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17 UNITED STATES DISTRICT COURT  
18 NORTHERN DISTRICT OF CALIFORNIA  
19 SAN FRANCISCO DIVISION

20 ORACLE USA, INC., *et al.*,  
21 Plaintiffs,  
22  
23 v.  
24 SAP AG, *et al.*,  
25 Defendants.

Case No. 07-CV-1658 PJH (EDL)

**DEFENDANTS' MOTION FOR  
SANCTIONS PURSUANT TO FED. R.  
CIV. P. 37(c) AND 16(f)**

**REDACTED**

Date: August 18, 2009  
Time: TBD  
Courtroom: E, 15<sup>th</sup> Floor  
Judge: Hon. Elizabeth D. Laporte

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1 **NOTICE OF MOTION**

2 **PLEASE TAKE NOTICE** that on August 18, 2009, at a time to be determined by the  
3 Court, in Courtroom E, 15th Floor, 450 Golden Gate Avenue, San Francisco, Defendants SAP  
4 AG, SAP America, Inc., and TomorrowNow, Inc. (“Defendants”) will move the Court for an  
5 order for sanctions pursuant to Fed. R. Civ. P. 37(c) and 16(f).

6 The motion is based on the Notice of Motion, Motion, and Memorandum of Points and  
7 Authorities incorporated herein, and on the accompanying declarations of Elaine Wallace and  
8 Stephen F. Clarke.

9 **RELIEF REQUESTED**

10 Defendants seek an order pursuant to Rules 37(c) and 16(f) of the Federal Rules of Civil  
11 Procedure precluding Plaintiffs Oracle USA, Inc., Oracle International Corporation, and Oracle  
12 EMEA Limited (collectively, “Oracle”) from presenting evidence on a motion, at a hearing, or at  
13 trial in support of any claim that Oracle’s lost profits damages include: (1) alleged lost profits  
14 relating to customers that were not customers of Defendant TomorrowNow, Inc.; (2) alleged lost  
15 profits relating to license revenues, as opposed to support revenues; and/or (3) alleged lost profits  
16 relating to products that were not supported by Defendant TomorrowNow, Inc.

17 **MEMORANDUM OF POINTS AND AUTHORITIES**

18 **I. INTRODUCTION**

19 This motion is necessary because until very recently Oracle has refused or otherwise  
20 failed to produce documents and other discovery relating to certain new categories of damages  
21 Oracle has recently disclosed that it intends to seek in this case. Even though Oracle has now  
22 begun to produce a few documents related to its new damage claims, it is way too little, way too  
23 late. The gravamen of Defendants’ complaint in this sanctions motion is discovery abuse. Thus,  
24 the relevant court orders in this case, applicable rules, and corresponding case law (including  
25 cases authored by Judge Hamilton and Judge Laporte) establish that this motion is one on which  
26 the discovery magistrate should rule.

27 For two years Defendants sought meaningful disclosure of Oracle’s damages claims.  
28 Oracle refused to provide it. In addition, Oracle imposed unilateral limits on the scope of

1 damages discovery that it claimed were consistent with its intended damages claims. From the  
2 outset, Oracle insisted that damages discovery would be limited to support revenue from  
3 customers allegedly lost to TomorrowNow, Inc. (“TN”). Oracle refused to provide discovery on  
4 any other customers, on license revenue, or on any product not supported by TN.

5 Defendants (and Oracle) have relied on these limitations. They have impacted virtually  
6 every aspect of damages discovery in the case, from the search terms the parties use for locating  
7 and producing responsive documents to the types of documents to be produced pursuant to the  
8 parties’ agreement late last year to expand the relevant time period for discovery. Millions of  
9 pages of data have been produced based on the assumption that Oracle’s lost profits claim is  
10 limited to support revenue from customers allegedly lost to TN. Many millions of additional  
11 pages have *not* been produced based on Oracle’s position that they are beyond the scope of  
12 relevant discovery.

13 All that changed in April and May 2009 when Oracle executives, including CEO Larry  
14 Ellison, testified that support revenue allegedly lost to TN was not the primary harm to Oracle,  
15 but merely the “tip of the iceberg.” The real harm, according to these executives, was from  
16 alleged lost license revenue and from alleged price reductions to customers that never left Oracle  
17 or became TN customers.

18 Shortly after this testimony, Oracle’s lawyers did an about-face on the scope of its  
19 damages claims and the scope of relevant discovery. Unable to deny outright the limitations it  
20 had previously imposed, Oracle claimed to have “cured” any deficiencies in its production – or at  
21 least that it would try to cure them. Oracle’s about-face on damages discovery comes too late  
22 and, if permitted, will unreasonably burden and harm Defendants’ ability to rebut Oracle’s new  
23 damage claims – Oracle cannot possibly produce by the close of discovery the enormous amount  
24 of data needed for Defendants to have a fair opportunity to analyze and rebut these new claims.  
25 Even if it could, Defendants’ damages expert estimates that it would require an additional a year  
26 or more past the discovery deadlines in this case to analyze the data. The case schedule and trial  
27 settings in this case have already been adjusted to accommodate Oracle’s claimed discovery  
28 needs and expanded liability theories. Basic principles of fundamental fairness and due process

1 dictate that Oracle's discovery abuse with respect to its damages claims cannot serve the basis to  
 2 further extend any deadlines in this case. The only fair and equitable resolution is to preclude  
 3 Oracle from presenting any evidence on claims for which it denied discovery in this case for over  
 4 two years.

## 5 **II. FACTS**

### 6 **A. Oracle's Failure To Disclose Its Damages Theories.**

#### 7 **1. Oracle's Deficient Initial Disclosures.**

8 Oracle failed to articulate any specific damages theory in its Initial Disclosures served on  
 9 August 16, 2007. Instead, its disclosure was limited to four general categories of alleged harm:  
 10 (1) "Lost profits" (2) "Lost or harmed prior, existing and potential customer relationships" (3)  
 11 "Monies to be restored to Oracle due to Defendants' unfair business practices" and (4) "Lost  
 12 goodwill and reputation." Wallace Decl. ¶ 1, Exh. A, at 8.<sup>1</sup> Oracle objected to all further  
 13 disclosure as "premature." *Id.* at 9. With respect to documents, Oracle identified only two  
 14 categories relevant to damages: customer license agreements and – significantly for this motion –  
 15 documents relating to "[t]he loss of customer *support revenue* ...." *Id.* at 7 (emphasis added).<sup>2</sup>  
 16 Oracle made no reference in its Initial Disclosures to lost license revenue, which it now claims  
 17 was the primary harm, or to discounts and pricing policies it now claims impacted every one of its  
 18 10,000 PeopleSoft and J.D. Edwards customers.

19 Subsequently, for almost two years, Defendants repeatedly asked Oracle for a meaningful  
 20 disclosure of its damages theories. In January 2008, Defendants raised the issue with Special  
 21 Discovery Master, Judge Legge, in their first motion to compel. Wallace Decl. ¶ 2, Exh. B, at 7  
 22 ("Plaintiffs have stonewalled discovery into their alleged damages on grounds that the 'the law  
 23 does not require Oracle to prematurely state all the bases for its damages' ... Postponing this  
 24 discovery would prejudice defendants and the defense damages expert ...."). But Oracle  
 25 continued to refuse, characterizing Defendants' discovery requests as "premature" although the

26 \_\_\_\_\_  
 27 <sup>1</sup> All references to "Wallace Decl." are to the Declaration of Elaine Wallace in Support of  
 Defendants' Motion for Sanctions Pursuant to Fed. R. Civ. P. 37(c) and 16(f), filed herewith.

28 <sup>2</sup> The only other category relevant to damages was described generically as documents  
 relating to "[d]amages and harm to Oracle from Defendants' theft." *Id.*

1 case had been pending for almost a year. *Id.* at ¶ 3, Exh. C, at 10-13. Judge Legge denied  
2 Defendants' motion, recommending that damages discovery be deferred. *Id.* at ¶ 4.

3 Shortly after, the case was reassigned to Judge Hamilton, who declined Judge Legge's  
4 recommendation and made clear that damages discovery would not be deferred. Wallace Decl. ¶  
5 5. This had little impact on Oracle, however, as it continued to stonewall on damages discovery  
6 and refused to disclose its damages theories. When the case was referred to this Court for  
7 discovery matters, Defendants raised the problem in the parties' Joint Discovery Conference  
8 Statements. *Id.* at ¶ 6. This Court recognized the issue in its July 3, 2008 order regarding  
9 discovery limits. Dkt. 107 at 3 ("Defendants point out that Plaintiffs have not provided any real  
10 analysis of their damages ...."). Defendants also raised the problem in connection with the  
11 mediation and settlement conferences ordered by the Court because Oracle's refusal to provide a  
12 meaningful disclosure was proving to be a major obstacle to resolution of the case. Wallace Decl.  
13 ¶ 6.

## 14 2. Oracle's Deficient Response To Interrogatory No. 5.

15 Defendants did not rely solely on Oracle's initial disclosures to discover the nature and  
16 extent of Oracle's damages claims. On the first day of discovery, Defendants served the  
17 following interrogatory:

18 Describe in as much detail as possible how Oracle believes any  
19 activity alleged in the Complaint has damaged it, including how  
20 Oracle was damaged by each allegedly improper Download  
21 identified in the response to Interrogatory No.4 and, if Oracle  
22 claims to have lost any customer as a result of any activity alleged  
23 in the Complaint, all facts and inferences upon which Oracle bases  
24 that claim for each customer allegedly lost.

22 Wallace Decl. ¶ 7, Exh. D, at 21. Oracle responded on September 14, 2007 with a list of general  
23 categories of harm, but no details or analysis of its damages claims.<sup>3</sup> With respect to lost  
24 customers, Oracle objected to the interrogatory as premature, but referred to the TN customers  
25 named in the complaint and documents produced for those customers, "including correspondence  
26 related to the customer's *support renewal*." *Id.* at 24 (emphasis added).

27 <sup>3</sup> For example, "diminution of Oracle's competitive advantage," "loss of profits from sales  
28 or licenses to current and potential customers of Oracle support services and software programs"  
and "loss of the revenues, earnings, profits, compensation, and benefits that SAP obtained from  
the unlawful and unfair use of Oracle's stolen property." *Id.* at 22.

1 Defendants asked Oracle to supplement its response to Interrogatory No. 5 to provide a  
2 meaningful description of its damages claims. After extensive meet and confer, Oracle  
3 supplemented its response on October 26, 2007. Wallace Decl. ¶ 7, Exh. D. However, the  
4 supplement consisted of no more than a reference, pursuant to Rule 33(d), to the customer  
5 contract files Oracle had produced for TN customers. *Id.* at 24. Defendants raised this in their  
6 January 2008 motion to compel. Judge Legge denied the motion and recommended deferring  
7 damages discovery instead. *Supra* at 3-4. As noted above, Judge Hamilton subsequently rejected  
8 this recommendation but this had little impact on Oracle, which did not supplement either its  
9 Initial Disclosures or its response to Interrogatory No. 5.

10 **B. Oracle's Self-Imposed Limits On The Scope Of Damages Discovery.**

11 In addition to refusing to disclose its damages theories, Oracle imposed certain limitations  
12 on damages discovery. Specifically, Oracle limited discovery to: (1) TN customers; (2) support  
13 revenue; and (3) products supported by TN. Oracle refused to provide discovery relating to non-  
14 TN customers, alleged lost license revenue, and products other than the PeopleSoft and J.D.  
15 Edwards supported by TN.

16 Defendants' efforts to obtain discovery beyond these limitations were met with objections,  
17 refusals to produce, and complaints to the Court. For example, in the parties' June 24, 2008 Joint  
18 Discovery Conference Statement, Oracle complained that Defendants' Requests for Production  
19 ("RFPs") seek discovery "far afield from the products and issues in the case," including RFP No.  
20 67, which Oracle complained seeks discovery on "Oracle products and services completely (and  
21 admittedly) unrelated to the products at issue in this case."). Dkt. 102, at 7, n. 4. In the same  
22 document, Oracle described the scope of relevant information as follows:

23 Oracle's relevant information and custodians are essentially limited  
24 to its copyright registrations, its relevant customer licenses, and *the*  
25 *revenue streams reasonably associated with its customers who left*  
*for SAP TN* (though Defendants seek much more).

26 *Id.* at 6-7 (emphasis added).  
27  
28

1 Defendants have relied on the position Oracle has taken in discovery. As discussed  
2 below, the limitations it imposed at the outset have impacted virtually every aspect of damages  
3 discovery in the case.

4 **1. Oracle's Refusal To Produce Documents Beyond These Limits.**

5 On the first day of discovery, Defendants served RFPs relating to Oracle's damages  
6 claims. Wallace Decl. ¶ 8, Exh. E. These RFPs include the topics on which Oracle has refused to  
7 provide discovery.

8 Two of the RFPs relate to Oracle's damages claims generally, without limitation to  
9 particular customers, products, or revenue sources. In response, Oracle refused to produce  
10 documents other than those relating to support for PeopleSoft and J.D. Edwards products for TN  
11 customers:

12 **RFP No. 70:** All Documents relating to any alleged loss of  
13 revenues or profits by Oracle as a result of the conduct alleged in  
the Complaint.

14 **RFP No. 107:** All Documents relating to the allegation in  
15 paragraph 92 of the Complaint that "Oracle has suffered injury,  
16 damage, loss, and harm, including, but not limited to, loss of profits  
from sales to current and potential customers of Oracle support  
services and licenses for Oracle's software programs."

17 **Oracle's Response to Both RFPs:** Subject to and without waiving  
18 these objections, Oracle responds that it will search for and produce  
19 non-privileged Documents sufficient to show Oracle's revenues,  
20 costs, and profit margins *for support or maintenance services*  
21 *relating to legacy PeopleSoft and J.D. Edwards enterprise software*  
22 *applications for which Oracle has alleged that defendants*  
*Downloaded Software and Support Materials from Oracle's*  
*systems, to the extent such Documents exist. Oracle will provide its*  
*damages analysis during the damages and expert discovery stages*  
*of this litigation.*

23 Wallace Decl. ¶ 8, Exh. E (emphasis added).<sup>4</sup>

24 Three of the RFPs (Nos. 111 through 113) relate to alleged lost profits generally, without  
25 limitation to particular sources of revenue. In response, Oracle refused to produce documents  
26 beyond those relating to "its expectancy of receiving ongoing *support* revenue ....":

27 \_\_\_\_\_  
28 <sup>4</sup> Defendants have not repeated Oracle's full list of objections here. A copy of Oracle's  
full response to each RFP is attached as Exhibit E to the Wallace Declaration.

1 **RFP No. 111:** All Documents relating to the allegation in  
 2 paragraph 131 of the Complaint that “Oracle has and had an  
 3 expectancy in continuing and advantageous economic relationships  
 with current and prospective purchasers and licensees of Oracle’s  
 support services and software.”

4 **RFP No. 112:** All Documents relating to the allegation in  
 5 paragraph 132 of the Complaint that “[t]hese relationships  
 6 contained the probability of future economic benefit in the form of  
 profitable support service contracts and software licenses.”

7 **RFP No. 113:** All Documents relating to the allegation in  
 8 paragraph 132 of the Complaint that “[h]ad Defendants refrained  
 9 from engaging in the unlawful and wrongful conduct described in  
 this complaint, there is a substantial probability that Oracle support  
 10 customers would have initiated, renewed, or expanded support  
 contracts and software licenses with Oracle rather than  
 Defendants.”

11 **Oracle’s Response to Each RFP:** Subject to and without waiving  
 12 these objections, Oracle responds that it will search for and produce  
 non-privileged Documents relating *to its expectancy of receiving*  
 13 *ongoing support revenue* from its existing support customers, to the  
 extent such Documents exist.

14 Wallace Decl. ¶ 8, Exh. E (emphasis added).

15 Finally, two of the RFPs (Nos. 67 and 68) relate to products other than those supported by  
 16 TN. Oracle refused on burden and relevance grounds to produce documents responsive to either,  
 17 claiming that such products “are not related to Oracle’s claims or defendants’ defenses”:

18 **RFP No. 67:** For the shortest time interval available (e.g., monthly,  
 19 quarterly, or annually), Documents sufficient to show Oracle’s  
 20 revenues, costs, and profit margins for products other than those  
 referred to in the Complaint or at issue in this litigation, and  
 services relating to such products.

21 **RFP No. 68:** For the shortest time interval available (e.g., monthly,  
 22 quarterly, or annually), Documents sufficient to show Oracle’s  
 23 revenues, costs, and profit margins for the Named customers and  
 TN Customers for products other than those referred to in the  
 Complaint or at issue in this litigation, and services relating to such  
 products.

24 **Oracle’s Response to Both RFPs:** Oracle objects to this Request  
 25 on the grounds stated in its General Objections. Oracle further  
 26 objects that this Request is overbroad, unduly burdensome, and not  
 reasonably likely to lead to the discovery of admissible evidence, *as*  
 27 *Oracle’s revenues, costs, and profit margins for products and*  
*services other than those relating to legacy PeopleSoft and J.D.*  
 28 *Edwards enterprise software applications for which Oracle has*  
*alleged that defendants Downloaded Software and Support*  
*Materials from Oracle’s systems are not related to Oracle’s claims*

1            *or defendants' defenses*. Oracle further objects to this Request on  
2            the ground that the definition of "TN Customer" is overbroad and  
3            includes many entities whose relationship with Oracle is not  
4            relevant to the issues in this litigation. Subject to and without  
5            waiving these objections, Oracle responds that it will not produce  
6            Documents in response to this request.

7            Wallace Decl. ¶ 8, Exh. E (emphasis added). Oracle has never amended or supplemented its  
8            responses to any of these RFPs.

## 9            **2. Oracle's Production Of Customer Contract Files.**

10           Both sides agreed early in discovery to produce contract files for customers allegedly lost  
11           to TN. Wallace Decl. ¶ 9. Based on Oracle's position that non-TN customers are irrelevant,  
12           neither side has produced contract files for non-TN customers. *Id.*

13           Despite early representations to the Court that its production of contract files was  
14           complete or nearly complete, it has taken Oracle almost two years to produce them. Wallace  
15           Decl. ¶ 9. Its delay in producing them has been the subject of numerous meet and confer  
16           communications and discovery conferences with the Court. *Id.* Oracle was still producing them  
17           in June 2009. *Id.*

## 18           **3. Oracle's Production Of Customer-Specific Financial Reports.**

19           In August 2008, following several months of meet and confer, Oracle agreed to produce  
20           reports showing the support purchase history of customers allegedly lost to TN. Wallace Decl.  
21           ¶10, Exh. F. Oracle expressly limited its production of these customer-specific financial reports  
22           to TN customers (which it described as the "relevant customers") and to the "PSFT and JDE  
23           products each customer was licensed to." *Id.* Oracle's delay in producing these reports was the  
24           subject of numerous meet and confer communications and discovery conferences. *Id.* Oracle did  
25           not "complete" production of its reports until April 2009.<sup>5</sup> *Id.*

## 26           **4. Oracle's Search Terms.**

27           A large portion of Oracle's production has been made based on an agreed list of search  
28           terms that was initially developed by Oracle then supplemented by Defendants. Wallace Decl. ¶

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<sup>5</sup> Oracle's production of customer-specific reports is still missing or incomplete for a significant number of TN customers because, according to Oracle, the relevant data resides on legacy systems that are incapable of generating the reports. *Id.*

1 11; *see also* June 24, 2008 Joint Discovery Conference Statement (Dkt. 102) at 1 (“On the issue  
 2 of search terms, Oracle has developed a list and contends that testing confirms the list captures  
 3 virtually all responsive, non-privileged documents.”). Oracle has insisted that its search terms  
 4 capture all, or virtually all, relevant documents:

5 For months, Oracle has argued that the Parties can and should use  
 6 search terms to limit the burden of document review in this case  
 7 without unduly sacrificing relevance. Oracle’s arguments are based  
 8 on the set of search terms related to its sales custodians it developed  
 9 during review which, when applied, limited their documents by  
 10 approximately 20%. Before doing so, Oracle validated these terms  
 against the custodians, which had already been reviewed on a  
 document-by-document basis, and, after careful refinement, the  
 terms hit 100% of the non-privileged documents that had been  
 tagged for production.

11 *Id.* at 9.

12 Oracle’s search term list includes the names of customers allegedly lost to TN. Wallace  
 13 Decl. ¶ 11. It does *not*, however, include the names of non-TN customers because Oracle has  
 14 always insisted that non-TN customers are irrelevant. *Id.* Thus Oracle’s production inevitably  
 15 *excludes* a significant number of documents relevant to non-TN customers. *Id.* With two years  
 16 of discovery already past and less than five months left to the close of fact discovery, it would be  
 17 impossible to rectify this problem within the current schedule. For example, Oracle has already  
 18 produced documents (or stated that no responsive documents exist) for approximately 80 of the  
 19 103 custodians identified by Defendants to date. *Id.*

## 20 **5. The Parties’ Expanded Discovery Timeline Agreement.**

21 In November 2008, at Oracle’s request, the parties agreed to expand the relevant  
 22 discovery time period from January 1, 2004 through March 22, 2007 to January 1, 2002 through  
 23 October 31, 2008. Wallace Decl. ¶ 12, Exh. G. The agreement specifies the types of documents  
 24 to be produced for the expanded time periods. Customer related documents are expressly limited  
 25 to TN customers.<sup>6</sup> *Id.* At no time during the parties’ negotiations regarding the agreement did  
 26 Oracle indicate that it believed non-TN customers to be relevant.

27 <sup>6</sup> For the earlier time period, customer related documents are defined as “contracts and  
 28 licensing for TN customers and related emails/negotiations . . . key custodian documents re early  
 TN customers.” *Id.* For the later time period, customer related documents are limited to  
 “TN/SAP customers,” which is defined as “those customers involving at least one of the



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13 As discussed below, shortly after this testimony by its senior executives, Oracle did an  
 14 about-face regarding the limitations it has imposed on damages discovery. All of this alleged  
 15 harm that Ellison, Phillips, and Rottler described was known to Oracle when it filed this case in  
 16 March 2007. The relevant discovery rules and applicable case law simply do not permit a  
 17 plaintiff to delay production of damages discovery for over two years and then dump documents,  
 18 data, and other information on the defendant just a few months before the close of discovery.

19 **D. Oracle Belatedly Discloses Its Intent To Pursue Damages Claims Inconsistent With**  
 20 **The Limitations It Has Imposed In Discovery.**

21 On May 14, 2009, Defendants sent a letter reminding Oracle of its obligation to  
 22 supplement its initial disclosures, including “a computation of each category of damages” and the  
 23 documents “on which each computation is based,” by the May 22 deadline.<sup>7</sup> Wallace Decl. ¶ 18,  
 24 Exh. M. On May 19, Defendants sent a second letter to Oracle reminding it of its obligation to  
 25 supplement its written responses to Defendants’ damages related RFPs by the May 22 deadline as  
 26 well. *Id.* at ¶ 19, Exh. N. The May 19 letter summarized the limitations Oracle has imposed on

27 <sup>7</sup> May 22, 2009 was the last day to supplement disclosures and discovery responses under  
 28 the schedule then in effect. On June 11, 2009, Judge Hamilton issued an order extending that  
 date to December 4, 2009. Dkt. 325.

1 damages discovery and requested confirmation that Oracle would not pursue damages claims  
2 inconsistent with those limitations. *Id.*

3 On May 22, Oracle responded with a letter acknowledging the deficiencies in its Initial  
4 Disclosures and discovery responses, but claiming that the deficiencies had been or would be  
5 cured. Wallace Decl. ¶ 20, Exh. O. Oracle stated its intent, notwithstanding its discovery  
6 limitations, to pursue damages relating to non-TN customers, alleged lost license revenue, and  
7 products not supported by TN. *Id.* Oracle also indicated that it now planned to produce,  
8 belatedly, documents relating to these topics. *Id.*

9 **1. Oracle’s Belated Supplemental Disclosures.**

10 On May 22, 2009, almost two years after serving its Initial Disclosures, Oracle served its  
11 Supplemental and Amended Initial Disclosures (the “Supplemental Disclosures”). The  
12 Supplemental Disclosures contain an expanded list of categories of damage, including several  
13 newly disclosed categories that are inconsistent with the limitations Oracle has imposed on  
14 discovery. Wallace Decl. ¶ 21, Exh. P, at 44-45. For example, despite having limited discovery  
15 to TN customers, Oracle now seeks damages from alleged harm to customer relationships “*even*  
16 *where they did not result in a loss of a customer support contract or software licensing....*” *Id.* at  
17 44 (emphasis added); *see also id.* at 47 (stating that Oracle’s lost profits claim “will encompass  
18 the lost profits associated with support customers who left Oracle, PeopleSoft or J.D. Edwards for  
19 SAP and TN, service-related discounts required to compete against SAP and TN, and lost license  
20 sales and license discounts associated with competition with SAP and TN.”).

21 Similarly, despite having limited discovery to support revenues for the products at issue in  
22 the case, Oracle now seeks alleged lost license revenue, including for products never supported  
23 by TN. Wallace Decl. ¶ 21, Exh. P, at 44 (“lost, diminished or delayed current and prospective  
24 customer revenues and profits, including as it relates to support and maintenance and *software*  
25 *applications licensing*”) (emphasis added); *see also id.* at 45 (referring to “reputational harm”).<sup>8</sup>

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DEFS’ REDACTED MOT. FOR SANCTIONS  
AND PROTECTIVE ORDER  
Case No. 07-CV-1658 PJH (EDL)

1 Oracle also claims a “host of other damages attested to by Oracle witnesses.” Wallace  
 2 Decl. ¶ 21, Exh. P, at 45. As an example, Oracle cites Juergen Rottler’s testimony regarding “the  
 3 abandonment of existing PeopleSoft customer contract step-up renewal price escalations, the  
 4 early adoption and generous terms of Oracle’s Lifetime Support and Applications Unlimited  
 5 programs and additional spends on customer support enhancements.” As discussed above, this  
 6 testimony is inconsistent with the limitations Oracle has imposed in discovery.<sup>9</sup>

7 Finally, the Supplemental Disclosures make clear that Oracle’s damages expert intends to  
 8 rely on documents responsive to the RFPs above that Defendants requested two years ago and  
 9 Oracle refused to produce. Wallace Decl. ¶ 21, Exh. P, at 48 (“Should the current schedule  
 10 remain in place, Oracle will also be providing additional evidence relied upon by its experts in  
 11 conjunction with its damages expert report, including on the purchasing history of its PeopleSoft  
 12 and JDE customer base post-acquisition.”); *see also id.*, ¶ 20, Exh. O, at 3 (May 22, 2009 letter  
 13 from Oracle’s counsel stating that Oracle *now* intends to search for and produce license sales  
 14 information comparable to the support sales information already produced). Oracle continues to  
 15 withhold those documents today, even though it was purportedly prepared to produce its expert  
 16 report on June 22, 2009, the date reports were due under the schedule in effect at the time of the  
 17 Supplemental Disclosures.<sup>10</sup> Wallace Decl. ¶ 21, Exh. P, at 48; *see also* Dkt. 82.

## 18 **2. Oracle’s Belated Response To Interrogatory No. 5.**

19 As with its initial disclosures, Oracle failed to supplement its response to Interrogatory  
 20 No. 5 until May 22, 2009, the last day to supplement under the schedule then in effect. Wallace  
 21 Decl. ¶ 7, Exh. D. Its supplemental response consists primarily of an objection to Defendants’  
 22 request for supplementation to the extent that it “would require Oracle to summarize the  
 23 documents and testimony provided on this subject ....” *Id.* at 24-25. Beyond that, it contains

24 <sup>9</sup> This motion does not address each category of damage identified in the Supplemental  
 25 Disclosures. The motion is limited to what Oracle characterizes as its lost profits claims, and  
 26 does not extend to its “infringers’ profits”/unjust enrichment claims, its hypothetical license  
 27 theory, or alleged damage to computer systems or data. Defendants do not concede that any of  
 these other damages categories or theories are proper or timely, but will address those by separate  
 motion if necessary. For example, Oracle’s hypothetical license theory will be the subject of  
 Defendants’ Rule 56 motion to be filed on August 26th.

28 <sup>10</sup> Judge Hamilton did not extend the case schedule until June 11. Dkt. 325. Oracle  
 clearly already knows which documents its expert will rely on.

1 only vague references to, for example, “delayed customers’ purchases” and “unreasonable  
2 negotiations” by customers. It is devoid of specific details, such as which customers delayed  
3 which purchases, or which customers were provided discounts and of how much. It is also, of  
4 course, inconsistent with the limitations Oracle has imposed on damages discovery.

### 5 **III. ARGUMENT**

#### 6 **A. The Relevant Legal Standards.**

##### 7 **1. Oracle’s Obligations Under Rule 26.**

8 Rule 26 requires a plaintiff to include in its initial disclosures “a computation of each  
9 category of damages claimed” and to produce all non-privileged documents “on which each  
10 computation is based.” Fed. R. Civ. P. 26(a)(1)(A)(iii). Guidance as to the adequacy of a  
11 plaintiff’s damages disclosures “must be gleaned from Rule 26(a)’s purpose,” which is to  
12 accelerate the exchange of information needed to make an informed decision about settlement,  
13 prepare for trial, and assist the parties in focusing and prioritizing their organization of discovery.  
14 *City and County of San Francisco v. Tutor-Saliba*, 218 F.R.D. 219, 220-21 (N.D. Cal. 2003).  
15 Given these purposes, the initial disclosure must contain more than just broad types of damage; a  
16 detailed specification and at least “some analysis” is required. *Id.* Moreover, a plaintiff is not  
17 excused from making its disclosures because it has not yet completed its analysis. *Moore’s*  
18 *Federal Practice* § 26.22[4][c] (plaintiff is obliged to disclose to the other parties the best  
19 information then available to it, however limited and potentially changing that may be).

20 A plaintiff may not defer all disclosure until expert reports are due. A plaintiff must also  
21 supplement its damages disclosures and discovery responses as discovery progresses. Rule  
22 26(e)(1) requires timely supplementation of initial disclosures and discovery responses whenever  
23 the disclosing party learns that the disclosure or response is incomplete or incorrect and the  
24 additional or corrected information has not otherwise been made known during discovery. Fed.  
25 R. Civ. P. 26(e)(1); *see also Tutor-Saliba*, 218 F.R.D. at 222 (“the Court contemplates that  
26 Plaintiffs will update its disclosure and provide greater detail as to its calculations as discovery  
27 progresses ... Once document production has been substantially completed, however, Plaintiffs  
28

1 will have to provide more detailed disclosure of their calculations either by way of *Rule 26*  
2 disclosures or through interrogatory responses.”).

3 **2. Preclusion Is Warranted Unless Failure To Comply With Rule 26 Is**  
4 **Substantially Justified Or Harmless.**

5 If a party fails to disclose or timely supplement the information required by Rule 26, the  
6 Court may impose sanctions under Rule 37(c)(1). These include the “automatic” sanction of  
7 preclusion of evidence unless the failure to disclose or timely supplement was “substantially  
8 justified or is harmless.” Fed. R. Civ. P. 37(c)(1) (“the party is not allowed to use that  
9 information ... to supply evidence on a motion, at a hearing, or at trial, unless the failure was  
10 substantially justified or is harmless.”); *see also* Advisory Committee Notes, 1993 Amendments  
11 (“This automatic sanction provides a strong inducement for disclosure of material that the  
12 disclosing party would expect to use as evidence ...”); *Evenflow Plumbing Co., Inc. v. Pac. Bell*  
13 *Directory*, No. C-3-04-CV-00795 EDL, 2005 U.S. Dist. LEXIS 46822, \*4 (N.D. Cal. April 26,  
14 2005) (Laporte, M.J.) (“A party that without substantial justification fails to supplement its  
15 disclosures under *Rule 26(e)(1)* is not, unless the failure is harmless, permitted to use as evidence  
16 at trial any information not so disclosed.”).

17 This Court’s Standing Order Re: Discovery Procedures (“Order”) further confirms a  
18 party’s obligation to timely supplement its disclosures and discovery responses. Order at ¶ 4  
19 (“Rule 26(e)(1) of the Federal Rules of Civil Procedure requires all parties to supplement or  
20 correct their initial disclosures, expert disclosures, pretrial disclosures, and responses to discovery  
21 requests under the circumstances itemized in that Rule, and when ordered by the Court. The  
22 Court expects that the parties will supplement and/or correct their disclosures promptly when  
23 required under that Rule, without the need for a request from opposing counsel.”). The Order  
24 provides for the imposition of sanctions under Rule 16(f) for failure to do so. Order at ¶ 9; *see*  
25 *also* Fed. R. Civ. P. 16(f)(permitting “any just order” for sanctions for failure to comply with a  
26 pretrial order).

27 This Court has full authority to issue sanctions under both its own Order and under Rule  
28 37. *See, e.g., Hsieh v. Peake*, No. C 06-5281 PJH, 2008 U.S. Dist. LEXIS 23649, \*59-60 (N.D.

1 Cal. Mar. 25, 2008) (Hamilton, J) (“any Rule 37 motion should have been directed to the  
2 magistrate judge to whom the court referred all discovery disputes.”).

3 **B. Oracle’s Failure To Comply With Rule 26 Was Not Substantially Justified.**

4 There is no justification for Oracle’s failure to disclose, until now, its intent to pursue  
5 damages relating to non-TN customers, alleged lost license revenue, and products not supported  
6 by TN. Nor is there any excuse for Oracle’s about-face on the scope of relevant discovery this  
7 late in the case.

8 **1. Oracle Had The Relevant Information Before Even Filing The Complaint.**

9 In its May 22 letter, Oracle claims that it could not have disclosed its damages theories  
10 sooner because it was unaware “of the vast scope of the illegal conspiracy in which Defendants  
11 were engaged.” Wallace Decl. ¶ 20, Exh. O, at 1. The facts do not support this claim.

12 **a. Alleged Price Reductions For Non-TN Customers.**

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27 Oracle made *no mention* of discounts or adopted/abandoned policies in any of its four  
28 complaints to date, its initial disclosures, or its original response to Interrogatory No. 5. REDACT

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after that, and only because it was forced to under the schedule then in effect, did Oracle supplement its initial disclosures to include this new theory. *Supra* at 12-13. At a minimum, Oracle was obligated to identify this category of harm in its August 2007 Initial Disclosures, since it was clearly aware of it at that time. Fed. R. Civ. P. 26(a)(1)(A)(iii). Oracle was also required to supplement its disclosures as discovery progressed. *Tutor-Saliba*, 218 F.R.D. at 222 (a party must update its disclosures and provide greater detail as to its calculations as discovery progresses). Even now, Oracle has not disclosed how many customers were allegedly given discounts, who they were, or the amount of the discounts.

More troubling, however, is the fact that Oracle has refused to provide discovery on non-TN customers, [REDACTED]

**b. Alleged Lost License Revenue.**

[REDACTED]

Oracle included a few vague allegations in its complaint concerning expected future license revenue. Dkt. 1, ¶¶ 131-132. Oracle must have had a good faith belief at that point that its alleged damages may include lost license revenue. Those allegations prompted Defendants to serve discovery concerning that alleged expectancy, including RFP Nos. 111, 112, and 113 discussed above. *Supra* at 6-7.

<sup>11</sup> Mr. Phillips was no doubt aware of these purchasing patterns during his nine years as an analyst at Morgan Stanley tracking enterprise software companies, including PeopleSoft, J.D. Edwards, Oracle, and SAP, before he even joined Oracle. *Id.* at 8:4-9:23.

1 But Oracle *refused* to produce documents relating to license revenue. *Supra* at 6-7.  
 2 Instead, it limited its production to documents “relating to its expectancy of receiving ongoing  
 3 support revenue ....” *Id.* Two years later, Oracle still has not produced them, although its expert  
 4 clearly plans to rely on them. Wallace Decl. ¶ 21, Exh. P, at 48 (“Should the current schedule  
 5 remain in place, Oracle will also be providing additional evidence relied upon by its experts in  
 6 conjunction with its damages expert report, including on the purchasing history of its PeopleSoft  
 7 and JDE customer base post-acquisition.”) REDACTED

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 10 Having failed for two years, without justification, to disclose any details regarding its  
 11 claim for alleged lost license revenue and having refused to produce responsive documents,  
 12 Oracle is precluded under Rule 37 from presenting evidence on that theory. *See, e.g., Cambridge*  
 13 *Elec. Corp. v. MGA Elec., Inc.*, 227 F.R.D. 313, 324-25 (C.D. Cal. 2004) (precluding evidence on  
 14 summary judgment that could have been disclosed in plaintiff’s interrogatory responses).

15 **2. Oracle’s Claim That It Has Cured The Deficiencies Is False.**

16 In its May 22 letter, Oracle claims that its has cured the deficiencies in its disclosures and  
 17 discovery responses. Wallace Decl. ¶ 20, Exh. O, at 1-2. This is incorrect.

18 In support of its argument, Oracle lists certain broad categories of documents it has  
 19 produced that purportedly “have information related to license revenue.” Wallace Decl. ¶ 20,  
 20 Exh. O, at 2. These include SEC filings, financial reports, and other documents that no doubt do  
 21 contain *some* information regarding license revenue and the other topics on which Oracle has  
 22 refused to provide discovery. But the fact that the documents it did agree to produce also happen  
 23 to contain some information on other topics does not cure its refusal to produce the documents  
 24 actually requested. The *pertinent* documents – such as the REDACTED described above,  
 25 contract files and customer-specific reports for non-TN customers, and numerous other types of  
 26 relevant documents – have *not* been produced. This reason for this is clear – until now Oracle has  
 27 insisted they were not relevant.  
 28

1 Tellingly, Oracle admits that “additional license sales damages materials” will be  
2 produced in the future. Wallace Decl. ¶ 20, Exh. O, at 3. These include “an analysis of the  
3 purchasing history of its PeopleSoft and J.D. Edwards customer base post-acquisition, along with  
4 any supporting evidence.” *Id.* This is precisely the kind of material called for by Defendants’  
5 RFPs that Oracle has refused, for two years, to produce.

6 Oracle also admits that it now plans to search for and produce “license pricing exception  
7 information” from various sources, including “from a source comparable to OSSInfo.” Wallace  
8 Decl. ¶ 20, Exh. O, at 3. OSSInfo is a group email address that relates to renewals of customer  
9 support contracts. *Id.* at ¶ 23, Exh. R. Oracle took months to produce responsive information  
10 from OSSInfo, which contains almost 360,000 documents. *Id.* It now apparently intends to  
11 produce documents from a group email address that relates to license sales and presumably  
12 contains a comparably large number of documents.

13 Oracle also now plans to produce contract files for an unspecified number of non-TN  
14 customers.<sup>12</sup> Based on Oracle’s production of contract files for TN customers, Defendants  
15 believe that it would take months for Oracle to produce complete contract files for even fifty non-  
16 TN customers. It took two years for Oracle to produce contract files for the TN customers.  
17 *Supra* at 8. Moreover, Oracle objected strenuously when, in December 2008, Defendants said  
18 they would add to the TN customer list approximately forty customers that had become relevant  
19 as a result of the parties’ November 2008 agreement (at Oracle’s request) to expand the relevant  
20 discovery period. In the parties’ January 5, 2009 Joint Discovery Conference Statement, Oracle  
21 complained of the significant additional burden from the addition of these forty customers to the  
22 “operative list of TomorrowNow’s customers” to which “[b]oth Parties have continually  
23 referred.” Dkt. 226 at 6. According to Oracle, based on the time taken to produce other customer  
24 information, it would take at least three months to complete production for these forty customers:

25 <sup>12</sup> When Defendants’ counsel raised in a June 25, 2009 meet and confer that no contract  
26 files have been produced for non-TN customers, Oracle’s counsel disclosed that Oracle is about  
27 to produce a “whole bunch of that stuff.” Wallace Decl. ¶ 24. Defendants’ counsel asked how  
28 many non-TN customer files Oracle intends to produce. *Id.* Oracle’s counsel could not answer  
but suggested “maybe fifty.” *Id.* REDACTED

1 This recent addition to the “Exhibit 1” list of TomorrowNow  
 2 customers will require Oracle to spend many additional hours and  
 3 resources to (a) find and review these newly-added customers’  
 4 contract files, (b) prepare and produce relevant materials, (c) adjust  
 5 its main document review and production process to include these  
 6 customers, (d) re-examine Defendants’ discovery responses and  
 7 production in light of these customers, and (e) investigate and  
 8 subpoena these new customers, if necessary. Oracle has not yet  
 9 received the amended Exhibit 1 and, based on the time it has taken  
 10 to produce customer information to date, does not expect to be able  
 11 to complete such additional efforts before March without seriously  
 12 impeding its other production efforts.

13 *Id.* at 6-7; see also February 2, 2009 Joint Discovery Conference Statement (Dkt. 265) at 8-9  
 14 (same complaint).<sup>13</sup>

15 The documents discussed above do not begin to cover the range of additional documents  
 16 that will have to be produced if Oracle is permitted to pursue its newly disclosed damages  
 17 theories. That issue is addressed in more detail in Section C below. These examples merely  
 18 demonstrate the falsity of Oracle’s claim that its incidental production of some responsive  
 19 information (and the unspecified “substantial discovery” it claims to have provided) can  
 20 somehow cure its violation of Rule 26. Clarke Decl. ¶ 26. The record is clear that until the recent  
 21 depositions of its senior executives, Oracle had consistently maintained that documents relating to  
 22 non-TN customers, license revenue, and products not supported by TN were beyond the scope of  
 23 relevant discovery.

### 18 **3. Oracle Ignored The Court’s Directive That Damages Discovery Proceed.**

19 If Oracle is permitted to pursue its newly disclosed damages theories, it will effectively  
 20 have accomplished through self-help what it was unable to obtain by court order – deferral of  
 21 damages discovery until the end of the case. Defendants, meanwhile, will suffer serious prejudice  
 22 and irreparable harm to their ability to rebut Oracle’s damage claims, as predicted in their first  
 23 motion to compel to Judge Legge.

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 26 <sup>13</sup> On June 30, 2009, Oracle made what it described as “a production of customer contracts  
 27 for customers who received discounts on support.” Wallace Decl. ¶ 27. However, the production  
 28 contains *no* contracts at all, pertains to only 8 customers, and evidences a discount for only 1  
 customer but contains no evidence establishing any link between that discount and TN. *Id.*; see  
 also Declaration of Stephen F. Clarke in Support of Defendants’ Motion for Sanctions Pursuant to  
 Fed. R. Civ. P. 37(c) and 16(f)(“Clarke Decl.”) ¶ 27.

1 During the parties' extensive meet and confer prior to this motion, Oracle's counsel  
 2 offered no justification for its about-face on the scope of relevant discovery, other than that  
 3 Oracle "has not focused" on these issues until now.<sup>14</sup> Wallace Decl. ¶ 24. Oracle's counsel  
 4 characterized the case as in "a new phase" as a result of Judge Hamilton's extension of the  
 5 schedule, suggesting that Oracle finally (*after* the close of discovery under the previous schedule)  
 6 plans to turn its attention damages issues. *Id.*

7 Defendants object to Oracle's effort to manipulate the case schedule in this way.  
 8 Defendants agreed to an extension of the schedule based on Oracle's representation that it was  
 9 needed to address: (1) TN's support of Siebel products; (2) TN's alleged post-litigation activity;  
 10 and (3) Oracle's claimed need for additional analysis and discovery of TN's support methods  
 11 following the parties' failure to agree on an extrapolation methodology. Dkt. 304 (Joint Motion  
 12 to Modify Case Schedule), at 1-2. Never once during the parties' weeks-long negotiations on the  
 13 case schedule, or in the papers or argument to the Court, did Oracle disclose that it would use the  
 14 extension of time to expand its damages claims to include previously undisclosed theories and to  
 15 execute an about-face on the scope of relevant damages discovery. Wallace Decl. ¶ 25.

16 **C. Oracle's Conduct Is Neither Harmless Nor Curable.**

17 The extent of the potential prejudice to Defendants is apparent from the nine to ten-figure  
 18 damages amounts Oracle has previously alluded to in its public filings in this case. Claims of that  
 19 magnitude and complexity mandate a full and fair opportunity for rebuttal. Oracle has robbed  
 20 Defendants' damages expert of that opportunity.

21 **1. There Is Insufficient Time Even Under The Extended Schedule For**  
 22 **Defendants' Expert To Complete An Analysis Of Oracle's New Claims.**

23 If Oracle is permitted to pursue its new damages claims, Defendants' expert estimates that  
 24 he would need an additional year or more (over and above the recent extension ordered by Judge  
 25 Hamilton) to complete his damages analysis. Clarke Decl. ¶ 30. This is due to the enormous

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 27 <sup>14</sup> Although the Ninth Circuit has made clear that no meet and confer is required prior to  
 28 filing a motion for sanctions under Rule 37, Defendants met and conferred extensively with  
 Oracle regarding the bases for this motion. *Reynoso v. Constr. Protective Servs., Inc.*, No. 06-  
 56381, 2008 U.S. App. LEXIS 19681, \*5-6 (9th Cir. Sep. 16, 2008); Wallace Decl. ¶ 25.

1 amount of (yet to be produced) data that would have to be analyzed. *Id.* Based on the volume of  
2 information provided to him to date (which includes 1.6 million documents/8.9 million pages),  
3 Defendants’ expert estimates that many millions of additional pages would have to be analyzed.  
4 *Id.* at ¶¶ 10-12, 18, 23.

5 For example, to analyze Oracle’s claim that it was damaged by the early adoption of  
6 Lifetime Support and Applications Unlimited and by the abandonment of PeopleSoft’s renewal  
7 price escalation policy, Defendants’ expert would need to analyze detailed accounting and pricing  
8 information for each allegedly affected customer. Clarke Decl. ¶ 25. REDACTED

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13 Defendant’s expert would also need to analyze multiple types of documents, both public and  
14 internal, relating to the reasons for the adoption or abandonment of these policies, Oracle’s  
15 original plans with respect to these policies, and the alleged impact of the changes to the policies.  
16 Clarke Decl. ¶ 25.

17 To analyze Oracle’s claim that it gave license and support discounts to an unspecified  
18 number of non-TN customers as result of competition from TN, Defendants’ expert would need  
19 to analyze contract files, customer-specific financial reports, and multiple types of documents  
20 relating to pricing for each allegedly affected customer.<sup>15</sup> Clarke Decl. ¶¶ 20-22.

21 To analyze Oracle’s claim that its primary damage was lost license revenue from sales it  
22 claims it would have made to TN customers (i.e. former Oracle customers), non-TN customers  
23 (i.e. customers retained by Oracle but that allegedly purchased fewer products from Oracle  
24 because of alleged reputational harm), and prospective customers (customers that never became  
25 Oracle customers at all because of alleged reputational harm), Defendants’ expert would have to  
26 analyze multiple types of documents, including for example: detailed accounting information

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1 showing all license and support revenue by customer, by year from January 1, 2002 forward;  
 2 detailed accounting information showing expenses incurred in connection with that revenue;  
 3 analyses of customer license purchase patterns and the average value of a new customer, Oracle's  
 4 up-selling and cross-selling initiatives, pricing information, market studies, "win rate" reports for  
 5 all allegedly affected products, communications between sales people and customers, and internal  
 6 communications regarding prospective sales. Clarke Decl. ¶¶ 22-23. The issue of customer  
 7 motivation alone would likely require analysis of millions of pages documents and extensive  
 8 deposition testimony. *Id.* [REDACTED]

9 [REDACTED]  
 10 [REDACTED]  
 11 [REDACTED]  
 12 The documents identified above are just some examples of the kinds of material that  
 13 would have to be analyzed if Oracle is permitted to pursue its new damages theories. The current  
 14 schedule does not permit Defendants' expert an adequate opportunity to rebut these new claims,  
 15 even if Oracle could produce all the relevant material before the close of discovery, which of  
 16 course, it cannot.

17 **2. Oracle Cannot Complete Production Of The Relevant Data Under The**  
 18 **Current Schedule.**

19 It has taken Oracle two years to produce documents relating to what it now contends is the  
 20 "tip of the iceberg" of its alleged harm. *Supra* at 8-9. Even that production is far from  
 21 complete.<sup>16</sup> With Oracle's history of long-delayed productions in this case, it is not plausible that  
 22 Oracle could complete production of the massive amount of additional data relevant to its newly  
 23 disclosed damages theories before the close of fact discovery on December 4, 2009. Aside from  
 24 the categories of documents identified above (including contract files, customer-specific financial  
 25 reports, group email addresses or other sources equivalent to OSSInfo, pricing documents, and  
 26 the numerous categories identified by Defendants' damages expert), Oracle would have to

27 \_\_\_\_\_  
 28 <sup>16</sup> Concurrently with this motion, Defendants are filing a motion to compel production of documents relating to Oracle's other lost profits damages theories.

1 address the fact that its search terms have not included non-TN customers, which means its entire  
 2 custodian production would potentially have to be re-reviewed.<sup>17</sup> Defendants would also  
 3 potentially have to re-depose multiple witnesses, including Rule 30(b)(6) witnesses whose  
 4 testimony Oracle limited in scope.

5 Even if Oracle could achieve the impossible and produce the relevant material, late  
 6 production of documents does not cure prejudice to the receiving party. *See, e.g., Payne v. Exxon*  
 7 *Corporation*, 121 F.3d 503, 508 (9th Cir. 1997) (“Last-minute tender of documents does not cure  
 8 the prejudice to opponents ....”) (citation omitted). Oracle’s failure to timely disclose its intent to  
 9 pursue these damages claims and, most importantly, its last minute about-face on the scope of  
 10 relevant discovery has irrevocably deprived Defendants of a fair opportunity to analyze the data  
 11 and take necessary follow up discovery. *Id.* (“The issue is not whether [defendants] eventually  
 12 obtained the information they needed, or whether plaintiffs are now willing to provide it, but  
 13 whether plaintiffs’ repeated failure to provide documents and information in a timely fashion  
 14 prejudiced the ability of [defendants] to prepare their case for trial).

#### 15 **IV. CONCLUSION**

16 For the foregoing reasons, Defendants respectfully request that the Court grant their  
 17 motion and order the relief requested.

18 DATED: July 14, 2009

JONES DAY

19  
 20 By: /s/ Elaine Wallace  
 Elaine Wallace

21 Attorneys for Defendants  
 22 SAP AG, SAP AMERICA, INC., and  
 23 TOMORROWNOW, INC.  
 24  
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26 <sup>17</sup> When customers were added to the TN customer list as a result of the parties’  
 27 agreement to extend the relevant time frame, Oracle agreed to “adjust its main document review  
 28 and production process to include these customers ....” *Supra* at 19-20. As far as Defendants are  
 aware, no such effort has been made with regard to non-TN customers for which Oracle now  
 purports to claim damages.