

EXHIBIT 3

April 27, 2012

Charles Monterio
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CONFIDENTIAL: OUTSIDE COUNSEL ONLY

Re: I/P Engine, Inc. v. AOL, Inc. et al.

Dear Charles:

I write to confirm yesterday's meet and confer telephone call.

ESI Agreement

We first discussed the parties' unsigned ESI agreement. You stated that Dickstein Shapiro's technical team does not understand the fact that, for users of Google's internal email system who have the autosave feature turned on, the system cannot distinguish between intentionally saved draft emails and autosaved emails. Therefore, you were unwilling to agree to the provision in the agreement that unsent emails be excluded. We agreed that we would speak to Google to see if it is willing to produce all unsent emails (including autosaved emails and unsent drafts), in spite of the burden.

We also stated our understanding that the parties had agreed not to collect and produce **custodial** documents after the filing date of the litigation; that there was no need to enter documents created after that date on privilege logs; and that non-custodial documents that post-date the filing date of the litigation are to be produced. Defendants did not use this date cut-off when collecting their non-custodial documents. We have discussed your question regarding supplementation. As you know, pursuant to FRCP 26(e)(2), the parties have an obligation to supplement their responses to requests for production. We expect that I/P Engine will do so.

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We also note that the ESI Agreement refers to September 17 as the date after which parties need not preserve voicemails or instant messages, while the litigation itself was filed on September 15. We need to resolve the issue of whether the cutoff for production of custodial documents is September 15 or September 17. We suggest going forward that the parties use the September 15 date. Please confirm that you agree on this issue as well.

Merger Documents

We also discussed, again, the parties' positions with respect to the Vringo-Innovate/Protect merger documents, which both parties have set forth in previous correspondence. You confirmed that I/P Engine has no "responsive non-privileged, non-publicly available documents." You did not state whether I/P Engine is taking the position that any documents exchanged between Innovate/Protect and Vringo before the merger are privileged. Please confirm that I/P Engine is not asserting such a privilege.

We discussed Innovate/Protect's refusal to produce documents related to the merger with Vringo. We explained that these documents are reasonably calculated to lead to the discovery of admissible evidence, based on Vringo's and Innovate/Protect's public statements concerning the patents-at-issue and the present litigation. At minimum, these documents could be relevant to infringement, validity, and damages issues in this case. In addition, these documents are responsive to Defendants' requests for production in the subpoena to Innovate/Protect, as explained repeatedly in previous correspondence.

Innovate/Protect has publicly held itself out as being in the business of enforcing the patents-in-suit and being involved in this lawsuit, and so it is difficult for Plaintiff to argue that it has no duty to supplement as a third party to the lawsuit. For example, the public presentation describing the merger, "Vringo and Innovate/Protect Announce Merger," describes "[t]he Innovate/Protect Inc. ('I/P') flagship patent portfolio [that was] acquired from Lycos, Inc." and also describes "Innovate/Protect's Flagship Litigation" – this litigation. In addition, the presentation lists Andrew Lang and Donald Kosak as members of the Innovate/Protect "team," with Lang specifically serving as "Chief Technology Officer, President & Director" of the newly combined management team and board of directors.

You disagreed, and reiterated that, despite the relationship between I/P Engine and Innovate/Protect and the public representations made by Innovate/Protect, as well as the representations Innovate/Protect has made in this lawsuit, it is nonetheless your position that Innovate/Protect is a third party with no duty to supplement its production.

Your position appears to be an excuse to withhold relevant documents. Nonetheless, in a good faith effort to avoid wasting the Court's time with further motion practice, we will issue a new subpoena to Innovate/Protect. We will ask for production of documents in 14 days. If you require us to, we will issue a new subpoena every two weeks in order to ensure that Innovate/Protect is producing all responsive documents. Given that you have taken the position that Innovate/Protect is a third party, the parties' agreement regarding production of custodial

documents created after the filing date of the litigation does not apply. We therefore expect Innovate/Protect to produce all responsive, non-privileged documents, regardless of the date of creation.

Please confirm that you will accept service on behalf of Innovate/Protect and produce the documents we have requested within 14 days.

30(b)(6) Deposition Objections and Responses

We discussed your request, sent the morning of our meet and confer, that Defendants “distinguish between record objections, and objections on which Defendants intended to substantively rely upon to substantively limit the testimony of its designees.” We stated that we did not understand this request, but explained that Defendants would be providing 30(b)(6) witnesses to testify as disclosed in the responses. We further stated that Defendants’ witnesses will provide non-privileged testimony to the extent that the defendant understands the topics. We further reiterated that if Plaintiff wants to provide more specificity as to what it is seeking, that would certainly help in preparing the witness to testify in response to Plaintiff’s topics.

Liability Topic Nos. 7-8, 10-13 to Target, Gannett and IAC: As previously discussed, there are numerous topics in Plaintiff’s deposition notices to Target, Gannett and IAC that seek information not known to these defendants. We had provided written responses stating that these defendants did not have this knowledge. You have refused to accept written responses. Accordingly, for each of these topics, we stated that we would provide a witness to testify regarding Target’s, Gannett’s, and IAC’s knowledge. We noted that these witnesses will likely answer “I don’t know” to many of Plaintiff’s questions, and you indicated that you understood.

Liability Topic No. 9 (to Target, Gannett, and IAC) and Liability Topic No. 11 to Google: We discussed Plaintiff’s Topic No. 9 to the other defendants, and Topic No. 11 to Google, which seek information regarding “improvements, modifications or changes to Google AdWords and Google AdSense for Search since January 1, 2005.” First, we noted that it is unlikely that any non-Google defendant would have knowledge as to modifications or changes to Google AdWords or AdSense for Search (AFS) since 2005. Second, we discussed Defendants’ objections as outlined in their written objections and responses. In particular, we discussed that this topic is overly broad; it would be impossible to prepare any witness to testify to every change in these systems for the past seven years. You clarified that Plaintiff is interested in changes to the features of AdWords and AFS specifically accused in Plaintiff’s infringement contentions, and to features Google points to in its non-infringement contentions. We asked if you would be willing to narrow the topic consistent with this representation, and provide suggested language. You agreed to go back to your client to discuss, and alternatively suggested that we propose language to modify this topic. Given that there is still a dispute pending regarding Plaintiff’s infringement contentions, we would suggest that Plaintiff propose the modification to this topic, and we can work together to reach a final agreement that adequately addresses both sides’ concerns.

Liability Topic Nos. 14-17 to IAC, Target and Gannett; Liability Topic Nos. 17-19 to Google; Damages Topic Nos. 10-11 to IAC, Target and Gannett; Damages Topic Nos. 17-18 to Google. We discussed Defendants' objections to Plaintiff's contention 30(b)(6) topics. We explained, as outlined in Defendants' objections, that these questions are appropriate for contention interrogatories, not for 30(b)(6) witnesses. We further objected that these topics place an undue burden on Defendants to educate a witness as to everything Defendants are contending in the case. We asked you to clarify if you were seeking only the underlying facts, or also testimony regarding Defendants' contentions themselves. You stated that you are looking for a witness who will know the facts underlying the contentions, as well as be able to testify regarding the contentions themselves. You stated that you have case law supporting your position that Plaintiff is entitled to both areas of testimony in 30(b)(6) deposition, rather than just relying on interrogatory responses. We asked you to provide this case law. You agreed to provide us with this case law; we will confer with our clients after reviewing this case law, as stated during our call.

With respect to Liability Topic No. 15 and Damages Topic Nos. 4 and 6 to the non-Google Defendants, and Liability Topic No. 15 and Damages Topic Nos. 1-2, 7 and 10 to Google, we further discussed Defendants' objections that these topics are premature. These topics involve non-infringing alternatives or design-arounds. As we stated, we believe that it is not possible to provide this information until after claim construction. Because these requests are premature, we stated that Defendants should not be required to produce a witness at this time, even if Defendants are required to provide a witness in response to contention topics. You disagreed, and indicated that to the extent Google could provide its non-infringement contentions, Defendants should be able to provide testimony regarding non-infringing alternatives.

Damages Topic No. 5 to IAC, Gannett and Target; Damages Topic No. 8 to Google. We asked for clarification as to these topics because, as outlined in Defendants' objections, we did not understand the use of the term "pricing." We also objected to the phrase "understanding of Google's determination of prices to charge for allowing [Defendant] to use Google AdWords and Google AdSense for Search" as vague and ambiguous. We noted during the call and in Defendants' objections that this assumes Google charges its partners to use AdSense for Search, which is an inaccurate assumption.

You explained that Plaintiff was actually interested in revenue sharing, and agreed to rewrite the topic to reflect this. We stated that we would confer with clients as to whether to produce a witness on this topic.

Damages Topic No. 6 to IAC, Target and Gannett; Damages Topic No. 10 to Google: These topics seek information regarding "comparisons and evaluations directed to the differences between the average revenue per search, gross and net revenue, ad search results quality, and conversion rates of Google AdWords and Google AdSense for Search, and of the non-infringing alternatives". First, we discussed again Defendants' objections that these topics were premature

to the extent they sought information regarding non-infringing alternatives before the Court's *Markman* order has issued.

You then asked whether Defendants could provide a witness regarding solely the comparison between AdWords and AFS, of revenue per search, revenue, and conversion rate. For example, you stated that you wanted a witness who could testify regarding comparisons between the revenue per search for AdWords and AFS, to the extent such comparisons are done. For the "ad search results quality" portion of the topic, you said that it seems like Google compares ad search results quality in the two systems and wanted to know more about that. We agreed to confer with our clients about providing a witness as to this portion of the topic, although again, it is unlikely that the non-Google witnesses will have knowledge of this topic.

Damages Topic No. 7 to IAC, Target and Gannett: Topic No. 7 seeks information regarding license agreements and/or covenants not to sue that are related to AdWords or AdSense for Search, including but not limited to Google's licensing policies and strategies for Google AdWords and Google AdSense for Search. We discussed the non-Google Defendants' relevance objections, including asking Plaintiff how the non-Google Defendants' knowledge as to Google's policies on licensing or Google's license agreements is relevant? You stated that the non-Google Defendants might have knowledge based on their dealings with Google, and that these agreements and policies would be relevant to damages. We again reiterated that we did not believe the non-Google Defendants would have that knowledge. We also believe that this information would be more appropriately sought from Google, as Google has already agreed to provide a witness regarding the license agreements it has produced in this case. Nonetheless, we agreed that we would check with the clients to see if they would provide a witness in light of Plaintiff's statements.

Damages Topic No. 8 to IAC, Target and Gannett: In this topic, Plaintiff requests information about agreements relating to search advertising patents to which the non-Google Defendants are parties. We discussed Defendants' objection that this topic did not seek relevant information, or information reasonably likely to lead to the discovery of admissible evidence. In response, you stated that you wanted to look at comparable licenses for damages purposes. We pointed out that Target and Gannett do not even have an accused product in this case. We asked if you had any other rationale for why this topic is relevant; you did not provide any further information. We again agreed to talk to the clients about whether they would produce a witness.

Damages Topic No. 9 to IAC, Target and Gannett; Topic No. 16 to Google: These topics seek information regarding any indemnification by Google of its partners, including the other defendants in this case. We discussed Defendants' relevance objection to these topics, and asked Plaintiff why it believed these topics sought information relevant to the claims or defenses in this case or reasonably likely to lead to the discovery of admissible evidence. You stated that Plaintiff is interested in whether Google is indemnifying the other Defendants because it could be relevant to damages, including if Google would be responsible for all of the revenues and thus all of the damages for infringement. You further stated that this is the same issue as Plaintiff's proposed stipulation that would have premised the non-Google Defendants' liability and

damages on Google's liability and damages. We noted that this stipulation was a separate issue that the parties did not agree to, and has no bearing on these topics. You further said that the Google services agreement has an indemnification clause, and therefore you should be able to ask about the entire services agreement, including the indemnification clause. This is not adequate. If Plaintiff insists on deposing witnesses on this topic, please provide case law you believe supports your position that Defendants are required to provide information as to indemnification.

Liability Topic Nos. 2-4 to Google: Google had asked to meet and confer with Plaintiff regarding only two aspects of these requests—Plaintiff's use of "relevance" and "keyword spam score." As to the first issue, Google agreed that it would provide Mr. Alferness to testify regarding "relevance score." As to the second issue, we asked what Plaintiff meant by "keyword spam score." You explained that you mean the term as it is used in documents G-IPE-0146189, which was re-produced with technical problems corrected at G-IPE-0223570. We agreed that we would discuss with Google, and confirm whether a witness could be provided in response to Plaintiff's requests for information about "keyword spam score." We have conferred with Google and, subject to Google's April 18 objections, Jonathan Alferness will be designated to testify as to the use and operation of what Plaintiff appears to identify as keyword spam score.

Liability Topic No. 5 to Google: Topic No. 5 requests, among other things, information about the transition from DumbAds to SmartAds. We discussed Google's objection that this topic is overbroad. We also discussed Google's objection that this topic does not seek relevant information, or information likely to lead to the discovery of admissible evidence. We noted that Google had agreed to provide information on a separate topic about the first use of Quality Score, but that DumbAds is not accused. We further stated that because DumbAds is not accused, the transition from DumbAds to SmartAds is not relevant. Instead, what is relevant in this case is how SmartAds works during the period it is accused. You stated that, for example, if QBB pCTR was introduced with SmartAds, then the transition to SmartAds could be a place marker for the first date of alleged infringement. You also said that changes in revenue for SmartAds compared to DumbAds are relevant to damages. We stated that we did not agree with Plaintiff's relevance arguments. However, we agreed to discuss this issue further with Google in light of your explanation.

Liability Topic No. 8 to Google: Topic No. 8 seeks information related to the "system architecture and operational/functional descriptions of SmartASS including, but not limited to, the technical and functional differences, if any, between SmartASS and DumbASS." You stated that Topic No. 8 was relevant for the same reasons as Topic No. 5, and that you saw the two topics as related. We had previously agreed that Google would produce a corporate designee to testify generally on the topic of the system architecture of SmartASS.

Liability Topic Nos. 6 and 7 to Google: With respect to Liability Topic Nos. 6 and 7, you explained that you were not looking for an official definition of the terms "Landing Page" or "Relevance." Rather, you wanted a witness to explain whether the documents and videos specified in the topics were using these words to mean the same thing. In other words, whether

Google's external documents discussing "Relevance" and "Landing Page" were referring to the same thing as internal documents discussing "relevance" and "LPQ." We agreed to confer with Google about these topics.

Damages Topic No. 9 to Google: We discussed Google's objections that this topic was vague and ambiguous and sought information not relevant to this litigation. You explained that you were seeking information regarding testing of the implementation of Quality Score, including any testing related to whether the use of an advertising system with Quality Score was more valuable than other systems. You indicated that this could be relevant to damages, to the extent it shows the value to Google of using Quality Score. We agreed that we would discuss with Google whether it is willing to provide a witness for this topic, based on Plaintiff's explanation.

Damages Topic No. 12 to Google: We also asked how this topic, which seeks information about the market share of AdWords and AFS, is relevant. You stated that market share compared to competitors' products is relevant to damages. As an example, you stated that market share could be a factor that impacts revenue sharing with partners or revenue per search, and therefore something that would have to be considered in the damages expert reports. You also clarified that "Google's other search advertising systems" refers to the fact that Plaintiff is uncertain whether AdWords and AFS are Google's only search advertising systems. We agreed that we will discuss this topic further with Google.

30(b)(6) Deposition Dates

We also discussed dates for the Defendants' 30(b)(6) depositions. Earlier we had offered Jonathan Alferness for deposition on May 23. On the call, we explained that this date may need to be pushed back, if Plaintiff insists on deposing Target, Gannett, and IAC before it deposes Google, even though these witnesses have very little knowledge about the topics of interest to Plaintiff. You clarified that you are flexible as to which order you take the depositions of Target, Gannett, and IAC, so long as you take these depositions before the Google deposition. We stated that because you continue to insist on taking the other three Defendants' depositions first, it is likely that Mr. Alferness' deposition will have to be pushed back from the May 23 date originally offered. We therefore asked if you would go forward with Mr. Alferness on May 23 regardless of whether all of the other defendants could be deposed before then, or if we could tell Mr. Alferness that he should look for later dates in May or June. You refused to commit without more information about the available dates for the other defendants.¹

¹ You stated that because the non-Google Defendants would likely say "I don't know" to many questions, their preparation should take less time. As noted on our call, we disagree. These witnesses will still need to be prepared to testify to all of the designated topics in order to comply with Rule 30(b)(6). Moreover, we still need to coordinate schedules of multiple witnesses and counsel for the parties. Given Plaintiff's inability to provide only two witnesses at (footnote continued)

We agreed that we would provide Plaintiff with an update on the progress of our discussions with our clients about deposition topics, designees, and dates early next week. Please note that to the extent we could provide updates today we have included them above.

Inventor Depositions

We pointed out that we have been asking for dates for the inventors' depositions since March 13, without resolution. We again asked whether you would provide back-to-back dates for one day each with the inventors the week of May 7 or 14. The parties reiterated their positions, articulated in previous correspondence, as to whether Defendants would be permitted to take a second day of deposition of the inventors (should the inventors not be designated as 30(b)(6) witnesses). We explained that Defendants position is as follows: Defendants will take one day of deposition of each inventor in May; Defendants will serve their 30(b)(6) notices to Plaintiff; Plaintiff can choose to designate whomever it wants in response to these notices. If Plaintiff does not designate its inventors as 30(b)(6) witness, and Defendants believe they still need more time with the inventors, then Defendants will request a second day of individual deposition of the inventors at that point. If Plaintiff does not agree to provide the inventors in that eventuality, then Defendants will move to compel. You asked that Defendants confirm that they will not "hold open" the depositions in May, and that Defendants agree that any later depositions be "second" or "separate" depositions from the inventor depositions in May. We noted that this is an issue of semantics; each party can make their arguments to the Court if and when Defendants file a motion to compel later in the case, and then let the Court decide the issue.

You agreed to go back to your client to determine if based on this you would move for a protective order now, or go back to the inventors and ascertain if you could provide back-to-back dates the week of May 7 or May 14 pursuant to our request. We asked when you expected to get back to us on this issue, given how long we had been waiting for resolution. You committed to providing Plaintiff's final position by early next week. If you have not provided us with dates by the May 1 hearing, we plan to bring this issue to the Court's attention.

As always, we remain willing to meet and confer to resolve any discovery issues, and hope that you similarly remain willing to work together on these issues in a timely and efficient manner.

Sincerely,



all prior to the deadline for the second *Markman* brief, it is puzzling that Plaintiff believes all of Defendants' 30(b)(6) witnesses can be scheduled, prepared and deposed prior to May 23.

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