# **EXHIBIT X**

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April 3, 2012

Charles Monterio
MonterioC@dicksteinshapiro.com

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

Dear Charles:

I write to confirm our April 2 meet-and-confer telephone conference. Thank you for taking the time to speak with us yesterday regarding a variety of outstanding discovery issues.

#### Laches

We discussed the deficiencies of Plaintiff's response to Interrogatory No. 15. You stated, as outlined in your email from earlier in the day, that you believe that it is Google's burden to first establish Plaintiff knew or should have known of Defendants' infringing activity for at least six years prior to bringing suit. And that until Google produces this evidence, Plaintiff will not supplement its interrogatory response. As we explained, for purposes of laches, "delay begins when the plaintiff knew, or in the exercise if reasonable diligence should have known, of the defendant's allegedly infringing activity." Eastman Kodak Co. v. Goodyear Tire & Rubber Co., 114 F.3d 1547, 1559 (Fed. Cir. 1997) (emphasis added). "Reasonable diligence" requires that a patentee investigate "pervasive, open, notorious activities that a reasonable patentee would suspect were infringing." Wanlass v. Gen. Elec. Co., 148 F.3d 1334, 1338 (Fed. Cir. 1998). "For example, sales, marketing, publication, or public use of a product similar to or embodying technology similar to the patented invention, or published descriptions of the defendant's potentially infringing activities, give rise to a duty to investigate whether there is infringement." Id.

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Judged by this standard, Plaintiff (and/or its predecessors in interest) had a duty to investigate Google's activities before September 2005 – *i.e.*, more than six years before the filing of suit. Google's activities were certainly "pervasive" and "open" by this date; Google's search engine was highly popular and well-known. Furthermore, Google's use of click-through rate in AdWords was publicly known before September 2005. *See, e.g.*, Catherine Seda, "In the Click: Want All the Right People to Notice Your Business?", *Entrepreneur* (Aug. 1, 2004) (2004 WLNR 22262190) ("On Google AdWords, positions are given based on the combination of bid amount and click-through rate. That means the highest bid doesn't automatically get the numberone spot. Consumers are part of the voting process"). Likewise, Google's ad disabling based on ad content (the apparently alleged "content-based filtering" under Plaintiff's infringement contentions) was publicly known before September 2005. *See, e.g.*, Paul Piper, "Google Spawn: The Culture Surrounding Google," *Searcher* (June 1, 2004) (2004 WLNR 11617015) ("Google apparently filters some AdWords. Searches for guns, knives, tobacco, liquor, and related materials yield no AdWords.").

Thus, under the Federal Circuit's laches caselaw, Plaintiff's duty to investigate Google's activities attached before September 2005 – i.e., more than six years before the filing of suit. It follows that Plaintiff's delay in bringing suit lasted more than six years for the purposes of laches, thereby raising a presumption of laches and imposing on Plaintiff a duty to show that its delay was reasonable. Please let us know after you have reviewed this case law whether Plaintiff will supplement its response to Interrogatory No. 15, or if we are at an impasse regarding this issue.

#### **Deposition Dates**

On March 13, we asked I/P Engine to look into available dates in April for the depositions of Mr. Lang and Mr. Kosak, but you proposed dates in mid-May. In our additional correspondence on this issue, you indicated that neither witness was available any earlier. During our call, you stated that the parties' discovery plan anticipated that each inventor would be deposed for two consecutive days, for a total of no more than 14 hours, by all defendants. While we mentioned that the discovery plan didn't to our knowledge state that the depositions would be for consecutive days, we are willing to be reasonable and work with Plaintiff to schedule depositions of the inventors. But as we explained on yesterday's phone call, we hope to depose at least one of the inventors for at least one day before the parties' reply briefs on claim construction are due on May 3. You agreed to look into this issue further. Please let us know whether that can be arranged.

We note that several hours after the meet and confer, you served separate damages and liability 30(b)(6) notices on every defendant. Each of these notices included dates in late April or early May at your offices in Washington, D.C. We can only assume that these dates are place-holders, and that Plaintiff does not expect each Defendant to provide a corporate witness on all of Plaintiff's topics in April and early May when Plaintiff has to date refused to provide even one witness for one day in this time frame. While Defendants will serve objections and responses in a timely fashion, please note that Defendants object to both the dates and locations of these

notices and will meet and confer to discuss scheduling further.

# **Vringo Documents**

You confirmed that you produced publicly available documents related to the Vringo-Innovate/Protect merger on March 16, but stated that you did not search for documents other than those available on the website because of the parties' agreement that documents after the litigation filing date would not be collected or produced. We stated that our understanding was that this time limitation was for custodial documents only. In any event, the agreement regarding production relates to the parties' productions, not to third parties; you have repeatedly asserted that Innovate/Protect is not a party in this matter, including in your December 13, 2011 letter on behalf of Innovate/Protect.

You agreed to look into this issue further and get back to us, including because you were unsure what non-custodial responsive documents might exist. We note that to the extent any documents are in the possession, custody or control of IP Engine, these documents are responsive to several of Google's Requests for Production, including RFP No. 54, which requests "[a]ll DOCUMENTS concerning any proposed merger, acquisition, or sale of substantially all of the assets of I/P ENGINE or its PREDECESSORS IN INTEREST, including ALL DOCUMENTS concerning any diligence, presentations, proposals, term sheets and letters of intent relating to the same." They are also responsive to RFP No. 56 in the subpoena to Innovate/Protect, which seeks documents "concerning any proposed merger, acquisition, or sale of substantially all of the assets of INNOVATE/PROTECT, I/P ENGINE, or the PREDECESSORS IN INTEREST, including ALL DOCUMENTS concerning any diligence, presentations, proposals, terms sheets and letters of intent relating to the same." We look forward to hearing from you on this issue, including confirmation that you will conduct a search for responsive documents.

In addition, we asked whether Plaintiff plans to claim privilege over pre-merger documents exchanged between the companies (Innovate/Protect and Vringo), and you stated that you would look into this issue as well.

## **Dates of Production**

You confirmed that I/P Engine will plan to produce the remainder of its responsive documents, including emails, on or before April 20. We confirmed that Google will plan to produce the agreed-upon technical videos and prior AdWords litigation documents by April 20. With respect to Google's custodial production, we indicated that we will have a better idea of an estimated completion date at the end of this week and will give you our estimate then. We also reiterated that we would produce custodial documents on a rolling basis, and intended to prioritize those custodians listed in Google's initial disclosures. We indicated that if I/P Engine wished to have certain custodians prioritized, we would be willing to work with you to accommodate such a request. You also confirmed that if you could resolve a potential "false hit" issue regarding the Hudson Bay documents, you would try to produce all of Hudson Bay's responsive documents by April 20. We agreed to continue to keep each other updated on the status of production, and

continue to work together in a cooperative fashion on discovery. As always, Google will roll production in an effort to get the documents to you as quickly as possible.

## **ESI Agreement**

We asked whether Plaintiff agreed to our proposed language regarding sent or received custodial emails. You stated that you were "ninety-nine percent sure" that Plaintiff agreed, and that you will confirm this in writing.

With respect to the IM issue, we reiterated that the parties had already reached agreement on the IM provision in December. There was never an agreement that the provision was contingent on Google's providing additional information. We explained that, in the event that this becomes an issue in the future, we can meet and confer at that time, per the language in the IM provision.

## **Stipulation**

We told you that Google is still not in a position to agree to Plaintiff's proposed stipulation regarding liability and damages for the non-Google defendants' use of AdSense for Search. We also noted that the draft stipulation contains a provision withdrawing claims for AOL's use of AOL.com Advertising Sponsored Listings and IAC's use of Ask Sponsored Listings. We noted that AOL's and IAC's use of their own systems are unrelated to Google AdWords and AdSense for Search. We therefore asked if Plaintiff would agree to withdraw its claims against these unrelated systems, regardless of whether the parties entered a stipulation regarding Google's systems. You declined to do so, explaining that you were offering that provision only to "move the ball forward" on the other parts of the stipulation. We do not understand this position. If for example, Plaintiff believes it has a valid claim against IAC's Ask Sponsored Listings, then it should supplement its infringement contentions to demonstrate those claims—as repeatedly requested by IAC, including in Google's and IAC's pending Motion to Compel. If Plaintiff is willing to withdraw its claim, then it should go ahead and do so regardless of the pending claims against the Google systems.

We also discussed whether, separate from a stipulation, Plaintiff would agree to streamline the lawsuit by withdrawing without prejudice its claims against the non-Google defendants. You indicated that the stipulation was necessary to avoid having a separate, later litigation against the other defendants on liability and damages, and in order to bind Google's damages expert to the position that in the hypothetical negotiation the appropriate revenue base would be all of Google's revenue—including the revenues paid to third parties. We explained that the stipulation does not make sense, as we had previously articulated. We agreed to discuss your position with Google again, and reconfirm that Google would not agree to the stipulation. We have done so, and can confirm.

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,

Jen Ghaussy

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