

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

I/P ENGINE, INC.

Plaintiff,

v.

AOL, INC., *et al.*,

Defendants.

Civil Action No. 2:11-cv-512

**BRIEF IN SUPPORT OF GOOGLE'S MOTION TO COMPEL PLAINTIFF TO
PRODUCE DOCUMENTS**

I. INTRODUCTION

Defendant Google Inc. ("Google") respectfully requests that this Court compel Plaintiff I/P Engine, Inc. ("Plaintiff") to produce relevant, responsive, non-privileged documents it has improperly withheld.

Over the course of this litigation, Google has requested various documents from Plaintiff relevant to the claims or defenses in this case, or reasonably likely to lead to the discovery of admissible evidence. Plaintiff has repeatedly refused to produce several categories of relevant documents: (1) documents provided by Innovate/Protect, Inc. ("Innovate/Protect") to potential investors that concern the patents-in-suit and this litigation; (2) the consulting agreement between Dickstein Shapiro LLP ("Dickstein Shapiro") and Donald Kosak, one of the two named inventors of the patents-in-suit; (3) the complete set of responsive documents of Andrew K. Lang, the other named inventor; and (4) documents related to Dickstein Shapiro's pre-litigation

involvement in offers to sell the patents-in-suit, negotiations related to the patents-in-suit, and the actual sale of the patents-in-suit from Lycos to Plaintiff.

Rather than meaningfully engage with Google on these issues, Plaintiff has made vague statements that it has generally searched for and produced all relevant, non-privileged documents. When Google asked for confirmation that the specific documents it requested were searched for and produced or logged, Plaintiff refused to further engage, simply stating that it had presented its position and would not provide any further information.

All of these documents are responsive to Google's requests and relevant to this litigation, and, therefore, they are discoverable under the Federal Rules of Civil Procedure, and, in particular, under Rule 26(b)(1). Because Plaintiff has failed either to produce these documents or confirm all such documents have been produced or properly included on its privilege logs, Google's motion should be granted.

II. LEGAL STANDARD

Federal Rule of Civil Procedure 37 authorizes a district court to compel discovery responses. Fed. R. Civ. P. 37(a); *see also* Fed. R. Civ. P. 26(b)(1) ("For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action."). Relevant information is defined in the Rules as information that "need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence." Fed. R. Civ. P. 26(b)(1). Under Rule 26(b)(1), relevance "is construed more broadly for discovery than for trial." *Truswal Sys. Corp. v. Hydro-Air Eng'g, Inc.*, 813 F.2d 1207, 1211 (Fed. Cir. 1987)); *see also Volumetrics Medical Imaging, LLC v. Toshiba Am. Medical Sys., Inc.*, No. 1:05CV955, 2011 WL 2470460, at *3 (M.D.N.C. June 20, 2011) ("Patent infringement cases are not exceptions to the rule that discovery is liberal and relevancy is broadly construed." (quoting *Murata Mfg. Co. v. Bel Fuse, Inc.*, 422 F. Supp. 2d 934, 945 (N.D. Ill. 2006))).

Additionally, "the party resisting discovery (including on relevance grounds), not the party moving to compel discovery, bears the burden of persuasion." *Id.* at *4 (citing numerous cases throughout the Fourth Circuit, including *Cappetta v. GC Servs. Ltd. P'Ship*, No. 3:08CV288, 2008 WL 5377934 (E.D. Va. Dec. 24, 2008), in support of allocating the burden of persuasion to the party resisting discovery).

III. ARGUMENT

A. I/P Engine Must Produce Communications to Potential Investors Regarding the Patents-in-Suit and this Litigation.

Defendants took the deposition of Alexander Berger, COO and CFO of I/P Engine, on July 25, 2010. I/P Engine is a wholly-owned subsidiary of Innovate/Protect. (Dkt. No. 1, ¶ 12.)

[REDACTED]

[REDACTED] Thus any documents in the possession, custody or control of Innovate/Protect are equally in the possession, custody or control of I/P Engine.¹

[REDACTED]

¹ Indeed, Innovate/Protect has repeatedly stated that it has no documents separate and apart from those belonging to I/P Engine. (*See, e.g., id.*, Ex. D, 4-35.)

[REDACTED]

[REDACTED] Plaintiff's parent company has publicly referred to this action as its "flagship litigation." (*Id.*, Ex. E, 10.) It has also made public representations about its patent portfolio, including the patents-in-suit, and this litigation, and has stated that the patents it acquired from Lycos, Inc. (including the patents-in-suit) constitute Innovate/Protect's "flagship patent portfolio." (*Id.*, 5.) [REDACTED]

[REDACTED]

[REDACTED]

Given the connection between Innovate/Protect, the patents-in-suit and this litigation, documents sent to potential investors are relevant to this litigation and responsive to many requests. For example, such documents are responsive to Google's Requests for Production to I/P Engine, including requests seeking "[a]ll DOCUMENTS concerning any communications with third parties regarding the subject matter of this Action or the PATENTS-IN-SUIT," and "[a]ll DOCUMENTS concerning any litigation, threatened litigation or possible litigation involving the PATENTS-IN-SUIT." (*Id.*, Ex. F, Nos. 37, 49). Yet, I/P Engine has not produced all communications to investors discussed by Mr. Berger.²

[REDACTED]

[REDACTED]

² On November 29, Defendants served a document subpoena on Innovate/Protect, requesting, among other things, that Innovate/Protect produce "[a]ll DOCUMENTS and communications that REFLECT, REFER TO or RELATE TO the PATENTS-IN-SUIT." (Ghaussy Decl., Ex. G, No. 1). On December 13, 2011, Innovate/Protect responded to every one of Google's requests that "Innovate/Protect does not possess any responsive information that is not in the possession, custody and control of I/P Engine." (*Id.*, Ex. D, 4-35.) On May 7, 2012, Defendants issued a new subpoena to Innovate/Protect, in response to which Innovate/Protect produced 207 pages of documents. (Ghaussy Decl., ¶ 24.) This production also did not contain the investor communications referenced by Mr. Berger.

[REDACTED]

Given that such documents are responsive to Google's document requests and relevant to claims or defenses in this case, and I/P Engine's inability to justify its withholding of these documents, Plaintiff's continued refusal to produce them is without merit. Defendants' motion to compel them should be granted. *See Volumetrics*, 2011 WL 2470460, at *3-4.

B. I/P Engine Must Produce Mr. Kosak's Consulting Agreement with Dickstein Shapiro.

On May 30, 2012, the eve of the deposition of Donald Kosak, one of the two named inventors of the patents-in-suit, Plaintiff produced Mr. Kosak's documents, [REDACTED]

[REDACTED]

[REDACTED]

Despite the existence of RFP's such as "All DOCUMENTS and communications that REFLECT, REFER TO or RELATE TO the PATENTS-IN-SUIT,

including any foreign counterparts to the PATENTS-IN-SUIT" and "All DOCUMENTS concerning any litigation, threatened litigation or possible litigation involving the PATENTS-IN-SUIT," [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I/P Engine's refusal to produce the consulting agreement between its counsel and Mr. Kosak is untenable. Not only is the agreement responsive to numerous requests by Google such as those discussed above, but the agreement is relevant because its terms have a direct relationship to Mr. Kosak's potential bias and credibility as a witness. *See, e.g., Adelman v. Boy Scouts of Am.*, 276 F.R.D. 681, 698-99 (S.D. Fla. 2011) (citing *United States v. Cathcart*, No. 07-4762, 2009 WL 1764642, at *2 (N.D. Cal. June 18, 2009), and *Behler v. Hanlon*, 199 F.R.D. 553, 561 (D. Md. 2001), as support for the proposition that evidence bearing on a witness's

credibility is relevant and, thus, discoverable); *Thong v. Andre Chreky Salon*, 247 F.R.D. 193, 196 (D.D.C. 2008) ("[D]iscoverable information includes evidence relevant to the credibility of a party or a key witness."). [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Google is entitled to examine Mr. Kosak's agreement with Dickstein Shapiro to understand further how the financial arrangements behind Mr. Kosak's participation in the case may affect his credibility.

[REDACTED]
[REDACTED] It is not. Consulting agreements between a fact witness and a party who has retained that witness are not protected by attorney work product privilege and are discoverable. *See New York v. Solvent Chem. Co.*, 166 F.R.D. 284, 291 (W.D.N.Y. 1996) (compelling discovery of a consulting agreement between an important fact witness and a defendant despite assertion of the attorney work product privilege). In any event, even were the agreement privileged, [REDACTED]

[REDACTED] Thus, any privilege that could be attached to it is waived. *See In re Honeywell Intern., Inc. Secs. Litigation*, 230 F.R.D. 293, 298-300 (S.D. N.Y. 2003) (finding waiver of privilege when defendants belatedly asserted privilege and failed to amend their privilege log until after motion to compel the relevant documents had been fully briefed).

Plaintiff has failed to justify its refusal to provide the consulting agreement. Google respectfully requests that the Court order Plaintiff to produce this document.

C. I/P Engine Must Produce All Relevant and Responsive Documents of Mr. Lang.

Mr. Lang is the lead inventor of the patents-in-suit and the Chief Executive Officer of Plaintiff. (Ghaussy Decl., Ex. C, 46:7-9, 49:7-9; Dkt. 1, 4.) Plaintiff produced documents from Mr. Lang on December 21, 2011.³ (Ghaussy Decl., ¶ 23.)

As discussed above, Plaintiff produced Mr. Kosak's documents on May 30. (Ghaussy Decl., Ex. O.) This document production included relevant and responsive emails between Mr. Kosak and Mr. Lang. Although both Mr. Kosak and Mr. Lang should have had copies of these emails, Plaintiff's December 2011 production of Mr. Lang's documents did not contain these emails. (*Id.*)

Google immediately raised this issue with Plaintiff, asking Plaintiff to explain why these emails were missing from the Lang production. (*Id.*) Plaintiff initially did not respond to Google's inquiries for weeks.

The parties eventually met and conferred to discuss. During this meet and confer,

[REDACTED]

³ Plaintiff produced these documents with separate "Lang" bates designations. However, as discussed above, Mr. Lang is CEO of Plaintiff, and therefore his documents are within the possession, custody or control of Plaintiff.

[REDACTED] In light of Plaintiff's admitted failure to produce all responsive documents belonging to Mr. Lang and Plaintiff's repeated failure and refusal to respond to Google's specific inquiries regarding Plaintiff's deficient production of Mr. Lang's documents, Plaintiff should be compelled to produce all of Mr. Lang's responsive to Defendants' document requests, and to the extent that any such documents have not been maintained or no longer exist provide an explanation for their destruction.

D. I/P Engine Must Produce Pre-Litigation Documents Related to Its Counsel's Efforts to License or Sell the Patents-in-Suit

1. Deposition testimony of Plaintiff and Lycos (former owner of the patents-in-suit) demonstrated that Plaintiff had not produced or logged all documents concerning Dickstein Shapiro's pre-litigation involvement in offers to purchase/sell the patents-in-suit.

At the July 25, 2012 deposition of Mr. Berger, CEO and CFO of Plaintiff, [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

On July 31, Defendants deposed Mark Blais, the 30(b)(6) witness for Lycos, Inc. (the previous owner of the patents-in-suit). [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] However, it did not appear that all of the documents related to this involvement were included in Plaintiff's document production. Additionally, [REDACTED]

[REDACTED]

There can be no legitimate dispute that such documents would be responsive to Google's document requests, such as: RFP No. 14, which requests documents concerning ownership of the patents-in-suit, including any proposed conveyance of any interest in the patents; RFP No. 37, which requests documents concerning communications with third parties regarding the patents-in-suit; RFP No. 16, which requests all documents concerning any prior art investigations, analyses or searches; RFP No. 25, which requests all documents related to any studies, analyses, opinions or pre-filing investigations or reports related to patentability, validity, enforceability or infringement of the patents-in-suit; and RFP No. 1, which requests documents

that refer or relate to the patents-in-suit. (*Id.*, Ex. F.) Nor can there be any legitimate dispute that they are relevant to the claims and defenses in the case. In particular, these documents could be relevant to damages issues in the case, including by illustrating the amounts that parties would be willing to pay or be paid for the patents-in-suit, analyses related to the strength of the patents-in-suit, etc.

2. Plaintiff improperly refused to answer the direct question of whether all responsive documents had been produced or logged.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] During the parties' meet and confer on August 2, Google asked whether Plaintiff was limiting its answer to documents Plaintiff believed were "relevant," but Plaintiff refused to answer, questioning whether the requested documents were responsive to Google's document requests. (Ghaussy Decl., ¶ 26.) Google also requested that Plaintiff confirm that it had actually searched for and produced all responsive documents to Google's specific requests, as outlined in its August 1 email. (*Id.*) Even though the documents Defendants' requested concerned the patents-in-suit and were obviously responsive to numerous requests, Plaintiff stated it would not confirm until receiving a list of requests for production to which those documents were responsive. (*Id.*) [REDACTED]

[REDACTED]

[REDACTED]

3. Plaintiff should be compelled to produce responsive, non-privileged documents regarding Dickstein Shapiro's pre-litigation involvement in offers to sell the patents-in-suit.

Google repeatedly asked Plaintiff for an explicit and unequivocal confirmation that it had searched for and produced or logged all documents in the categories covered in its request (offers, opinions, valuations, studies, negotiation, due diligence, etc.). Plaintiff repeatedly refused to provide this confirmation. Thus, it is unclear whether any documents are being withheld because Plaintiff deemed them irrelevant. It is unclear whether any documents are being withheld on the grounds that they are not in the possession, custody or control of Plaintiff,

⁵ While unclear, to the extent that Plaintiff's position is that it has no obligation to produce documents responsive to Google's request because those documents are in the possession of its attorneys, not Plaintiff, this position is disingenuous. Documents in the possession of Plaintiff's counsel are fairly in the possession, custody and control of Plaintiff, and any attempt to draw an artificial line between Plaintiff and its attorneys is without merit. Google should not have to subpoena Dickstein Shapiro in order to obtain these documents.

even though in the hands of its lawyers at Dickstein Shapiro. In any event, any such documents responsive to Google's requests should be produced. Accordingly, Plaintiff should be ordered to produce all documents responsive to Google's request.

IV. CONCLUSION

For the foregoing reasons, Google respectfully requests that the Court compel I/P Engine to produce the relevant, responsive, and non-privileged documents it has thus far failed to produce.

DATED: August 14, 2012

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CERTIFICATE OF SERVICE

I hereby certify that on August 14, 2012, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will send a notification of such filing (NEF) to the following:

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