

# Exhibit A

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

THE WEATHER UNDERGROUND, INC.,  
a Michigan corporation,

Plaintiff,

Case No. 09-10756

vs.

Hon. Marianne O. Battani

NAVIGATION CATALYST SYSTEMS,  
INC., a Delaware corporation;  
BASIC FUSION, INC., a Delaware  
corporation; CONNEXUS CORP., a  
Delaware corporation; and  
FIRSTLOOK, INC., a Delaware  
corporation,

Defendants.

MOTION HEARING

BEFORE THE HONORABLE MARIANNE O. BATTANI  
United States District Judge  
Theodore Levin United States Courthouse  
231 West Lafayette Boulevard  
Detroit, Michigan  
Thursday, September 15, 2011

APPEARANCES:

For the Plaintiff:

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1 is not just there for the biggest companies in the world, it  
2 is there for everybody. It is -- it was a non-system system.

3 THE COURT: Okay. Thank you.

4 How about going to -- I know these are going to  
5 overlap, Connexus, Firstlook and NCS's motion? Do you want  
6 to argue that separate?

7 MR. DELGADO: I will give a thirty second. I mean,  
8 that motion, you're right, Your Honor, there is a big  
9 overlap. It is essentially the flip side of Plaintiff's  
10 motion.

11 THE COURT: Okay. You don't have to argue  
12 anything.

13 MR. DELGADO: Okay. I would just clarify our  
14 position is if the Court reaches the conclusion that the ACPA  
15 requires either actual knowledge or willful blindness or I  
16 would say even reckless disregard these are levels of  
17 culpability that we have submitted sufficient evidence that  
18 we would be entitled to summary judgment on the ACPA claim.  
19 That's the gist of that motion.

20 THE COURT: Thank you.

21 The next one I have listed is Connexus, Firstlook  
22 and NCS's Daubert motion to strike.

23 MR. DELGADO: Thank you, Your Honor.

24 So this is obviously by the title a Daubert motion  
25 as to Plaintiff's expert Chris Schwerzler. And here I just

1 want to make three points that we put in our papers that I  
2 really want to highlight.

3 Now, Mr. Schwerzler's report was submitted as part  
4 of the motion for summary judgment so I think this Daubert  
5 motion effects not just whether it would be admissible for  
6 purposes of summary judgment but also whether he would be  
7 allowed to testify at trial. Now, I did hear Plaintiff's  
8 counsel say that they didn't need to rely on Mr. Schwerzler's  
9 expert report for purposes of their motion for summary  
10 judgment but that still leaves open the question of whether  
11 or not it would be admissible at trial.

12 So here are the three things. Number one,  
13 Mr. Schwerzler is not qualified to give the opinions that he  
14 would like to give or at least that were contained in the  
15 expert report. In opposition to this motion and earlier  
16 today, Plaintiff characterized Mr. Schwerzler's task as  
17 opening up the Defendants' database and examining it and  
18 drawing out some conclusions. In fact, when one reads his  
19 expert report, his expert opinions, which is a term that I  
20 will use loosely throughout, are for more than that. They  
21 are things that he has absolutely no knowledge of or  
22 qualifications. And, in fact, in the Plaintiff's opposition  
23 they don't even make an attempt to argue that he has  
24 qualifications.

25 Some of those examples are giving an opinion on the

1 purpose of the ACPA or whether or not it was violated.  
2 Earlier today Plaintiff's counsel freely stipulated they were  
3 not going to rely on that, but nevertheless it is in his  
4 expert report.

5 THE COURT: The report does not come in, it is the  
6 expert, right?

7 MR. DELGADO: That's right, but the report sets  
8 forth what the Plaintiff is going -- what type of testimony  
9 the Plaintiff is going to elicit. I mean, that's what it is  
10 for, to give you a heads up what this person is intended --

11 THE COURT: But Plaintiff has said he's not going  
12 to have him testify as to that.

13 MR. DELGADO: But that's only one thing. I mean,  
14 he also talks about -- he forms an opinion and gives an  
15 opinion as to the Defendants' document retention policies and  
16 whether they were appropriate. He talks about brand  
17 protection even though he has absolutely no work experience  
18 or education in the field of marketing or advertising. And  
19 many of his conclusions are nothing more than rhetoric and  
20 disguised as an expert opinion. So one line in his expert  
21 report is that the Defendants represent the worst  
22 cybersquatting of all times or in modern history. That's  
23 just rhetoric, that's just argument, dressed up in the  
24 clothing of an expert's opinion.

25 And that leads me to my second point, which is

1 Mr. Schwerzler's extreme bias, which is a recognized reason  
2 for excluding an expert witness. He is an officer, director  
3 and major shareholder of the Plaintiff. He made the decision  
4 to file the lawsuit, and if there is an award he will make  
5 the decision -- or he will be one of the people that makes  
6 the decision as to how it will be distributed including the  
7 decision as to whether or not to distribute it to himself as  
8 a shareholder.

9 He freely admitted at deposition that he had  
10 preconceived notions about the Defendants and their business  
11 practices, and that those preconceived notions were what led  
12 him and his other board members to file the lawsuit and that  
13 he was now confirming those preconceived notions through the  
14 expert report. That is not what an expert does. An expert  
15 approaches things with a blank slate and draws conclusions  
16 not with preconceived notions.

17 His bias is so bad that he admitted at deposition  
18 that his own attorneys had to edit his report because it  
19 sounded too hostile and that the draft that I got was a less  
20 hostile version. Again, experts are not hostile. Advocates  
21 are hostile, and that's all he is, an advocate for their  
22 position.

23 THE COURT: Okay.

24 MR. DELGADO: One last thing is the other problem  
25 is unreliable methodology. This case is about the intent,

1 the Defendants' intent. Mr. Schwerzler freely admits that he  
2 did not look at many parts of what kind of informs out intent  
3 like the black list or the exclusion list. What he did, in  
4 addition to coming up with all of these other conclusions, is  
5 create an alternative piece of software that went out and  
6 compared domain names that my client had registered to other  
7 domain names that existed on the Internet. That's, number  
8 one, meaningless because it tells us nothing about the  
9 Defendants' intent. Number two, he didn't compare their  
10 domain names to trademarks. That's what the ACPA protects  
11 against, it protects trademarks, not domain names that are  
12 visited or highly trafficked.

13           And then within that error of comparing domain name  
14 to domain name, as opposed to domain name to trademark, is  
15 the other issue, which is he assumes without any basis that  
16 these domain names that are out there in the world are  
17 trademark protected just because they are highly trafficked.  
18 That's just an assumption or a hypothesis with no basis and  
19 he didn't do anything to research whether or not that was, in  
20 fact, the case.

21           And, again, he talks about how this script that he  
22 came up with was prepared exclusively for this litigation  
23 essentially to show the jury some alternate method of doing  
24 it, but, again, this is not that product liability case where  
25 we are talking about a feasible alternative design, we are

1 talking about the Defendants' intent and how they did it.

2 And then as part of his methodology he also failed  
3 to keep documents that he looked at and produced them so we  
4 can cross-examine him about those documents.

5 Any one of these things that I just mentioned  
6 standing alone would be sufficient to exclude someone under  
7 Daubert. Taken together it almost compels the need to  
8 exclude him from trial in this matter and for the Court not  
9 to rely on his report as part of the motion for summary  
10 judgment.

11 THE COURT: Thank you.

12 MR. SCHAEFER: Your Honor --

13 THE COURT: So this expert witness of yours being a  
14 shareholder and having a financial interest in the outcome  
15 does create bias. How do you get around that?

16 MR. SCHAEFER: Well, it goes to his credibility.  
17 The issue here is that you've got --

18 THE COURT: No.

19 MR. SCHAEFER: -- five percent of the testimony as  
20 opinion testimony and 95 percent, which they don't contest,  
21 is pulling data from their database which otherwise the jury  
22 can't see.

23 So for instance all their domain names are in this  
24 terabyte drive which has to be accessed, and so 95 percent of  
25 what he did was simply write queries, you know, pull domain



1 names from the database, simple stuff. So that's not even an  
2 expert testimony, it is just simply lay witness testimony.  
3 So most of his testimony is that.

4 What they are complaining about is about five  
5 percent of his testimony where he says things like I think  
6 they are bad-faith cybersquatters. I stipulate, we are not  
7 going to put that in evidence. The problem here is there was  
8 no meet and confer before this motion because when he decided  
9 that he needed to file it because of our motion I was on  
10 vacation. If we were to sit and go through the report I  
11 think we would agree on --

12 THE COURT: So you're offering this fellow as a  
13 fact witness as opposed to a -- or you could offer him as a  
14 fact witness --

15 MR. SCHAEFER: I could.

16 THE COURT: -- as opposed to an expert witness?

17 MR. SCHAEFER: I think a lot of the things that he  
18 did were really just based on his own personal observation in  
19 writing a simple script so that we can see what is in it.

20 A middle piece is perhaps a little bit more  
21 complex, which is he ran their software, so part of this  
22 N-Gram matching thing, they provided us their software, they  
23 provided us their database, he could run their software to  
24 say here is a list of domains that they registered, how did  
25 their own software score that in terms of how close it is to

1 a trademark? And then did they, in fact, go and register  
2 those domain names anyway? So that middle piece is perhaps a  
3 little bit more complex, it is still probably lay witness  
4 testimony because there is nothing really super specialized  
5 about it, any computer person could do it.

6 The third piece is him evangelizing about their  
7 intent, which I will stipulate we are not going to be  
8 offering him, we will redact the parts of the report and  
9 testimony where he says I think they intended to register  
10 trademarks, and so a lot of this just goes away.

11 The last piece, which is probably the only piece  
12 that is really in contest here in this Daubert motion, which  
13 they specifically identify, he has got 50 things that are his  
14 opinions in his report and many of them fall in the first two  
15 categories. My opinion is I did a script and these are the  
16 domain names. They don't contest any of that. They don't  
17 contest his conclusions or anything. The last is this script  
18 that he wrote to do a trademark matching. When we took their  
19 people's deposition we found it interesting that what we  
20 said, well, how does the trademark matching work -- willful  
21 blindness -- they said we don't know, we have no idea. He in  
22 ten minutes wrote a simple script which he provided to them  
23 for review which was an alternative trademark matching  
24 system, which if you look at their trademark matching output  
25 and you look at -- and how it scored it, and you look at his

1 little script, things like wwwunderground, no dot, in their  
2 script didn't score a high trademark match. Well, why would  
3 you have a script that can't even identify when somebody is  
4 literally identical except for the dot why would you leave  
5 this in? So he ran some alternative tests to show how the  
6 two systems would score it and how simple it would have been  
7 with a little bit of effort with a script to be able to  
8 generate a better output in terms of whether these really  
9 were trademark matches. That's the piece they are talking.  
10 They say, well, he's not qualified to do that. Well, why?  
11 They haven't even said why. He's the top computer guy for  
12 Weather Underground in charge of their hardware and software  
13 systems. He's got his degree in computer science, his B.S.  
14 in computer engineering, '96 from U of M, he has developed --

15 THE COURT: Counsel, the why is because he's an  
16 officer, director and major shareholder.

17 MR. SCHAEFER: Your Honor, we have cited a number  
18 of cases where -- strike that.

19 They have cited two cases in support of this  
20 proposition, which I have never heard of before, which is  
21 officers and directors can't provide expert testimony of the  
22 kind that we have here. Okay. And, again, I agree on the  
23 issues of they are a bad-faith cybersquatter, he can't say  
24 that, that's where bias -- I can see the argument and I  
25 agree. Where he says things that are subjective and

1 dramatic, that's not coming in. The other stuff that he does  
2 is completely testable, completely disclosed and isn't it  
3 interesting of all the little scripts that he wrote and  
4 included in his report, they don't challenge any of those  
5 scripts as being wrong or incorrect or anything. So we have  
6 to look at what we are doing here. Once we exclude his kind  
7 of rhetoric he's doing very simple things that are very  
8 reliable and 100 percent testable. The fact that he's an  
9 officer or director, what does it matter? If they have an  
10 expert who is going to say that script is wrong, they have  
11 got people on staff who can do that.

12           So given the nature of the testimony that will be  
13 offered at trial it is -- you know, to the extent that they  
14 want to beat him up because he's an officer and director they  
15 can but it would go only to his credibility. If they really  
16 want to attack him they have to take one of his scripts and  
17 say there is something erroneous about that, and they haven't  
18 done that at all. So the nature of his testimony is such  
19 that -- normally we would be talking about opinion number 22  
20 and we would be talking about specifically what the problem  
21 is. This is all general, general stuff. I would just invite  
22 the Court to let counsel try to work out what is and is not  
23 going to be offered into evidence, and see if there is  
24 anything left here at all beyond this trademark matching  
25 script which I invite the Court again for a later day.

1 THE COURT: Reply?

2 MR. DELGADO: Just briefly, Your Honor, two things.  
3 It is precisely the rhetoric that appears in his report that  
4 even if it is impossible to say well, we are not going to  
5 elicit that type of testimony, it can still come through, and  
6 for this Court to stamp this person with the imprimatur of  
7 being an expert witness even though he's an officer or  
8 director or shareholder, that's exactly the type of things  
9 that we see in other cases courts are unwilling to do.

10 THE COURT: Of course, we don't use that word  
11 expert any more, right?

12 MR. DELGADO: Well, be that as it may, I mean, one  
13 of the cases that we cited about this, I mean, the facts were  
14 almost identical, a person who was willing to opine on just  
15 about anything and everything, the court took a look at the  
16 report and said this person cannot come in on anything even  
17 if, even if, he was okay to come in on these very limited  
18 things his extreme bias precludes him from altogether  
19 testifying.

20 The other thing that I want to talk about is this  
21 fourth category, this alternative -- what they call the  
22 alternative trademark matching system that this person put  
23 together. It is not a trademark matching system, and that's  
24 what I tried to make clear. Let me try again to make sure  
25 that it is absolutely clear. Our system compares domain

1 names to trademarks in the U.S. PTO database. The  
2 alternative system that Mr. Schwerzler put in place compares  
3 our domain names to other domain names that happen to exist  
4 on the Internet. They may or may not be trademark protected,  
5 they may or -- quite honestly, I think he got them because  
6 they were highly trafficked but they may or may not be  
7 comprised of generic words. So for example think about  
8 delta.com, that's an example that Mr. Schwerzler gave earlier  
9 with respect to the first motion. Delta could refer to an  
10 airline, a faucet, I think there is a dental insurance  
11 company, it is a mathematical computation as the difference  
12 between two things. Comparing a domain name that has the  
13 word delta in it to the trademark database is a much  
14 different exercise than just comparing it to a bunch of other  
15 domain names that also have the word delta in it because as  
16 it turns out I may be very well within my rights to register  
17 a domain name with the word delta in it so long as I'm not  
18 infringing on the rights of someone else, and that's a  
19 problem with his methodology that again it is not just a  
20 function of bias, it is the methodology in what he did that  
21 is problematic. And, of course, what they don't talk about  
22 is they could have selected somebody else to do all of these  
23 things and we wouldn't be here talking about these things,  
24 but they didn't.

25 THE COURT: Let me say on the expert, I agree, this

1 gentleman is way too far involved in this case -- in this  
2 business to be unbiased which, of course, every expert has a  
3 certain bias or he wouldn't be selected as an expert, we all  
4 know this, but this person has a bias that is beyond the  
5 subject, it is an interest in the outcome of the case, and  
6 because he has an interest in the outcome of this case the  
7 Court is not going to allow him to testify as an expert. I  
8 don't know what he's going to say as a fact witness, I'm not  
9 barring his testimony as a fact witness, but we'll have to  
10 deal with that at trial, his expert testimony. I would  
11 believe that this other development that he had, that he made  
12 this other program, would be an area of expertise because it  
13 didn't exist at the time that this went on, so therefore he  
14 could not be a fact witness as to the facts in the underlying  
15 case. So we will see where we go with it at trial.

16 MR. DELGADO: Thank you, Your Honor.

17 THE COURT: Okay.

18 MR. DELGADO: My motion is coming up next. I'm  
19 just going to stay up here if you don't mind?

20 THE COURT: Go ahead.

21 MR. DELGADO: I think the last motion that we were  
22 talking about today is the Epic Media Group's motion for  
23 summary judgment as to all claims.

24 Before I get into my three points with respect to  
25 that motion let me just give the Court a 30-second reminder