# Exhibit 12

# IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION

**FUNCTION MEDIA LLC** 

Plaintiff,

Civil Action No. 2007-CV-279

vs.

GOOGLE INC. AND YAHOO!, INC.

Defendants.

JURY TRIAL DEMANDED

YAHOO!, INC.'S FIRST SUPPLEMENTAL OBJECTIONS AND RESPONSES TO PLAINTIFF'S FIRST SET OF INTERROGATORIES

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Pursuant to Federal Rules of Civil Procedure 26 and 33, Defendant and Counterclaim Plaintiff Yahoo!, Inc. ("Yahoo!") hereby supplements its objections and responses to Interrogatory Nos. 1, 3, 5 and 7 of Plaintiff's First Set of Interrogatories, served by Plaintiff and Counterclaim Defendant Function Media, LLC ("Function Media"), as follows:

#### **GENERAL OBJECTIONS**

Yahoo! makes the following General Objections to Function Media's First Set of Interrogatories, which apply to each interrogatory therein regardless of whether a General Objection is specifically incorporated into the response.

- 1. Yahoo! objects to each interrogatory, definition, or instruction to the extent it seeks or purports to impose obligations beyond or inconsistent with those imposed by the Federal Rules of Civil Procedure, the applicable rules and orders of this Court, or any stipulation or agreement of the parties in this action.
- 2. Yahoo! objects to Function Media's definition of "Accused Product" as vague, overbroad and unduly burdensome, in part because the definition includes products,

systems, technologies, functionalities, and services not specifically disclosed in Function Media's First Amended P.R. 3-1 Disclosures of Asserted Claims and Infringement Contentions.

- 3. Yahoo! objects to Paragraph R of Function Media's "Definitions" because it is overbroad, unduly burdensome, and seeks to compound and add subparts to each and every interrogatory.
- 4. Yahoo! objects to each interrogatory, definition, or instruction to the extent it seeks information that is confidential, proprietary, and/or trade secret information of a third party that is in Yahoo!'s possession subject to an obligation to a third party. Yahoo! will provide such information only to the extent it can do so consistent with its obligations to any third parties.
- 5. Yahoo! objects to each interrogatory, definition, or instruction to the extent it seeks information not within the possession, custody, or control of Yahoo! Yahoo! will only provide relevant, non-privileged information that is within Yahoo!'s present possession, custody, or control and available to Yahoo! after a reasonable investigation.
- 6. Yahoo! objects to Function Media's definition of "Defendant," Yahoo," you," and "your" because they are overly broad. The definition includes persons and entities not within Yahoo!'s control, and includes attorneys and/or their agents that have provided legal advice to Yahoo! Yahoo! will respond to these interrogatories with non-privileged information in its possession, custody or control to the extent such information can be obtained from a reasonable search.
- 7. No objection or response made in this document shall be deemed to be an admission by Yahoo! as to the existence or non-existence of responsive information or documents, unless specifically so stated.

- 8. By making the accompanying responses and objections to the interrogatories, Yahoo! does not waive, and hereby expressly reserves, its right to assert any and all objections as to the admissibility of such documents or information into evidence in this action, or in any other proceeding, on any and all grounds, including, but not limited to competency, relevancy, materiality, and privilege.
- 9. Yahoo! objects to each interrogatory, definition, or instruction to the extent that it calls for information that is subject to the attorney-client privilege and/or work product immunity. Yahoo! does not intend to waive any applicable privilege or immunity by these responses, and nothing herein shall be deemed to give rise to such a waiver.

## SPECIFIC OBJECTIONS & RESPONSES

Subject to and without waiving its General Objections, Yahoo! further objects and responds to Interrogatory Nos. 1, 3, 5 and 7 of Function Media's First Set of Interrogatories [Nos. 1-8] as follows:

#### **INTERROGATORIES**

#### **INTERROGATORY NO. 1:**

Identify any department, unit, or employee within Yahoo or one of its affiliates that tracks, monitors, reviews, analyzes, or otherwise follows the developments, products, technologies, patent applications, issued patents, or publications of Yahoo's competitors in the advertising field, and-for each such department, unit, or employee-describe the search for relevant documents that Yahoo performed in response to Function Media's document requests. For purposes of this Interrogatory, "competitors" is specifically defined to include--in addition to all other reasonable meanings--any patent holder or patent applicant.

those sales revenues were not derived from Accused Products that had been manufactured, used, imported into, offered for sale, or sold in the United States, and state the basis for such contention.

#### **RESPONSE TO INTERROGATORY NO. 5:**

In addition to its General Objections, Yahoo! objects to this interrogatory as compound and containing subparts. Further, Yahoo! objects to this interrogatory to the extent it calls for information that is subject to the attorney-client privilege and/or work product immunity. Yahoo! further objects to this interrogatory as vague. Moreover, Yahoo! objects to this interrogatory as overbroad and unduly burdensome. Further, Yahoo! objects to this interrogatory as premature, as its investigation is ongoing, discovery has just begun, and Function Media (which has the burden of proof on damages) has not yet identified "sales" that it alleges "should . . . be included as part of the royalty base." Yahoo! further objects to this interrogatory to the extent it seeks information that is more readily obtained through other means of discovery, such as document requests. Subject to and without waiving its objections, Yahoo! responds as follows:

At a minimum, the royalty base in this litigation should not include revenues for any products or services or features not specifically accused of infringement in Function Media's First Amended P.R. 3-1 Disclosures of Asserted Claims and Infringement Contentions.

# SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 5:

Subject to its general objections and the specific objections set forth above, Yahoo! supplements its response as follows:

Yahoo!'s Supplemental Response to Interrogatory No. 9 discloses Yahoo!'s net U.S. revenues, traffic acquisition costs, and gross U.S. revenues for the products Function Media accused of infringement in its First Amended P.R. 3-1 Disclosures of Asserted Claims and

Infringement Contentions. At a minimum, the royalty base in this litigation should not include Yahoo!'s cost of revenues, including but not limited to Yahoo!'s traffic acquisition costs ("TAC") and other expenses. Further, the royalty base should not include revenues for any products, services or features not specifically accused of infringement in Function Media's First Amended P.R. 3-1 Disclosures of Asserted Claims and Infringement Contentions, nor should the royalty base include revenues for accounts based outside the United States ("non-U.S. revenues"). Yahoo! notes that its investigation and discovery is ongoing, and that Function Media has not identified the revenues it believes should be included in a royalty base, and has not provided an expert report on damages at this time. For these reasons, among others, the revenues or costs listed in this Response may not be an exhaustive list and there may be additional revenues or costs that should be excluded from a proper royalty base in this action. Yahoo! reserves its rights to amend or supplement this response and to provide an expert report which identifies other or additional revenues or costs that should be excluded from any royalty base in this action.

#### **INTERROGATORY NO. 7:**

Identify every patent or patent application, to which You are either an assignee or a licensee, that relates to any feature that is currently implemented, or has in the past been implemented, in the Accused Products.

## **RESPONSE TO INTERROGATORY NO. 7:**

In addition to its General Objections, Yahoo! objects to this interrogatory to the extent it calls for information that is subject to the attorney-client privilege and/or work product immunity. Yahoo! further objects to this interrogatory as vague. Moreover, Yahoo! objects to this interrogatory as overbroad and unduly burdensome. Further, Yahoo! objects to this

interrogatory to the extent it seeks information that is otherwise available from another source that is more convenient, less burdensome, or less expensive, such as review of publicly available patents or patent applications and requests for document production.

## SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 7:

Subject to its general objections and the specific objections set forth above, Yahoo! supplements its response as follows:

Based on its investigation to date, Yahoo! identifies the following issued patents as claiming or describing (in whole or in part) features or functionality in the products Function Media accuses of infringement in its First Amended P.R. 3-1 Disclosures of Asserted Claims and Infringement Contentions: U.S. Patent Nos. 6,269,361; 6,826,572; 6,978,263; 6,983,272; 7,035,812; 7,043,483; 7,092,901; 7,231,358; 7,464,079; 7,373,599.

However, Yahoo!'s investigation is ongoing and Yahoo! will supplement this response if or when it locates other responsive, non-privileged patents or published applications that describe pertinent features of the accused products.

DATED: February 20, 2009

Respectfully submitted,

Douglas E. Lumish

Matthew D. Powers (Bar. No. \104795)

matthew.powers@weil.com

Douglas E. Lumish (Bar. No. 183863)

doug.lumish@weil.com

WEIL, GOTHAL & MANGES LLP

Silicon Valley Office

201 Redwood Shores Pkwy.

Redwood Shores, CA 94065

Tel: 650.802.3000 Fax: 650.802.3100

Attorneys for Defendant Yahoo!, Inc.