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FINJAN, INC.

11 **UNITED STATES DISTRICT COURT**
12 **SOUTHERN DISTRICT OF CALIFORNIA**

13 FINJAN, INC.,

14 Plaintiff,

15 v.

16 ESET, LLC, et al.,

17 Defendants.

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20 AND RELATED COUNTERCLAIMS.
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Case No. 3:17-cv-0183-CAB-BGS

PUBLIC REDACTED VERSION

**JOINT STATEMENT ON DISCOVERY
ISSUES REGARDING ESET'S FIRST
SET OF INTERROGATORIES AND
FOURTH SET OF REQUESTS FOR
PRODUCTION**

Judge: Hon. Bernard G. Skomal

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INFORMATION

1 **I. ESET'S STATEMENT**

2 **A. INTERROGATORY NO. 4**

3 Interrogatory No. 4 seeks an identification of which elements of the asserted claims
4 are not found in the prior art references disclosed in ESET's invalidity contentions. In
5 other words, this interrogatory seeks Finjan's response to ESET's patent invalidity
6 contentions, and Finjan has refused to substantively respond. This interrogatory seeks
7 standard information sought to contest Finjan's response to ESET's invalidity
8 counterclaims. Indeed, this very Court has required patent plaintiffs to provide such
9 information. *See, e.g., SPH Am., LLC v. Research in Motion, Ltd.*, No. 3:13-cv-02323-
10 CAB-KSC, 2016 WL 6305414, at *1-3 (S.D. Cal. Aug. 16, 2016). *See also Amgen Inc.*
11 *v. Sandoz Inc.*, No. 14-cv-04741-RS (MEJ), 2017 U.S. Dist. LEXIS 57013 (N.D. Cal.
12 Apr. 13, 2017) (requiring plaintiff to respond to an interrogatory "[d]escrib[ing] in detail
13 all of your bases for contending that each of the asserted claims of the Patents-in-suit is
14 not invalid, including but not limited to complete rebuttal to Defendants' Invalidity
15 Contentions in this action").

16 What is more, Finjan admitted the propriety of such discovery by asking ESET, in
17 Finjan's Interrogatory No. 6, to identify which elements of the asserted claims are not
18 practiced by the accused ESET products identified in Finjan's infringement contentions
19 (in other words, to provide ESET's non-infringement contentions); that is, the flip-side of
20 the validity discovery Finjan now seeks to stymie. ESET complied and is providing a
21 comprehensive, substantive response to Finjan's Interrogatory No. 6. Beyond improperly
22 withholding evidence relevant to Finjan's response to ESET's counterclaims, it would be
23 inequitable for Finjan to request and receive information from ESET concerning the
24 infringement issues of this litigation, but be absolved from providing similar information
25 to ESET concerning the invalidity issues.

26 Finjan's citation of the *Apple* case supports ESET's contention that the requested
27 information should be produced as it is not unduly burdensome, just as Magistrate Judge
28 Major ruled in that case. It is also of no assistance to Finjan to claim producing the

1 requested validity information in chart format is too burdensome, when Finjan required
2 ESET's non-infringement positions in a similar format. For similar reasons, Finjan's
3 "compound" objection finds no footing as Finjan argued the non-infringement charts it
4 requested constituted a single interrogatory. Further, there is nothing to Finjan's stale
5 argument that it lacked adequate notice of ESET's invalidity positions given that Finjan
6 failed to move to strike ESET's invalidity contentions.

7 **B. INTERROGATORY NO. 6**

8 Interrogatory No. 6 seeks Finjan's contentions regarding priority dates for the
9 asserted claims, including a claim chart demonstrating why each asserted claim is entitled
10 to claim the priority dates Finjan has asserted. Finjan has refused to provide this
11 information. The Federal Circuit has long held that once a defendant comes forward with
12 prior art dated after the priority date alleged by the plaintiff, it is then plaintiff's burden of
13 production to come forward with evidence that either (1) the prior art does not
14 substantively invalidate the asserted claims; or (2) that the prior art is not really "prior
15 art" because the asserted claim receives the benefit of an earlier priority date. *Tech.*
16 *Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008). This burden of
17 production on the plaintiff specifically includes disclosing why the written description of
18 the earlier application supports each of the elements of the asserted claims. *Id.* Finjan
19 cannot dispute that ESET has disclosed certain prior art references in ESET's invalidity
20 contentions for each asserted patent that post-date Finjan's alleged priority dates. Finjan
21 is thus now required to demonstrate the asserted claims are entitled to claim the benefit of
22 Finjan's earlier patent applications.

23 While Finjan has disclosed, pursuant to Patent L.R. 3.1(f), the specific priority
24 dates it claims each asserted patent is entitled to, ESET's dispute with Finjan will turn on
25 a claim-by-claim basis, not patent-by-patent. Additionally, Finjan should not be allowed
26 to withhold its evidence and contentions on this issue and then cherry pick what it will
27 feature in its expert report to oppose ESET's asserted prior art. Preventing such trial-by-
28 ambush is the very purpose of discovery and the holdings of *Technology Licensing* and

1 its progeny.

2 **C. INTERROGATORY NO. 11 AND REQUEST FOR PRODUCTION**
3 **NOS. 157 AND 160**

4 Interrogatory No. 11 seeks, *inter alia*, “an explanation of the math underlying each
5 of the [Finjan] licensing agreements.” Finjan responded to this interrogatory via Fed. R.
6 Civ. P. 33(d) and pointed to the license agreements themselves. During the meet and
7 confer process, ESET made clear that for this interrogatory, it is requesting that Finjan
8 provide the underlying number of allegedly infringing units that are covered by any
9 Finjan license agreement that is stated as a lump sum (e.g. \$1,000,000) instead of a
10 running royalty (e.g. 5% of revenue). Such a disclosure would “explain the math”
11 underlying such lump sum license agreements (i.e. permit ESET’s damages expert to
12 calculate a corresponding running royalty rate for that license). Request for Production
13 Nos. 157 and 160 seek, *inter alia*, negotiations regarding Finjan’s prior licenses, and
14 settlement negotiations in Finjan’s prior patent litigations that resulted in a license, which
15 would include the records reflecting mathematical calculations needed to answer
16 Interrogatory No. 11.

17 The Federal Circuit has recognized that such documents are not protected by
18 privilege and are relevant to a patent damages analysis. *In re MSTG, Inc.*, 675 F.3d 1337
19 (Fed. Cir. 2012). *See also Multimedia Patent Trust v. Apple Inc.*, No. 10-CV-2618-H
20 (KSC), 2012 U.S. Dist. LEXIS 191119, at *18 (S.D. Cal. Nov. 20, 2012) (“[t]he Court
21 recognizes that settlement negotiations may be relevant to the determination of a
22 reasonable royalty, in particular where a damages expert provides opinions based on
23 information outside of the four corners of the relevant settlement agreements”). And
24 Finjan’s lack of production has already been prejudicial to ESET. Finjan’s Rule 30(b)(6)
25 deponent for licensing matters, Mr. John Garland, admitted during his deposition on July
26 19, 2018, that [REDACTED]

27 [REDACTED]
28 [REDACTED]

1 [REDACTED]. See Declaration of Justin E. Gray in Support of ESET’s
2 Portion of Joint Statement on Discovery Issues Regarding ESET’s First Set of
3 Interrogatories and Fourth Set of Requests for Production (“Gray Decl.”) Ex. A at 14:13-
4 20:16, 22:5-25:15, 96:23-102:12, 104:16-105:15.

5 Finjan argues it is unnecessary to determine the underlying “math” for lump sum
6 agreements, but forgets that it has asserted to ESET in its discovery responses that *all* of
7 Finjan’s previous licenses and settlement agreements are comparable licenses to the
8 patents-in-suit. The only way for ESET to test that is to have the underlying calculations
9 and negotiation documents and information Finjan is withholding.

10 **D. REQUEST FOR PRODUCTION NOS. 151 AND 155**

11 Request for Production Nos. 151 and 155 seek documents relating to the sales,
12 pricing, revenue, and marketing of products made by third-parties that Finjan contends
13 are covered by one or more of the asserted patents in this case (i.e., sales and marketing
14 documents concerning products of Finjan’s licensees). Finjan has refused to produce any
15 responsive documents, arguing it is just as easy for ESET to obtain such material from
16 third-parties. But ESET seeks, instead, responsive documents in Finjan’s possession,
17 custody, or control. What Finjan knows, and permits, third-parties to assert regarding the
18 sales and marketing of products covered by one or more of the asserted patents is directly
19 relevant to damages, including whether the patented features are mentioned in any
20 marketing materials and whether any of the patented features drive demand for the sales
21 of the products. Additionally, responsive documents will shed light on whether any of
22 Finjan’s prior licenses are comparable to that which would be obtained through a
23 hypothetical negotiation in the damages analysis of this case (i.e., whether sales of
24 licensed products generate \$50,000 or \$5 million in revenue may affect the comparability
25 of that license). Coming from Finjan’s own files imparts the relevance, and makes
26 compliance a simple matter of a search for the responsive materials.

27 **E. REQUEST FOR PRODUCTION NO. 163**

28 Request for Production No. 163 seeks documents sufficient to show how the

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