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

DEFENDANTS' MEMORANDUM IN SUPPORT OF THEIR MOTION TO PRECLUDE DR. OPHIR FRIEDER FROM TESTIFYING REGARDING UNTIMELY OPINIONS THAT WERE NOT DISCLOSED IN HIS ORIGINAL EXPERT REPORT AND OPINIONS THAT HE NOW CONCEDES ARE INCORRECT

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I. INTRODUCTION

Defendants AOL Inc., Google Inc., IAC Search & Media, Inc., Gannett Co., Inc., and Target Corporation (collectively, "Defendants") respectfully request that the Court strike all opinions that were not disclosed in the original Expert Report of Ophir Frieder on Infringement of U.S. Patent Nos. 6,314,420 and 6,775,664, served on July 25, 2012 (the "Original Report") (D.N. 240-4).[1] These new opinions include (1) opinions disclosed for the first time in the Updated Expert Report of Ophir Frieder on Infringement of U.S. Patent Nos. 6,314,420 and 6,775,664, served on September 4 (the "Updated Report") (D.N. 240-6), and (2) opinions that Dr. Frieder articulated for the first time during his deposition on September 6, 2012. Defendants also respectfully request that the Court preclude Dr. Frieder from testifying at trial about (1) his opinion that the accused Google systems meet the collaborative "feedback" element of the asserted claims because they allegedly calculate the historical clickthrough rate (CTR) of an advertisement in serving ads – an opinion that Dr. Frieder now admits is wrong, and (2) any opinion regarding alleged infringement of this element that Dr. Frieder failed to disclose in his Original Report.

Plaintiff served Dr. Frieder's Original Report on July 25, 2012. Defendants served their rebuttal report regarding non-infringement on August 30. The following week, at 11 p.m. EDT on September 4, less than 36 hours before Dr. Frieder's deposition, Plaintiff served an untimely and unauthorized "Updated" Expert Report for Dr. Frieder. Dr. Frieder's Updated Report identifies, for the first time, aspects of the accused products that supposedly meet the "content-based" filtering limitation of the asserted claims. The basis for Dr. Frieder's new opinion is information that he had reviewed at least as of July 13, nearly two weeks before his Original

[1] In an effort to reduce the volume of exhibits and ease the burden on the Court, the citations in this motion and Defendants' other pre-trial motions refer to exhibits attached to previously

Report was served on July 25. Plaintiff has no excuse for failing to include this information in Dr. Frieder's Original Report. More than that, Dr. Frieder did not attempt to articulate in his Updated Report how these previously unidentified aspects of the accused systems allegedly satisfy the limitations of the asserted claims, but instead, attempted to explain his new infringement theories for the first time at his deposition. Dr. Frieder's late-produced disclosure of his reworked opinions falls far short of his obligations under Fed. R. Civ. P. 26, and therefore, he should be precluded from testifying about them at trial.

Additionally, Dr. Frieder should not be permitted to testify regarding any theories of infringement for the collaborative "feedback" limitation of the asserted claims that were not included in his Original Report or that he subsequently disavowed during his deposition. In his Opening Report, Dr. Frieder concluded that the accused Google systems infringe because "CTR is collaborative feedback data." [redacted] Dr. Frieder should be precluded from testifying about this theory of infringement that he has now admitted is inaccurate and unfounded.

Likewise, Dr. Frieder should not be permitted to testify regarding any new theories of infringement with respect to the collaborative "feedback" limitation that were never disclosed in any expert report. At his deposition, Dr. Frieder attempted to introduce two new (and mutually inconsistent) theories about how collaborative feedback data is allegedly used in the accused systems. Indeed, over the course of just a single 48 hour period, Dr. Frieder adopted three different positions regarding collaborative feedback. Dr. Frieder's continuously changing contentions on infringement of this limitation are highly prejudicial to Defendants. At this point, it is impossible to predict what theory Dr. Frieder will testify about at trial, or whether he will

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filed declarations to the extent possible.

rely on yet another, currently undisclosed theory instead. Moreover, Dr. Frieder's ever-evolving theories merely confirm that his opinions regarding the collaborative feedback limitation are confusing and inherently unreliable, and will do nothing to assist the jury in reaching a verdict.

Accordingly, Defendants respectfully request that the Court strike the theories first disclosed in Dr. Frieder's September 4, 2012 Updated Report and September 6, 2012 deposition, and preclude Dr. Frieder from testifying at trial regarding these opinions.

II. DR. FRIEDER SHOULD BE PRECLUDED FROM RAISING OPINIONS NOT DISCLOSED IN HIS ORIGINAL REPORT

A. Dr. Frieder's Untimely "Updated" Report Should Be Stricken

[redacted]

[2] [redacted]

[3] Plaintiff's first request in this case for the production of any source code was on June 27. (Ghaussy Dec., Ex. B.) On July 10, Google promptly notified Plaintiff that the source code would be available for review beginning the next day, on July 11. (*Id.*, Ex. A.) Plaintiff waited two days to respond, and on the night of July 12, requested access to the source code the following morning, despite the fact that the Protective Order (agreed to by the parties in this case) required Plaintiff to give notice of its intent to inspect the source code at least three business days in advance, (D.N. 85, 6.) As a courtesy to Plaintiff, Defendants voluntarily made the source code available the next morning, July 13. (Ghaussy Dec., Ex. A.)

[redacted]

See Lindner v. Meadow Gold Dairies, Inc., 249 F.R.D. 625, 639 (D. Haw. 2008) ("Although Fed.R.Civ.P. 26(e) requires a party to 'supplement or correct' disclosure upon information later acquired, that provision does not give license to sandbag one's opponent with claims and issues which should have been included in the expert witness' [initial] report.").

2. There was no excuse for Dr. Frieder's delay

At his deposition, Dr. Frieder attempted to justify his late supplementation with several excuses. Each is without merit.

(a) Dr. Frieder could have supplemented before the deadline for Dr. Ungar's Rebuttal Report, but opted not to do so

[redacted] (Ghaussy Dec., Ex. G, 117:18-118:9.)

But, as an initial matter, it was Plaintiff's delay that caused Mr. Furrow's deposition to be scheduled after Dr. Frieder's Original Report had been served.[5] Plaintiff did not serve a deposition notice for Mr. Furrow until July 9, 2012 – less than 3 weeks before Dr. Frieder's Original Report was due. (*Id.*, Ex. C.) And when Plaintiff finally served a notice, it requested

[4] During his deposition, Dr. Frieder suggested that there should be no issue with his supplemental opinions because he had previously cited to the source code. (Ghauss Dec., Ex. G 210:24-211:4.) [redacted]

that Mr. Furrow's deposition take place a week after the submission of Dr. Frieder's Original Report. (*Id.*) In other words, Plaintiff never even asked to take Mr. Furrow's deposition before Dr. Frieder's Original Report was due.

Anticipating that Plaintiff would use Mr. Furrow's deposition as an inappropriate basis for providing a late supplementation to Dr. Frieder's Original Report, Defendants promptly offered a date (July 16, 2012) for Mr. Furrow's deposition that was before the due date for Dr. Frieder's Original Report. (Ghaussy Dec., Ex. D.) In doing so, Google specifically told Plaintiff that it would object to a supplementation based on Mr. Furrow's deposition. (*Id.*) Plaintiff, however, rejected the opportunity to take Mr. Furrow's deposition prior to the due date for Dr. Frieder's Original Report, and again asked that he be made available after Dr. Frieder's Original Report was due. (*Id.*)

Even after taking Mr. Furrow's deposition, Plaintiff's have no excuse for waiting over a month to supplement Dr. Frieder's Original Report. Indeed, Dr. Frieder attended Mr. Furrow's deposition and heard firsthand the testimony on which he now relies. *O2 Micro Int'l Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1368 ("O2 Micro failed to show diligence in submitting the expert reports, and the court plainly had the authority to exclude the untimely reports. Federal Rule of Civil Procedure 37(c)(1) authorizes the exclusion of evidence that was not disclosed as required by Federal Rule of Civil Procedure 26(a).").

(b) Dr. Frieder's vacation is no excuse

Another excuse Dr. Frieder gave for his late supplementation is that he went on vacation shortly after Mr. Furrow's deposition. (*See id.*, Ex. G, 137:20-24 ("I was on vacation. I was a – hiking in the mountains. I was hiking in the waterfalls. I was on the coast. I was not dealing with anything other than recovering for the start of this – the new year for school.").) First, there

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that Dr. Frieder reviewed on July 13, 2012.

is no reason why Dr. Frieder could not have prepared his Updated Report before he left. Indeed, at his deposition, Dr. Frieder testified it only took one day to draft his Updated Report.[6] (*Id.* 141:9-142:3.) Defendants should not be prejudiced now, merely because Dr. Frieder chose not to supplement his report before or during his vacation. This is particularly so, given the overall schedule in this case with short deadlines for all aspects of discovery and trial preparation.

Even if his vacation excuses some delay, it cannot excuse the further delay after Dr. Frieder got back. After returning from vacation on August 22, Dr. Frieder still had one week to prepare and serve a supplemental report before Dr. Ungar's Rebuttal Report was due. (*Id.* 139:23-140:3.) But Dr. Frieder did not consider supplementation particularly important. Instead, he focused on other things after returning from his vacation, and felt no urgency or need to supplement his Original Report before Dr. Ungar served his Rebuttal Report. (*Id.* 140:5-14; 217:11-12.) Ultimately, when Dr. Frieder did supplement, it took him only one day. Thus, there is absolutely no reason why Dr. Frieder could not have served his Updated Report prior to the deadline for Dr. Ungar's Rebuttal Report.

(c) Plaintiff did not notice Gary Holt's deposition until two weeks after Plaintiff served Dr. Frieder's Original Report

Dr. Frieder also contends that he chose not to supplement his report right after Mr. Furrow's deposition because he did not want to have to supplement his opinions more than once, and he knew there would be depositions of other witnesses, such as Gary Holt. But Dr. Frieder's preferences in this regard does not excuse his failure to comply with the requirements of Fed. R. Civ. P. 26 and timely supplement his opinions.

[redacted]

[6] During his vacation, Dr. Frieder apparently had access to e-mail. But he chose not to check

[redacted] But Plaintiff did not seek Mr. Holt's deposition until August 8, 2012 – two weeks after Dr. Frieder submitted his Original Report. (Ghaussy Dec., Ex. E.) In any event, Mr. Holt's deposition took place on August 23, 2012 – six days before Dr. Ungar's Rebuttal Report was due.[7]

3. Dr. Frieder's delayed disclosure is highly prejudicial to Defendants

Dr. Frieder's untimely, "Updated" Report includes completely new allegations of infringement. Dr. Frieder's Updated Report was served less than 36 hours before his deposition. [redacted]

Moreover, Defendants did not have time to examine Dr. Frieder's citation to multiple pages of testimony from Messrs. Furrow, Holt and Cook, particularly given Dr. Frieder's failure to articulate how those citations added to his opinions or supported his newly-disclosed infringement theories. (*See, e.g.*, D.N. 240-8, 2, 3, 4, 7, 8, 9; *see e.g., id.* at 14 (including block citations to pages 231-241 and 247-254 from the Holt Deposition and pages 165-201 of the Furrow deposition).)

Further, because Dr. Frieder did not supplement his opinions until after Dr. Ungar had submitted his Rebuttal Report, Dr. Ungar was not able to address these new infringement contentions. [redacted]

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it in connection with this case. (*Id.* 138:20-139:1.)

[7] In his Updated Report, Dr. Frieder also cites to the deposition of Derek Leslie-Cook, a Google engineer in Ads Quality. [redacted] (*See* D.N. 240-7 at 7, 23, 35, 45.) In addition, Mr. Cook's deposition took place on August 17, 2012. After that, Dr. Frieder had almost 2 weeks to supplement his report before Dr. Ungar served his Rebuttal Report.

[redacted] Finally, Dr. Ungar would have been able to consider additional non-infringing alternatives related to Dr. Frieder's belatedly-disclosed infringement positions.[8]

Dr. Ugone, Defendants' damages expert, also would have taken this infringement theory into account when evaluating potential damages [redacted] As the date of first infringement affects both when damages begins to accrue and the hypothetical negotiation date, this information is relevant to Dr. Ugone's opinions on damages.

B. Dr. Frieder Should Be Precluded From Testifying About New Opinions First Disclosed During His September 6, 2012 Deposition

[redacted]

[redacted] (D.N. 282.) If, however, Dr. Frieder had disclosed his opinions when required to do so, this issue would have never arisen.

[redacted]

But Dr. Frieder's attempt to provide the missing explanation at his deposition does not satisfy the requirements for expert reports under Rule 26. [redacted] Accordingly, Dr. Frieder should be precluded from offering any after-the-fact explanation at trial. *See* Fed. R. Civ. P. 37(c). Indeed, the Federal Rules are designed to prevent situations like this where experts hide-the-ball with respect to their contentions, as Dr. Frieder has done here. *See Sharpe v. U.S.*, 230 F.R.D. 452, 459 (E.D. Va. 2005) ("[A]n expert report must be detailed and complete so that opposing counsel is not forced to depose an expert in order to avoid ambush at trial and sufficiently complete so as to shorten or decrease the need for expert depositions and conserve resources.") (citations omitted); *Wright v. Commonwealth Primary Care, Inc.*, 3:10-CV-34, 2010 WL 4623998, at *2 (E.D. Va. Nov. 2, 2010) ("An expert report satisfies Rule 26(a)(2)(B) if it is sufficiently complete, detailed and in compliance with the Rules so that surprise is eliminated, unnecessary depositions are avoided, and costs are reduced.") (internal citations omitted).

III. DR. FRIEDER SHOULD BE PRECLUDED FROM TESTIFYING ABOUT ANY INCORRECT OR UNTIMELY-DISCLOSED THEORY OF INFRINGEMENT REGARDING FEEDBACK

A. Dr. Frieder Admits That His Infringement Theory Based On CTR Is Incorrect

Throughout this case, Plaintiff has asserted that the feedback information limitations in the asserted claims has been met because AdWords allegedly uses the clickthrough rate (CTR) of an advertisement in determining which ads to serve. Plaintiff has stated since the beginning of the case that CTR is feedback. (D.N. 240-20, 6, 9, 12, 5; D.N. 240-21, 8, 14, 19, 24; D.N. 240-22, 13, 25, 34-35, 43.) Dr. Frieder repeats this contention, nearly verbatim, in his Original Report, as to each asserted claim. (D.N. 240-5, 10, 25, 34, 43.) And Dr. Frieder repeats this contention in his untimely Updated Report as well. (D.N. 240-6, 12, 27, 37, 47.)

[redacted].[9] (*See* D.N. 238 Section I.B.) Accordingly, Dr. Frieder testified that he is no longer asserting that the CTR is the

[9] To support his prior position that CTR was collaborative feedback, Dr. Frieder relied heavily on marketing documents. It is inappropriate, however, for Dr. Frieder to base his expert opinion on technical issues on these non-authoritative documents. *Whirlpool Corp. v. LG Elecs., Inc.*, Case No. 1:04-cv-100, 2006 WL 2035215, at *8 (W.D. Mich. July 18, 2006) ("[I]t is the [product], not the marketing materials, that are the subject of the infringement accusation. The marketing materials cannot override the actual operation of the [product].") These marketing documents are designed for public consumption. *See* Fed. R. Evid. 702. As with most marketing documents, these documents are not a complete description of how the accused systems actually work, nor are they a "true mathematical formula as it would relate to how the ad system operates." (Ghaussy Dec., Ex. H, 102:9-10.) Instead, Dr. Frieder should base his opinions on the technical documents and source code which actually describe how the accused systems function. Marketing documents, by contrast, are simply "meant to give advertisers [] a high-level feel for how the system operates." (*Id.* 102:11-12.) Given Dr. Frieder's admission that his earlier opinion is incorrect, this theory should be stricken, and Plaintiff should be precluded from offering it at trial.

[collaborative] feedback data required by the asserted claims: "Q. But for purposes of AdWords, you're not saying that the – the CTR is collaborative data? A. No. I" (sic) not saying the CTR." (*Id.* 222:12-15.) Now that Dr. Frieder has rejected both the factual basis and the conclusion he reached regarding what aspects of the accused products meet the "[collaborative] feedback" limitations in the asserted claims, he should not be permitted testify about this opinion at trial. Fed. R. Evid. 702(b). *Devito v. SmithKline Beecham Corp.*, 2004 WL 3691343, *4 (N.D.N.Y. Nov. 29, 2004) (precluding expert opinions that the expert had "expressly disavowed in his deposition.")

B. Dr. Frieder Should Be Precluded From Offering Any New Opinion Regarding The Collaborative Feedback Limitation

1. Dr. Frieder's opinion changed three times in 48 hours

In his Updated Report served 36 hours before the deposition, Dr. Frieder asserted that "[t]he CTR is collaborative feedback data." (D.N. 240-7, 12, 27, 37, 47.) At his deposition, Dr. Frieder disavowed that opinion. Instead, he testified that "[t]he clicks are the collaborative feedback data." (Ghaussy Dec., Ex. G, 34:14-35:5; 92:20-21 ("The feedback data that we talked about was clicks."); 110:18 ("The collaborative feedback data are the clicks.")) Then, after lunch on the same day, Dr. Frieder's opinion changed yet again. [redacted]

[redacted][10] Dr. Frieder had never articulated either of these theories until his deposition.

Altogether, in less than 48 hours, Dr. Frieder's theory regarding how the accused products include collaborative feedback changed at least three times. At 11 p.m. on September 4, Dr. Frieder contended that the CTR was the collaborative feedback. In the morning of September 6, Dr. Frieder said that the feedback data was the clicks. [redacted] Despite ample opportunities, Dr. Frieder has been unable to identify a coherent theory of infringement and stick with it. In fact, Dr. Frieder has flatly rejected the only theory articulated in his opening expert report. These ongoing flip flops in his opinions do not even come close to satisfying the reliability requirements of *Daubert v. Merrell Dow Pharms.*, 509 U.S. 579 (1993). *See In re Trasylol Prods. Liability Litig.*, 709 F.Supp.2d 1323, 1339 (S.D. Fla. 2010) (excluding expert's opinions under *Daubert* where it was "apparent that her opinions were often inconsistent.")

2. Dr. Frieder's failure to clearly identify any theory of infringement is extremely prejudicial

Dr. Frieder's failure to articulate even one consistent theory for where the feedback limitations are found in the accused systems has been extremely prejudicial to Defendants. For example, based on his original theory that the CTR is the feedback data, Defendants prepared and filed a motion for summary judgment. If Defendants had been aware of Dr. Frieder's new theory(ies), Defendants' motion would have been different. In addition, Dr. Ungar prepared the opinions in his Rebuttal Report based on the same assumptions. Because Dr. Frieder did not

[10] [redacted]

articulate any of his new opinions until at least September 6, Dr. Ungar has not had an opportunity to respond and provide his opinion [redacted]

Furthermore, because Dr. Frieder disclosed his new theory that the clicks are the "feedback data" only on the morning of his deposition, Defendants necessarily used valuable deposition time to explore Dr. Frieder's new contentions. Defendants asked Dr. Frieder about his original CTR collaborative feedback theory – a theory that Dr. Frieder ultimately disavowed. Then, after Dr. Frieder finally disclosed his new opinions, Defendants necessarily followed-up with questions regarding the basis and substance of those opinions. (*See, e.g.*, Ghaussy Dec., Ex. G, 119:13-15; 122:10-13; 122:24-5; 125:16-19; 127:22-128:1; 128:8-11.) Thus, because Dr. Frieder failed to disclose his opinions as he is required to do under Rule 26, Defendants were unfairly prejudiced at his deposition by having to use their time attempting to chase down his actual contentions. Even now, it is unclear what Dr. Frieder's testimony will ultimately be, which is exactly the type of situation Rule 26 disclosures were designed to prevent.

IV. CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court (1) strike all opinions that were not included in Dr. Frieder's Original Report, (2) preclude Dr. Frieder from testifying about any late-disclosed theories in his Updated Report or at his deposition, and (3) preclude Dr. Frieder from testifying about any opinions that he now concedes are incorrect.

DATED: September 21, 2012

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CERTIFICATE OF SERVICE

I hereby certify that on September 21, 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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