3 Embarcadero Center, 26th Floor, San Francisco, CA 94111 ■ p415 986-2800 ■ f415 986-2827

crowell moring

October 11, 2019

FILED VIA ECF

Hon. Paul Gardephe
U.S. District Court, Southern District of New York
40 Foley Square, Room 2204
New York, New York 10007

Re: **Network-1 Technologies, Inc. v. Google LLC and YouTube, LLC, Case Nos. 14-cv-2396 & 14-cv-9558**

Dear Judge Gardephe:

Pursuant to Local Civil Rule 37.2 and Paragraph 4(E) of the Court's Individual Rules of Practice (Civil Cases), non-party Audible Magic Corporation ("Audible Magic") submits this joint letter concerning a dispute with Plaintiff Network-1 Technologies, Inc. ("Network-1"). The parties met and conferred via teleconference on October 7, 2019. The attorneys involved were Kayvan Ghaffari and Josh Rychlinski on behalf of non- party Audible Magic, Paul Kroeger and Amy Hayden on behalf of Network-1, and Sumeet Dang on behalf of Defendants.

1. **Audible Magic's Position**

Background: Audible Magic not a party to this litigation. It is in the business of content recognition. Audible Magic's proprietary software is able to ingest media, such as music or video, generate fingerprints for such media, and compare those fingerprints to a database of fingerprints associated with known copyrighted works in order to identify the music or video. Defendants Google LLC and YouTube LLC ("Google") are asserting Audible Magic's prior art systems, including a product called "Clango," as prior art to Network-1's patents at issue. Both parties served subpoenas upon Audible Magic in May/June 2019. In response to those subpoenas Audible Magic produced roughly 2 million pages of documents regarding its prior art systems and technology. The production covered, inter alia: development of content similarity and recognition technology from 1993 onward, as well as the product launch of Clango in the summer of 2000, and the highly confidential source code underlying this product. In addition, Audible Magic produced two key witnesses for deposition: Mr. Erling Wold, Audible Magic's chief scientist, and James B. Schrempp, co-founder of Audible Magic. Now, Network-1 has propounded additional duplicative document requests,[1] served deposition and document subpoenas on Audible Magic's patent prosecution attorneys, served a deposition subpoena to Audible Magic's outside litigation counsel in this matter, and served a deposition subpoena to an Audible Magic witness it deposed one month ago.

Argument: Network-1 is abusing Federal Rule of Civil Procedure Rule 45 by harassing non-party Audible Magic and its counsel with further discovery. Network-1 already propounded substantial discovery requests months ago regarding Audible Magic's prior art systems. Concerned by Audible Magic's prior art, Network-1 has resorted to the age old failed tactic of

[1] Audible Magic also objected to Network-1's requests based on the attorney-client privilege.

bullying. Courts must "quash or modify a subpoena if it … requires disclosure of privileged or other protected matter, if no exception or waiver applies … [or] subjects [the] person to undue burden." Fed.R.Civ.P. 45(d)(3)(A)(iii)-(iv). Courts have broad discretion to determine whether a subpoena imposes an undue burden. *See, e.g., In re Subpoena Issued to Dennis Friedman,* 350 F.3d 65, 68–70 (2d Cir.2003) ("judges may prevent [a] proposed deposition when the facts and circumstances are such that it creates an inappropriate burden."). Courts are authorized to "impose upon the party or attorney in breach of [Rule 45] an appropriate sanction, which may include … reasonable attorney's fee." *See* Fed.R.Civ.P. 45(d)(1); *see Molefi v. Oppenheimer Trust,* 2007 U.S. Dist. LEXIS 10554, at *6–8 (E.D.N.Y. Feb. 15, 2007) (awarding sanctions).

Subpoenaing Attorneys Requires Disclosure of Privileged Communications and Imposes an Undue Burden: Because Audible Magic's prior art may invalidate Network-1's patents, Network-1 has now embarked on a campaign to intimidate and harass Audible Magic, apparently in the hope that this will somehow reduce the likelihood that damaging prior art evidence emerges in this case. Indeed, with no basis whatsoever, Network-1 has subpoenaed Audible Magic's outside counsel responsible for prosecuting its patents over the past 20 years[2] and its current outside counsel in this litigation. Depositions of counsel, including non-"trial" counsel, are disfavored. *Gropper v. David Ellis Real Estate, L.P.*, 2014 WL 904483, at *1 (S.D.N.Y. Mar. 4, 2014). "[D]epositions of counsel, even if limited to relevant and non-privileged information, are likely to have a disruptive effect on the attorney-client relationship and on the litigation of the case." *United States Fidelity & Guaranty Co. v. Braspetro Oil Services Co.*, 2000 WL 1253262, at *2 (S.D.N.Y. Sept. 1, 2000).

Network-1's subpoenas would require disclosure of privileged communications, regardless of its conclusory statements that it does not seek any privileged communications. Network-1 subpoenaed Mr. William Wilbar and Mr. Timothy Brisson. Wilbar and Brisson are attorneys retained by Audible Magic to prosecute its patents. Their confidential communications with Audible Magic are privileged. *See Hydraflow, Inc. v. Enidine Inc.*, 145 F.R.D. 626, 631 (W.D.N.Y. 1993) (confidential communications between client and patent attorney are protected by attorney-client privilege). Any relevant, non-privileged information about those prior art patents is available in the public patent and prosecution history itself. Network-1 argues it is entitled to depose Wilbar and Brisson because they were involved in Audible Magic's patent prosecution 20 years ago. However, Wilbar and Brisson do not recall any information—privileged or otherwise—about the events that transpired nearly 20 years ago.[3] Disregarding this, Network-1 is forcing counsel into a deposition concerning matters they do not recall. Moreover, any non-privileged information they could provide would be duplicative of the patent prosecution history that Audible Magic already produced (and is availably publicly). *See id; see also Resqnet.Com, Inc. v. Lansa, Inc.*, 2004 WL 1627170, at *6 (S.D.N.Y. July 21, 2004) (quashing deposition subpoena of attorney as duplicative of other discovery and given "not

[2] In an attempt to invade the attorney-client privilege, Network-1 did not notify Audible Magic of the subpoenas. Indeed, Network-1's counsel was surprised to learn Audible Magic was aware of them, mentioning that Network-1 was not required to inform Audible Magic of the subpoenas. Audible Magic holds the privilege to confidential communications it had with its patent attorneys. *In re von Bulow,* 828 F.2d 94, 100 (2d Cir. 1987) (attorney-client privilege "belongs solely to the client"). It is unacceptable to avoid disclosing this subpoena to Audible Magic—the client—and removing the chance to protect against any disclosure of privileged information.

[3] To avoid burdening non-party witnesses with unnecessary depositions, Audible Magic proposes having Wilbar and Brisson submit declarations stating they do not recall facts from the prosecution of certain patents 20 years ago.

negligible" issues of privilege and work product). The attempt to threaten Audible Magic's privileged communications with its patent attorneys is irrelevant and harassment.

Network-1 then subpoenaed Mr. Gabriel Ramsey, Audible Magic's outside counsel in this litigation. In that capacity, Mr. Ramsey has rendered legal services to Audible Magic in responding to prior subpoenas *in this action*. A straightforward application of the attorney-client privilege and work product doctrine should preclude a deposition and protect communications sought under Network-1's subpoena. *Zubulake v. US Warburg LLC*, 382 F. Supp. 2d 536, 549 (S.D.N.Y. 2005) (quashing subpoena for attorney deposition due to "risk that privileged communications could be probed"). Network-1 argues without any proof there is some coordination between Mr. Ramsey and Google because "Audible Magic's counsel has gone as far as insisting that Network-1 include defense counsel on all communications with them." As a neutral non-party, Audible Magic has no reason to exclude *any party* to the litigation in discovery disputes.[4] Indeed, Audible Magic considers it prudent to include *all parties* to facilitate streamlined discovery and avoid any confusion – something Network-1 is unfamiliar with. *See supra* at 2, fn. 2. There is nothing nefarious about including *all parties* on discovery disputes. Further, this sort of "coordination" is irrelevant to the pending litigation and does not warrant deposing an attorney. Second, and more importantly, Audible Magic's and its counsel's views on the validity of the Network-1 patent are irrelevant to this litigation. Discovery into these topics does not warrant deposing an attorney. *See id*; Fed.R.Civ.P. 45(d)(3)(iii).

Subpoenaing Mr. Wold Imposes an Undue Burden Because Network-1 Deposed Mr. Wold Weeks Ago: Network-1 seeks additional testimony from Mr. Erling Wold, the same witness Network-1 deposed on September 4, 2019. Network-1 has not offered any basis to reopen Mr. Wold's deposition—because there is none—one month later as Audible Magic has not produced a single document since Mr. Wold's deposition and Network-1 had a full opportunity to explore Mr. Wold's personal knowledge at his deposition.[5] It chose not to. In other words, the factual scenario existing now is the same as when it completed its deposition of Mr. Wold roughly one month ago. Network-1's opportunity to seek additional testimony from non-party Mr. Wold has come and gone. *See Eisemann v. Greene,* 1998 WL 164821 (S.D.N.Y. April 8, 1998) (quashing subpoena as burdensome "in light of the doubtful and tangential relevance … of anything that could reasonably be expected to emerge from the putative [non-party] deposition").

Conclusion: Network-1 has not advanced any theory of why it is entitled to privileged communication of a non-party or why it seeks duplicative discovery so late in litigation. Rather, it is clear that Network-1 did not like the damaging information Audible Magic produced. Now, Network-1 is threatening Audible Magic's privileged relationships with counsel, imposing immense burden and otherwise punishing Audible Magic for providing a full and complete response to the subpoenas to date. This is a breathtaking abuse of Rule 45. The Court should put an end to Network-1's blatant abuse and award Audible Magic attorney's fees for this motion.

[4]Audible Magic is perplexed by Network-1's concern that all parties to the litigation be involved with the discovery dispute. It begs the question, why wouldn't Network-1 want *all parties* involved? What are they afraid of?
[5]While Network-1 noticed a corporate deposition, Network-1 learned during deposition that Mr. Wold was also appearing in his personal capacity.

2. Network-1's Position

Audible Magic Lacks Standing to Move to Quash These Subpoenas. Non-party Audible Magic seeks to quash the deposition subpoenas of four non-party individuals. Audible Magic lacks standing to do so. *See Chevron Corp. v. Donziger*, 325 F. Supp. 3d 371, 386-87 (S.D.N.Y. 2018) ("In the absence of a claim of privilege a party usually does not have standing to object to a subpoena directed to a non-party witness. A party's general desire to thwart disclosure of information by a non-party is simply not an interest sufficient to create standing."). To the extent Audible Magic is asserting any privilege over the discovery Network-1 seeks, Network-1 has no intention of obtaining privileged communications and information. Each of these depositions is likely to unearth non-privileged information relevant to whether the alleged prior art system known as "Clango" is in fact prior art to the patents-in-suit.

Subpoena to Mr. Wold. As Audible Magic's "chief scientist," Mr. Wold has intimate knowledge of Clango—he was instrumental in its development and is also the named inventor on patents related to it. On September 4, Audible Magic produced Mr. Wold to testify as its ***corporate designee*** in response to deposition subpoenas the parties served on Audile Magic. Network-1 now seeks to depose Mr. Wold in his ***personal capacity***, so that it can explore his ***personal knowledge*** of Clango. In particular, various technical and release details of multiple versions of Clango are critical to evaluating whether Clango is prior art. There is currently documentary and testimonial evidence about Clango that appears to be in conflict, and Network-1 needs additional discovery to investigate further. Given Mr. Wold's integral role in developing the system, he likely has personal knowledge of information that would provide clarity.

Audible Magic moves to quash in part because it alleges Mr. Wold testified both as its corporate representative and in his personal capacity at the prior deposition. But before Network-1 served the subpoena at issue, no party ever served a personal subpoena on Mr. Wold. *See Soroff Trading Dev. Co. v. GE Fuel Cell Sys., LLC*, No. 10-cv-1391, 2013 WL 1286078, at *4 (S.D.N.Y. Mar. 28, 2013) ("To depose the corporate representative in his own capacity, the deposing party must notice the deposition of the corporate representative in his personal capacity."). Moreover, because no notice was given of who the corporate designee would be (at least to Network-1), there was no opportunity prior to that deposition for Network-1 to serve a personal subpoena on Mr. Wold, or to otherwise prepare to depose him in his personal capacity.

Subpoenas to Attorneys. Audible Magic makes much of the fact Messrs. Wilbar, Brisson,[6] and Ramsey are attorneys. But the cases it cites in support of the notion that depositions of attorneys are disfavored are inapposite, or support that these depositions should proceed. *Gropper*, *Resqnet*, and *Zubalake* involve depositions of trial counsel of parties. And *U.S. Fidelity* involved attorneys who, like here, were not trial counsel. As in that case, these depositions should proceed because "none of the attorneys whom [Network-1] seeks to depose are trial counsel in this action" and "the information sought is non-privileged." 2000 WL 1253262, at *2-4.

Subpoena to Mr. Wilbar. Mr. Wilbar prosecuted at least one of the patents related to Clango, including a patent discussed at the Audible Magic deposition (U.S. Patent No. 6,968,337). Mr. Wilbar may recall facts relevant to Clango, including facts concerning different versions of Clango. *See Hydraflow*, 145 F.R.D. at 633 ("Although privilege is available to communications

[6] Audible Magic asserts that Messrs. Wilbar and Brisson "are attorneys retained by Audible Magic to prosecute its patents." But neither of these attorneys have prosecuted any patents for Audible Magic for many years.

between client and patent counsel, it is also well established that the privilege does not prevent disclosure of the facts or information contained in the communication."). This would help elucidate whether or not Clango is prior art to the patents-in-suit.

Network-1 is surprised that Audible Magic is moving to quash this subpoena. Network-1's counsel Amy Hayden was in contact with Mr. Wilbar, who indicated he would not be represented by counsel for the deposition. Ms. Hayden and Mr. Wilbar ***previously confirmed this deposition*** on a mutually agreeable date. When Ms. Hayden raised this with Audible Magic's counsel Kayvan Ghaffari, he was completely unaware of these prior arrangements, despite insisting he had been in contact with Mr. Wilbar. Mr. Ghaffari also asserted Mr. Wilbar informed Ms. Hayden by phone that he had no recollection of the patent or technology at issue. Not so. Rather, when Ms. Hayden was in contact with him, Mr. Wilbar informed her he recalled prosecuting this patent when he worked at Sierra Patent Group.

Subpoena to Mr. Brisson. Mr. Brisson is the attorney who originally filed the application that led to U.S. Patent No. 6,968,337. It appears Messrs. Wilbar and Brisson worked together on this application while both were employed at Sierra Patent Group. As with Mr. Wilbar, Mr. Brisson may recall certain facts that are relevant to the Clango system, including facts related to determining whether or not any version of the Clango system is prior art. *See Hydraflow*, 145 F.R.D. at 633. During the meet and confer process, similar to his assertions concerning Mr. Wilbar, Mr. Ghaffari asserted Mr. Brisson had told Ms. Hayden by phone that he had no recollection of the patent prosecution or technology at issue. However, Ms. Hayden has never spoken with Mr. Brisson by phone; Mr. Brisson likewise made no such representation to her in any other form of communication. Rather, Mr. Brisson simply informed Ms. Hayden by email that someone from Crowell had reached out to him and they would be representing him.

Subpoena to Mr. Ramsey. Mr. Ramsey, who works at the same firm as Mr. Ghaffari, represents Audible Magic in connection with the subpoenas served in this case. To be clear, Network-1 does not seek his communications with his client or any other privileged information. However, there appears to be some level of coordination between Audible Magic and Defendants, as Audible Magic has knowledge of case happenings they realistically could only have learned from Defendants.[7] Audible Magic's counsel has gone as far as insisting that Network-1 include defense counsel on all communications with them, implying this is standard practice, even though they have not paid the same courtesy to Network-1. Why and to what extent Defendants are involved in this non-party discovery is unclear. Mr. Ramsey presumably has knowledge of Defendants' involvement. In particular, whether Defendants and Audible Magic are coordinating case strategy, and whether Defendants are footing the bill for Audible Magic, is relevant to, for example, the reliability of the testimony of Audible Magic's witnesses, particularly any that is in conflict with documentary evidence. Audible Magic may not be the "neutral non-party" it claims; rather, it may have a motivation to aid Defendants in this case. In fact, one of its witnesses testified that it may be interested in rekindling a prior business relationship with Defendants. Moreover, recognizing that deposing trial counsel is disfavored, rather than serving a subpoena on one of Defendants' lawyers, Network-1 elected to depose non-party Audible Magic's counsel to explore these issues.

[7] For example, when pressed to reveal how he had learned of the subpoenas to Messrs. Wilbar and Brisson, Mr. Ghaffari stated that he did not recall. But the only way he could have learned of them was from Defendants.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.