

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 EMERGENCY MOTION FOR
SANCTIONS AND TO STRIKE PLAINTIFF'S SUPPLEMENTAL EXPERT REPORT
IN VIOLATION OF THE COURT'S OCTOBER 9 ORDER.**

The Court's October 9, 2012, Order granted leave for Plaintiff to supplement the report of its expert on infringement, Dr. Ophir Frieder, on a single issue--non-infringing alternatives--by October 12. (D.N. 697.) Yet, Dr. Frieder's October 12 "Second Updated Report," served only four days before the trial starting Tuesday October 16, also improperly includes a section asserting a new infringement theory. Defendants respectfully request that the Court strike the portion of the "Second Updated Report" containing this new theory in violation of the Court's October 9 Order.

Background

Under the schedule set by the Court, Dr. Frieder served his original report on infringement July 25, 2012. On September 4, 34 hours before Dr. Frieder's deposition, Plaintiff served an "Updated" report that referenced, for the first time, four attribute templates that Dr. Frieder asserts meets the content filtering elements of the claims.

On September 21, Plaintiff filed its “Second” and “Third” motions for sanctions.¹ The Second motion related to “(1) Defendants’ revenues relating to the Accused Systems; (2) testing that had any impact on Defendants revenues; and (3) non-infringing alternatives.” (D.N. 277, 1.) The Third motion sought to strike Defendants’ September 14 supplemental source code production and related interrogatory responses. (D.N. 282.)

In its October 9 Order, the Court denied Plaintiff’s request in its Second Motion for Sanctions to strike Defendants’ evidence of non-infringing alternatives. (D.N. 697, 2.) At Plaintiff’s request, however, the Court granted Plaintiff leave to supplement Dr. Frieder’s non-infringement report on the issue non-infringing alternatives alone. (D.N. 702, 27-28.) That Plaintiff asked for leave to supplement its expert reports regarding non-infringing alternatives (and also relating to revenue documents at issue in the Second Motion), shows Plaintiff knew leave would be required before supplementing an expert report at this late date. The Court’s October 9 Order also denied Plaintiff’s Third Motion for Sanctions. (D.N. 697.) Plaintiff, did not ask for, and the Court did not grant, leave to serve an updated report on any issue relating to the Third motion.

Dr. Frieder’s October 12 “Second Updated Report” contains two short paragraphs discussing the non-infringing alternatives, as the Court allowed. Section III, entitled “Additional Source Code Production,” however, presents a new and unauthorized infringement theory. Specifically, in Section III, Dr. Frieder asserts a new theory pointing to a new attribute templates as allegedly meeting the content filtering limitations in the asserted claims, as well as other unidentified attribute templates that allegedly meet the content filtering limitations in the asserted claims.

¹ Plaintiff’s “First” Motion for Sanctions was denied September 18, 2012. (D.N. 275.)

Argument

I. DR. FRIEDER'S NEW INFRINGEMENT THEORIES ARE UNTIMELY AND UNAUTHORIZED.

Plaintiff was only permitted to supplement Dr. Frieder's report with regard to the non-infringing alternatives discussed in Plaintiff's Second Motion for Sanctions. Plaintiff's Third Motion for Sanctions related to source code was denied outright without leave to supplement Dr. Frieder's expert report. Thus, the inclusion of new infringement theories in Section III of the October 12 Second Updated Report is in direct violation of the Court's October 9 Order.

Further, the prejudice to Defendants from Plaintiff's untimely supplementation is extreme. Trial starts Tuesday. Taking the time needed to go back to the templates and respond to Dr. Frieder's supplementation would significantly prejudice Defendants. Indeed, after Dr. Frieder's last supplementation, working diligently with various Google engineers to determine when the specific models were introduced and what each attribute template did took Defendants 10 days. (D.N. 523, Kammerud Dec., ¶ 10.) Nor is there time to take a further deposition of Dr. Frieder under the current schedule. Thus, the prejudice to Defendants cannot be cured without significantly affecting the trial date.

II. PLAINTIFF'S SUPPOSED JUSTIFICATIONS FOR INCLUDING NEW THEORIES ARE WITHOUT MERIT.

During the parties' October 13 meet and confer on this issue, Plaintiff did not dispute that supplementation was not authorized by, and went beyond, the Court's October 9 Order. Instead, Plaintiff asserted that it had a right to supplement its report simply because the Third Motion for Sanctions had been denied, and that the supplemental source code production only then became part of the case. (O'Brien Dec. ¶ 3.) This reasoning is faulty. The source code has been part of the case, i.e. formally and properly produced, for an entire month. And Plaintiff inspected and printed pages of that code on September 17. That Plaintiff brought a baseless motion for

sanctions did not excuse Plaintiff from preparing for trial in this case based on the discovery to date or justify Plaintiff springing a new theory right before trial. Indeed, it took Dr. Frieder only one day to prepare his first “Updated” Expert Report. (D.N. 329-7.) There is no reason Plaintiff could not have prepared his second “Updated” report in similar timeframe. Had Dr. Frieder disclosed his new infringement theory promptly, Defendants might have had time to research the referenced template and models or depose Dr. Frieder on his new theory. Defendants also may have had time to have Dr. Ungar prepare a supplemental rebuttal report to Dr. Frieder. None of these options are now available.

Further, in its opposition to Defendants’ Motion to Exclude Frieder, Plaintiff argued that supplemental expert reports are timely if they are provided before the deadline for pre-trial disclosures, which in this case was September 19, 2012. (Plaintiff’s Brief IOT Defendants’ Motion to Exclude Frieder, 4.) Even under Plaintiff’s own interpretations of the rules, Dr. Frieder’s updated report regarding infringement is untimely.

Conclusion

For the foregoing reasons, Defendants’ motion should be granted and Section III of Dr. Frieder’s Second Updated Report should be stricken.

DATED: October 14, 2012

/s/ Stephen E. Noona

Stephen E. Noona
Virginia State Bar No. 25367
KAUFMAN & CANOLES, P.C.
150 West Main Street, Suite 2100
Norfolk, VA 23510
Telephone: (757) 624.3000
Facsimile: (757) 624.3169
senoona@kaufcan.com

David Bilsker
David A. Perlson
QUINN EMANUEL URQUHART &

SULLIVAN, LLP
50 California Street, 22nd Floor
San Francisco, California 94111
Telephone: (415) 875-6600
Facsimile: (415) 875-6700
davidbilsker@quinnemanuel.com
davidperlson@quinnemanuel.com

*Counsel for Google Inc., Target Corporation,
IAC Search & Media, Inc., and Gannett Co., Inc.*

By: /s/ Stephen E. Noona
Stephen E. Noona
Virginia State Bar No. 25367
KAUFMAN & CANOLES, P.C.
150 W. Main Street, Suite 2100
Norfolk, VA 23510
Telephone: (757) 624-3000
Facsimile: (757) 624-3169

Robert L. Burns
FINNEGAN, HENDERSON, FARABOW, GARRETT &
DUNNER, LLP
Two Freedom Square
11955 Freedom Drive
Reston, VA 20190
Telephone: (571) 203-2700
Facsimile: (202) 408-4400

Cortney S. Alexander
FINNEGAN, HENDERSON, FARABOW, GARRETT &
DUNNER, LLP
3500 SunTrust Plaza
303 Peachtree Street, NE
Atlanta, GA 94111
Telephone: (404) 653-6400
Facsimile: (415) 653-6444

Counsel for Defendant AOL Inc.

CERTIFICATE OF SERVICE

I hereby certify that on October 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:

Jeffrey K. Sherwood
Kenneth W. Brothers
DICKSTEIN SHAPIRO LLP
1825 Eye Street NW
Washington, DC 20006
Telephone: (202) 420-2200
Facsimile: (202) 420-2201
sherwoodj@dicksteinshapiro.com
brothersk@dicksteinshapiro.com

Donald C. Schultz
W. Ryan Snow
Steven Stancliff
CRENSHAW, WARE & MARTIN, P.L.C.
150 West Main Street, Suite 1500
Norfolk, VA 23510
Telephone: (757) 623-3000
Facsimile: (757) 623-5735
dschultz@cwm-law.com
wrsnow@cwm-law.com
sstancliff@cwm-law.com

Counsel for Plaintiff, I/P Engine, Inc.