

EXHIBIT 2

DICKSTEINSHAPIRO_{LLP}

1825 Eye Street NW | Washington, DC 20006-5403
TEL (202) 420-2200 | FAX (202) 420-2201 | dicksteinshapiro.com

January 7, 2013

Via E-mail

Margaret P. Kammerud, Esq.
Quinn Emanuel Urquhart & Sullivan, LLP
50 California Street, 22nd Floor
San Francisco, CA 94111

Re: Bill of Costs

Dear Meg:

I write in response to your letter dated January 3, 2013. In the interests of continuing to work together on the Bill of Costs, please find I/P Engine's comments below.

With regard to the dismissal of I/P Engine's claims, pursuant to Local Rule 54 and 28 U.S.C. § 1920, it is I/P Engine's position that the originally filed Bill of Costs reflects those expenses "necessarily incurred in the case." Defendants' implication of anything else is nonsensical. While claims may have been dropped by I/P Engine during the course of this litigation, I/P Engine does not believe that the dropped claims are relevant to any of the expenses claimed in the Bill of Costs. As you are aware, practically no discovery (fact or expert) or any of the preparation for trial had any relation to any of those dropped products. For example, I/P Engine agreed not to, and did not, depose any of the IAC, Target or AOL witnesses about any of the accused instrumentalities that were dismissed. Nor did I/P Engine depose any Google witness with respect to the dropped Google Search instrumentality. Further, since the vast majority of costs for which IP/Engine seeks taxation are directly related to the specific issues argued at trial, your representation that a 75% reduction, as you propose, is warranted or appropriate is without merit. Nonetheless, as it is in the interests of both sides to try and resolve the issues surrounding the Bill of Costs, I/P Engine addresses each of the issues raised in your letter as follows:

The parties agree that I/P Engine will drop its request for the \$814.80 for additional copy fees for the trial transcript and Defendants agree to pay the \$825.00 in pro hac vice application fees.

Regarding invoices for video-taped depositions, while I/P Engine agrees that no order or stipulation exists in this case with respect to video-taped deposition fees, I/P Engine nevertheless maintains that at least the video-taped depositions that were played at trial, and thus are part of the record, were necessarily obtained for use at trial. Because the Court has wide discretion with regard to the determination of costs, I/P Engine believes that, given the complexity of the case and the use of the video-taped depositions, the Court would grant these fees. I/P Engine will, however, consider dropping the video-taped deposition fees for those witnesses that did not

DICKSTEINSHAPIRO LLP

Margaret P. Kammerud, Esq.

January 7, 2013

Page 2

become part of the record (i.e., the transcripts for Maccoun- C-9; Bamford- C-11; Datta- C-17; Maccoun- C-22; Ortega- C-23; Ungar- C-26 and C-29; Culliss- C-31; and Ugone- C-33), if Defendants will agree to pay the costs associated with those witnesses that did become part of the record. Please let us know if Defendants agree.

I/P Engine does not agree to adjust the costs for the expedited transcripts for Messrs. Ortega, Cook, Diorio, Fox and Culliss. As I/P Engine has reiterated on many occasions, contrary to the reasoning in *Quantum Sys. Integrators, Inc. v. Sprint Nextel Corp.* (2009 U.S. Dist. LEXIS 98742, *26 (E.D. Va. Oct. 16, 2009)), these costs were necessary given the Court's scheduling order, the dates of these depositions (August and September), Defendants' summary judgment motion (September), and the quickly approaching trial date in this case (October). This logic equally applies to expedited fees associated with the depositions of Drs. Ungar and Ugone. If Defendants agree to pay all of the costs for the expedited transcripts for the witnesses above, I/P Engine will agree to remove the costs associated with the transcripts of its own witnesses, Mr. Perlman and Mr. Berger. I/P Engine believes Defendants mischaracterized the *In re D&B Countryside, LLC* (217 B.R. 72, 79-80 (Bankr. Ed. Va. 1998)) case they cite. That case simply states that a plaintiff is not entitled to costs of deposition transcripts for its own witnesses *unless they are necessary*. I/P Engine believes the transcripts of Mr. Perlman and Mr. Berger were necessary. Nonetheless, in the spirit of compromise, I/P Engine is willing to remove those costs if Defendants agree to the expedited transcript costs.

With respect to the costs associated with Messrs. Perlman, Kosak and Lang's attendance at trial, I/P Engine is willing to adjust the subsistence fees of Messrs. Kosak and Lang, but not Mr. Perlman. Under Section 6.A.1 and 2 of the Guidelines, Mr. Perlman's subsistence fees are allowable because he was necessary at trial and all of the travel fees billed are associated with when the Court adjourned for weekends or other appropriate reasons. I/P Engine is not seeking fees for his time. Thus, Mr. Perlman's subsistence fees will be granted by the Court. Please let us know if Defendants agree to pay Mr. Perlman's subsistence fees if I/P Engine adjusts the subsistence fees of Messrs. Kosak and Lang to reflect the number of days the witnesses actually testified.

With respect to the costs of purchasing research materials, I/P Engine believes its request of \$3,101.59 is appropriate under the Guidelines (*see* section 7.A.1.), and intend to maintain its request of these costs. Please let us know if Defendants will withdraw their objection. Additionally, as discussed during our December 19, 2012 meet and confer, it was Defendants' responsibility to provide I/P Engine with what they believed was a reasonable coach flight rate for Mr. Kosak's travel between Hawaii and Norfolk. I/P Engine is willing to consider Defendants' proposed cost if they send one.

DICKSTEINSHAPIROLLP

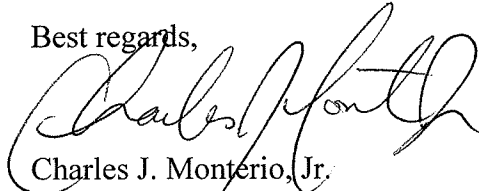
Margaret P. Kammerud, Esq.

January 7, 2013

Page 3

If all other issues are resolved consistent with I/P Engine's comments above, I/P Engine will agree to remove the charges associated with Digital Evidence Group. Please note that I/P Engine is working with Dr. Becker to identify a breakdown of his travel costs, and will forward it upon receipt. In the meantime, I/P Engine remains willing to meet and confer on this issue.

Best regards,



Charles J. Monterio, Jr.

(202) 420-5167

MonterioC@dicksteinshapiro.com

CJM/

cc: Stephen E. Noona
David Bilsker
David Perlson
Kenneth W. Brothers
Jeffrey K. Sherwood
Dawn Rudenko Albert