

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

**SOFTWARE RIGHTS ARCHIVE, LLC**

**v.**

**GOOGLE INC., YAHOO! INC., IAC  
SEARCH & MEDIA, INC., AOL, LLC,  
AND LYCOS, INC.**

**Civil Case No. 2:07-cv-511 (CE)**

**YAHOO!'S OPPOSITION TO PLAINTIFF'S MOTION TO COMPEL  
YAHOO! INC. TO PROVIDE DISCOVERY RELATING TO OTHER  
SEARCH ENGINES, COMPARISONS, AND ITS NEGOTIATIONS  
AND SEARCH ENGINE AGREEMENT WITH MICROSOFT CORP.**

SRA seeks to compel documents from Yahoo! relating to a third party product and service that SRA has never accused of infringement: Microsoft's Bing search engine. SRA claims to need this discovery because, among other things, it is "expected to contain technical descriptions of the Yahoo! search engine," "assessments of various aspects of search technology," "Yahoo! revenue, market share, and profitability data," and "economic assessments of search technology."<sup>1</sup>

But aside from confidential, highly sensitive, and irrelevant information relating to Yahoo!'s pending collaboration with Microsoft, all of the information that SRA purportedly "needs" has already been, or will soon be, produced. Accordingly, producing the documents SRA seeks will result in needless duplication. For example, Yahoo! has *already* produced the source code for its search engine, and SRA has spent more than six weeks reviewing this code.

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<sup>1</sup> (See Plaintiff's Motion to Compel Yahoo! Inc. to Provide Discovery Relating to Other Search Engines, Comparisons, and its Negotiations and Search Engine Agreement With Microsoft Corp., dated April 29, 2010 (Docket No. 269) ("Mot."), at 2.)

It is difficult to imagine “technical descriptions of the Yahoo! search engine” that are more comprehensive and accurate than the source code that Yahoo! has already provided, and that SRA has already inspected at length.

Yahoo! also has *already* provided SRA with more than 80,000 pages of documents describing the features of Yahoo!’s accused search engine — including at least seven different productions since July 2009.<sup>2</sup> This production includes “technical descriptions” and “assessments . . . of search technology” that SRA claims to seek via the Microsoft-related discovery. Finally, Yahoo! has *already* made the head of its Search Technology division available for a 30(b)(6) deposition on this subject matter, and the parties are currently scheduling a second Yahoo! 30(b)(6) deponent in response to SRA’s latest deposition notice.

SRA’s motion to compel therefore is a transparent attempt to seek highly confidential and sensitive materials relating to a third party’s unaccused technology — materials that it does not need, and which are not relevant. Documents about Bing search cannot be relevant to the questions of infringement, damages, or willfulness, as: (1) Bing is not an accused product; (2) the Yahoo!-Microsoft agreement is far different in scope than any hypothetical licensing negotiation; and (3) SRA has not alleged willfulness based on post-filing facts. As noted above, the other “relevance” that SRA attributes to the requested documents — *i.e.* technical descriptions of Yahoo!’s search engine, current market share, and profitability — is cumulative of the documents that Yahoo! has already produced (and has agreed to continue to produce in the near future) to SRA.

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<sup>2</sup> In view of these productions, SRA’s allegation that “[a]lmost eleven months have gone by with no production by Yahoo!” is categorically wrong. (Mot. at 4.) These productions occurred on July 27, 2009, August 5, 2009, January 5, 2010, January 19, 2010, February 1, 2010, March 18, 2010, and April 23, 2010.

In view of the overbreadth of SRA's requests and the cumulative, sensitive, and irrelevant nature of the requested materials, SRA's motion should be denied.<sup>3</sup>

**A. Microsoft's Bing Search Engine Is Not an Accused Product**

SRA has yet to accuse Microsoft's Bing search engine of infringement or identify Microsoft as a defendant. Thus, its demand for technical information that may contain "assessments of the relevant likelihood that . . . Bing's search infringes" is unwarranted. (Mot. at 5-6.) This Court has denied motions to compel discovery regarding unaccused products.<sup>4</sup> In *Caritas Technologies*, for example, this Court explained that a plaintiff "only has the right to discover information regarding the alleged infringing service, not the right to discover information on whether it should assert a claim of infringement regarding other services."<sup>5</sup>

Here, while SRA named literally hundreds of products and services in its recently amended infringement contentions, SRA did not accuse Microsoft's Bing search engine of infringement, and did not name Microsoft as a defendant in this case.

Accordingly, SRA's attempt to sweep in highly confidential information pertaining to a company and technology that are not accused is simply overreaching. "The discovery process does not allow a patent holder to allege one instance of alleged infringement and then conduct a fishing expedition to try to discover other instances."<sup>6</sup> The Bing materials are not relevant to the issue of Yahoo!'s alleged infringement by its own search engine, and SRA cannot properly seek discovery from Yahoo! to determine whether Bing infringes.

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<sup>3</sup> Yahoo! notes that the parties have cooperated well on production issues to date, and there have been relatively few disagreements about the scope or content of SRA's or Yahoo!'s productions in this action. This is SRA's first motion to compel production of documents from Yahoo!.

<sup>4</sup> See *Caritas Techs., Inc. v. Comcast Corp.*, No. 05-339, 2006 U.S. Dist. LEXIS 94879, at \*14-15 (E.D. Tex. Feb. 9, 2006).

<sup>5</sup> *Id.*

<sup>6</sup> *Sevenson Env'tl. Servs. v. Shaw Env'tl., Inc.*, 246 F.R.D. 151, 153 (W.D.N.Y. 2007).

SRA points to no case law supporting the discovery of information relating to an unaccused product. None of the cases that it cites is applicable. *Blackboard, Inc. v. Desire2Learn, Inc.* involved a motion to compel documents related to *an accused* product.<sup>7</sup> *Tyco Healthcare Group LP v. E-Z-Em, Inc.* concerned the applicability of privilege to settlement agreements.<sup>8</sup> In *SSL Services, LLC v. Citrix Systems, Inc.*, this Court *denied* a motion to compel because the discovery sought would be duplicative and unduly burdensome for the producing party.<sup>9</sup> Finally, *TGIP, Inc. v. AT&T Corp.* did not even concern a motion to compel.<sup>10</sup>

## **B. The Requested Discovery Is Not Relevant to Damages**

SRA also requests documents relating to the Yahoo!-Microsoft agreement, alleging that the documents are relevant to damages. Specifically, SRA argues that the documents are related to the *Georgia Pacific* factors for determining a reasonable royalty based on a hypothetical negotiation. (Mot. at 6-8.)

The Yahoo!-Microsoft negotiations, however, resulted in a sweeping agreement much broader in scope than just a patent license that would be the result of such a hypothetical negotiation with respect to the patents-in-suit. The Federal Circuit has made clear that such broad-sweeping agreements are not relevant to a hypothetical negotiation analysis.

In *Lucent Technologies v. Gateway, Inc.*, the Federal Circuit rejected the relevance of an “agreement [that] appear[ed] to be directed to a large collaboration far more complicated than” the hypothetical agreement under consideration.<sup>11</sup> Similarly, in *ResQNet.com, Inc. v. Lansa, Inc.*, the Federal Circuit criticized the district court’s reliance on licenses that did not mention the

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<sup>7</sup> See 2007 WL 3389968, at \*1 (E.D. Tex. Nov. 14, 2007).

<sup>8</sup> See 2010 WL 774878, at \*1 (E.D. Tex. Mar. 2, 2010).

<sup>9</sup> See 2010 WL 547478, at \*2 (E.D. Tex. Feb. 10, 2010).

<sup>10</sup> See 527 F. Supp. 2D 561, 570 (E.D. Tex. 2007).

<sup>11</sup> 580 F. 3d 1301 (Fed. Cir. 2009).

patent-in-suit and that were instead “re-bundling licenses . . . [that] furnished finished software products and source code, as well as services such as training, maintenance, marketing, and upgrades, to other software companies in exchange for ongoing revenue-based royalties.”<sup>12</sup>

Here, the Yahoo!-Microsoft agreement is a large partnership involving extensive technical collaboration, revenue sharing, cooperation of advertising services, and technologies beyond the scope of the subject matter of the patents-in-suit. Moreover, because the Yahoo!-Microsoft agreement post-dates the commencement of alleged infringement by several years, it is of questionable relevance to the hypothetical negotiation analysis.<sup>13</sup> Thus, the Yahoo!-Microsoft agreement’s bearing on any reasonable royalty damages analysis is minimal at best.

SRA’s authorities are not on point. For instance, *Tyco Healthcare Group, LP v. Applied Medical Research Corp.* involved prejudice with respect to enforcing a party’s agreement to exclude lost profits evidence.<sup>14</sup> *IEX Corp. v. Blue Pumpkin Software, Inc.* involved a *Daubert* challenge to a damages expert.<sup>15</sup> *Ariba, Inc. v. Emptoris, Inc.* concerned submission of a jury question on future damages.<sup>16</sup> Finally, *OPTi Inc. v. Apple Inc.*<sup>17</sup> and *i4i Ltd. Partnership v. Microsoft Corp.*<sup>18</sup> both involved motions for JMOL and a new trial on damages.

As recent Federal Circuit jurisprudence discounts the value of such broad-sweeping agreements in any hypothetical negotiation analysis, and SRA points to no specific case law

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<sup>12</sup> 2010 U.S. App. LEXIS 243 (Fed. Cir. Feb. 5, 2010).

<sup>13</sup> See *Lucent Techs., Inc. v. Gateway, Inc.*, 509 F. Supp. 2d 912, 939 (S.D. Cal. 2007) (“The relevance of this agreement to the hypothetical negotiation is questionable, as the SISVEL agreement was executed in November 2006, only a few months before the commencement of the instant trial.”); see also *ResQNet.com*, 594 F.3d at 868-869 (“A ‘reasonable royalty’ derives from a hypothetical negotiation between the patentee and the infringer when the infringement began.”) (citation omitted; emphasis added).

<sup>14</sup> See 2009 WL 5842064, at \*2 (Mar. 17, 2009).

<sup>15</sup> See 2005 WL 6426934, at \*4 (E.D. Tex. Dec. 14, 2005).

<sup>16</sup> See 567 F. Supp. 2d 914, 917 (E.D. Tex. 2008).

<sup>17</sup> See 2009 WL 4727912, at \*4 (E.D. Tex. Dec. 3, 2009).

<sup>18</sup> See 670 F. Supp. 2d 568, 592 (E.D. Tex. 2009).

supporting the relevance of such an agreement here, SRA should not be entitled to discovery concerning the Yahoo!-Microsoft agreement on the alleged basis that it relates to “damages.”

### C. The Requested Discovery Is Not Relevant to Willfulness

SRA also seeks documents related to the Yahoo!-Microsoft agreement, arguing that the documents may be relevant to willful infringement. The Federal Circuit’s seminal *In re Seagate, Inc. LLC* decision undercuts this argument entirely.

In *Seagate*, the Federal Circuit clarified that willfulness normally depends “on an infringer’s *prelitigation conduct*.”<sup>19</sup> For this reason, “a willfulness claim asserted in the original complaint must necessarily be grounded *exclusively* in the accused infringer’s pre-filing conduct,” and post-litigation documents are of “marginal value.”<sup>20</sup> The *Seagate* court further explained that the remedy for an infringer’s post-filing willfulness is a motion for a preliminary injunction. If the plaintiff fails to seek such an injunction, this precludes a finding of enhanced damages based on the post-filing conduct.<sup>21</sup>

As SRA concedes, the Yahoo!-Microsoft agreement involves events that postdate the filing of this suit by twenty months. (*See* Mot. at 1 (“In July 2009 Yahoo! and Microsoft announced a ten-year agreement.”).) Thus, because SRA never sought the required preliminary injunction, any post-filing documents concerning this agreement cannot form the basis for SRA’s willfulness allegation.

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<sup>19</sup> *In re Seagate Tech., LLC*, 497 F.3d 1360, 1374 (Fed. Cir. 2007) (emphasis added).

<sup>20</sup> *Id.* (emphasis added).

<sup>21</sup> The Federal Circuit explained that “when an accused infringer’s post-filing conduct is reckless, a patentee can move for a preliminary injunction, which generally provides an adequate remedy for combating post-filing willful infringement. A patentee who does not attempt to stop an accused infringer’s activities in this manner should not be allowed to accrue enhanced damages based solely on the infringer’s post-filing conduct.” *Id.*

SRA also does not explain how documents related to the Yahoo!-Microsoft agreement shed any specific light on willfulness issues. Indeed, the *i4i* case that SRA relies on for its willfulness argument actually *rejected* the relevance of *post-litigation* arguments by the accused infringer.<sup>22</sup> Accordingly, SRA's demand for documents to support its willfulness case is suspect at best.

**D. Yahoo! Can and Already Has Produced Documents in Sought-After Categories Independent of Any Documents Related to the Yahoo!-Microsoft Agreement**

In its proposed order, SRA identifies several categories of documents that it seeks. SRA ignores that Yahoo! has already produced many documents relevant to these categories.

For instance, Yahoo! has provided numerous documents related to category 1: "testing or describing the performance or advantages or disadvantages of any search engine or feature," and category 3: "documents related to other search engines, including comparisons of the features of same."<sup>23</sup> Yahoo! is in the process of gathering and producing documents in category 2: "documents relating to each offer . . . or agreement related to the transfer . . . of intellectual property rights encompassing any aspect of the generation or delivery of search results in response to user queries." Finally, Yahoo! has already indicated to SRA that it is currently gathering and will produce additional documents responsive to all three of these categories.

The other categories of documents that SRA seeks production of relate to the Yahoo!-Microsoft agreement and the Bing search engine. As discussed above, these documents are not relevant to the issues in this case because Microsoft is not a defendant, and Bing is not an accused product or service. Further, to the extent that these documents could be relevant for the

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<sup>22</sup> See 670 F. Supp 2d at 581-82 ("As a consequence, the number of creative defenses that Microsoft is able to muster in an infringement action after years of litigation and substantial discovery is irrelevant to the objective prong of the Seagate analysis.").

<sup>23</sup> (See e.g., YAH0001019-1054; 1162-1216.)

different reasons that SRA states, the documents would be needlessly cumulative of the Yahoo!'s production to date. For instance, Yahoo! has already produced and has agreed to produce additional documents related to:

- “technical descriptions of the Yahoo! search engine relevant to infringement”; “descriptions of the Yahoo! search engine”; and “assessments of various aspects of search technology”
- “assessments of competing search technology”; “comparisons between and among [various search engines]”; and “assessments of features, advantages, and disadvantages of various search engines”
- “information related to the development of the Yahoo! search engine”

Yahoo! also is in the process of locating documents related to the following categories for production:

- “Yahoo! revenue, market share, and profitability data, as well as projected revenue, market share, and profitability data [sic]”
- “valuations of the patents-in-suit or other search technology patents”
- “the portion of the profit or of the selling price that may be customary in the particular business or in comparable businesses to allow for the use of the invention or analogous inventions”
- “the extent to which [development of Yahoo! search engine] involved awareness of the patents-in-suit”

SRA's requested relief is therefore overbroad. Yahoo! has already produced many documents responsive to the different categories of documents that SRA identifies in its proposed order, and it has agreed to produce many more within the next month.<sup>24</sup> Yahoo! can

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<sup>24</sup> Further, to the extent that SRA demands documents related to “numerous secondary considerations,” Yahoo! has already produced and agreed to produce additional documents related to secondary considerations. For instance, these documents may potentially include revenues/projected revenue (commercial success), assessments of advantages of various search engines (long-felt but unresolved need), technical descriptions (teaching away), and comparisons of other search engines (copying by competitors).



provide the information SRA seeks without producing any of the sensitive and confidential documents related to the Yahoo!-Microsoft agreement.

**E. SRA's Requested Relief Is Unduly Burdensome**

In its requested relief, SRA seeks the production of “all documents” responsive to certain categories. These categories include: “[a]ll documents [relating to] testing or describing the performance or advantages or disadvantages of any search engine”; “[a]ll documents related to other search engines”; and “[a]ll documents relating to each offer . . . or agreement related to the transfer . . . of intellectual property rights encompassing any aspect of the generation or delivery of search results in response to user queries.” Curiously, despite discussing its alleged need for Microsoft Bing-related documents at length in its moving papers, SRA never addresses its alleged need for all such documents.

Regardless, SRA's categories of requested relief are overly broad and unduly burdensome on their face. Yahoo! is a search engine provider, and the accused product is “Yahoo! Search Technology.” SRA's request for “all documents” relating to testing its search engine, other search engines, or any license related to its search engine therefore encompasses an enormous number of documents. In addition, besides failing to address its need for these documents, SRA fails to explain why the documents that Yahoo! has already produced that are responsive to these categories (or that it has already agreed to produce in the near future) are insufficient. SRA's request therefore is unjustified.

SRA's requested relief also seeks “[a]ll documents related to the Yahoo!-Microsoft negotiations that resulted in the Bing agreement (including all internal and external notes and memoranda).” Even assuming that the requested documents were relevant (which they are not), collecting and producing all of these documents would be unduly burdensome and oppressive. To respond to the requested relief, Yahoo! estimates that it would need to wade through

terabytes of data to filter out third party confidential, unresponsive, and privileged documents. Such a task is especially unwarranted in light of the fact that Yahoo! can produce many responsive documents, independent of the Yahoo!-Microsoft agreement, that satisfy SRA's demand for relevant technical and financial information.<sup>25</sup>

Hence, any such benefit derived from the potentially duplicative production of all documents related to the Yahoo!-Microsoft agreement is minimal,<sup>26</sup> and the Court should deny SRA's requests. If the Court is inclined to require that Yahoo! gather and produce all the documents sought by SRA, SRA should be required to share in the costs of gathering, reviewing, and producing them, in view of overbroad and burdensome nature of SRA's request.

### CONCLUSION

The Yahoo!-Microsoft agreement is of minimal relevance to this case. SRA has not accused Microsoft or the Bing search engine of infringement. Also, the Federal Circuit has held that post-litigation and broad-sweeping agreements like the Yahoo!-Microsoft agreement are of marginal value to a damages or willfulness analysis. Finally, Yahoo! has already produced and has agreed to produce many more documents responsive to SRA's requests. Thus, any information derived from the documents related to the Yahoo!-Microsoft agreement would be

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<sup>25</sup> See *SSL Servs., LLC v. Citrix Sys.*, 2010 U.S. Dist. LEXIS 11470, at \*9 (E.D. Tex. Feb. 8, 2010) (denying a motion to compel damages expert reports from another litigation as production "would be duplicative and unduly burdensome" since "SSL already has the relevant underlying data"); *Performance Pricing, Inc. v. Google, Inc.*, 2009 U.S. Dist. LEXIS 77538 (E.D. Tex. Aug. 28, 2009) (denying a motion to compel "to the extent that it [sought] 'all relevant documents' relating to the accused processes" as "previously disclosed documents, coupled with further production of technical documents . . . should provide [Plaintiff] with adequate information and sufficient technical knowledge" of the accused technology).

<sup>26</sup> See *SSL Servs., LLC*, 2010 U.S. Dist. LEXIS 11470, at \*9 ("The Court must weigh the burden of discovery against its likely benefit.").

largely cumulative of documents that could be procured through less intrusive means. For all of these reasons, SRA's motion should be denied.

Dated: May 24, 2010

By: /s/ Richard S.J. Hung, with permission  
by Michael E. Jones

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on May 24, 2010. Any other counsel of record will be served by First Class U.S. mail on this same date.

/s/ Michael E. Jones