

Exhibit B

Volume I

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Exhibits 1 - 20

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF VIRGINIA

NORFOLK DIVISION

I/P ENGINE, INC., *

Plaintiff, * Civil Action No.

Vs. * 2:11-cv-512

AOL, INC., et al., *

Defendants. *

AUDIO/VISUAL DEPOSITION of LYCOS, INC.,

by and through its designee MARK BLAIS

Tuesday, July 31, 2012 at 9:00 a.m.

Goulston & Storrs

50 Rowes Wharf, 7th Floor

Boston, Massachusetts

----- Jacqueline P. Shields, RPR, CSR -----

Job No. CS409539

1 office.

2 Q. When did you work at Jones Day? From what
3 time period?

4 A. September 1999 through April 2001.

5 Q. What was your next job after leaving Jones
6 Day?

7 A. I left to take a position as a litigation
8 associate at Goodwin Procter in Boston.

9 Q. How long were you at Goodwin Procter?

10 A. From June 2001 through January 2005.

11 Q. What was your next position after leaving
12 Goodwin Procter?

13 A. Associate general counsel at Lycos.

14 Q. What were your responsibilities as
15 associate general counsel at Lycos?

16 A. Initially I was responsible for all the
17 litigation ongoing at the company, at the time there
18 was quite a bit. So I was brought in to manage
19 mostly litigation, although I did delve into
20 contract and abuse and subpoenas and other matters.

21 Q. How long were you associate general counsel
22 at Lycos?

23 A. Through sometime in 2006.

24 Q. What was your next position at Lycos?

1 in 2005?

2 A. Yes.

3 Q. Was Lycos using AdWords in 2005?

4 A. Define what you mean by AdWords as opposed
5 to AdSense for search.

6 Q. Sure. Do you have any understanding what
7 AdWords is?

8 A. I thought you were talking about the
9 sponsored links aspect of Google services, then
10 you'd use AdSense for search for that, so now I'm a
11 little confused.

12 Q. That's fair. So when I'm referring to
13 AdSense for search, I mean the sponsored link on
14 Lycos. When I'm referring to AdWords, I mean the
15 sponsored links on Google.com.

16 A. Okay.

17 Q. That was probably as clear as mud.

18 A. So if you're asking me did we use the
19 sponsored links on Google.com.

20 Q. Yes.

21 A. That would have been shown on Lycos that we
22 were using them.

23 Q. Would -- let's use the term Google
24 sponsored links to understand the links that were

1 used on Lycos.com, was Google using -- was Google,
2 was Lycos using Google-sponsored links in 2005?

3 MS. ALBERT: Objection. Vague.

4 A. I think for part of 2005 we did. May I
5 clarify?

6 Q. Uh-huh.

7 A. We also may have been using -- it's
8 possible we may have been using Google-sponsored
9 links at certain points indirectly. For instance,
10 we used Ask.com as a search provider at one point
11 and Ask.com's sponsored links are a combination of
12 its own and Google's. So Google's sponsored links
13 would have appeared on our site indirectly through
14 Ask at that period of time.

15 Q. Do you know what period of time that was?

16 A. From sometime in 2006 to 2007.

17 Q. Do you know what Lycos's revenues were in
18 2005 related to its use of AdSense for content?

19 MS. ALBERT: Objection. Beyond scope.

20 A. I'm going to -- I don't know the answer,
21 but we switched from sponsored links to AdSense for
22 content, which is contextually targeted. So it's
23 different from sponsored links. My answer for both
24 would be no though.

1 Q. Do you know generally what Lycos's revenues
2 were in 2004?

3 MS. ALBERT: Objection. Beyond the scope.

4 A. All of its revenues?

5 Q. Yes.

6 A. I do not know.

7 Q. Do you have any idea what percentage of
8 those revenues, what percentage of Lycos's revenues
9 in 2004 came from its use of Google's-sponsored
10 links?

11 MS. ALBERT: Same objection.

12 A. I do not.

13 Q. Similarly for 2005, do you know what
14 Lycos's revenues were in 2005 overall?

15 MS. ALBERT: Objection. Beyond the scope.

16 A. No.

17 Q. Do you know what percentage of those
18 revenues came from Lycos's use of sponsored links?

19 MS. ALBERT: Same objection.

20 A. No.

21 Q. Did Lycos provide any documents to -- did
22 Lycos provide -- strike that.

23 Did Google provide to Lycos any documents
24 regarding how its sponsored links worked?

1 MS. ALBERT: Objection. Vague.

2 A. I don't know.

3 Q. In 2004 did Google provide to Lycos any
4 documents as to how AdSense for content worked?

5 A. I don't know.

6 Q. Similarly in 2005?

7 A. I don't know.

8 Q. Does Lycos have any understanding of how
9 Google-sponsored links work?

10 MS. ALBERT: Objection. Vague.

11 A. As a general matter?

12 Q. Yes.

13 A. Yes. As a technical matter, I don't know.

14 Q. And what's your understanding as a general
15 matter?

16 A. Did you ask about AdSense for content?

17 Q. I asked about sponsored links.

18 A. Sponsored links.

19 MS. ALBERT: Objection, vague.

20 A. They have a whole host of advertisers that
21 bid on keywords and winners of those bid ads show up
22 as sponsored links in response to search queries if
23 the search query contains the keyword they bid upon.
24 That's my understanding.

1 Q. Does Lycos have any understanding of
2 Google's use of click-through rate in its sponsored
3 links?

4 MS. ALBERT: Objection. Vague.

5 A. I know what a click-through rate is. I do
6 not know how Google uses it.

7 Q. Have you ever heard the term "quality
8 score"?

9 A. Yes.

10 Q. Does Lycos have any understanding of how
11 Google uses quality score in its sponsored links?

12 MS. ALBERT: Objection. Vague.

13 A. I don't know.

14 Q. Does Lycos have any understanding of how
15 Google uses quality scoring in AdSense for content
16 product?

17 A. I don't know.

18 MS. ALBERT: Same objection.

19 MS. O'BRIEN: I will mark as Exhibit 6 a
20 document produced, G-IPE-0888188 through 192.

21 (Exhibit No. 6, marked; Article dated August
22 2004.)

23 Q. And you can take your time to look as long
24 or as short as you'd like, I'm going to ask a

1 question about the page that ends in 190, but,
2 again, take your time.

3 A. I've skimmed this, I didn't look at it more
4 clearly, in response to a question I will.

5 Q. So turning to the page that ends in Bates
6 number 190, I think it's page 3 of the article; do
7 you see that page?

8 A. Yes.

9 Q. And going to the second to last paragraph,
10 the one that begins "On FindWhat.com," do you see
11 that paragraph?

12 A. Yes.

13 Q. And then the third sentence in, the one
14 that begins "On Google AdWords," do you see that?

15 A. Yes.

16 Q. It says, "On Google AdWords, positions are
17 given based on the combination of the bid amount and
18 click-through rate."

19 Was Lycos aware in 2004 that AdWords'
20 position to ads on the basis of bid amount and
21 click-through rate?

22 MS. ALBERT: Objection. No foundation,
23 vague, speculation.

24 A. I don't know.

1 Q. Did Lycos have any knowledge of AdWords'
2 use of click-through rate in 2004?

3 MS. ALBERT: Same objection.

4 A. I don't know.

5 Q. How about in 2005, did Lycos have any
6 knowledge of Google's use of click -- Google
7 AdWords's use of click-through rate in 2005?

8 MS. ALBERT: Objection. Foundation, vague.

9 A. I don't know.

10 Q. Is there anyone at Lycos that would know
11 about Google AdWords's use of click-through rate in
12 the 2004 time period?

13 A. I don't know. The people who were general
14 managers of our search product are no longer at the
15 company. None of them from that time period or
16 thereafter are still at the company. So I don't
17 know if anyone would know.

18 Q. Do you know the names of the people who
19 were responsible for the search product in 2004?

20 A. Yes.

21 Q. And who are they?

22 A. I believe -- excuse me, no, not in 2004.

23 Q. How about in 2005?

24 A. Yes. It was Adam Soroca. And that's

1 S-O-R-O-C-A.

2 Q. Do you know when he left Lycos?

3 A. Sometime in 2006, I believe.

4 Q. Did Lycos have its own Internet advertising
5 system in 2004?

6 A. Yes.

7 Q. What was that called?

8 A. AdBuyer. One word, capital B.

9 Q. Do you know when Lycos first began using
10 the AdBuyer product?

11 A. I do not.

12 Q. Do you know when Lycos stopped using the
13 AdBuyer product?

14 A. I believe it was sometime in 2006.

15 Q. Do you have any understanding of how the
16 AdBuyer product worked?

17 A. Just a very general understanding.

18 Q. What's your general understanding?

19 A. General understanding is that, again, Lycos
20 direct advertisers that bid on keywords to appear in
21 sponsored links listings, highest bidder would
22 generally earn the top spots in the sponsored links
23 results in response to search queries.

24 Q. Do you know why Lycos stopped using the

1 AdBuyer product?

2 A. If I remember correctly, it just became
3 somewhat obsolete and not profitable to maintain our
4 own advertiser base. It was more profitable to use
5 third-party providers that had a larger advertising
6 base.

7 Q. Does Lycos currently have its own
8 advertising product?

9 A. No. May I clarify?

10 Q. Sure.

11 A. We do not have a sponsored-links
12 advertising product. We, however, show advertising
13 all throughout our sites, which some of which are
14 sold in-house by our ad sales team. So in that
15 respect we do, but we don't have a sponsored-links
16 product.

17 Q. Do you know how much revenue was derived by
18 the AdBuyer product in 2004?

19 A. I do not.

20 MS. ALBERT: Objection. Beyond the scope.

21 Q. How about in 2005?

22 MS. ALBERT: Same objection.

23 A. I do not.

24 Q. Do you know what Lycos's current revenues

1 are?

2 MS. ALBERT: Beyond the scope.

3 A. Lycos alone, it projected this year at
4 approximately 28 million.

5 Q. Do you know -- first, does Lycos have a
6 projection of its expected revenues from its use of
7 Google AdSense for content for 2012?

8 MS. ALBERT: Objection. Beyond the scope.

9 A. I'm sure it does.

10 Q. Do you know what that is?

11 A. I do not. I hope it does.

12 Q. How about in 2011, do you know what Lycos's
13 revenues overall were in 2011?

14 MS. ALBERT: Objection. Beyond the scope.

15 A. I believe they were around 30 million.

16 Q. Did Lycos have revenues related to its use
17 of AdSense for content in 2011?

18 A. Yes.

19 Q. Do you know what the amount of those
20 revenues was?

21 MS. ALBERT: Objection. Beyond the scope.

22 A. I do not.

23 Q. Do you know what percentage of Lycos's
24 revenues in 2011 came from its use of AdSense for

1 search?

2 MS. ALBERT: Same objection.

3 A. I do not.

4 Q. Other than Lycos's use of AdSense for
5 content, do you know generally what the other
6 sources of revenue were for Lycos in 2011?

7 MS. ALBERT: Objection. Vague. Beyond the
8 scope.

9 A. Yes.

10 Q. And what were those sources?

11 A. There's many sources of revenue. So one
12 source would be from Yahoo!, which would be our
13 sponsored links, and all of our -- from search both
14 on Lycos.com and another search website which is
15 Hotbot.com, H-O-T-B-O-T, one word.

16 So we use Google search products now --
17 excuse me Yahoo! search products now. And that is
18 both part, Web search results as well on sponsored
19 links. So that's one revenue stream.

20 Another revenue stream would be our
21 subscriptions. So we both have, we have an email
22 platform and we have paid subscribers to email. We
23 have two Web publishing sites, Tripod.com and
24 Angelfire.com, and those also have paid

1 subscriptions. And we also have a casual online
2 game site called Gamesville.com and, again, we have
3 paid subscribers to Gamesville.

4 So the combination of all of those provide
5 the subscription revenue base.

6 We also have advertising revenue unrelated
7 to Google, both within our video games or video ad
8 revenue. Video ad revenue shows up on a lot of
9 different sites. We have another site,
10 Games.Lycos.com, which is similar to Gamesville. We
11 have banner advertising throughout our sites, and
12 those are sold either by our ad sales teams or
13 through ad networks.

14 We also derived a lot of our revenue in
15 2011, I would say the largest percentage from Yellow
16 Book. We have -- so in addition to Web search we
17 have various search verticals which are powered by
18 various companies. So in 2011 we had Yellow Pages
19 search vertical. It's basically a local search.
20 And that was powered by Yellow Book, which was our
21 largest provider.

22 We also had at various times job search,
23 which was Indeed.com. We had a classified, Lycos
24 classified search, which was Oodle, Oodle.com,

1 O-O-D-L-E. We had Lycos deals, I cannot remember
2 the provider under Lycos deals. We had Lycos
3 shopping, which was PriceGrabber, I believe. I
4 believe they provided the search results for the
5 shopping content.

6 Of course we also have image search and
7 perhaps video search, which I believe was provided
8 by Blinks.

9 We also derived revenue from domain sales.
10 We have a domain sales product, sometimes these are
11 bundled with our Web publishing, other times they
12 are just independent domain sales.

13 I believe that's all, or at least most of
14 it. We are always looking for new revenue streams.

15 One website I failed to mention was
16 WhoWare.com, one word, WhoWare. That also had local
17 search results from which we derived revenue from
18 both -- we derived revenue on that deal from Super
19 Pages. It's another local search provider.

20 Q. Does Lycos have its own -- when we were
21 talking about advertising, does Lycos have its own
22 contextual advertising product?

23 MS. ALBERT: Objection. Misleading.

24 A. No.

1 Q. Has Lycos ever had its own contextual
2 advertising product?

3 A. I don't believe so.

4 MS. O'BRIEN: Why don't we go ahead and take
5 a break and switch the tape, and it would be a good
6 time to take a break.

7 VIDEOGRAPHER: This will be the end of tape
8 1, going off record. The time will be 10:25.

9 (Recess was taken at 10:25 a.m.)

10 (Reconvened at 10:36 a.m.)

11 VIDEOGRAPHER: We are back on the record,
12 beginning of tape 2, the time is 10:36, you may
13 continue.

14 MS. O'BRIEN: I would like to mark as
15 Exhibit 7 a document entitled "Google Inside
16 AdWords," in particular "Answers to Your New Keyword
17 State Questions," dated April 19th, 2005.

18 (Exhibit No. 7, marked; Article entitled
19 Answers To Your New Keyword State Questions, dated
20 August 19, 2005.)

21 A. Okay.

22 Q. Have you ever seen this document before?

23 A. No.

24 Q. I'm just going to ask you a question

1 regarding question No. 3, if you see that in the
2 article.

3 A. I see it.

4 Q. Great. Look at the second sentence of
5 that. Question No. 3 states, "Will the minimum bid
6 for my keyword change?" If you look at the answer
7 below it, the second line says, "Remember, the
8 minimum bid is determined by your quality score,
9 which looks at your keywords click-through rate
10 (CTR), relevance of your ad text, historical keyword
11 performance, and other relevancy factors." Do you
12 see that?

13 A. Yes.

14 Q. Was Lycos aware in 2005 that in Google
15 AdWords the minimum bid is determined by your
16 quality score?

17 MS. ALBERT: Objection. No foundation,
18 speculation.

19 A. I don't know.

20 Q. Was Lycos aware that the AdWords quality
21 score looked at keywords click-through rate,
22 relevance of your ad text, historical keyword
23 performance, or other relevant factors in 2005?

24 MS. ALBERT: Objection. No foundation,

1 speculation, compound.

2 A. I don't know.

3 Q. Is there any reason why Lycos couldn't have
4 had access to this Inside Google AdWords blog post?

5 MS. ALBERT: Objection. Vague, speculation.

6 A. No.

7 MS. O'BRIEN: Just for the record, since it
8 didn't print here, I'll note that this document was
9 produced as G-IPE-0888221. I have no idea why it
10 didn't print properly, other than it doesn't like
11 me.

12 MS. ALBERT: It happens.

13 Q. Okay. You can put that one aside.

14 MS. O'BRIEN: I would like to mark as
15 Exhibit 8 a document titled "Google Inside AdWords,
16 Answers to Your Keyword State Questions," dated
17 July 18th, 2005, which, for the record, was produced
18 as G-IPE-0888219, though again is not printing on
19 the document.

20 (Exhibit No. 8, marked; Article entitled
21 Answers To Your New Keyword State Questions, dated
22 July 18, 2005.)

23 A. Go ahead.

24 Q. Have you ever seen this document before?

1 A. No.

2 Q. Is there any reason that Lycos would not
3 have had access to this document in July on
4 July 18th, 2005?

5 MS. ALBERT: Objection. Vague, speculation,
6 no foundation.

7 A. Not as far as I know.

8 Q. And then just looking at the part that says
9 question No. 2, "What is the quality score?" Do you
10 see that?

11 A. Yes.

12 Q. And the sentence below it states that "The
13 quality score is simply a new name for the predicted
14 CTR, which is determined based on the CTR of your
15 keyword, the relevance of your ad text, the
16 historical keyword performance, and other relevancy
17 factors." Was Lycos aware in 2005 that Google
18 AdWords was using a quality score?

19 MS. ALBERT: Objection. Vague,
20 misrepresentation, speculation.

21 A. I don't know.

22 Q. Was Lycos aware in 2005 that Google's
23 quality score was determined based on the CTR of
24 your keyword?

1 MS. ALBERT: Same objection.

2 A. I don't know.

3 Q. Similarly, was Lycos aware that the quality
4 score in AdWords in 2005 was based on the relevance
5 of your ad text?

6 MS. ALBERT: Same objection.

7 A. I don't know.

8 Q. Similarly, was Lycos aware in 2005 that
9 Google AdWords' quality score was based on the
10 historical keyword performance?

11 MS. ALBERT: Same objection.

12 A. I don't know.

13 Q. Put that one aside.

14 Did Lycos have any policies regarding
15 patent enforcement in 2004?

16 MS. ALBERT: Objection. Vague.

17 A. I don't know.

18 Q. Did Lycos have any policies regarding
19 patent enforcement in 2005?

20 A. No.

21 Q. Did Lycos investigate in 2004 whether
22 Google infringed any of its patents?

23 MS. ALBERT: Okay. Vague.

24 A. I don't know.