EXHIBIT 3

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

PERFORMANCE PRICING, INC., Plaintiff, v. GOOGLE INC. and AOL LLC; Defendants.	Civil Action No. 2-07CV-432-LED JURY TRIAL REQUESTED

DEFENDANT GOOGLE INC.'S SECOND SUPPLEMENTAL INITIAL DISCLOSURES

Pursuant to Rules 26(a)(1) and (e) of the Federal Rules of Civil Procedure and paragraph 1(a) through (g) of the Court's Discovery Order, Defendant Google Inc. ("Google") hereby makes the following disclosures. Google bases the following disclosures on information currently and reasonably available. Google reserves the right to supplement these disclosures, as necessary, pursuant to Rule 26(e) of the Federal Rules of Civil Procedure, and to rely on the testimony of any person it subsequently identifies as having knowledge relevant to this dispute.

Google's current understanding of the accused product is based on Plaintiff Performance Pricing, Inc.'s ("Performance Pricing") Amended Infringement Contentions served on September 16, 2009 in which Performance Pricing disclosed that it is accusing certain features of Google AdWords of infringing U.S. Patent No. 6,978,253 ("the '253 patent").

A. Correct Names of the Parties

The correct name of Defendant Google is Google Inc. On information and belief, the correct name of Plaintiff Performance Pricing is Performance Pricing, Inc., and the correct name of Defendant AOL is AOL LLC.

B. Potential Parties

Wayne W. Lin and PricePlay, Inc. are potential additional parties to this action. Mr. Lin is the named inventor of the ‘253 patent and PricePlay is a company he founded. Both Mr. Lin and PricePlay may have an ownership interest in the '253 patent.

C. Legal Theories and Factual Bases of Google’s Claims and Defenses

1. Invalidity

The ‘253 patent is invalid for failing to satisfy one or more requirements for patentability under the patent laws of the United States, as set forth in Title 35 of the United States Code, including without limitation, the requirements set forth in sections 101, 102, 103, and 112. Google provided details of its invalidity positions in Defendants Amended Invalidity Contentions, which were prepared pursuant to Patent Rule 3-3 and were served on October 30, 2008.

2. Non-Infringement

Google has not infringed any valid and enforceable claim of the ‘253 patent. Properly construed, no valid and enforceable claim of the ‘253 patent covers, either literally or under the doctrine of equivalents, any features of Google AdWords. Facts supporting Google’s non-infringement contentions may include, but are not limited to, the structure, characteristics, and operation of the accused features of Google AdWords, the ‘253 patent and its prosecution history, and any admissions by Performance Pricing regarding the ‘253 patent.

3. Prosecution History Estoppel

The claims of the ‘253 patent are so limited by the prior art, by their terms, and/or by representations made to the United States Patent and Trademark Office during prosecution of the application which resulted in the ‘253 patent, that none of the claims of the patent are infringed by Google.

4. Unclean Hands

On information and belief, the claims of the '253 patent are unenforceable due to Plaintiff's unclean hands.

D. Persons Having Knowledge of Relevant Facts

Based on Google's current understanding of the claims asserted by Performance Pricing, Google identifies the following individuals as having knowledge of relevant facts:

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Wayne W. Lin c/o Performance Pricing's counsel of record, Dovel & Luner 201 Santa Monica Boulevard Suite 600 Santa Monica, CA 90401	Named inventor of the '253 patent.	Issues relating to the '253 patent's prosecution history; prior art; invalidity; conception; reduction to practice; construction of the claims in the '253 patent; embodiments of the '253 patent; Performance Pricing's claimed damages.
PricePlay, Inc. 3743 Irvine Blvd. 175 Irvine, CA 92602	Company purporting to offer products covered by the '253 patent.	Issues relating to construction of the claims in the '253 patent; conception, development, design, and reduction to practice of the inventions disclosed in the '253 patent; Performance Pricing's claimed damages.

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Clayton J. Haynes c/o Performance Pricing's counsel of record, Dovel & Luner 201 Santa Monica Boulevard Suite 600 Santa Monica, CA 90401	Director of Performance Pricing	Issues relating to the '253 patent's prosecution history; prior art; invalidity; conception; reduction to practice; construction of the claims in the '253 patent; embodiments of the '253 patent; Performance Pricing's licensing practices; Performance Pricing's claimed damages.
Paul R. Ryan c/o Performance Pricing's counsel of record, Dovel & Luner 201 Santa Monica Boulevard Suite 600 Santa Monica, CA 90401	Director of Performance Pricing	Issues relating to the '253 patent's prosecution history; prior art; invalidity; conception; reduction to practice; construction of the claims in the '253 patent; embodiments of the '253 patent; Performance Pricing's licensing practices; Performance Pricing's claimed damages.
Robert L. Harris c/o Performance Pricing's counsel of record, Dovel & Luner 201 Santa Monica Boulevard Suite 600 Santa Monica, CA 90401	Director of Performance Pricing	Issues relating to the '253 patent's prosecution history; prior art; invalidity; conception; reduction to practice; construction of the claims in the '253 patent; embodiments of the '253 patent; Performance Pricing's licensing practices; Performance Pricing's claimed damages.

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Neal M. Cohen Vista IP Law Group, LLP 2040 Main Street 9th Floor Irvine, CA 92614	Prosecuting attorney of the '253 patent	The prosecution of the '253 patent; prior art; invalidity; conception; reduction to practice; construction of the claims in the '253 patent.
Clayton Bavor c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee and former Product Manager for Google AdWords' Ads Quality.	Past design, development, and operation of Google AdWords.
Andrew Silverman c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Design, development, and operation of Google AdWords; prior art; invalidity; non-infringement; damages.
Karen Aviram c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	AOL Search Marketplace; damages.
Shane Antos c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Past business and financial aspects of Google AdWords; damages.
Evan Sidarto c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Business and financial aspects of Google AdWords; damages.

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Michelle Lee c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Google patent licensing practices and policies relating to AdWords; damages.
Mary Hollendoner c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Business and financial aspects of Google Adwords; damages.
Jonathan Alferness c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Design, development, and operation of aspects of Google AdWords; prior art; invalidity; non-infringement; damages.
Hal Varian c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee	Design, development, economics, and operation of aspects of Google AdWords; prior art; invalidity; non-infringement; damages.
Ariel Bardin c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee.	Design, development, and operation of aspects of Google AdWords.
Bartholomew Furrow, c/o Google's counsel of record Quinn Emanuel Urquhart Oliver & Hedges, LLP 50 California Street, 22nd Floor San Francisco, CA 94111	Google employee	Design, development, and operation of aspects of Google AdWords.
Advanced Information Systems P.O. Box 1236 Midland, MI 48641	Potential prior art witness.	Prior art to the '253 patent, including U.S. Patent No. 6,783,028

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Amazon.com 1200 12th Ave., Ste. 1200 Seattle, WA 98144 Phone: (206) 266-1000 Fax: (206) 622-2405	Potential prior art witness.	Prior art to the ‘253 patent.
AOL LLC 22000 AOL Way Dulles, VA 20166	Potential prior art witness.	Prior art to the ‘253 patent, including the “You Guessed It!” game offered by Compuserve, and individual advertisement auctions offered by Netscape
AT&T New York, NY	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 4,850,007
Bell Laboratories Murray Hill, NJ	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 4,850,007
Broadvision Los Altos, CA	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 5,710,887
Concept Shopping, Inc. Lisle, IL	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 6,389,401
Daniel M. Miller 53 Highland Rd. Mahopac, NY 10541	Potential prior art witness	Prior art to the ‘253 patent, including U.S. Patent No. 6,064,981
Dwight A Merriman AlleyCorp 40 West 20th Street 6th Floor New York, NY 10011	Potential prior art witness	Prior art to the ‘253 patent, including U.S. Patent No. 7,039,599
eBay Inc. 2145 Hamilton Avenue San Jose, CA 95125	Potential prior art witness.	Prior art to the ‘253 patent.

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Expanse Networks, Inc. Doyletown, PA	Potential prior art witness	Prior art to the '253 patent, including U.S. Patent No. 6,324,519
IBM Corporation 1 New Orchard Road Armonk, New York 10504	Potential prior art witness.	Prior art to the '253 patent, including U.S. Patent Nos. 6,151,589 and 7,089,194
Incentech, Inc. Abilene, TX	Potential prior art witness	Prior art to the '253 patent, including U.S. Patent No. 6,516,302
Infospace, Inc. 601 108th Avenue NE Bellevue, WA 98004	Potential prior art witness.	Prior art to the '253 patent, including the Dogpile metasearch site
Intel Corporation 2200 Mission College Blvd Santa Clara, CA 95054	Potential prior art witness.	Prior art to the '253 patent, including U.S. Patent Nos. 5,752,238 and 5,724,521
James Logan 18 Castle Hill Road Windham, NH 03087	Potential prior art witness.	Prior art to the '253 patent, including U.S. Patent No. 5,721,827
Kevin O'Connor O'Connor Ventures koconnor@oconnorventures.com	Potential prior art witness	Prior art to the '253 patent, including U.S. Patent No. 7,039,599
MobShop, Inc. 208 Utah Street Suite 310 San Francisco, CA 94103	Potential prior art witness.	Prior art to the '253 patent, including U.S. Patent No. 6,269,343
Neil A. Barni 2220 Canton Lofts #103 Dallas, TX 75201	Potential prior art witness	Prior art to the '253 patent, including U.S. Patent No.6,064,981
Ok-Sun Byon 108-202 Parktown 52 Sunae-dong, Bundang-gu, Songnam-shi, Kyonggi-do 463-020, Rep. of Korea	Potential prior art witness.	Prior art to the '253 patent, including U.S. Patent No. 5,890,718

Name and Contact Information (if known)	Connection with the Case	Substance of Known Information
Priceline.com 800 Connecticut Avenue Norwalk, CT 06854	Potential prior art witness.	Prior art to the ‘253 patent
Response Reward Systems, LLC 2165 55th Avenue Vero Beach, FL 32966	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 5,916,024
Richard Zandi 34 Ridge Rd. Chappaqua, NY 10515	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 5,966,699
Rodstock Leisure Limited Wigna, United Kingdom	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 4,869,500
Shoe Carnival, Inc. 7500 East Columbia Street Evansville, IN 47715	Potential prior art witness.	Prior art to the ‘253 patent
Thomas Mureko, Jr. 643 N. Abingdon St. Arlington, VA 22203	Potential prior art witness	Prior art to the ‘253 patent, including U.S. Patent No. 6,578,014
Vulcan Inc. 505 Fifth Ave S Suite 900 Seattle, WA 98104	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent Nos. 6,604,089 and 7,146,330
Walker Asset Management Limited Partnership Four High Ridge Park Stamford, CT 06905	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 5,779,549
Walker Digital Management, LLC 5 High Ridge Park, Suite 1B Stamford, CT 06905	Potential prior art witness.	Prior art to the ‘253 patent, including U.S. Patent No. 6,161,059
Yahoo! Inc. 701 First Avenue Sunnyvale, CA 94089	Potential prior art witness.	Prior art to the ‘253 patent, including any Goto.com pay-per-click systems and U.S. Patent No. 6,631,372
Joe Milam 556 Red Maple Dr. Mandeville, LA 70448	Potential prior art witness.	Prior art to the '253 patent, including Shoe Carnival.

In addition to the above-listed individuals, Google incorporates by reference the individuals disclosed by Performance Pricing, AOL, Microsoft, Yahoo, IAC, and A9 pursuant to Fed. R. Civ. Pro. 26 as if set forth fully herein. Google expressly reserves the right to supplement this response pursuant to Fed. R. Civ. Pro. 26(e) as its investigation continues.

E. Any Indemnity and Insuring Agreements

Google is not aware at this time of any indemnity or insuring agreements under which any person or entity may be liable to satisfy part or all of any judgment entered in this action against Google, or to indemnify Google for payments made to satisfy any such judgment.

F. Settlement Agreements

Plaintiff has entered into settlement agreements with Microsoft Corporation, Yahoo! Inc., A9.com, Inc., Looksmart, Ltd.

G. Statement of Any Party to the Litigation

At the present time, Google has no statements other than those disclosed above and those that may be produced in documents pursuant to the schedule set forth in the Court's Docket Control Order.

H. Testifying Experts

Google will provide this information no later than the deadline set by the Court's docket control order.

DATED: September 21, 2009

Respectfully submitted,

By /s/ David A. Perlson
David A. Perlson

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CERTIFICATE OF SERVICE

I hereby certify that all counsel of record are being served via electronic mail with a copy of this document on September 21, 2009.

/s/ Emily C. O'Brien

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