

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

TECSEC, INCORPORATED,

Plaintiff,

v.

INTERNATIONAL BUSINESS MACHINES  
CORPORATION, SAS INSTITUTE INC.,  
SAP AMERICA, INC., SAP AG, CISCO  
SYSTEMS, INC., SUN MICROSYSTEMS,  
INC., SYBASE, INC., SOFTWARE AG,  
SOFTWARE AG, INC., ADOBE SYSTEMS  
INCORPORATED, EBAY INC., PAYPAL,  
INC., and ORACLE CORPORATION,

Defendants.

Case No. 1:10-cv-00115-LMB-TCB

**IBM'S PROPOSED DISCOVERY PLAN**

International Business Machines Corporation (“IBM”) submits this Proposed Discovery Plan in accordance with the Court’s April 30, 2010, Order. Pursuant to Fed. R. Civ. P. 26(f), counsel for Plaintiff TecSec, Inc. and counsel for Defendants IBM, SAS Institute, Inc., SAP America, Inc., SAP AG, Cisco Systems, Inc., Oracle America, Inc. (*fka* Sun Microsystems, Inc.), Sybase, Inc., Software AG, Inc., Software AG, Adobe Systems Incorporated, eBay Inc., PayPal, Inc. and Oracle Corporation (collectively, the “Defendants”) (together, the “parties”) conferred by telephone on May 26, 2010, and having been unable to reach an agreement regarding submission of a Joint Discovery Plan, IBM hereby submits this Proposed Discovery Plan stating its positions regarding the discovery and pretrial schedule for this case.

In response to Defendants’ Motion for Extension of Time to Complete Discovery and to Modify the Initial Order, and following a hearing on April 28, 2010, this Court issued an Order

on April 30, 2010, extending fact discovery in this case until September 17, 2010, expert discovery until October 29, 2010, and setting the final pretrial conference for November 4, 2010. This Court also ordered Plaintiff to provide its finalized claim charts by May 12, 2010. However, as more fully detailed in IBM's Opposition to Plaintiff's Motion for Entry of a Case Management Order and Proposed Bifurcation (filed concurrently herewith), Plaintiff's May 12, 2010 claim charts are far from final and the scope of the discovery in this case remains very unclear. Despite this Court's admonition for Plaintiff to issue final contentions and to streamline this litigation, Plaintiff issued such vague, ambiguous, and deficient claim charts that IBM is unable to ascertain exactly what Plaintiff accuses of infringement. And Plaintiff further reserved the right to add countless other unidentified products despite the Court's directive to the contrary. Though Plaintiff now seeks to artificially bifurcate this case between two sets of patents so that IBM would unnecessarily face two separate discovery periods and two separate trials, such bifurcation will not cure Plaintiff's deficient infringement contentions nor solve the manageability problems of discovery involving numerous Defendants. Rather, Plaintiff's proposed approach would substantially lengthen the time to final resolution of this dispute and cause IBM extreme prejudice.

Due to Plaintiff's deficient infringement contentions, the concurrent briefing regarding case management, and the number of Defendants in this case, IBM submits that reasonably diligent efforts to complete discovery, as well as the other tasks necessary during the pretrial period (such as claim construction), will take longer than the time allotted in the Court's April 30, 2010, Order and as outlined by Defendants in the original Joint Discovery Plan submitted to this Court. IBM's proposals herein are based on the time periods which, in good faith, IBM believes are reasonable and necessary. IBM also respectfully submits that a second

Rule 16(b) conference be held at the end of the proposed fact discovery period, at which time the remaining pretrial events may be scheduled in view of the posture of the case at that time.

**I. PROTECTIVE ORDER**

IBM proposes that the parties shall submit a stipulated Protective Order to the Court on or before June 4, 2010, or, should they fail to agree, by that date they shall file any motions for entry of a Protective Order, noticed for hearing on June 11, 2010. Until the Court enters a Protective Order, all documents produced pursuant to this Plan and in response to discovery requests, as well as any depositions taken, shall be treated by the receiving party as Attorneys-Eyes-Only. In no event shall any party withhold producing its documents based on confidentiality concerns (other than third-party obligations) or the fact that the Protective Order has not yet been entered.

**II. AMENDMENT OF PLEADINGS/JOINDER OF PARTIES**

IBM proposes that all motions seeking to amend pleadings must be filed by August 30, 2010, with the exception of a motion seeking to amend to add defenses or counterclaims regarding inequitable conduct. IBM proposes that all motions seeking to amend the pleadings to add inequitable conduct defenses or counterclaims be filed by the close of fact discovery. All motions seeking to join new parties must be filed by July 2, 2010. Motions for amendment or joinder after those dates will not be allowed except for good cause shown.

**III. DISCLOSURE SCHEDULE**

**A. Rule 26(a)(1) Disclosures.** The parties served their initial Rule 26(a)(1) disclosures on May 7, 2010.

**B. Infringement Contentions.** Plaintiff submitted its Court-ordered “finalized” infringement contentions on May 12, 2010. The Court finds that Plaintiff admittedly served only “preliminary” infringement contentions that fail to provide the necessary information. Plaintiff

shall not add any further accused devices other than those specifically identified in its May 12 contentions, and shall not assert any further claims other than those asserted in its May 12 contentions. Plaintiff shall file corrected infringement contentions on or before close of business on June 11, 2010, which contain the information identified below, and Plaintiff's failure to provide complete charts may result in the striking of any incomplete contentions:

1. A list of the accused devices known to Plaintiff.
2. A claim chart identifying specifically: (i) where each limitation of each asserted claim is found within each of the accused product(s), device(s), or method(s) including for each limitation that Plaintiff contends is governed by 35 U.S.C. § 112(6) (means-plus-function); and (ii) the identity of the structure(s), act(s), element(s), step(s), or material(s) in the accused product(s) or device(s) that corresponds to the structure identified in the patent specification that performs the claimed function.
3. Whether each limitation of each asserted claim is claimed to be literally present or present under the doctrine of equivalents in the accused product(s), device(s), or method(s).
4. The basis of its contention that each Defendant has committed indirect infringement, whether by inducing infringement or contributory infringement, stating the particulars of its contention (e.g., identifying the alleged direct infringer(s), the act(s) of direct infringement, the accused product(s), and each other element of an indirect infringement claim).
5. In addition to the above disclosures, Plaintiff must produce, or make available for inspection and copying, the following (together with any English translations of such documents completed prior to the date of such disclosures):
  - (i) A copy of the file history for each patent;
  - (ii) All licenses for each patent (current or expired); and

- (iii) All rulings regarding claim construction, validity, infringement, license defense, enforceability, valuation, and any other defenses from any other cases in which the patents-in-suit have been asserted or the technology in the patents-in-suit has been valued.
- (iv) Copies of foreign counterparts to the patents asserted.

6. Plaintiff also shall disclose additional information showing, or documents sufficient to show, or both, the following:

- (i) The date of conception and reduction to practice of each asserted claim;
- (ii) The dates of first public use, first sale, and first offer of sale of a device that embodies the inventions defined in the asserted claims; and
- (iii) If Plaintiff intends to preserve the right to rely on the assertion that its own apparatus, product, device, or other instrumentality practices the claimed inventions of the asserted patents, plaintiff shall identify each such apparatus, product, device, other instrumentality, or method.

**C. Preliminary Invalidity Contentions.** IBM proposes that Defendants shall serve their “Preliminary Invalidity Contentions” on or before July 30, 2010, which must identify as specifically as possible the following:

1. The facts and assertions relevant to Defendants’ invalidity positions under 35 U.S.C. § 102(a)-(g), including each item of prior art that Defendants contend anticipates each specified claim.

2. The facts and assertions relevant to Defendants' invalidity positions under 35 U.S.C. § 103, including each item or combination of prior art that Defendants contend renders each claim obvious and the motivation to combine such items.

3. A chart that compares allegedly invalidating prior art to each asserted claim on a prior art item and claim element by claim element basis. Where Defendants contend that a claim element is governed by 35 U.S.C. § 112(6), Defendants shall identify the structure(s), act(s), or material(s) in each item of prior art that corresponds to the structure identified in the patent specification that performs the claimed function.

4. Facts and assertions relevant to invalidity positions under 35 U.S.C. § 112, including any grounds for invalidity for any of the asserted claims based on indefiniteness under 35 U.S.C. § 112(2), or enablement or written description under 35 U.S.C. § 112(1).

5. A copy of each item of prior art identified by the Defendant that does not appear in the file history of the patent(s) at issue (together with any English translations of such documents completed prior to the date of such disclosures).

**D. Supplementation of Contentions.** Plaintiff may not add any further accused devices or assert any further claims other than those previously raised. Defendants shall timely supplement their preliminary invalidity contentions as soon as additional information becomes known, and supplementation will not be allowed after September 30, 2010, except for good cause shown.

#### **IV. PRESERVATION AND DISCLOSURE OF DISCOVERABLE ELECTRONICALLY STORED INFORMATION ("ESI")**

IBM proposes that on or before June 4, 2010, the parties shall present a general stipulation for the preservation and production of electronically stored information ("ESI"), or, should they fail to agree, by that date they shall bring the matter before the Court by motion, noticed for hearing

on June 11, 2010. In no event shall any party refrain from preserving or collecting documents for production based on the fact that the parties have not yet entered into a stipulation. In addition, Plaintiff will negotiate with each Defendant (or Defendant Group, as defined herein), to prepare a stipulation regarding that Defendant's ESI discovery.

**V. FACT DISCOVERY SCHEDULE AND LIMITATIONS**

IBM proposes that the scope of discovery shall be governed by the Federal Rules of Civil Procedure, as modified by the following provisions, subject to the parties' right to seek (or agree upon) additional or modified discovery provisions under appropriate circumstances.

**A. Timing of Fact Discovery.** All fact discovery including written, document, and deposition discovery, shall be concluded no later than October 18, 2010.

**B. Fact Witness Depositions.** The total number of fact witness deposition hours taken, including party witnesses, inventors, designees, and non-party depositions, shall not exceed four hundred (400) hours per side.

1. Each party may take up to fifty (50) hours of depositions of any other party pursuant to Rule 30(b)(1) and Rule 30(b)(6). Other than by Rule 30(b)(6), however, no more than five (5) depositions can be taken of any party's officers, directors, agents, and employees pursuant to Rule 30(b)(1). Inventors are excluded from this limit. For cause shown, any party may seek additional time for cause shown. For purposes of this provision a Defendant Group (as defined herein) is one party.

2. Defendants shall cooperate in the scheduling of the depositions of Plaintiff's individual and designee witnesses, and shall not engage duplicate questioning of them; provided that each Defendant's counsel may make a reasonable, non-duplicative examination on topics particular to his or her client, and may ask reasonable, non-duplicative follow-up

questions based on the questioning by any other Defendant's counsel. For purposes of this provision a Defendant Group (as defined herein) is one Defendant.

3. Defendants collectively may take up to fourteen (14) hours of deposition testimony from each of the named inventors of the patents-in-suit. The Defendants will designate one attorney for one of the Defendants for each inventor that is deposed who will take the lead in asking questions for all Defendants; provided, that the designation of a lead counsel for the examination will not preclude counsel for any other Defendant from making a reasonable, non-duplicative examination, or from asking reasonable, non-duplicative follow-up questions. For purposes of this provision a Defendant Group (as defined herein) is one Defendant.

## **VI. EXPERT DISCOVERY.**

IBM proposes the following regarding expert discovery and depositions:

**A. Timing of Expert Discovery.** All expert discovery will be completed by December 17, 2010.

**B. Expert Disclosures.** The parties shall exchange expert disclosures required by Fed. R. Civ. P. 26(a)(2) on all issues on which they bear the burden of proof by October 25, 2010. The parties shall exchange rebuttal expert disclosures by November 19, 2010.

**1. Supplementation of Expert Disclosures.** If a party believes in good faith that the Court's claim construction ruling so requires, not later than 15 days after the Court's ruling, the party may supplement its expert reports solely to address the Court's claim construction.

**2. Employee Experts.** If a party intends to use employee experts on any issue at trial, a disclosure as required by Rule 26(a)(2) must be timely made either (i) identifying the employee and the topics to which his or her testimony may be directed, or (ii) if required by the rules, a Rule 26(a)(2) disclosure. Whether or not the employee has been deposed as a fact

witness, any such employee expert may be deposed regarding his or her expert opinions before the deadline for concluding expert depositions.

**C. Expert Depositions.**

1. Any expert who has been identified to give trial testimony may be deposed, subject to the following limits:

(A) An infringement/noninfringement expert may be deposed for up to eighteen (18) hours by each party about whom the expert has disclosed opinions.

(B) Invalidity/validity experts may be deposed for up to twenty-eight (28) hours per side.

(C) A damages expert may be deposed for up to ten (10) hours by each party about whom the expert has disclosed opinions.

(D) An expert on any other topic may be deposed for up to seven (7) hours by each party about whom the expert has disclosed opinions.

(E) For the purposes of expert discovery, each Defendant Group shall be treated as one party.

**VII. OTHER MATTERS**

IBM proposes the following other matters:

**A. Service of Pleadings, Motions, Other Papers, and Discovery Requests and Responses.** All pleadings, motions, and other papers that are filed are to be served on the other party electronically as provided by the Federal Rules and local rules. In addition, the parties agree to serve by e-mail all discovery requests and written responses and other papers that are not filed. The serving party shall attach the pleading or paper in “Portable Document Format”(pdf) or other form of electronic file; if transmission of voluminous materials (such as a

compendium of attachments or transcripts) as an e-mail attachment is impractical, then those materials shall be served by overnight delivery via service with the ability to “track” deliveries and verify receipt. Service of discovery requests, objections and responses by e-mail prior to 9:00 p.m. Eastern Time shall be the equivalent of service by hand that day for purposes of Rules 5 and 6. If service by overnight courier has been used for these papers, it will be the equivalent of service by hand on the date of receipt. The parties agree to exchange “listserve” addresses or other group e-mail addresses to facilitate service on all parties and all outside counsel for each party. The parties shall serve their discovery requests, responses, and objections on all other parties and outside counsel.

**B. Drafts and Counsel Communications with Experts.** The parties agree that no notes, drafts, or other type of preliminary written work by or for experts concerning the subject matter of this civil action shall be the subject of discovery or inquiry at trial. No communication, whether written or oral, between or among any expert(s) and counsel for the party retaining said expert(s) concerning the subject matter of this action shall be the subject of discovery or inquiry at trial. The foregoing shall not apply to any communications or documents upon which the expert relied in forming his or her opinion as expressed in an affidavit, report or testimony, or on which an expert intends to rely as a basis for an opinion expressed in an affidavit, report or testimony in connection with this action; such communications shall be subject to discovery and inquiry at trial. Materials, communications, and other information exempt from discovery under this paragraph shall be treated as attorney work product.

**C. Weekly Meet-and-Confer Conference Calls.** Throughout the discovery period, the parties shall participate in weekly meet-and-confer conference calls to be held on Tuesday at 3:00 p.m. Eastern Time. A counsel for each party shall participate prepared to discuss discovery issues. Topics for discussion must be identified the day before the call.

**D. Modification.** A party's agreement to the deadlines and limitations stated in this plan is without prejudice to its right to seek modification of the plan and pretrial schedule pursuant to Rules 16 and 26.

**E. Privilege log.** The parties agree to make a good-faith effort to provide a privilege log within fourteen (14) calendar days of service of documents responsive to document requests. The parties further agree that communications between any party and its litigation counsel related to this action, documents and things created by or for a party's litigation counsel in anticipation of this action, and documents and things created after the date of the filing of this lawsuit need not be identified on any such privilege log.

**F. Dismissal of Defendant Groups.** If a Defendant Group is dismissed from this lawsuit, the individual discovery and deposition time allocated to that Defendant Group will not be allocated back among the Defendant Groups still remaining in the suit. Likewise, individual discovery and deposition time allocated to the Plaintiff for a dismissed Defendant Group will not be allocated back to the Plaintiff.

**G. 30(b)(6) Witness Designations.** The parties agree to identify the corporate representative being offered to testify as a witness pursuant to Rule 30(b)(6) and the topics on which the witness is being offered to testify at least five (5) days in advance of the deposition date.

**H. Requests for Admission.** Plaintiff may serve up to forty (40) requests for admission per Defendant Group, and each Defendant Group may serve up to forty (40) requests for admission on Plaintiff. The parties agree to meet and confer before serving requests for admission or a stipulation regarding the authenticity of documents.

**I. Third Party Materials.** The parties shall provide or make available all materials obtained from third parties pursuant to Rule 45.

**J. Defendant Group.** A “Defendant Group” means all affiliated party Defendants as set forth below:

- The SAP Defendant Group: SAP AG and SAP America, Inc.
- The Software AG Defendant Group: Software AG and Software AG, Inc.
- The eBay/PayPal Defendant Group: eBay, Inc. and PayPal, Inc.
- Oracle Corporation
- Oracle America, Inc. (fka Sun Microsystems, Inc.)
- International Business Machines
- SAS Institute
- Cisco Systems, Inc.
- Sybase, Inc.
- Adobe Systems, Inc.

### **VIII. PRETRIAL AND MARKMAN HEARINGS**

IBM proposes the following pretrial and claim construction procedures:

#### **A. Claim Construction Procedures.**

1. No later than August 2, 2010, the parties shall simultaneously exchange (but not file) a list of claim terms to be construed and proposed constructions. The proposed constructions are not binding on any party and cannot be cited by any party.

2. No later than August 16, 2010, the parties shall meet and confer to agree on the claim terms to be construed.

3. Thereafter the parties shall prepare and present a briefing schedule for the claim construction hearing, which may include proposals to present extrinsic evidence or a tutorial, as well as a proposed duration and format for the claim construction hearing.

**B. Daubert Motions and Motions in Limine.** The parties agree that all *Daubert* motions to exclude experts or expert testimony and all motions in limine shall be filed by in time to be heard at least two (2) weeks before the trial date. In advance of a hearing date, the parties involved shall prepare and submit a proposed briefing schedule.

**C. Dispositive Motions.** Dispositive motions shall be heard on January 3, 2011, or such other date and time as is set by the Court. In advance of a hearing date, the parties involved shall prepare and submit a proposed briefing schedule. A motion for summary judgment may be made earlier if properly made and noticed by a party.

#### **IX. SETTLEMENT CONFERENCE**

IBM proposes that a settlement conference may be requested at any time in the case. The Court may refer the parties to consult with a United States Magistrate Judge regarding settlement.

#### **X. SCHEDULING AND PRETRIAL CONFERENCE**

IBM proposes the following schedule for a supplemental scheduling conference and the final pretrial conference:

**A. Supplemental Scheduling Conference.** On October 18, 2010, at 10:00 a.m., the parties will appear for a supplemental scheduling conference. One week prior thereto, each side will submit a report on the remaining scheduling issues.

**B. Final Pretrial Conference.** On December 2, 2010, at 10:00 a.m., the parties shall appear for the final pretrial conference. The parties will meet and confer prior to that conference and submit in advance a proposed schedule for pretrial submissions, dispositive

motions, and other pretrial motions, and be prepared to present their views on the conduct of the trial itself. Motions concerning the conduct of the trial, such as motions for bifurcation of issues, separate trials, severance, and the like, if not already filed and decided, will be filed sufficiently in advance of the conference to permit the other parties to respond and the Court to consider those issues at the conference.

**X. TRIAL**

**A. Magistrate Judge.** IBM does not agree to proceed to trial before a Magistrate Judge.

**B. Jury Trial.** A jury trial has been demanded.

**C. Trial Date and Trial Time.** IBM proposes the case will be set for trial by jury to commence January 2011. In accordance with the Court's statements during the April 28, 2010, hearing, it is unclear how the case will be tried to the jury. Assuming that all parties remain in the case and that all patents-in-suit are still at issue, IBM proposes that trial by jury in this action of all claims, defenses, and counterclaims will take at least twenty (20) trial days. This estimate of the expected length of trial is without prejudice to any right to seek bifurcation or a separate trial regarding any claim, defense, or issue inasmuch as 20 days of trial may well be insufficient to allow a full and fair presentation to the jury of all issues raised by the claims and defenses at issue, or that a joint trial may be prejudicial to IBM.

Dated: May 28, 2010

Respectfully submitted,

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