

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

ROSETTA STONE LTD.,

Plaintiff,

-v-

GOOGLE INC.,

Defendant.

Civil Action No. 1:09cv736(GBL/TCB)

**PLAINTIFF ROSETTA STONE LTD.'S
RULE 26(a)(1) INITIAL DISCLOSURES**

Plaintiff Rosetta Stone Ltd. (“Rosetta Stone”), by and through counsel, respectfully submits these initial disclosures pursuant to Rule 26(a)(1) of the Federal Rules of Civil Procedure. These disclosures are based upon the information reasonably available to Rosetta Stone at this time. Because Defendant Google Inc. (“Google”) has not yet provided any discovery, these initial disclosures are preliminary and based solely upon information known to Rosetta Stone as of this date. These initial disclosures are made without waiver of the attorney-client privilege, attorney work product doctrine or any other applicable privilege. Rosetta Stone reserves the right to object to the production and/or introduction into evidence of any document or evidence described herein or testimony by any of the disclosed witnesses on the basis of

privilege, relevance or otherwise, as appropriate. Rosetta Stone also reserves the right to add to, or amend this disclosure, as appropriate and necessary.

I. Individuals Likely To Have Discoverable Information

The individuals listed in Exhibit A appended hereto are likely to have discoverable information relevant to this lawsuit. Google and/or its counsel should contact current or former employees and agents of Rosetta Stone only through Rosetta Stone's counsel. The address for current and/or former employees of Google are presumed known to Google and not included herein.

II. Documents

Rosetta Stone has in its possession, custody, or control documents that may be used to support its claims in this lawsuit. A description of these documents by category is provided in Exhibit B appended hereto. These documents are located at the offices of Rosetta Stone and, to the extent not privileged, will be provided to Google upon request pursuant to Rule 34 of the Federal Rules of Civil Procedure and upon entry of an appropriate protective order. Rosetta Stone reserves the right to object to the production of any document on any basis permitted by the Federal Rules of Civil Procedure, the Federal Rules of Evidence, the Local Rules of this Court, and/or common law.

III. Damages

Rosetta Stone is unable to provide a computation of damages resulting from Google's unlawful actions because Google has not yet provided the discovery required to produce such a computation. Rosetta Stone will provide such a computation as soon as it has received all necessary discovery, although it is possible that the computation of certain elements of its

damages may have to await an accounting upon completion of this litigation. Among the categories of damages Rosetta Stone seeks, however, are:

1. all profits reaped by Google from its unlawful actions;
2. all damages sustained by Rosetta Stone as a result of Google's unlawful actions;
3. all damage to the Rosetta Stone trademarks caused by Google's unlawful actions;
4. the cost of corrective advertising, or other actions taken to monitor, address and to repair the damage to Rosetta Stone's trademarks resulting from Google's unlawful actions;
5. the return of all monies paid by Rosetta Stone to Google that Rosetta Stone incurred in attempting to mitigate the damage caused by Google's unlawful actions;
6. a reasonable royalty for the unlawful use of Rosetta Stone's trademarks; and
7. all costs, including attorneys' fees, incurred by Rosetta Stone to stop Google's unlawful actions.

The foregoing categories are by way of example and not limitation and do not constitute a waiver by Rosetta Stone of its right to pursue any remedy available at law or in equity.

IV. Insurance

Rosetta Stone is not aware of any insurance agreement under which any person carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in this action or to indemnify or reimburse for payments made to satisfy the judgment.

Respectfully submitted,



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Dated: October 26, 2009

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Counsel for Plaintiff,
Rosetta Stone Ltd.

CERTIFICATE OF SERVICE

I hereby certify that on the 26th day of October, 2009, I caused the foregoing Plaintiff Rosetta Stone Ltd.'s Rule 26(a)(1) Initial Disclosures to be served by electronic mail and postage-prepaid, first class U.S. Mail upon counsel for Defendant Google Inc. as follows:

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*Counsel for Plaintiff,
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EXHIBIT A

Persons Likely To Have Knowledge Of Relevant Facts

1. Brian Miller (Rosetta Stone Database Marketing Manager): information relating to Rosetta Stone's online presence.
2. Jason Calhoun (Rosetta Stone Enforcement Manager), Jason Daniels (Rosetta Stone Enforcement Investigator), Mike Hill (Rosetta Stone Enforcement Specialist): information relating to pirating of Rosetta Stone product and counterfeiting of Rosetta Stone trademarks.
3. Raymond Yau (Rosetta Stone Project Manager III), Kara Westerbeek (Rosetta Stone Project Manager III), Nino Ninov (Rosetta Stone Vice President II): information relating to consumer behavior and Rosetta Stone products and trademarks.
4. Eric Deuhring (Rosetta Stone Vice President I), Van Leigh (Rosetta Stone Director I), Marshall Masko (Rosetta Stone former employee), and Nicole Tabatabai (Rosetta Stone Marketing Specialist): information relating to marketing/advertising strategy.
5. Nancy White (Rosetta Stone Manager IV): information relating to expenditures on marketing/advertising.
6. Jeanne May (Rosetta Stone Manager III): information relating to trademark registration, licensing.
7. Michelle Nutter (Rosetta Stone Legal Assistant): information relating to trademark licensing.
8. Jason Calhoun (Rosetta Stone Enforcement Manager), Jason Daniels (Rosetta Stone Enforcement Investigator), Mike Hill (Rosetta Stone Enforcement Specialist): information relating to trademark policing.
9. April Garvey (Rosetta Stone former employee): information relating to damages.
10. Christopher Kipple (Rosetta Stone former employee), Van Leigh (Rosetta Stone Director I), Julie Longley (Rosetta Stone former employee), Matt Conner (Rosetta Stone former employee), Laura Kisaulis (Rosetta Stone former employee), April Garvey (Rosetta Stone former employee), Lena Haung (Rosetta Stone former employee), Davi Zain (Rosetta Stone former employee): information relating to purchases of online advertising.
11. Jason Calhoun (Rosetta Stone Enforcement Manager), Mike Hill (Rosetta Stone Enforcement Specialist): information relating to collection of screenshots demonstrating infringement.

12. Christina Aguiar (Google employee): information relating to Rosetta Stone's use of Google AdWords.

EXHIBIT B

Categories Of Documents In Possession, Custody Or Control Of Rosetta Stone

1. Documents relating to Rosetta Stone's trademarks, including proof of ownership, applications for registration, licensing of trademarks, and policing of trademarks.
2. Documents reflecting use of Rosetta Stone's trademarks in advertising, including online advertising.
3. Documents relating to Rosetta Stone's domain names, including proof of ownership.
4. Rosetta Stone's Articles of Incorporation, By-Laws and similar corporate documents.
5. Rosetta Stone's organization chart.
6. Documents relating to Rosetta Stone's marketing/advertising strategies.
7. Documents reflecting spending on marketing/advertising.
8. Documents reflecting payments to Google.
9. Communications between Rosetta Stone and Google.
10. Communications between Rosetta Stone and third parties relating to Google's unlawful actions.
11. Screenshots reflecting Google's unlawful actions.
12. Documents relating to consumer confusion including evidence relating to actual confusion.
13. Documents relating to damages caused by Google's unlawful actions.
14. Documents relating to pirating of Rosetta Stone products and counterfeiting of Rosetta Stone trademarks.