and Steve Esrig that involved or discussed legal related issues with respect to various intellectual properties and the subject matter of the agreements between the parties."

In response, Google opposed Stelor's motion for protective order and brought this motion to compel and for fees. [DE 130] Google's motion seeks production of non-privileged documents and a meaningful privilege log for privileged documents. In response to the motion, Stelor: (1) raised procedural objections; (2) has now produced 1,000 pages of documents (*see* Opp. at 8); and (3) has now provided a 14-page privilege log (*see* Opp. Exh. B). [DE 134] In this reply, Google notes that the procedural objections have no merit. Further, Stelor's

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[1] Google moved to compel only as to Mr. Silvers because it was still in discussions with Stelor over whether Stelor would produce the requested documents.

[2] Mr. Silvers has not yet complied with this Court's order.

withholding of 1,000 pages of documents, that it now concedes are not privileged, and production of a privilege log in compliance with the applicable rules, is a sufficient basis to award Google its fees and costs in bringing the motion. Stelor has provided no "substantial justification" for its withholding of such documents or non-production of an appropriate privilege log.

Finally, a review of Stelor's privilege log shows that Stelor's assertions of privilege—with very few exceptions—are without merit. As an initial matter, for example, the first two entries on the privilege log, dated in 2001, are prior to any license agreement between Mr. Silvers and Stelor, and are years before the bringing of the current litigation. There has been no testimony that Plaintiffs were considering litigation against Google prior to entering into the license agreement, though if that is Plaintiffs' position, that fact in itself undermines their claim of good faith use in commerce. If Plaintiffs do not contend that they were planning litigation against Google in 2001 or 2002, then the work product doctrine cannot protect such communications. Although the common interest doctrine could conceivably protect attorney-related communications between Mr. Silvers and Stelor, there is nothing reflecting that the emails relate to such communications.

Further, beginning in 2006, Stelor lists numerous entries as protected based on a "settlement privilege." Although FRE 408 limits the admissibility of settlement-related documents, there is no such thing as a "settlement privilege." Google is not seeking documents presented to the mediator, or any documents relating to joint discussions between Mr. Silvers and Stelor concerning a settlement with Google. On the other hand, to the extent documents may relate to settlement issues between Mr. Silvers and Stelor, and are unrelated to a settlement with Google, they may contain information relevant to the matters in dispute, and there is no basis for their being withheld. Accordingly, Google's motion should be granted.

II. GOOGLE'S MOTION TO COMPEL SHOULD BE GRANTED

Discovery of communications among Plaintiffs related to the GOOGLES mark is relevant to whether, among other things, Plaintiffs have a made a good faith use of the mark in commerce. For instance, such communications may reveal that Plaintiffs were not making use of the mark in commerce, but rather, were merely attempting to reserve rights in the mark in order to extract a settlement from Google. Thus, Stelor should be ordered to produce all documents reflecting communications between Mr. Silvers and Stelor regarding the GOOGLES mark (and Mr. Silvers should be ordered to comply with this Court's order to produce such documents).

A. Stelor's Procedural Obligations Are Meritless

Stelor's procedural objections to Google's motion are baseless. Stelor first suggests, for example, that Google's motion is untimely. That is not true. The parties had not reached an impasse concerning the production of documents, or Google did not believe it had reached an impasse. During the meet and confer process, there were numerous extensions of the motion to compel deadline in an effort to accommodate Stelor's delay in producing documents. Indeed, Google and Stelor met and conferred as to whether the common interest doctrine applied to the communications between Mr. Silvers and Stelor as late as September 19, 2006 in an attempt to resolve the issue, but were unable to do so. Supplemental Declaration of Johanna Calabria in Support of Google Inc.'s (1) Cross Motion to Compel Production of Documents and Privilege Log from Stelor and Esrig and (2) Motion for Costs Against Stelor and Esrig, filed herewith, ("Suppl. Calabria Decl.") ¶ 2, and Exh. 1.

Similarly, Stelor's assertion that Google's motion fails to comply with S.D. Fla. L.R. 26.1.H.2 requiring each discovery request and objection be set forth is baseless. Google complied with the rule in Exhibit 14 of the Calabria Declaration filed with the motion to compel.

B. Stelor Should Be Ordered To Produce Documents Which Have Been Improperly Withheld On Privilege Grounds

1. Stelor's assertions of a common interest privilege with Mr. Silvers are improper.

Although Stelor has belatedly provided a privilege log, the vast majority of the privilege assertions made by Stelor are insufficient to establish privilege.

Stelor's claim of a "common interest" privilege between Mr. Silvers and Stelor,[3] for example, is not well-founded for the reasons stated in Google's Opposition to Stelor's Motion for Protective Order [DE 130]), none of which is adequately addressed in Stelor's reply. Most importantly, Stelor appears to argue that parties may have a dispute on one issue, but still have a common interest on another. Google does not deny that such circumstances may exist. They do not exist, however, in this case. In this case, Mr. Silvers has already testified that he wrote to Stelor complaining about its breaches of the agreement and failure to commercialize the Google project. *See, e.g.*, Suppl. Calabria Decl. ¶ 3, Exh. 2.[4] This correspondence is directly relevant to the veracity of Stelor's Section 8 affidavit that commercial use (*i.e.*, use in commerce) was being made.

Further, Stelor argues that Mr. Silvers and Stelor had a common interest in enforcing the alleged trademark rights against Google. Unfortunately, they never agreed on such an interest. Much of the Stelor/Silvers dispute was specifically about *who* had the right to sue Google. Accordingly, there was no common interest on the subject. Stelor cannot now claim protection under a common *legal* interest which never existed between Stelor and Mr. Silvers.

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[3] Attached hereto as Exhibit A is Stelor's privilege log (submitted as Exhibit B to Stelor's Opposition) with each entry numbered 1-188 for ease of reference. Having received Stelor's privilege log as an attachment to its Opposition, Google now specifically challenges entries # 1-59, 61-109, 117-129, and 150-188 on the grounds that the assertion of the common interest privilege is improper for the reasons stated in Google's Opposition to Stelor's Motion for Protective Order.

[4] Mr. Silvers also testified that his role as a consultant was very limited (*see* Suppl. Calabria Decl., Exh. 3) and that he was never consulted as to "any legal action being planned against Google.com." *See* Calabria Decl. Exh. 2, p. 6.

Even according to the cases cited by Stelor, a common interest between parties to litigation is limited. "[T]he common interest rule covers communications between non-lawyers of multiple parties with a common interest, but only if (1) one party is seeking confidential information from the other on behalf of an attorney; (2) one party is relaying confidential information to the other on behalf of an attorney; and (3) the parties are communicating work-product that is related to the litigation." *Beneficial Franchise Co. v. Bank One, N.A.*, 205 F.R.D. 212, 220 (N.D. Ill. 2001) The privilege log provided by Stelor does not, for the most part, establish that the emails listed satisfy any of these three categories.

Further, none of the cases cited by Stelor address the circumstances present here, where Stelor's attempts to shield communications between Stelor and Mr. Silvers as work product privileged is unsupported by the testimony and contemporaneous documents. *See, e.g., In re Benum*, 139 B.R. 115, 134-135 and n. 2 (Bankr. D.N.J. 2006) (holding limited to waiver of attorney client privilege in joint defense context, and noting that a party "cannot be permitted to pick and chose among his opponents, waiving the privilege for some and resurrecting the claim of confidentiality to obstruct others, or to invoke the privilege as to communications whose confidentiality he has already compromised for his own benefit") (citations omitted).

2. Stelor cannot assert the existence of a common interest privilege prior to the License Agreement or after its lawsuit against Mr. Silvers.

Many of the entries in Stelor's privilege log fall outside of any dates in which a common interest could even be asserted. Stelor points to the License Agreement (dated June 1, 2002), the Consulting Agreement (dated May 9, 2002) and the Joint Defense Agreement (dated September 2004) as evidence of a common interest between Stelor and Mr. Silvers. Several of the allegedly privileged communications however, are dated *prior* to all of these agreements. *See, e.g.,* privilege log entries 1 & 2 asserting work-product/common interest privilege with respect to

communications between Silvers and Esrig on 11/03/01 and 10/10/01 when Mr. Silvers was still Aurora's licensee.[5]

Likewise, Stelor may not assert a common interest during the first lawsuit against Mr. Silvers in October 2004 (which settled in late January 2005) or during the second lawsuit against Mr. Silvers in May 2005.[6] Even if a common interest privilege existed prior to the commencement of those lawsuits (and it did not), any such privilege was destroyed by the inception of those actions. *See Dexia v. Rogan*, 231 F.R.D. 287, 295 (N.D. Ill. 2005) ("An exception to the assertion of the common interest privilege exists when the participants in the common interest become adverse to each other in litigation.").

3. Stelor's assertion of a "settlement privilege" is flawed.

Stelor—for the first time—claims a "settlement privilege" as the basis for withholding documents, a privilege which is not recognized by the Federal Rules of Evidence.[7] Rule 408 of the Federal Rules of Evidence provides that settlement-related discussions may be *inadmissible* for certain purposes, but it does not provide that they are privileged. Indeed, the authorities cited by Stelor support Google's position. In *Beneficial Franchise*, the court specifically held that there was no such thing as a "settlement privilege." 205 F.R.D. at 221. Instead, the court found in that case, that when two defendants discuss settlement with a plaintiff, such discussions might be protected by the work product doctrine. *Id.* at 222. Google is not seeking any communications between Mr. Silvers and Stelor that relate solely to a settlement with Google, or any documents submitted to a mediator. To the extent that the documents relate to settlement of the dispute between Mr. Silvers and Stelor, as opposed to Google, however, they do not fall under the work product doctrine. This is particularly true to the extent the documents relate to

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[5] Google specifically challenges entries # 1-10, 19, and 103-109 on this ground.

[6] Google specifically challenges entries # 117-129 and 150-151 on this ground.

[7] Google specifically challenges entries # 110-151 on this ground.

settlement of prior disputes or litigation between Mr. Silvers and Stelor. *See Beneficial Franchise*, 205 F.R.D. at 222 n.2 (N.D. Ill. 2001) (distinguishing cases in which documents at issue did not involve settlement positions in the ongoing litigation, but rather settlements reached by a party in separate litigation).

4. Stelor's attorney-client communication privilege objections are invalid because they fail to identify any attorney connected to those communications.

In a number of its privilege log entries, Stelor claims the attorney-client privilege as the underlying basis for its claim of the common interest privilege. None of these entries, however, identifies any attorney as the author or recipient of the communication, or otherwise identifies any other connection between the communication and any attorney. Furthermore, Mr. Silvers has testified that he did not have an attorney-client relationship with Stelor's lawyers. *See, e.g.*, Suppl. Calabria Decl. ¶ 5, Exh. 4. Therefore, there can be no valid claim of the attorney-client privilege as the underlying basis for any common interest privilege.[8]

5. The descriptions of the subjects of communication do not reflect any legal strategy or communication and therefore cannot be privileged.

Several entries in Stelor's privilege log describe communications which do not appear to be privileged. For instance, entry # 88 describes an email communication between Esrig and Silvers "discussing strategic growth and expansion of intellectual property, the intellectual property of competitors, and related matters." Likewise, entry # 186 identifies an "email chain between S. Esrig and S. Silvers re: Verisign domain names." These and other entries bearing similar descriptions do not appear to identify any communication over which the work product privilege could properly be asserted.[9] *See F.D.I.C. v. Ogden Corp.*, 202 F.3d 454, 461 (1st Cir.

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[8] Google specifically challenges entries # 13, 17, 24-28, 32-35, 38, 46, 48, 50-54, 56-57, 59, 64, 66, 70-72, 76-77, 108-109, 152-157, 164, and 166-167 on this ground.

[9] Google specifically challenges entries # 88-93, 98-100, 165, 173-176, 183-184, and 188 on this ground.

2000) ("The term 'common interest' typically entails an identical (or nearly identical) legal interest as opposed to a merely similar interest.") *citing McMorgan & Co. v. First Cal. Mortgage Co.*, 931 F. Supp. 699, 701 (N.D. Cal. 1996) and *NL Indus. v. Commercial Union Ins. Co.*, 144 F.R.D. 225, 230-31 (D.N.J. 1992).

III. GOOGLE'S MOTION FOR COSTS SHOULD BE GRANTED

Google was required to bring this motion to compel to elicit the production by Stelor of 1,000 pages of documents and a privilege log. Stelor never argues, much less shows, why its failure to provide the requested discovery and an appropriate privilege log was substantially justified, or that other circumstances make an award of expenses unjust. *See* Fed. R. Civ. P. 37(a)(4)(A). Accordingly, Google's motion for costs should be granted. Google has incurred fees of at least $10,000 in connection with this motion. *See* Suppl. Calabria Decl. ¶ 5. Accordingly, Google respectfully requests that the Court award Google its attorneys' fees and costs.[10]

IV. CONCLUSION

For the foregoing reasons, Google respectfully requests that this Court enter an Order granting Google's cross-motion to compel. Specifically, Google requests that Stelor be ordered to produce all documents reflecting communications between Mr. Silvers and Stelor representatives (and their lawyers) relating to the GOOGLES mark, including the documents listed in Stelor's recently produced-privilege log that are challenged herein. Alternatively, Google requests that the challenged documents be reviewed in camera to determine the propriety of Stelor's claims of privilege. Additionally, Google requests that it be awarded fees and costs associated in bring this motion, together with such other and further relief as this Court deems just and proper.

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[10] To the extent the Court deems appropriate, Google would be happy to provide more specific information concerning the fees and costs incurred.

DATED: October 19, 2006.
Fort Lauderdale, FL

Respectfully submitted,

By:/s/Samantha Tesser Haimo

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on October 19, 2006, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

/s/ Samantha Tesser Haimo
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Case No. 05-80387-CIV (Ryskamp/Vitunac)

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