
EXHIBIT 8

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January 6, 2011

VIA HAND DELIVERY

The Honorable Debra C. Freeman
United States Magistrate Judge
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007-1312

Matthew D. Ingber
Direct Tel +1 212 506 2373
Direct Fax +1 212 849 5973
mingber@mayerbrown.com

Re: *Arista Records LLC, et al. v. Lime Wire LLC, et al.*,
No. 06 CV 5936 (KMW) (DCF)

Dear Judge Freeman:

Non-party Google Inc. (“Google”) submits this letter brief in opposition to Defendants’ December 10, 2010 motion to compel the production of documents in response to a subpoena (“Motion”).¹ That subpoena sought three principal categories of documents, two of which have been or will be produced by Google. The third – external and internal Google communications regarding LimeWire and license agreements with Plaintiffs – is completely duplicative of productions already made by Plaintiffs pursuant to a Court order, costly and burdensome to Google, or – in the case of Google’s internal communications – irrelevant. Accordingly, we ask that the Court deny that portion of the Motion that seeks the production of Google’s external and internal communications regarding LimeWire and license agreements with Plaintiffs. The remainder of Defendants’ motion is moot as a result of Google’s agreement to produce.

* * *

By way of brief background, Defendants have requested that non-party Google produce (1) licenses or agreements between Google and any Plaintiffs “concerning the use, publication, display, or broadcast of any material” to which plaintiff holds the copyright; (2) documents reflecting amounts paid by Google to any Plaintiff pursuant to those agreements or licenses; and (3) communications between Google and any Plaintiff regarding those licenses or agreements, including the negotiation thereof. *See* Ex. A (Email from Matthew Ingber to Mary Eaton summarizing Defendants’ requests and Google’s proposal).

¹ Though styled as an “application for an Order, pursuant to Federal Rule of Civil Procedure 45(c)(2)(B)(i), overruling discovery objections . . . and directing Google to produce documents,” Defendants’ letter is in substance a Rule 37 motion to compel.

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As Defendants concede in their Motion, Google has already produced the licenses and other agreements described in the first category.² With respect to the payment information, Google initially objected to producing these documents on several grounds, but in the spirit of cooperation and with the expectation that Defendants would reconsider their request for duplicative external communications with Plaintiffs, Google agreed to produce the payment information following a January 4 meet and confer.

Defendants have not brought a similarly cooperative spirit to the final category of documents. We proposed to Defendants that they hold the request for external communications in abeyance unless and until they can identify a gap in Plaintiffs' production that cannot be resolved, or some other specific need for these otherwise duplicative documents. They refuse to do so. In any event, production of external communications is not appropriate. In considering whether *Plaintiffs* should produce external communications with third-party licensees, such as Google, Judge Wood has ruled that the relevance of these communications is "potentially tenuous" and their production "potentially burdensome." To force a *non-party* to produce documents that are duplicative of documents ordered to be produced by Plaintiffs, with – at best – a tenuous connection to the damages inquiry in the case and at a substantial cost and burden to the non-party, is unsupported by law and wholly unnecessary.³

With respect to Google's internal communications, production is similarly not warranted: these documents have no bearing on the damages issues in the case; they are likely to be privileged given the extensive involvement of at least three in-house attorneys at Google; and, given the number of Plaintiffs and the duration of the license negotiations, they would be unduly burdensome for non-party Google to produce. Moreover, even Plaintiffs have been spared the burden of producing their own internal communications until Defendants can make a showing of relevance based on Plaintiffs' external communications with third-party licensees. That has not occurred, and we respectfully submit that non-party Google should not be put to a greater burden than the actual parties to the case.

² With respect to the September 17, 2006 agreement identified in footnote 2 of the Motion, Google has now produced that agreement, as well as an additional agreement with one of the Plaintiffs.

³ As this Court may be aware, Google is not alone among the subpoenaed third parties, including Yahoo!, Amazon, MySpace, MediaDefender and others, in resisting Defendants' requests for duplicative, irrelevant, and/or grossly over-burdensome productions, many of which seem geared toward a generalized survey of the entire music industry. Google respectfully submits that, in light of the limited remaining issues in the case, the documents already produced or being produced by Google, and the documents already produced by Plaintiffs, Google's position is far from unreasonable.

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I. Communications With Plaintiffs Regarding License Agreements and/or LimeWire are Duplicative and Overly Burdensome To Produce.

A. Google's Communications With Plaintiffs Are Duplicative of Documents Ordered to be Produced

To be clear, the documents being requested here are not merely theoretically available from the Plaintiffs; rather, Plaintiffs have been specifically ordered to produce the identical documents (by Your Honor and in Judge Wood's November 19 Opinion and Order), and Plaintiffs *have in fact* produced them. Judge Wood was very clear in affirming Your Honor's order that Plaintiffs must produce "communications relating to licensing between Plaintiffs and the 15 third-party licensees recently subpoenaed by Defendants." Nov. 19 Opinion and Order at 6-7. Equally clear is the representation from Plaintiffs' counsel that the very communications sought by Defendants have already been produced. *See Ex. B.*⁴

Composition Roofers Union Local 30 Welfare Trust Fund v. Gravely Roofing Enters., Inc., 160 F.R.D. 70, 71-72 (E.D. Pa. 1995), on which Defendants rely, is therefore of no use to them. *See id.* (denying motion to quash subpoena where "the information Plaintiffs requested cannot be more easily obtained from Defendant," where Plaintiffs had tried repeatedly and unsuccessfully to obtain the information from defendant). Nor is *In re Honeywell Int'l, Inc. Sec. Litig.*, 230 F.R.D. 293 (S.D.N.Y. 2003). In fact, *Honeywell* highlights the redundancy of Defendants' request here. In *Honeywell*, class plaintiffs alleged that defendant effectuated securities fraud through accounting machinations. *Id.* The court ordered production from defendant's financial auditor, including certain documents that might also have been available from the defendant. There, the court held, the auditor's documents might differ from the defendant's in a way that is relevant to the underlying fraud issues – for example, by including the auditor's handwritten notes. *Id.* at 301. Thus, the documents being sought were not really duplicative at all – rather, there was reason to believe that the documents contained discrepancies, and those discrepancies themselves were at the heart of the case. *See also Coffeyville Res. Refining & Mktg. LLC v. Liberty Surplus Ins. Corp.*, No. 4:08MC00017 JLH, 2008 U.S. Dist. LEXIS 91224, at *5 (E.D. Ark. Nov. 6, 2008) (explaining why in certain cases it may be important to obtain "what should be the same documents from two different sources because tell-tale differences may appear between them").

Here, unlike in *Honeywell*, there is no reason to suspect that Google's electronic copies of emails with Plaintiffs would be different from Plaintiffs' electronic copies of emails with Google (as a factual or practical matter). Nor is there any reason to believe that, to the extent any minor discrepancies would be discovered, such discovery would be relevant and would justify the cost

⁴ That the Court approved non-party VEVO's proposal to produce these documents four days after the Plaintiffs were compelled to produce them is, therefore (and among many other reasons, discussed below), far from controlling here: at that time, Defendants were not requesting an entire duplicate set of documents already in their possession.

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and burden of production. See *Thayer v. Chiczewski*, 257 F.R.D. 466, 470 (N.D. Ill. 2009) (declining to enforce a defendant's subpoena seeking videotape of an event simply because it was filmed from a different angle than the videos of the same event already in the defendant's possession).

Defendants' only stated justification for seeking duplicative documents from Google is that, absent such production, "Defendants have no way to confirm" that the documents produced by Plaintiffs represent all the documents Plaintiffs were ordered to produce. Motion at 5. However, there is no conceivable limit to such uncertainty; nor, in this case, is there any apparent ground for it. Moreover, non-parties to a litigation should not be forced through use of the subpoena power to police the discovery obligations of the parties and their compliance with court orders – particularly where there is no evidence suggesting that those obligations have not been met, and particularly where, as here, the burden to the non-party is substantial. See *Nidec Corp. v. Victor Co. of Japan*, 249 F.R.D. 575, 577 (N.D. Cal. 2007) ("There is simply no reason to burden nonparties when the documents sought are in possession of the party defendant."); *Harris v. Wells*, Nos. B-89-391(WWE), B-89-482(WWE), 1990 U.S. Dist. LEXIS 13215, at *12-13 (D. Conn. Sept. 5, 1990) (granting motion for protective order staying discovery from non-parties where requests were duplicative of requests served on parties and substantial portion of such discovery would be unnecessary once opposing party produced documents); *Robinson v. Morgan Stanley*, No. 06 C 5158, 2010 U.S. Dist. LEXIS 25073, at *5-8 (N.D. Ill. Mar. 17, 2010) (reciting the principles of Rule 26(b)(2), limiting the scope of discovery where it is unreasonably cumulative or duplicative, and Rule 45, mandating the protection of non-parties, and quashing a duplicative subpoena against a non-party).

B. The Burden of Producing Google's Duplicative Communications With Plaintiffs Would Be Disproportionate to their Relevance

When balancing the relevance of discovery requests against the burden of production, "special weight [should be given] to the burden on non-parties of producing documents to parties involved in litigation." *Travelers Indem. Co. v. Metro. Life Ins. Co.*, 228 F.R.D. 111, 113 (D. Conn. 2005); see also *Fears v. Wilhelmina Model Agency, Inc.*, No. 02 Civ. 4911, 2004 U.S. Dist. LEXIS 5575, at *2 (S.D.N.Y. April 1, 2004) ("[T]he Court should be particularly sensitive to weighing the probative value of the information sought against the burden of production on [a] nonparty.").

Defendants seek all external communications relating to at least thirteen agreements, each of which is highly complex and negotiated over long periods of time among teams of employees from Google and each respective Plaintiff. The process of collecting and producing such communications requires that each of the relevant employee's entire email inbox be retrieved from a server, and processed and searched by an outside vendor. While it is impossible to know exactly what the cost to conduct this process for any given employee would be until it has been done – as it depends in part on the volume of the files and the number of hits – the volume of the email drives at issue is likely to be extremely large, and the costs therefore extremely high, even for a limited number of employees. Further, given the automatic searching procedure used to

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identify the relevant communications, and the extensive involvement of in-house counsel in the licensing negotiations, Google would have to conduct a painstaking human review of all of the identified documents to screen out privileged documents, at a great expense of time and money.

Against this burden, the need to obtain these irrelevant (or barely relevant) non-party documents is no match. And despite Defendants' mischaracterizations of the Court's prior orders, Your Honor has not ruled otherwise. For example, Plaintiffs' motion to quash the third-party subpoenas was denied because the Court determined that Plaintiffs lacked standing to challenge the subpoenas in question – not because those subpoenas were held to be proper in scope. Oct. 15 Order, at 2-4.

We are also compelled to address briefly Defendants' extensive (and misplaced) reliance on Your Honor's VEVO order. Defendants seem to suggest that, because VEVO presented a discovery proposal to Defendants that Your Honor adopted and ordered, Google is somehow bound by that order. But that ignores, first, that VEVO is a joint venture of two *Plaintiffs*, and is thus far more interested a party than Google, which has no stake whatsoever in the case. Second, it ignores that, at the time of the VEVO order, Plaintiffs had not yet produced the identical documents that were being sought through the Defendants' non-party subpoena. Plaintiffs have now produced these documents. Third, it ignores that Your Honor adopted and ordered VEVO's *own proposal*. Although only Your Honor knows what guided the order, it would appear that there was no need for the Court to (i) consider the threshold question of whether *any* external communications should be produced (ii) address the relevance of VEVO's communications with Plaintiffs, or (iii) weigh whatever relevance might exist against the burden of production. *See* VEVO Order (adopting VEVO's own proposal with regard to several categories of documents requested in the subpoena). Fourth, it ignores that this Court and others have openly questioned or denied the relevance of these documents to the damages issues in this case. *See* Nov. 19 Order, at 6 (observing that these communications have a "potentially tenuous connection" to the damages inquiry); Ex. C (Central District of California order rejecting Defendants' efforts to collect external communications from non-party MediaDefender, because they are "not the least bit relevant to the issue of damages."). And finally, it ignores that what is an appropriate balance between Defendants' needs and the burden that VEVO volunteered to undertake is not necessarily an appropriate balance between Defendants' needs and Google's burden. We submit that Defendants' need for Google's documents is substantially less given Plaintiffs' production, and that the burden to Google would be substantial, in particular given the tenuous (at best) relevance of the documents.

* * *

In sum, the burden of producing the duplicative communications Defendants seek is wildly disproportionate to the relevance of and need for the communications. Such a burden should not be imposed upon Google.

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II. Google's Internal Documents and Communications Are Irrelevant and /or Privileged.

Although not entirely clear from the Motion, it appears that Defendants are seeking Google's internal communications regarding (i) licensing negotiations with Plaintiffs, and (ii) LimeWire. Both categories of internal communications are completely irrelevant to the claims and defenses in this case.

With respect to the former, it is true that courts have considered, among other factors, the "conduct and attitude of the parties" in determining a statutory damages award for copyright infringement. See, e.g., *Bryant v. Media Right Prods., Inc.*, 603 F.3d 135, 144 (2d Cir. 2010); *Arclightz & Films Pvt., Ltd. v. Video Palace, Inc.*, 303 F. Supp. 2d 356, 362 (S.D.N.Y. 2003) (citations omitted). But when courts consider the "conduct and attitude of the parties," they are considering the conduct and attitude of the *parties* – plaintiff and defendant – and not that of unrelated third parties.

For example, in *Arclightz & Films*, the court, in concluding that a small statutory damages award was warranted, considered the fact that defendant readily conceded liability and offered plaintiffs a settlement that was in excess of the actual profits from the infringement. 303 F. Supp. 2d at 362-363. Similarly, in *Nat'l Football League v. Primetime 24 Joint Venture*, 131 F. Supp. 2d 458 (S.D.N.Y. 2001), the court focused on the defendant infringer's state of mind, "whether willfull [sic], knowing or merely innocent," in determining the appropriate statutory damage award, and specifically analyzed the defendant's conduct during various periods of the litigation in order to determine its willfulness. *Id.* at 474, 476-482.

Therefore, it is not the case, as Defendants suggest, that non-party Google's "[i]nternal communications describing the negotiations with the record labels will be relevant in determining the conduct and attitude of the parties." Motion at 4. Nothing in Google's internal documents concerning license negotiations with Plaintiffs – which would reflect, at most, Google's own thoughts about its agreements with Plaintiffs – has any bearing on the "conduct and attitude of the parties" relevant to a statutory damages analysis.⁵ Defendants would be seeking, effectively, opinion testimony from a non-party, and that is unquestionably an improper use of a subpoena. See *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 814 (9th Cir. 2003) (deeming it improper for party to seek information from non-party about the market for photographer's works at issue in the underlying action, because "Rule 45(c)(3)(B)(ii) was intended to provide 'appropriate protection for the intellectual property of non-party witness[es] . . . a growing problem has been the use of subpoenas to compel the giving of evidence and information by unretained experts.") (citing Fed. R. Civ. P. 45, 1991 amend. note).

⁵ In fact, it is not even clear that *Plaintiffs* have been ordered to produce all of their own internal communications and other documents concerning their license agreements.

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In any event, even if these internal communications were somehow relevant, due to the extensive involvement of Google's in-house counsel in the consideration and analysis of the license agreements, much of Google's internal correspondence is likely to be privileged. This fact, coupled with the burden of review and the absence of any showing of relevance, should be dispositive.

With respect to Defendants' request for internal Google communications referring to LimeWire, it is rank speculation to suggest that these communications would even exist, or that they would have any bearing on Plaintiffs' damages. Indeed, in Judge Wood's November 19 Opinion and Order, the Court considered Your Honor's order that "Plaintiffs search for and produce certain internal communications regarding LimeWire contained in the email accounts of those employees of Plaintiffs who have been primarily responsible for negotiating licensing agreements with the 15 third-party licensees recently subpoenaed by Defendants." The Court held its decision in abeyance "to give Defendants the opportunity to make a presentation of evidence to Judge Freeman to demonstrate that the discovery pursuant to Order 1 [i.e., Plaintiffs' external communications with non-party licensees] has yielded relevant evidence, and that further discovery pursuant to Orders 2 and 4 is necessary." It is our understanding that no such showing has been made. If Plaintiffs themselves are not presently required to produce internal communications about LimeWire – the party they actually sued – it is inconceivable why non-party Google should bear the burden of searching for similar documents that no one has reason to believe even exist.

In short, Defendants' far-ranging and intrusive request for non-party Google's internal, irrelevant documents is baseless, and should be rejected.

III. Defendants Should Bear the Costs of Any Compelled Production

In the event that the Court orders the production of custodial documents, Google requests that Defendants bear the costs of such production.

Rule 45(c)(2)(B) provides that when a district court compels production by a non-party, the court "must protect" that person from "significant expense resulting from compliance." As the court explained in *Linder v. Calero-Portocarrero*, 251 F.3d 178, 182-183 (D.C. Cir. 2001), fee shifting under this rule is *mandatory*:

Rule 45 requires precisely that – the district court "shall protect"⁶ a non-party from "significant expense." Under the revised Rule 45, the questions before the district court are whether the subpoena

⁶ The 2007 Amendment to the Rules made a number of stylistic language modifications, including replacing "shall protect" with "must protect" in Rule 45. See FED. R. CIV. P. 45 advisory committee's note.

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imposes expenses on the non-party, and whether those expenses are “significant.” If they are, the court must protect the non-party by requiring the party seeking discovery to bear at least enough of the expense to render the remainder “non-significant.” The rule is susceptible of no other interpretation.

Id; see also *In re Law Firms of McCourts and McGrigor Donald*, No. M. 19-96 (JSM), 2001 WL 345233, at *1 (S.D.N.Y. April 9, 2001) (“The discretion which the district court had to alleviate non-party costs under the old Rule 45(c)(2)(b) becomes mandatory under the 1991 amendments.”).

Similarly, in *R.J. Reynolds Tobacco v. Philip Morris, Inc.*, No. 00-4226, 2002 U.S. App. LEXIS 3355, at **5-6 (3d Cir. Feb. 28, 2002), the court reversed, as an abuse of discretion, the district court’s denial of compensation to a third party for costs associated with compliance with a subpoena. The court observed that Rule 45(c)(2)(B) “imposes mandatory fee shifting and directs the court to protect a nonparty from significant expense . . .” *Id.* Thus, the court held, “district courts must determine whether the subpoena imposes expenses on a non-party and whether those expenses are significant. Significant expenses must be borne by the party seeking discovery.” *Id.* (citing James Wm. Moore, 9 Moore’s Federal Practice § 45.02[2] (3d ed. 2001)). See also *Mycogen Plant Science, Inc. v. Monsanto Co.*, 164 F.R.D. 623, 628 (E.D. Pa. 1996) (holding that plaintiff should compensate a subpoenaed third party for its time and labor in producing the documents and sitting for depositions, particularly in light of the fact that plaintiff could likely obtain from the defendant much of what it sought from the third party); *U.S. v. Columbia Broad. Sys.*, 666 F.2d 364, 371 (9th Cir.), *cert. denied*, 457 U.S. 1118 (1982) (“Although party witnesses must generally bear the burden of discovery costs, the rationale for the general rule is inapplicable where the discovery demands are made on nonparties. Nonparty witnesses are powerless to control the scope of litigation and discovery, and should not be forced to subsidize an unreasonable share of the costs of a litigation to which they are not a party.”).

As explained above, although the costs cannot be calculated until emails are collected and processed, and search terms are applied – a burden that non-party Google should not bear for the reasons discussed – the costs are likely to be substantial. If compelled to undertake this task, Google respectfully requests that Defendants bear the costs, including attorneys’ fees, of any production. See, e.g., *First Am. Corp. v. Price Waterhouse LLP (In re First Am. Corp.)*, 184 F.R.D. 234, 241 (S.D.N.Y. 1998) (“A nonparty’s legal fees, especially where the work benefits the requesting party, have been considered a cost of compliance reimbursable under Rule 45(c)(2)(B).”)⁷.


⁷ In determining the costs to reimburse non-parties for compliance with discovery orders, courts consider whether the non-party actually has an interest in the case; whether the non-party can more readily bear the costs than the requesting party; and whether the litigation is of public importance. See *Dow Chemical Co. v. Reinhard*, No. M8-85 (HB), 2008 WL 1968302, at *1-2 (cont’d)

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For all of these reasons, Google requests that the Court deny Defendants' motion to compel. To the extent the Court orders the production of custodial documents, Google requests that the Court order Defendants to bear the costs of such production.

Respectfully submitted,



Matthew D. Ingber

cc: Mary Eaton, Esq. (via email)

(... cont'd)

(S.D.N.Y. Apr. 29, 2008); *In re Law Firms of McCourts and McGrigor Donald*, 2001 WL 345233 at *1; *In re First American Corp.*, 184 F.R.D. at 241. Thus, courts have reduced the reimbursement amount to the non-party only where, for example, the non-party had a strong interest in the case and anticipated being drawn into a subsequent litigation (*In re First American Corp.*), or where the outcome of the case offered the non-party competitive benefits (*U.S. v. Int'l Bus. Mach. Corp.*, 62 F.R.D. 526, 529 (S.D.N.Y. 1974)). Here, by contrast, Google is the "quintessential, innocent, disinterested bystander," *McCourts and McGrigor Donald*, 2001 WL 345233 at *2, lacking any interest whatsoever in the litigation. Further, to the extent that this case is of public importance, it was the merits determination already resolved on summary judgment and not the amount of damages Defendants may ultimately be ordered to pay to Plaintiffs.

EXHIBIT A

Levine, Allison K.

From: Ingber, Matthew D.
Sent: Tuesday, January 04, 2011 6:40 PM
To: Eaton, Mary
Cc: Levine, Allison K.
Subject: LimeWire

Mary – Thank you for agreeing to speak with us this afternoon regarding LimeWire’s subpoena to non-party Google. As we discussed today, we remain interested in reaching agreement on Google’s response to the subpoena, and to that end (and as discussed) we propose the following:

1. With respect to the first category of documents identified in LimeWire’s motion to compel – agreements, including license agreements, between Google and plaintiffs – we have already produced these documents. On today’s call, you asked whether the agreements were pulled from a central repository. We can confirm that they were – for each individual plaintiff – and it is our understanding that all of the agreements have been produced, with the possible exception of the one identified in your motion to compel. We will search for that agreement and produce it.
2. As to the second category of documents – documents showing amounts paid by Google to plaintiffs pursuant to license agreements – we will agree to produce these documents. You had asked whether our agreement is contingent upon Defendants’ willingness to compromise on category 3 below, and it is not. We are disappointed that we cannot reach agreement on the custodial data, and had hoped that our offer to produce these documents might cause you to reconsider the request for custodial data, but we will not hold up production of the payment information on that basis.
3. The third category of documents, as we understand it, is external communications between Google and plaintiffs regarding license agreements, and internal Google communications regarding LimeWire. With respect to the external communications, we understand that Judge Wood has ordered plaintiffs to produce the very same documents, and that plaintiffs have produced them. You have not identified any Google communications that have not been produced by plaintiffs. You have not identified gaps in plaintiffs’ productions. And you have not articulated any reason why Google should bear the burden and cost of producing documents that are duplicative of documents already produced. Your suggestion that it is impossible to know what is missing ignores the obvious – namely, that you have the ability to (i) identify any gaps in plaintiffs’ production by conducting simple searches, (ii) inquire about the process by which plaintiffs collected, reviewed and produced their documents, and (iii) determine whether there is a real – and not merely speculative – need for Google’s documents. For these reasons, among others, we propose holding Defendants’ final request in abeyance until such time as Defendants can articulate why they would not be duplicative of documents already produced. In the meantime, as you requested, we will provide the names of the key custodians likely to have communicated with plaintiffs regarding license agreements, to the extent that – as you suggested – it facilitates identifying gaps in plaintiffs’ production.

With respect to internal Google communications, as we explained, your request is not reasonable. As we discussed, internal communications of a non-party have no bearing on the damages issues in your case; the burden of reviewing these documents is substantial; and we believe that many of the internal communications will be privileged, given the involvement of YouTube’s in-house counsel. Moreover, we understand that even the plaintiffs have not been ordered to produce their own internal communications. In fact, as we understand it, before the Court will even consider such an order, Defendants have to make a showing that, based on external communications produced by plaintiffs, their internal communications are likely to be relevant. We cannot understand why a non-party, such as Google, should be compelled to produce documents that even the plaintiffs are not required to produce.

Especially in light of our agreement to produce the payment information, I hope that you will reconsider our request regarding the custodial data. I am available at your convenience to discuss.

Thanks,

Matt

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EXHIBIT B

Ingber, Matthew D.

From: LeMoine, Melinda [Melinda.LeMoine@mta.com]
Sent: Wednesday, January 05, 2011 5:28 PM
To: Ingber, Matthew D.
Subject: RE: Arista Records LLC v. Lime Group LLC

Matt:

You're correct that Plaintiffs were ordered to produce communications between Plaintiffs and a list of third-parties relating to licensing. Google was one of the third parties on that list. so the Plaintiffs have included their communications with Google in the "related to licensing" production ordered on November 19. Plaintiffs have substantially completed that production of communications as of last week.

Regards,

Melinda

Melinda Eades LeMoine | Munger, Tolles & Olson LLP
(t) 213.683.9171 | (f) 213.683.4071 | melinda.lemoine@mta.com

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From: Ingber, Matthew D. [mailto:MIingber@mayerbrown.com]
Sent: Wednesday, January 05, 2011 2:22 PM
To: LeMoine, Melinda
Subject: RE: Arista Records LLC v. Lime Group LLC

Melinda – Following up on this request, I understand that on or about November 19, plaintiffs were ordered to produce to LimeWire communications between plaintiffs and certain third-party licensees, including Google/YouTube, relating to licensing. Can you let me know whether, since that Order was issued, plaintiffs have produced to LimeWire documents reflecting communications between them and Google/YouTube regarding licensing? Do you expect that more documents will be produced?

Thank you for your assistance.

Regards,

Matt

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From: Ingber, Matthew D.
Sent: Monday, January 03, 2011 3:42 PM
To: melinda.lemoine@mto.com
Subject: FW: Arista Records LLC v. Lime Group LLC

Melinda – We represent Google in connection with the third-party subpoena issued by Defendants in the above matter. I wanted to follow up on Tammy's request below. Our response to Defendants' motion to compel is due Thursday; any information that you can provide would be appreciated.

Please feel free to call or email me with any questions. Thanks for your assistance.

Regards,

Matthew Ingber

Matthew D. Ingber
Mayer Brown LLP
1675 Broadway
New York, New York 10019
Tel: (212) 506-2373
Fax: (212) 262-1910
mingber@mayerbrown.com

From: Tamara Jih [mailto:tammyjih@google.com]
Sent: Friday, December 17, 2010 2:07 PM
To: Ingber, Matthew D.
Subject: Fwd: Arista Records LLC v. Lime Group LLC

----- Forwarded message -----
From: Tamara Jih <tammyjih@google.com>
Date: Tue, Dec 14, 2010 at 1:47 PM
Subject: Arista Records LLC v. Lime Group LLC
To: melinda.lemoine@mto.com

Melinda,

As you are aware, Lime Group moved to compel Google to produce documents responsive to the subpoena that Lime Group served on Google in October. I have attached a copy of the motion for you reference.

It is Google's position that the documents Lime Group seeks are equally available from the plaintiffs in this action.

If possible, can you identify for me what categories of documents plaintiffs intend to produce/have already produced that Lime Group also seeks to obtain from Google?

Best Regards,
Tammy Jih

--

Tamara Jih
Associate Litigation Counsel | Google Inc.
tammyjih@google.com
650.253.6380 d | 650.776.6274 m
650.618.1806 f

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EXHIBIT C

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 10-9438-GW (PJWx) Date December 22, 2010

Title Arista Records LLC, et al., v. Lime Wire LLC, et al.

Present: The PATRICK J. WALSH, UNITED STATES MAGISTRATE JUDGE
Honorable

Rose Petrossians

CS 12/22/10

Deputy Clerk

Court Reporter / Recorder

Attorneys Present for Non-Party:

Attorneys Present for Defendants:

Linda M. Burrow

Michael S. Blanton
Dan Kozusko

Proceedings: Defendants' Petition to Enforce Subpoena to MediaDefender

After a hearing on Defendants' Petition to enforce a subpoena against non-party MediaDefender, the Court denied the Petition for the reasons set forth below.

Plaintiffs, record companies, sued Defendants, a peer-to-peer file sharing service, in the district court in New York, alleging that Defendants were responsible for infringing on their copyrights and inducing others to do the same. The district court agreed and issued a permanent injunction against Defendants. The only issue remaining for trial is the issue of damages.

Defendants have served a number of subpoenas on various non-parties, ostensibly seeking discovery of information relating to the issue of damages. These subpoenas are directed, almost exclusively, to non-party licensees and seek information about Plaintiffs' licensing of their copyrighted works. (See Exh. 10 to Kozusko Dec., Judge Wood's Nov. 19, 2010 Order at pp. 2, 7.) One of the non-parties Defendants subpoenaed was MediaDefender, Inc. MediaDefender provides anti-piracy software to Plaintiffs and others that is designed to prevent, or at least minimize, the infringement of copyrighted works. It does not license works. MediaDefender has resisted the subpoena on the grounds that the documents Defendants seek do not fall within the subpoena's request and, even if they did, they are not relevant to the damages issues. MediaDefender argues further that any documents that might be relevant are confidential and entitled to protection, which cannot be insured under the current protective order.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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Defendants disagree. They contend that the documents they seek from MediaDefender fall within the subpoena requests and that MediaDefender's argument to the contrary has been waived since it did not raise the issue earlier. Defendants also argue that the documents they seek are relevant to show the conduct and attitude of Plaintiffs and the extent of the infringement, which are relevant in determining damages. Defendants argue further that these documents will show when Plaintiffs' works were first infringed, another important issue in the damages calculation. Defendants contend that the protective order now in place is sufficient to protect MediaDefender's proprietary information.

The Court sides with MediaDefender. It seems obvious to the Court that Defendants served the wrong non-party, or, at least, served the wrong subpoena on it. The subpoena is clearly directed at a licensee of Plaintiffs' music. MediaDefender does not license music. Thus, MediaDefender's argument that the documents they possess do not fall within the subpoena is persuasive. The fact that MediaDefender did not raise the issue earlier, when it was proceeding without counsel in negotiations with Defendants, is not controlling. Defendants, too, have failed to follow the letter of the law in connection with this subpoena. Among other things, they waited from November 4, 2010 to December 3, 2010 to respond to MediaDefender's challenges to the subpoena, creating an emergency which required the Court and MediaDefender to drop what they were doing to address this motion.

Further, even if the documents were responsive to the subpoena, the Court would still deny Defendants' motion to compel production because they are not the least bit relevant to the issue of damages. Plaintiffs' interaction with MediaDefender will not establish what Plaintiffs' attitudes were during the relevant period. Plaintiffs consist of a number of record companies who, presumably, work independently of each other through various employees at these companies. There is nothing in this record to suggest that these numerous companies and their numerous employees have an attitude that can be gleaned by reading their contracts with MediaDefender or deposing an employee of MediaDefender. Though the documents and deposition may provide insight into MediaDefender's attitude, MediaDefender is not a party to this action and its attitude is irrelevant.

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Nor have Defendants convinced the Court that obtaining documents from MediaDefender will allow Defendants to establish the extent of the infringement or when the infringement began. As MediaDefender points out, the district court has already determined that 98.8% of the downloads by LimeWire users were for unauthorized files. And LimeWire knows when it started operating the software and, apparently, how many downloads took place, i.e., more than 3 billion each month as of 2005. (See Opp. at 3.) Thus, Defendants do not have to go far to understand the extent of the damages suffered by Plaintiffs. Obtaining documents from MediaDefender will not advance that process measurably and, as a non-party to this action, the Court is not inclined to require it to produce anything in these circumstances. For this reason, Defendants' Petition to compel production from MediaDefender and require an employee from MediaDefender to attend a deposition is denied.

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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EXHIBIT 9

USDS SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 11/19/10

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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ARISTA RECORDS LLC; ATLANTIC RECORDING CORPORATION; ARISTA MUSIC, fka BMG MUSIC; CAPITOL RECORDS, INC; ELEKTRA ENTERTAINMENT GROUP INC; INTERSCOPE RECORDS; LAFACE RECORDS LLC; MOTOWN RECORD COMPANY, L.P.; PRIORITY RECORDS LLC; SONY MUSIC ENTERTAINMENT, fka SONY BMG MUSIC ENTERTAINMENT; UMG RECORDINGS, INC; VIRGIN RECORDS AMERICA, INC.; and WARNER BROS. RECORDS INC.,

06 CV 5936 (KMW)

OPINION AND ORDER

Plaintiffs,

-against-

LIME GROUP LLC; LIME WIRE LLC; MARK GORTON; GREG BILDSON; and M.J.G. LIME WIRE FAMILY LIMITED PARTNERSHIP,

Defendants.

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KIMBA M. WOOD, U.S.D.J.:

I. Introduction

On May 11, 2010, this Court granted summary judgment in favor of Plaintiffs on their claims against Defendants Lime Wire LLC (“LW”), Lime Group LLC (“Lime Group”), and Mark Gorton (collectively, “Defendants”) for secondary copyright infringement. The Court found that Defendants induced users of the LimeWire file-sharing program (“LimeWire”) to infringe Plaintiffs’ copyrights. In the Court’s Opinion and Order (as amended on May 25, 2010), the Court detailed this case’s procedural and factual background (Dkt. No. 223), familiarity with which is assumed.

The litigation is now in the damages phase. The instant dispute concerns the scope of damage-related discovery to which Defendants are entitled. Plaintiffs have filed an objection to

Magistrate Judge Freeman's Order of November 2, 2010 (Dkt. No. 339) (hereinafter, the "November 2 Order"). Magistrate Judge Freeman issued the November 2 Order issued after a lengthy hearing held on November 1, 2010. The November 2 Order granted, in part, Plaintiffs' Motion for Reconsideration of Magistrate Judge Freeman's Order of October 15, 2010 (Dkt. No. 329) (hereinafter, the "October 15 Order"). The October 15 Order ordered Plaintiffs to supplement its prior productions of certain categories of material, and ordered production of further materials related to damages.

Specifically, Plaintiffs object to the following provisions of the November 2 Order:

1. That Plaintiffs produce all communications, relating to licensing, between Defendants and the 15 third-party licensees recently subpoenaed by Defendants, except for draft license agreements, from the last point in time discovery was collected;
2. That Plaintiffs produce all communications with other licensees referring or relating to LimeWire;
3. That the parties meet and confer regarding the parameters of an appropriate search for Plaintiffs' communications with their potential (as opposed to actual) licensees;
4. That Plaintiffs search for and produce internal emails regarding LimeWire contained in the email accounts of those employees of Plaintiffs who have been primarily responsible for negotiating licensing agreements with the 15 third-party licensees recently subpoenaed by Defendants;
5. With respect to recordings that were issued after 1972, as to which Plaintiffs are seeking statutory damages, that the parties submit supplemental briefing setting forth legal authority for their respective positions as to whether information regarding Plaintiffs' profits (as opposed to gross revenue) is relevant to statutory copyright damages;
6. With respect to recordings that were issued before 1972, as to which Plaintiffs are seeking common-law actual damages, that Plaintiffs produce documents and/or information sufficient to show the royalties paid by Plaintiffs in connection with those recordings;
7. To the extent Plaintiffs have gathered information regarding specific instances of the recordings at issue in this case being downloaded via the LimeWire system,

that Plaintiffs provide Defendants with documents or information sufficient to show the earliest dates that each such recording was downloaded.

These disputed discovery orders (collectively “Orders 1-7”) can be roughly broken into three categories. Orders 1-4 pertain to discovery regarding Plaintiffs’ communication with licensees and potential licensees. Orders 5 and 6 pertain to discovery regarding Plaintiffs’ profits and costs related to the infringed works. Order 7 pertains to the date of that each work was first infringed. The Court will address each category in turn.

For the reasons stated below, Judge Freeman’s November 2 Order is AFFIRMED as to Orders 1, 5 and 6, and this Court holds in abeyance its review of Orders 2-4 and 7.

II. Standard of Review

Pursuant to Rule 72 of the Federal Rules of Civil Procedure and its enabling statute, the Federal Magistrates Act, 28 U.S.C. § 636(b)(1), for non-dispositive matters, including discovery disputes, a district court shall reverse a magistrate’s order only where it has been shown that the order is “clearly erroneous or contrary to law.” 28 U.S.C. § 636(b)(1)(A) (2002); *see also* Fed. R. Civ. P. 72(a); *Thomas E. Hoar, Inc. v. Sara Lee Corp.*, 900 F.2d 522, 525 (2d Cir. 1990). Courts in this Circuit have held that a magistrate’s ruling on a discovery dispute should only be overturned for an abuse of discretion. *Edmonds v. Seavey*, No.08 Civ. 5646, 2009 WL 2150971, *2 (S.D.N.Y. July 20, 2009) (noting that the fact that “reasonable minds may differ on the wisdom of granting [a party’s] motion is not sufficient to overturn a magistrate judge’s decision”).

III. Plaintiff’s Objections

A. Orders 1-4: Licensee Communications

Plaintiffs argue that Judge Freeman committed clear error in ordering supplemental discovery as to Plaintiffs' communications and negotiation with licensees of its recordings, as well as internal communications regarding such license agreements.

In the October 15 Order, Judge Freeman explains that these communications would be relevant to the calculation of Plaintiffs' statutory damages under the six-factor test outlined most recently in *Bryant v. Media Rights Prods., Inc.*, 603 F.2d 135, 144 (2d Cir. 2010). There, the Second Circuit explained that, in calculating appropriate statutory damages for copyright infringement, courts should consider

(1) the infringer's state of mind; (2) the expenses saved, and profits earned, by the infringer; (3) the revenue lost by the copyright holder; (4) the deterrent effect on the infringer and third parties; (5) the infringer's cooperation in providing evidence concerning the value of the infringing material; and (6) the conduct and attitude of the parties.

Id. (citing *N.A.S. Impor. Corp. v. Chenson Enter., Inc.*, 968 F.2d 250, 252-53 (2d Cir.1992)).

Judge Freeman reasoned that communication between Plaintiffs and actual or potential licensees, particularly communication that directly discussed LimeWire, could potentially shed light on "(3) revenue lost by the copyright holder" and "(6) the conduct and attitude of the parties." *Bryant*, 603 F.2d at 144. In particular, communications regarding licensing could illuminate Plaintiffs' "conduct and attitude" about its copyrights, licensing, and internet companies generally. Further, given that Plaintiffs had previously provided discovery of this type at an earlier stage in the litigation, Plaintiffs were required under Fed. R. Civ. P. 26(e) to supplement and update their production. October 15 Order at 5-6.

Plaintiffs argue that producing this material will be highly burdensome, and that this material is, in any event, not relevant to any viable claim or defense at this stage of the litigation. Although Plaintiffs previously did provide discovery of this type earlier in the litigation,

Plaintiffs contend that those productions were in response to requests pertaining solely to Defendants' antitrust counterclaims, and copyright misuse defenses, all of which have now been dismissed. Plaintiffs' Letter of November 2, 2010 (hereinafter "Pl. Letter") at 8-9. Therefore, Plaintiffs argue, they are no longer under any duty to supplement those productions. Further, Plaintiffs argue that, to the extent that *Bryant* instructs courts to look at the "conduct and attitude" of the Plaintiffs at all, only Plaintiffs' conduct in the litigation itself, or conduct *vis à vis* the Defendants themselves, is relevant. Pl. Letter at 8. Plaintiff contends that there is no authority for the position that this inquiry looks to a plaintiff's communication with third party, legitimate distributors of its works. *Id.*

Defendants argue that this communication would illuminate plaintiffs' attitudes regarding the value of its copyrights and would show how Plaintiffs conducted themselves in dealing with others in the Internet marketplace. In particular, Defendants point to an email from Plaintiffs' prior productions that, Defendants argue, shows that Plaintiffs "sought to exert pressure on LimeWire to make a commercial deal on Plaintiffs' terms." Defendants' Letter of November 5, 2010 (hereinafter "Def. Letter") at 5. Defendants also argue that decisions in this Circuit do look to the attitude and conduct of the plaintiff in setting statutory damage awards. *Id.* (citing *Warner Brothers, Inc. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1126 (2d Cir. 1989); *Entral Group Int'l, LLC v. YHLC vision Corp.*, No. 05 Civ. 1912, 2007 WL 4373257, at *3 (E.D.N.Y. Dec. 10, 2007); *Arclight & Films Pvt. Ltd. v. Video Palace Inc.*, 303 F. Supp. 2d 356, 363 (S.D.N.Y. 2003)). Moreover, Defendants point out, no decision has held that a Plaintiff's conduct towards third parties cannot be relevant to its "conduct and attitude" under *Bryant*. Finally, Defendants argue that the earlier discovery requests of this type of material were not exclusively related to the antitrust and copyright misuse arguments, and therefore Rule 26(e) obligates Plaintiffs to

supplement their production. *See also* October 15 Order at 3-4 (“The parties did not brief, and the Court did not address, the relevance of any of Defendants’ specific document requests to other issues, including damages.”).

In response to Plaintiffs’ Motion for Reconsideration, Judge Freeman modified her original ruling to limit the required production. *See* November 2 Order. Specifically, the November 2 Order limited the production of Plaintiffs’ “communications related to licensing” to Plaintiffs’ communications with only 15 third-party licensees, previously identified by Defendants as being of particular interest to their damages analysis. Judge Freeman further limited this production to exclude draft license agreements, based on Defendants’ concession that they were not pressing for such production. As to any other of Plaintiffs’ licensees, Judge Freeman limited the required production to the license agreements themselves, and to communications referring specifically to LimeWire.

The Court is mindful of the potentially burdensome nature of this discovery, but acknowledges Defendants’ right to seek discovery relevant to a potential defense. Case law interpreting the *Bryant* factors is limited, but no decision holds that a plaintiff’s communications with third parties can never be relevant to its “conduct and attitude” in setting statutory damages. Moreover, while Plaintiffs’ prior productions of this material may have been particularly relevant to Defendants’ antitrust claims and copyright misuses, Plaintiffs have not established that that discovery was *exclusively* sought for those now-dismissed arguments. Accordingly, the Court cannot rule that Judge Freeman committed clear error in ordering Plaintiffs to supplement their prior productions of material falling under this category.

Given the potentially burdensome nature and broad scope of the discovery, as well as the potentially tenuous connection of the evidence sought to the damages inquiry at issue, this Court

AFFIRMS Order 1. Defendants will be permitted to seek discovery regarding communications relating to licensing between Plaintiffs and the 15 third-party licensees recently subpoenaed by Defendants. With respect to Orders 2-4, this Court holds in abeyance its decision, to give Defendants the opportunity to make a presentation of evidence to Judge Freeman to demonstrate that the discovery pursuant to Order 1 has yielded relevant evidence, and that further discovery pursuant to Orders 2-4 is necessary. The Parties shall meet and confer in good faith regarding when production of evidence pursuant to Order 1 may be made, and when the Parties will be prepared to appear before Judge Freeman to address the need for discovery pursuant to Orders 2-4.

B. Orders 5 and 6: Profits Information

Plaintiffs argue that Judge Freeman committed clear error in ordering discovery as to the royalties it paid on recordings issued before 1972, and in ordering further briefing from the parties on the relevance of Plaintiffs' profits to the calculation of statutory damages for infringement of recordings issued after 1972.

While it is hornbook copyright law that statutory copyright damages need not be based on evidence of actual damages, 4-14 Nimmer on Copyright § 14.04[A] (2010), it is well-settled that the amount of actual damages is one factor that courts take into account when setting statutory damages. *Bryant*, 603 F.2d at 144; *see also* Order of Aug. 9, 2010 (Dkt. No. 302) at 5 n.2 (noting that "Defendants are entitled to some discovery relating to the actual damages suffered by Plaintiffs as a result of Defendants' infringing conduct . . . [because] the Court may consider actual damages in determining the appropriate statutory damage award" (citing *Wartner Bros. Inc. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1126 (2d Cir. 1989)). In any event, Judge Freeman certainly did not commit clear error in asking the parties for additional briefing on a

disputed legal question. Order 5, ordering the parties to provide supplemental briefing on the relevance of Plaintiffs' profits to the calculation of statutory damages, is thus AFFIRMED.

The Parties shall provide this briefing in accordance with the new schedule set forth *infra* Section IV.

As to pre-1972 works, for which Plaintiffs are seeking actual damages, the Court finds that it was not clearly erroneous for Judge Freeman to issue Order 6, ordering production of royalty information. Both revenue and expense information related to online music sales are relevant to the actual damages Plaintiffs purportedly suffered as a result of Defendants' infringement, and it was not clear error to order production of material sufficient to show this information. Moreover, the order is not overly burdensome given that it does not order production of all royalty-related information for these works, but rather, orders production of information or material "sufficient to show the royalties paid by Plaintiffs in connection with those recordings." November 2 Order at 3.

C. Order 7: Earliest Date of Infringement

Plaintiffs argue that Judge Freeman committed clear error in ordering production of any information or documents possessed by Plaintiffs that are sufficient to show the earliest date that each of the recordings was first downloaded through the LimeWire service.

Defendants have sought this information on the theory that if any recording was infringed prior to the registration of that work's copyright, Plaintiffs then would be barred from recovering statutory damages for that work. *See* 15 U.S.C. § 412(2) (barring statutory damages for "any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work"). Plaintiffs argue that, even if the first date a recording was downloaded

through the LimeWire service was prior to the work's registration, later downloads taking place after the work's registration would be subject to statutory damages. Pl. Letter at 13. Defendants respond that, as a matter of law, later downloads are merely "part of an ongoing series of infringing acts." Def. Letter at 11 (quoting *U2 Home Entm't, Inc. v. Hong Wei Int'l Trading, Inc.*, No. 04 Civ. 6189, 2008 WL 3906889, at *15 (S.D.N.Y. Aug. 21, 2008)). Defendants cite case law holding that, where the first infringement in an "ongoing series" occurred prior to registration, then a plaintiff cannot seek statutory damages for later post-registration infringements of the work that are part of the same "ongoing series." *Id.* (citing *U2 Home Entm't*, 2008 WL 3906889, at *15; *Ez-Tixz, Inc. v. Hit-Tix, Inc.*, 919 F. Supp. 728, 726 (S.D.N.Y. 1996)). This question has not been firmly resolved by the courts in the context of the secondary liability of a peer-to-peer file-sharing service for downloads by different users. Plaintiffs argue that Defendants are not entitled to discovery on this issue until they resolve this issue as a matter of law.

The Court holds in abeyance its decision on this Order, to permit Judge Freeman to decide the threshold legal question of whether subsequent downloads by a peer-to-peer service users qualify as new infringements, or rather are part of an ongoing series of infringements. Both parties shall submit briefing to Judge Freeman on this legal issue in accordance with the schedule set forth *infra*, unless Judge Freeman modifies that schedule. Depending on the resolution of that legal issue, the Court may order discovery related to this issue.

IV. New Schedule

Judge Freeman's November 2 Order, and this Order, as well as the recent filing of a potentially dispositive motion by Defendants (Dkt. No. 330), necessitates a shift in the trial schedule. The new schedule is as follows:

Simultaneous Briefing on Legal Issues Outlined in this Order, at Sections III.B and III.C <i>supra</i>	Mon. Nov. 29, 2010
Responses to that Briefing	Mon. Dec. 6, 2010
Completion of Document Production	Wed. Dec. 29, 2010
Last Day to file Dispositive Motions	Fri. Jan. 7, 2011
Defendants' Expert Reports Due	Fri. Jan. 14, 2011
Last day for fact depositions	Mon. Jan 30, 2011
Last day for expert depositions	Mon. Feb. 14, 2011
Exchange trial exhibits, witness lists, deposition designations	Mon. Feb. 28, 2011
Motions in Limine and objections to trial exhibits, witness lists, deposition designations	Fri. March 11, 2011
Replies to objections to trial exhibits, witness lists, deposition designations	Fri. March 28, 2011
Pretrial Order	Fri. March 25, 2011
Oppositions to Motions in Limine	Wed. March 30, 2011
Replies to Motions in Limine	Fri. April 8, 2011
Trial	Mon. April 25, 2011

V. Conclusion

The November 2 Order is AFFIRMED, with the exception that the Court holds in abeyance ruling on Orders 2-4 and 7, as set forth above.

Discovery and briefing shall proceed, as consistent with this Order, at the direction of Judge Freeman.

SO ORDERED.

Dated: New York, New York
November 18, 2010



Kimba M. Wood
Kimba M. Wood
United States District Judge