

EXHIBIT 1

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

BENEFICIAL INNOVATIONS, INC.,

Plaintiff,

v.

CAREERBUILDER, LLC, ET AL.

Defendants.

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CASE NO. 2:09-CV-175-TJW
Jury Trial Demanded

DISCOVERY ORDER

After a review of the pleaded claims and defenses in this action, in furtherance of the management of the Court's docket under Fed. R. Civ. P. 16, and after receiving the input of the parties to this action, it is ORDERED AS FOLLOWS:

1. **Disclosures.** By **Dec. 1, 2010**, each party shall disclose to every other party the following information:
 - (a) the correct names of the parties to the lawsuit;
 - (b) the name, address, and telephone number of any potential parties;
 - (c) the legal theories and, in general, the factual bases of the disclosing party's claims or defenses (the disclosing party need not marshal all evidence that may be offered at trial);
 - (d) the name, address, and telephone number of persons having knowledge of relevant facts, a brief statement of each identified person's connection with the

case, and a brief, fair summary of the substance of the information known by any such person;

- (e) any indemnity and insuring agreements under which any person or entity carrying on an insurance business may be liable to satisfy part or all of a judgment entered in this action or to indemnify or reimburse for payments made to satisfy the judgment;
- (f) any settlement agreements relevant to the subject matter of this action; and
- (g) any statement of any party to the litigation.

2. **Additional Disclosures.** Each party, without awaiting a discovery request, shall provide, to the extent not already provided, to every other party the following:

- (a) by the dates provided in the Docket Control Order, the disclosures required by the Patent Rules for the Eastern District of Texas;
- (b) by **July 14, 2011**, a copy of all other documents, data compilations, and tangible things in the possession, custody, or control of the party that are relevant to the pleaded claims or defenses involved in this action. The parties may agree to limitations on document searching and production, and to alternative forms of disclosure in lieu of paper copies. For example, the parties may agree to exchange images of documents electronically or by means of computer disk; or the parties may agree to review and copy disclosure materials at the offices of the attorneys representing the parties instead of requiring each side to furnish paper copies of the disclosure materials; and
- (c) by **November 15, 2010**, a complete computation of any category of damages claimed by any party to the action, making available for inspection and copying as

under Rule 34, the documents or other evidentiary material on which such computation is based, including materials bearing on the nature and extent of injuries suffered.

3. **Testifying Experts.** The parties agree that Plaintiff shall be entitled to five (5) testifying expert witnesses. The parties further agree that each Defendant shall be entitled to three (3) testifying experts, and the group of Defendants shall be entitled to four (4) common additional testifying experts, regardless of the number of Defendants remaining in the case at the time of expert discovery. The foregoing limits relate to the number of testifying experts that may present expert reports and that will be the subject of discovery. These limits shall not be deemed an agreement by the parties or ruling by the Court that each party may present this number of experts at trial. By the date provided in the Docket Control Order, each party shall disclose to the other party or parties:

- A. the expert's name, address, and telephone number;
- B. the subject matter on which the expert will testify;
- C. if the witness is one retained or specially employed to provide expert testimony in the case or one whose duties as an employee of the disclosing party regularly involve giving expert testimony:
 - (a) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony, and
 - (b) the disclosures required by Fed. R. Civ. P. 26(a)(2)(B) and Local Rule CV-26;

D. if the expert is not retained by, specially employed by, or an individual whose duties as an employee of the disclosing party regularly involve giving testimony, the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them or documents reflecting such information.

4. **Discovery Limitations.**

A. Interrogatories: Plaintiff may serve up to thirty (30) interrogatories on each Defendant and an additional ten (10) common interrogatories on all Defendants. Each Defendant may serve up to thirty (30) interrogatories on Plaintiff, and the group of Defendants may serve up to ten (10) common interrogatories on Plaintiff.

B. Requests for Admission: The following limits will apply to requests for admission served in this case:

i. Except as indicated below, Plaintiff may serve up to forty (40) requests for admission on each Defendant and an additional ten (10) common requests for admission on all Defendants. Each Defendant may serve up to forty (40) requests for admission on Plaintiff, and the group of Defendants may serve up to ten (10) common requests for admission on Plaintiff.

ii. Requests for admission regarding the admissibility of documents: There is no limit on the number of requests for admission the parties may serve to establish the authenticity of documents. Requests for admission directed to document authentication shall be clearly denoted as such and shall be served separately from any requests for admission subject to the numerical limitations stated above.

C. The parties may serve subpoenas for third parties to produce documents. The parties will serve each other with copies of any third party subpoenas on the same day the subpoena or notice is served on the third party. The parties will promptly serve each other with copies of any documents produced by third parties pursuant to subpoena or otherwise. The parties will produce all such documents no later than five (5) days before any deposition of the third party from whom the documents were originally produced.

5. **Depositions.**

The parties agree that deposition testimony taken in the litigations captioned *Beneficial Innovations, Inc. v. Blockdot, Inc. et al*, 2:07-cv-00263-TJW –CE (E.D. Tx.) (“Blockdot Litigation”) and *Beneficial Innovations, Inc. v. AOL, LLC. et al*, 2:07-cv-00555-TJW-CE (E.D. Tx.) (“AOL Litigation”) may be used in this case, subject to the provisions of the Protective Orders in those litigations. The following limits apply to depositions taken in this case:¹

A. **Depositions of Parties Pursuant to Fed. R. Civ. P. 30(b)(6) and Depositions of Employees of a Party Pursuant to Fed. R. Civ. P. 30(a)(1):** Each side may take up to 125 hours of deposition of fact witnesses. The deposition of each witness shall be limited to a maximum of seven (7) hours, which may be increased by no more than one (1) hour upon agreement of the parties; provided, however, that Defendants may collectively take **[PLAINTIFF’S PROPOSAL: up to 7]** **[DEFENDANTS’ PROPOSAL: up to 14]** hours of testimony from each named inventor. “Side” means a party or a group of parties with a common interest. Any

¹ Depositions taken in connection with other litigation will not count toward these limits.

party may move to modify these limitations for good cause.

- B. **Depositions of Inventors:** The time that Mr. Sheldon F. Goldberg or Mr. Van Antwerp spend testifying in a deposition as a 30(b)(6) witness **[PLAINTIFF'S PROPOSAL: shall count against the seven (7)] [DEFENDANTS' PROPOSAL: shall not count against the fourteen (14)]** hour limit set above.
- C. **Depositions of Experts:** **[PLAINTIFF'S PROPOSAL: Regarding infringement and damages, each side will be entitled to up to seven (7) hours per expert unless the expert issues a report on damages and infringement that addresses multiple Defendants. In such circumstances, the parties agree that seven (7) hours may or may not be sufficient to address issues raised in that report, and the parties agree to meet and confer regarding additional hours for any such deposition.] [DEFENDANTS' PROPOSAL: Regarding infringement and damages, Plaintiff may take up to 7 hours of deposition testimony per expert report (if an expert report is served on behalf multiple defendants, then Plaintiff may take up to 7 hours of deposition testimony per defendant that the report was served on behalf of). Regarding infringement and damages, each Defendant party may take up to 7 hours of deposition testimony per expert report (if an expert report is served that addresses multiple defendants, then each Defendant party may take up to 7 hours of deposition testimony per defendant addressed in the report). Regarding validity, each side may take up to 7 hours of deposition testimony per validity expert. Regarding other topics, each side may take up to 7 hours of deposition testimony per expert report.]**

- D. **Depositions of Third Parties:** The limitations in the Federal Rules of Civil Procedure will apply to depositions of all other third parties.
- E. **Depositions on Written Questions:** The parties agree that there are no limits on the number of depositions upon written questions taken pursuant to Fed. R. Civ. P. 31.
- F. **Cross-Examination Testimony:** The parties agree that, except in the case of third party witnesses, time spent by one party on cross-examination of a witness called by another party does not count towards the time limits regarding deposition testimony agreed to above.
6. **Privileged Information.** There is no duty to disclose privileged documents or information. However, the parties are directed to meet and confer concerning privileged documents or information after the Scheduling Conference. By **June 3, 2011**, the parties shall exchange privilege logs identifying the documents or information and the basis for any disputed claim of privilege in a manner that, without revealing information itself privileged or protected, will enable the other parties to assess the applicability of the privilege or protection. Documents created after the filing of the litigation² are not required to be entered on any privilege log. Any party may move the Court for an order compelling the production of any documents or information identified on any other party's privilege log. If such a motion is made, the party asserting privilege shall respond to the motion within the time period provided by Local Rule CV-7. The party asserting

² For the Defendants in this litigation that are named defendants in the Blockdot Litigation the term "filing of the litigation" shall mean the filing of the Blockdot Litigation; and for the Defendants in this litigation that are named defendants in the AOL Litigation, the term "filing of the litigation" shall mean the filing of the AOL Litigation.

privilege shall then file with the Court within thirty (30) days of the filing of the motion to compel any proof in the form of declarations or affidavits to support their assertions of privilege, along with the documents over which privilege is asserted for *in camera* inspection. If the parties have no disputes concerning privileged documents or information, then the parties shall inform the court of that fact by **August 11, 2011**.

7. **Pre-trial disclosures.** Each party shall provide to every other party regarding the evidence that the disclosing party may present at trial as follows:

- (a) The name and, if not previously provided, the address and telephone number, of each witness, separately identifying those whom the party expects to present at trial and those whom the party may call if the need arises.
- (b) The designation of those witnesses whose testimony is expected to be presented by means of a deposition and, if not taken stenographically, a transcript of the pertinent portions of the deposition testimony.
- (c) An appropriate identification of each document or other exhibit, including summaries of other evidence, separately identifying those which the party expects to offer and those which the party may offer if the need arises.

These disclosures shall be made at least 30 days before trial. Within 14 days thereafter, unless a different time is specified by the Court, a party may serve and file a list disclosing (1) any objections to the use under Rule 32(a) of a deposition designated by another party under subparagraph (B) and (2) any objections, together with the grounds therefore, that may be made to the admissibility of materials identified under subparagraph (C). Objections not so disclosed, other than objections under Rules 402

and 403 of the Federal Rules of Evidence, shall be deemed waived unless excused by the court for good cause shown.

8. **Signature.** The disclosures required by this order shall be made in writing and signed by the party or counsel and shall constitute a certification that, to the best of the signer's knowledge, information and belief, such disclosure is complete and correct as of the time it is made. If feasible, counsel shall meet to exchange disclosures required by this order; otherwise, such disclosures shall be served as provided by Fed. R. Civ. P. 5. The parties shall promptly file a notice with the Court that the disclosures required under this order have taken place.
9. **Duty to Supplement.** After disclosure is made pursuant to this order, each party is under a duty to supplement or correct its disclosures immediately if the party obtains information on the basis of which it knows that the information disclosed was either incomplete or incorrect when made, or is no longer complete or true.
10. **Disputes.**
 - (a) Except in cases involving claims of privilege, any party entitled to receive disclosures may, after the deadline for making disclosures, serve upon a party required to make disclosures a written statement, in letter form or otherwise, of any reason why the party entitled to receive disclosures believes that the disclosures are insufficient. The written statement shall list, by category, the items the party entitled to receive disclosures contends should be produced. The parties shall promptly meet and confer. If the parties are unable to resolve their dispute, then the party required to make disclosures shall, within fourteen (14) days after service of the written statement upon it, serve upon the party entitled to

receive disclosures a written statement, in letter form or otherwise, which identifies (1) the requested items that will be disclosed, if any, and (2) the reasons why any requested items will not be disclosed. The party entitled to receive disclosures may thereafter file a motion to compel.

(b) Counsel are directed to contact the chambers of the undersigned for any “hot-line” disputes before contacting the Discovery Hotline provided by Local Rule CV-26(f). If the undersigned is not available, the parties shall proceed in accordance with Local Rule CV-26(f).

11. **No Excuses.** A party is not excused from the requirements of this Discovery Order because it has not fully completed its investigation of the case, or because it challenges the sufficiency of another party’s disclosures, or because another party has not made its disclosures. Absent court order to the contrary, a party is not excused from disclosure because there are pending motions to dismiss, to remand or to change venue.
12. **Filings.** For any filings in excess of 20 pages, counsel is directed to provide a courtesy copy to Chambers, simultaneously with the date of filing.