

1 Robert A. Mittelstaedt (SBN 060359)
Jason McDonell (SBN 115084)
2 Elaine Wallace (SBN 197882)
JONES DAY
3 555 California Street, 26th Floor
San Francisco, CA 94104
4 Telephone: (415) 626-3939
Facsimile: (415) 875-5700
5 ramittelstaedt@jonesday.com
jmcdonell@jonesday.com
6 ewallace@jonesday.com

7 Tharan Gregory Lanier (SBN 138784)
Jane L. Froyd (SBN 220776)
8 JONES DAY
1755 Embarcadero Road
9 Palo Alto, CA 94303
Telephone: (650) 739-3939
10 Facsimile: (650) 739-3900
tglanier@jonesday.com
11 jfroyd@jonesday.com

12 Scott W. Cowan (Admitted *Pro Hac Vice*)
Joshua L. Fuchs (Admitted *Pro Hac Vice*)
13 JONES DAY
717 Texas, Suite 3300
14 Houston, TX 77002
Telephone: (832) 239-3939
15 Facsimile: (832) 239-3600
swcowan@jonesday.com
16 jl fuchs@jonesday.com

17 Attorneys for Defendants
SAP AG, SAP AMERICA, INC., and
18 TOMORROWNOW, INC.

19 UNITED STATES DISTRICT COURT
20 NORTHERN DISTRICT OF CALIFORNIA
21 OAKLAND DIVISION

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

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

DEFENDANTS' MOTIONS IN LIMINE

Date: September 30, 2010
Time: 9:00 am
Place: 3rd Floor, Courtroom 3
Judge: Hon. Phyllis J. Hamilton

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1 **I. MOTION IN LIMINE NO. 1 TO EXCLUDE EVIDENCE AND ARGUMENT**
2 **REGARDING ALLEGED HARM TO GOODWILL**

3 The Court should preclude Plaintiffs from offering any evidence and argument on alleged
4 harm to Plaintiffs' goodwill.

5 **A. Material Facts**

6 1. On July 14, 2009, Defendants filed a motion for sanctions with Judge Laporte,
7 requesting preclusion of certain damages evidence. *See* D.I. 342 (Defs.' Mot. for Sanctions).
8 Judge Laporte held a hearing on the motion on August 18, 2009 ("Sanctions Hearing") and
9 granted the motion on September 17, 2009. *See* D.I. 482 ("Sanctions Order"). This Court
10 adopted the Sanctions Order on November 2, 2009. *See* D.I. 532 ("Adopting Order").

11 2. At the Sanctions Hearing, Judge Laporte asked Plaintiffs to clarify which forms of
12 damages they intended to quantify or seek, including whether Plaintiffs intended to quantify or
13 seek damages for alleged harm to goodwill. *See* Declaration of Jason McDonell ("McDonell
14 Decl.") ¶ 6, Ex. D (8/18/09 Sanctions Hearing Tr.) at 38:18-25; 41:18-24. Plaintiffs responded
15 that they did not intend to quantify "anything on goodwill" or to seek damages related to goodwill.
16 *Id.* at 43:11-22.

17 3. Further, when Plaintiffs objected to the Sanctions Order and sought this Court's
18 clarification concerning its scope, they expressly acknowledged that the Sanctions Order
19 precludes any claim for damages to goodwill. *See* D.I. 499 (Pls.' Objs.) at 2 ("The damages that
20 arguably fit Magistrate Laporte's premise are ... damages to Oracle's goodwill").

21 4. Plaintiffs' damages expert Mr. Meyer did not provide an opinion on alleged harm
22 to goodwill in his report. In deposition, Mr. Meyer confirmed that he has not quantified alleged
23 harm to goodwill. *See* McDonell Decl. ¶ 5, Ex. C (5/12/10 Paul K. Meyer Deposition ("5/12/10
24 Meyer Tr.)) at 255:9-260:25.

25 5. Plaintiffs have not produced evidence relating to alleged harm to goodwill. The
26 evidence required to prove such a claim is the same evidence at issue in the Sanctions Order. For
27 example, Mr. Meyer testified that goodwill largely consists of the opportunity to cross-sell and
28 up-sell software licenses. *See id.* at 257:11-258:1. Plaintiffs' failure to provide discovery on

1 cross-sell and up-sell of software licenses was one basis for the Sanctions Order, which expressly
2 precludes evidence of alleged lost license sales. *See* D.I. 482 (Sanctions Order) at 26.

3 6. Despite their representation at the Sanctions Hearing and in their objections to the
4 Sanctions Order, Plaintiffs have indicated in their proposed jury instructions that they intend to
5 seek damages for alleged harm to goodwill. *See* McDonell Decl. ¶ 7, Ex. E (Pls.' Instr.) Nos. 35,
6 36, 60. Plaintiffs have not disclosed how much they intend to seek or what evidence they intend
7 to present in support of their claim.

8 **B. Argument**

9 Plaintiffs have admitted that evidence of alleged harm to goodwill is precluded by the
10 Sanctions Order. Such evidence is therefore precluded and irrelevant.

11 Rule 26 of the Federal Rules of Civil Procedure ("Rule 26") requires a computation of
12 each category of damages claimed and production of the documents on which the computation is
13 based. *See* Fed. R. Civ. P. 26(a)(1)(A)(iii). Rule 26(e)(1) requires timely supplementation of
14 disclosures and discovery responses whenever it becomes known that a disclosure or response is
15 incomplete. *See* Fed. R. Civ. P. 26(e)(1). Rule 26(a)(2)(B) requires that an expert report "contain
16 a complete statement of all opinions to be expressed and the basis and reasons therefor," as well
17 as "the data or other information considered by the witness in forming the opinions." Fed. R. Civ.
18 P. 26(a)(2)(B).

19 Plaintiffs have not complied with any of these rules. To the extent that they disclosed an
20 initial intent to seek damages for alleged harm to goodwill, it was superseded by the express
21 representations to the Court and Defendants that they did not intend to quantify or seek damages
22 relating to goodwill. *See* McDonell Decl. ¶ 6, Ex. D (8/18/09 Sanctions Hearing Tr.) at 43:11-22.
23 Plaintiffs have never supplemented their disclosures or discovery responses to provide a
24 computation of goodwill damages, and their damages expert has never quantified or provided an
25 opinion on it. Their failure to provide the discovery relevant to goodwill is established in the
26 Sanctions Order.

27 When a party fails to disclose information required by Rules 26(a) and (e), Rule 37 of the
28 Federal Rules of Civil Procedure ("Rule 37") precludes use of the information at trial unless the

1 failure is substantially justified or harmless. *See* Fed. R. Civ. P. 37(c)(1). Plaintiffs' failure to
2 provide a computation of goodwill damages, the basis for the claim, or any documents in support
3 of the claim is neither justified nor harmless. Defendants reasonably relied on Plaintiffs'
4 representation that they would not quantify or seek damages relating to harm to goodwill.
5 Defendants cannot adequately prepare at this late stage, since Plaintiffs have failed—even now—
6 to provide any information on the amount or basis for the claim. This harm is compounded by the
7 fact that goodwill damages are hard to quantify. Indeed, the reason Plaintiffs gave at the
8 Sanctions Hearing for not seeking goodwill damages was that “it is a very difficult thing to
9 quantify.” *See* McDonell Decl. ¶ 6, Ex. D (8/18/09 Sanctions Hearing Tr.) at 43:11-22.

10 The purpose of Rule 26 is to prevent unfair surprise at trial and to prevent experts from
11 “lying in wait” to express new opinions at the last minute, thereby denying the opposing party a
12 fair opportunity to respond. It is manifestly unfair to permit Plaintiffs to present evidence on or to
13 seek damages for alleged harm to goodwill. Nor should this evidence be admitted through the
14 “back door” as purported context for Plaintiffs' claims, even if Plaintiffs contend that they are not
15 seeking such damages. *See* D.I. 532 (Adopting Order) at 2.

16 **II. MOTION IN LIMINE NO. 2 REGARDING PRECLUDED DAMAGES EVIDENCE**

17 Plaintiffs continue to attempt to offer precluded damages evidence “through the back
18 door,” despite the Court's ruling that they may not do so. The Court should confirm its prior
19 ruling and exclude the precluded evidence for all purposes.

20 **A. Material Facts**

21 1. On July 14, 2009, Defendants filed a motion for sanctions with Magistrate Judge
22 Laporte, requesting preclusion of certain damages evidence. *See* D.I. 342 (Defs.' Mot. for
23 Sanctions). Magistrate Judge Laporte held a hearing on August 18, 2009 and granted the motion
24 on September 17, 2009. *See* D.I. 482 (Sanctions Order). The Sanctions Order precludes
25 Plaintiffs from presenting evidence of: (1) alleged lost profits relating to customers that did not
26 become customers of TomorrowNow; (2) alleged lost profits relating to licensing revenue, as
27 opposed to support revenue and (3) alleged lost profits relating to products that were not
28 supported by TomorrowNow. *Id.* at 26.

1 2. On October 1, 2009, Plaintiffs filed objections to the Sanctions Order with this
2 Court. *See* D.I. 499 (Pls.’ Objs.). In addition to asserting objections, Plaintiffs requested
3 clarification that their damages expert and other witnesses be permitted to offer the precluded
4 evidence for purposes other than proving lost profits damages, including in support of their
5 expert’s hypothetical license calculation and other, unspecified, alleged “impacts.” *Id.* at 14-15.

6 3. In response, Defendants argued that Plaintiffs should not be permitted to offer the
7 precluded evidence to bolster their other damages claims. *See* D.I. 526 (Defs.’ Resp. to Pls.’
8 Objs.) at 21-22. Specifically, Defendants argued that the prejudice finding on which the
9 Sanctions Order is based applies with equal force to Plaintiffs’ other damage claims. *Id.* (“If
10 Oracle’s expert is permitted to testify on the amount of the precluded lost profits damages for
11 purposes of, for example, supporting his opinion on the value of the hypothetical license (or any
12 other damage theory), the prejudice to Defendants is the same as if he was testifying for purposes
13 of the lost profits claim. Defendants will have been deprived of a full and fair opportunity to
14 rebut that evidence by Oracle’s discovery misconduct.”).

15 4. On November 2, 2009, the Court overruled Plaintiffs’ objections and adopted the
16 Sanctions Order in its entirety. *See* D.I. 532 (Adopting Order). The Court further ruled that the
17 precluded evidence would not be admitted for any other purpose. *See id.* at 1 (“the precluded
18 evidence will NOT be admitted through the back door . . .”).¹

19 5. Despite the Court’s ruling, Plaintiffs have indicated their intent to offer the
20 precluded evidence in support of their other damage theories.

21 **B. Argument**

22 Plaintiffs plainly intend to rely on precluded evidence in support of other damage theories.
23 For example, the Sanctions Order precludes evidence relating to alleged lost software license
24 sales, often referred to by the parties as alleged lost “cross-sell” and “up-sell” opportunities. D.I.
25 482 (Sanctions Order) at 26. Nonetheless, Plaintiffs’ damages expert expressly relies on alleged
26 lost cross-sell and up-sell opportunities in his calculation of fair market value damages. Mr.

27 ¹ The Court stated that Plaintiffs would be permitted a jury instruction regarding the
28 precluded evidence, the specific language of which would be determined during the pretrial
process. *See* D.I. 532 (Adopting Order) at 1-2 (emphasis in original).

1 Meyer attempts to draw a distinction between the use of up-sell and cross-sell evidence to
 2 quantify lost profits (which he concedes is forbidden) and his consideration of it in his fair market
 3 value calculation, which he describes as follows:

4 I consider the value of the copyrighted materials in suit in terms of their ability to
 5 generate sales of other Oracle products not to quantify the lost profits associated
 6 with Oracle's lost cross-sell and up-sell opportunities to TomorrowNow support
 7 customers, but as considerations that would inform and be relevant to the fair
 8 market value of Defendants' use of the allegedly infringed materials.

9 *See* McDonell Decl. ¶ 3, Ex. A (2/23/10 Supp. Expert Report of Paul K. Meyer ("Meyer Report"))
 10 at ¶ 121 n.302 (describing his "market approach" to fair market value).² This is nothing more
 11 than an attempt to admit the evidence through the "back door." In fact, in his so-called "income
 12 approach" to quantifying fair market value, Mr. Meyer explicitly relies on evidence of up-sell and
 13 cross-sell:

14 . . . revenues and profits from PeopleSoft's support customers lost to TomorrowNow
 15 and SAP (post-October 2008), lost incremental license revenue (up-sell) and related
 16 support, and lost new license revenue (cross-sell) and related support.

17 *Id.* at ¶ 129 (describing his "income approach" to fair market value); *see also* McDonell Decl. ¶ 4,
 18 Ex. B (5/13/10 Paul Meyer Deposition) at 440:1-441:7 ("And so I basically took the potential lost
 19 customers for maintenance, cross-sell and upsell, from SAP's strategic plans and then put that
 20 back into Oracle's models.").

21 The Sanctions Order also precludes evidence relating to customers that did not become
 22 TomorrowNow customers. *See* D.I. 482 (Sanctions Order) at 26. These non-TomorrowNow
 23 customers include Plaintiffs' prospective customers.³ Plaintiffs represented at the hearing on the
 24 Sanctions Motion that they would not quantify or seek damages relating to "potential customers."
 25 *See* McDonell Decl. ¶ 6, Ex. D (8/18/09 Sanctions Hearing Tr.) at 43:11-22. Nonetheless,
 26 Plaintiffs proposed jury instructions on damage claims based on alleged harm to prospective

27 ² In his market approach, Meyer also relies on the value of the goodwill from Plaintiffs'
 28 acquisition of PeopleSoft, Inc. *See* McDonell Decl. ¶ 3, Ex. A (Meyer Report) at ¶ 121. He
 testified that goodwill consists largely of the opportunity to cross-sell and up-sell software
 licenses. *See* McDonell Decl. ¶ 5, Ex. C 5/12/10 Meyer Tr. at 257:11-258:1.

³ Since TomorrowNow's customers were all former customers of Plaintiffs, any
 prospective customer of Plaintiffs would, by definition, be a non-TomorrowNow customer.

1 customer relationships. *See* McDonnell Decl. ¶ 7 Ex. E (Pls.’ Instr.) Nos. 46-49, 52.

2 This Court should reject Plaintiffs’ “back door” attempt to present precluded damages
 3 evidence. Magistrate Judge Laporte held that Defendants would be prejudiced if Plaintiffs were
 4 permitted to offer the precluded evidence in connection with their lost profits claim. Specifically,
 5 Magistrate Judge Laporte held that Plaintiffs’ belated disclosure of new damage theories
 6 constituted “a vastly expanded scope of damages” and that Defendants could not conduct “a
 7 meaningful analysis of Plaintiffs’ far more complicated and extensive new damage claims within
 8 the current pretrial schedule” D.I. 482 (Sanctions Order) at 18, 24. These findings apply with
 9 equal force to Plaintiffs’ other damage claims. If Plaintiffs’ expert is permitted to testify on
 10 alleged lost cross-sell and up-sell opportunities to support his fair market value opinion, the
 11 prejudice to Defendants is the same as if he was testifying for purposes of the lost profits claim.
 12 Defendants will have been deprived of a meaningful opportunity to rebut that evidence as a result
 13 of Oracle’s discovery misconduct. This Court recognized that fact when it held that the precluded
 14 evidence would not be permitted “through the back door” D.I. 532 (Adopting Order) at 1.
 15 Plaintiffs should not be permitted to avoid that ruling and the consequences of their misconduct.

16 **III. MOTION IN LIMINE NO. 3 TO EXCLUDE EVIDENCE AND ARGUMENT OF**
 17 **DAMAGES FOR NONPARTY ENTITIES**

18 The Court should preclude Plaintiffs from offering evidence and argument in support of a
 19 claim for damages calculated for the Oracle organization as a whole as such evidence is irrelevant.
 20 Although this issue has been addressed in Defendants’ pending motion for partial summary
 21 judgment and although Plaintiffs subsequently conceded that they are not entitled to seek
 22 damages for nonparties, Plaintiffs failed to withdraw this claim or the evidence on which it is
 23 based, obliging Defendants to seek exclusion of such evidence with this motion.

24 **A. Material Facts**

25 1. Plaintiffs in this case consist of four Oracle entities—Oracle International Corp.
 26 (“OIC”), Oracle USA, Inc. (“OUSA”), Oracle EMEA Limited (“OEMEA”) and Siebel Systems,
 27 Inc. (“SSI”).

28 2. On February 23, 2010, Plaintiffs served the Supplemental Expert Report of Paul K.

1 Meyer (“Meyer Report”). In his report, Meyer indicated that he performed two separate
2 calculations of Plaintiffs’ lost profits. *See* McDonell Decl. ¶ 3, Ex. A (Meyer Report) at ¶ 355.
3 One of these calculations included determining “the lost profits of the Oracle organization as a
4 whole.” *Id.* He includes this figure, consisting of lost profits from *nonparty* entities, in his
5 “Summary of Oracle’s Lost Profits” chart in the Meyer Report. *See id.* at ¶ 433 (Table 16).

6 **B. Argument**

7 Corporate plaintiffs may recover only their own lost profits; they cannot assert the rights
8 of third parties—even affiliated entities. As addressed in Defendants’ Motion for Partial
9 Summary Judgment (D.I. 640), two basic legal principles decide this issue. First, corporations
10 are considered separate legal entities even if they are closely related. *See Dole Food Co. v.*
11 *Patrickson*, 538 U.S. 468, 474 (2003) (“A basic tenet of American corporate law is that the
12 corporation and its [corporate] shareholders are distinct entities.”). Second, a plaintiff may sue
13 for damages only on its own behalf—not on behalf of nonparties. *See Warth v. Seldin*, 422 U.S.
14 490, 499 (1975) (“[A] plaintiff generally must assert [its] own legal rights and interests, and
15 cannot rest [its] claim to relief on the legal rights or interests of third parties.”).

16 Taken together, these rules dictate that a corporate plaintiff “generally must assert [its]
17 own legal rights,” not the rights of a sister or subsidiary corporation. *Warth*, 422 U.S. at 499; *see*
18 *also* 1 William Meade Fletcher, *Fletcher Cyclopedic of the Law of Corporations* § 36 (Apr. 2010)
19 (“Nor does a corporation have independent standing to sue for injuries done to a sister or
20 subsidiary corporation, despite the fact that their businesses are intertwined and the success of one
21 is dependent on that of the other.”). Permitting a plaintiff to recover the damages of its affiliates
22 allows it to “establish and use its affiliates’ separate legal existence for some purposes”—such as
23 limited liability and tax advantages—“yet have their separate corporate existence disregarded for
24 its own benefit against third parties.” *Disenos Artisticos E Industriales, S.A. v. Costco Wholesale*
25 *Corp.*, 97 F.3d 377, 380 (9th Cir. 1996). Neither federal nor California law permits such a result,
26 *id.*; *see also Aladdin Oil Corp. v. Perluss*, 230 Cal. App. 2d 603, 614 (Cal. Ct. App. 1964)
27 (“Parties who determine to avail themselves of the right to do business by means of the
28 establishment of a corporate entity must assume the burdens thereof as well as the privileges.”),

1 including in the copyright context. *See Lanard Toys Ltd. v. Novelty Inc.*, 511 F. Supp. 2d 1020,
2 1033 (C.D. Cal. 2007) (rejecting copyright plaintiffs’ argument that it could assert the intellectual
3 property rights of a “related compan[y]”).

4 Applying these principles in the patent law context, courts have foreclosed plaintiffs from
5 recovering the lost profits of a related company. In *Poly-America, L.P. v. GSE Lining Tech., Inc.*,
6 for example, the court held that the patent holder, Poly-America, could “recover only its own lost
7 profits”—not those of its sister corporation, Poly-Flex. 383 F.3d 1303, 1311 (Fed. Cir. 2004).
8 *Poly-America* applies with equal force to bar a parent corporation from recovering the lost profits
9 of a subsidiary. *See Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1367 (Fed. Cir. 2008),
10 *amended on unrelated grounds by* 557 F.3d 1377 (Fed. Cir. 2009) (failing to find that the theory
11 of a parent company recovering the profits that flow inexorably up from subsidiaries is a valid
12 one); *Therasense, Inc. v. Becton, Dickinson & Co.*, No. C 04-02123 WHA, 2008 WL 2323856, at
13 *4-5 (N.D. Cal. May 22, 2008) (where subsidiary lacked standing, parent was “prohibited from
14 presenting any evidence of [the subsidiary’s] lost profits”).

15 Plaintiffs’ “organization as a whole” approach impermissibly seeks lost profits of related
16 nonparties. The Oracle organization established separate “corporate identities and functions to
17 suit its own goals and purposes, but it must take the benefits with the burdens.” *Poly-America*,
18 383 F.3d at 1311. Plaintiffs’ effort to seek lost profits of the Oracle organization as a whole
19 impermissibly includes nonparty lost profits and disregards the very corporate distinctions that
20 Oracle uses to its advantage elsewhere. *See id.*

21 Furthermore, Plaintiffs have not explained how the calculation of lost profits of nonparties
22 “is a relevant consideration for Oracle’s [fair market value] license amount,” and Plaintiffs’
23 expert did not use this evidence to support his fair market value license calculation. D.I. 677.
24 (Pls.’ Opp.) at 11.

25 At the May 5, 2010 summary judgment hearing, Plaintiffs claimed that with regard to
26 nonparties, they plan to seek damages based only on lost profits that “inexorably flow up from
27 [nonparty] entities.” *See McDonell Decl.* ¶ 8, Ex. F (5/5/10 Summ. J. Hearing Tr.) at 50:15.
28 However, their expert report does not make this distinction. Plaintiffs are attempting to use the

1 “organization as a whole” damages approach to circumvent this Court’s November 2, 2009 order
2 regarding the admissibility of particular damages evidence, and should not be permitted to do so.
3 *See* D.I. 532 (Adopting Order).

4 **IV. MOTION IN LIMINE NO. 4 TO EXCLUDE REBUTTAL TESTIMONY**
5 **REGARDING THE SOMMER REPORT**

6 The Court should preclude Plaintiffs from offering any rebuttal testimony regarding the
7 Expert Report of Brian S. Sommer (“Sommer Report”).

8 **A. Material Facts**

9 1. On March 26, 2010, Defendants served the Sommer Report rebutting portions of
10 the Meyer Report.

11 2. Plaintiffs insisted, and the parties agreed, that expert witnesses would provide sur-
12 rebuttal testimony in their depositions. *See* McDonell Decl. ¶ 9, Ex. G (01/25/2010 Email from
13 Jason McDonell to Holly House) (“Now that the deposition will cover Plaintiffs’ experts’
14 opinions in response to Defendants’ experts reports, it is essential that Defendants be permitted
15 three days (seven hours record time each day) for the depositions of Mr. Meyer and Mr.
16 Mandia.”). Thus, Plaintiffs designated Meyer as a sur-rebuttal expert regarding the Sommer
17 Report. *Id.* No other individual was designated by Plaintiffs to rebut the Sommer Report. *See*
18 McDonell Decl. ¶ 1.

19 3. On May 12-14, 2010, Defendants deposed Meyer. During the first day of his
20 deposition, Defendants asked Meyer about his rebuttal opinions of the Sommer Report. Meyer
21 stated in part, “Obviously, I need to read Mr. Sommer’s report in detail and interface with what
22 he says with my opinions, and at some point I’ll get to that.” *See* McDonell Decl. ¶ 5, Ex. C
23 (5/12/10 Meyer Tr.) at 39:17-20. He also testified that he “just glanced through” the Sommer
24 Report, and did not develop any responses to it. *Id.* at 37:21-22. Simply put, he did not provide
25 any direct rebuttal to the Sommer Report. *See id.* at 37:19-41:17; 56:23-57:15; *see also*
26 McDonell Decl. ¶ 10, Ex. H (5/14/10 Paul K. Meyer Deposition (“5/14/10 Meyer Tr.”)) at
27 828:11-22; 829:12-831:8; 856:25-857:18. Meyer explained, “I don’t feel like . . . where [Sommer]
28 comes out in his opinions are [sic] going to have impact on [my] opinions.” *See* McDonell Decl.

1 ¶ 5, Ex. C (5/12/10 Meyer Tr.). at 38:18-39:3. By the conclusion of Meyer’s three-day deposition,
 2 he still had not read the Sommer Report. *See* McDonell Decl. ¶ 10, Ex. H (5/14/10 Meyer Tr.) at
 3 828:11-22. When asked on the final day of his deposition whether he had read the Sommer
 4 Report and was prepared to respond to it, Meyer answered, “No. I’ve already responded to that.”
 5 *Id.* Accordingly, Defendants timely objected that Meyer was not prepared to testify on the
 6 Sommer Report. *See id.* at 934:13-19.

7 **B. Argument**

8 With discovery closed and expert depositions concluded, Defendants are left wholly
 9 unaware of Plaintiffs’ rebuttal evidence or testimony regarding the Sommer Report – to the extent
 10 they have any. Accordingly, Meyer should be precluded from providing rebuttal testimony
 11 regarding the Sommer Report. Further, any rebuttal of Sommer’s opinion, whether offered by
 12 another expert or an unidentified fact witness, should also be precluded because Plaintiffs failed
 13 to abide by the parties’ agreement and the Pretrial Order. This failure should “result in sanctions
 14 pursuant to Federal Rule of Civil Procedure 16(f).” *See* D.I. 83 (5/2/08 Order) at 4. The
 15 appropriate remedy is to prohibit Plaintiffs “from introducing designated matters in evidence.”
 16 Fed. R. Civ. P. 37(b)(2)(B).⁴

17 **V. MOTION IN LIMINE NO. 5 TO EXCLUDE IMPROPER OPINION OF LAY**
 18 **WITNESSES AND UNDISCLOSED EXPERTS**

19 The Court should preclude Plaintiffs from offering improper opinion testimony on
 20 technical or specialized matters, and any evidence thereof, rendered by Plaintiffs’ employees,
 21 former TomorrowNow employees and other individuals Plaintiffs did not disclose as experts.

22 **A. Material Facts**

23 1. The deadline to designate expert witnesses was October 2, 2009. *See* D.I. 325
 24 (6/11/09 Order) at 1. On that date, Plaintiffs disclosed six experts: Daniel S. Levy, Ph.D., Kevin
 25 Mandia, Douglas Gary Lichtman, Paul K. Meyer, Paul C. Pinto and Francoise Tourniaire. *See*
 26 McDonell Decl. ¶ 11, Ex. I (Pls.’ Initial Expert Disclosures) at 1-3. On October 16, 2009,

27 _____
 28 ⁴ Under Rule 16(f) of the Federal Rules of Civil Procedure the Court may sanction a party with any sanctions provided in Rule 37(b)(2)(B), (C) and (D).

1 Plaintiffs supplemented these disclosures but did not disclose any additional experts. *See*
2 McDonell Decl. ¶ 12, Ex. J (Pls.' Supp. Expert Disclosures) at 1-3.

3 2. On November 16, 2009, Plaintiffs served the expert report of Kevin Mandia,
4 which was revised and/or supplemented several times, the latest version of which was served on
5 May 12, 2010. The report contains references to opinions of various deponents and Oracle
6 employees, none of whom were listed in Plaintiffs' expert disclosures.

7 3. The deadline to designate rebuttal experts was January 22, 2010. *See* D.I. 325
8 (6/11/09 Order) at 1. At that time, Plaintiffs did not designate any additional expert witnesses.
9 Plaintiffs have not updated their disclosures or provided an expert report for any individuals
10 beyond those listed in Plaintiffs' initial and supplemental expert disclosures.

11 4. On March 3, 2010, Plaintiffs filed the Declaration of Norm Ackermann in Support
12 of Plaintiffs' Motion for Partial Summary Judgment ("Ackermann Decl."), which describes
13 Ackermann's opinions regarding the results of a code comparison of computer files performed by
14 Ackermann. *See* McDonell Decl. ¶ 13, Ex. K (Ackermann Decl.).

15 5. On March 3, 2010, Plaintiffs also filed the Declaration of Uwe Koehler in Support
16 of Plaintiffs' Motion for Partial Summary Judgment ("Koehler Decl."), which contains Koehler's
17 opinions regarding computer server logs. *See* D.I. 652 (Koehler Decl.).

18 6. On May 17, 2010, Plaintiffs served "sur-rebuttal" documents in support of Paul
19 Pinto's expert report, including a native Excel spreadsheet labeled with production number
20 ORCLX-PIN-000108. Table 1 of ORCLX-PIN-000108 refers to "Neuendorf's Hand-count."
21 McDonell Decl. ¶ 14, Ex. L (ORCLX-PIN-000108 marked as Defs.' Depo. Ex. 2052) at Table 1.

22 7. At his deposition, Pinto testified that "Neuendorf's Hand-count" is an analysis by
23 Stephen Neuendorf, a function point expert hired by Plaintiffs to rebut Defendants' function point
24 expert's report. *See* McDonell Decl. ¶ 15, Ex. M (5/19/10 Paul Pinto Deposition ("Pinto Tr.)) at
25 51:5-52:16. Plaintiffs have not designated Neuendorf as an expert.

26 **B. Argument**

27 The Court should preclude Plaintiffs from presenting any testimony or other evidence
28 relating to improper technical opinions of lay witnesses or opinions of undisclosed experts under

1 Rule 701 of the Federal Rules of Evidence (“Rule 701”) and Rules 26 and 37. Rule 701 states
2 that a lay witness may only provide testimony that is “rationally based on the perception of the
3 witness” and is “not based on scientific, technical, or other specialized knowledge within the
4 scope of Rule 702.” Fed. R. Evid. 701. One purpose of this limitation is to eliminate the risk that
5 the disclosure and reliability requirements for expert testimony would be “evaded through the
6 simple expedient of proffering an expert in lay witness clothing.” Fed. R. Evid. 701 advisory
7 committee’s notes (2000).

8 Additionally, Rule 26 requires that all expert witnesses must be disclosed “at the times
9 and in the sequence that the court orders.” Fed. R. Civ. P. 26(a)(2)(C). If a party fails to disclose
10 an expert as required by Rule 26, that “party is not allowed to use that information or witness to
11 supply evidence on a motion, at a hearing, or at a trial, unless the failure was substantially
12 justified or is harmless.” Fed. R. Civ. P. 37(c)(1). In the Ninth Circuit, this sanction is
13 “automatic” and “self-executing” to encourage full and early disclosure and proper adherence to
14 the Rules. *Yeti by Molly, Ltd. v. Deckers Outdoor Corp.*, 259 F.3d 1101, 1106-07 (9th Cir. 2001)
15 (upholding the exclusion of expert testimony for failure to comply with Rule 26).

16 Because Plaintiffs did not serve their witness list prior to Defendants filing this motion in
17 limine, Defendants cannot specifically object to every witness who might provide such evidence.
18 However, both expert discovery and motion practice in this case contain examples of
19 impermissible technical opinions given by numerous individuals that Plaintiffs failed to disclose
20 as experts. Plaintiffs may not use such witnesses to provide prohibited lay or expert opinions on
21 these technical matters. *See Hanger Prosthetics & Orthotics, Inc. v. Capstone Orthopedic, Inc.*,
22 No. 2:06-cv-2879-GEB-KJM, 2008 U.S. Dist. LEXIS 91373, at *4-14 (E.D. Cal. June 13, 2008)
23 (granting motion in limine to exclude witness under Rule 37 as not timely disclosed as an expert
24 as required by Rule 26, where witness’ testimony constituted expert testimony, not lay opinion).

25 **Oracle Employees.** Plaintiffs should be precluded from introducing improper technical
26 opinion testimony of Oracle employees not disclosed as experts, including Norm Ackermann,
27 Uwe Koehler, Buffy Ransom, Jason Rice, Edward Screven, Greg Story and Dan Vardell.
28 Plaintiffs and their experts have already purported to rely on technical analysis performed by

1 these employees. For example, Plaintiffs' computer forensics expert, Kevin Mandia, relied on the
2 opinions of multiple Oracle employees that certain computer code objects were "creative" or the
3 "result of creative expression" under copyright law. *See* McDonell Decl. ¶ 16, Ex. N (5/12/10
4 Suppl. Expert Report of Kevin Mandia) at ¶¶ 112-113; 120-121. Additionally, Mandia relied on
5 opinions by employees regarding whether certain releases of software products allegedly covered
6 by copyright registrations included "all or virtually all" or "vast amounts" of the same code. *Id.*
7 at ¶¶ 270 n.130; 280 n.139. And Plaintiffs previously submitted affidavits from two employees
8 that contain improper opinions, regarding server logs, code comparisons and the creativity of
9 certain software products. *See* D.I. 650 (Ackermann Decl.); D.I. 652 (Koehler Decl.).

10 The employees who provided these opinions were never designated as experts in this case;
11 yet, their opinions are not "rationally based on the perception of the witness," but are
12 impermissibly "based on scientific, technical, or other specialized knowledge." The opinions that
13 "virtually all" of a software product is found in another software product, that server logs
14 demonstrate a certain level of website activity or that a code comparison demonstrates similarity
15 between two pieces of source code all require "technical" analysis and other "specialized
16 knowledge" about software. *See, e.g., Hanger Prosthetics*, 2008 U.S. Dist. LEXIS 91373 at *3,
17 *8-9 (finding that a witness who performed a forensic analysis of a computer was not providing
18 evidence of "matters he personally perceived," but rather expert opinion). For this reason, none
19 of Plaintiffs' employees who testify should be permitted to testify regarding such improper lay
20 opinions on these technical matters. *See Informatica Corp. v. Business Objects Data Integration,*
21 *Inc.*, No. C 02-03378 EDL, 2007 U.S. Dist. LEXIS 16247, at *9-10 (N.D. Cal. Feb. 23, 2007)
22 (Laporte, J.) (cautioning that employees not designated as expert witnesses are not permitted to
23 give expert testimony, including comparing newer and older versions of the software at issue).

24 **Former TomorrowNow Employee John Ritchie.** John Ritchie was a developer at
25 TomorrowNow and testified at deposition that he believed that his access to Plaintiffs' website
26 with an automated downloading tool caused Plaintiffs' servers to reject his logon attempts or to
27 disconnect his access.⁵ *See* McDonell Decl. ¶ 17, Ex. O (12/2/09 John Ritchie Deposition) at

28 ⁵ Plaintiffs relied on Ritchie's testimony in their Motion for Partial Summary Judgment, and Defendants objected on similar grounds. *See* D.I. 672 (Defs.' Obj. to Evid.) at 5-6.

1 169:5-170:7. Mandia relied on Ritchie’s testimony to conclude that TomorrowNow had crashed
2 Plaintiffs’ website. *See* McDonell Decl. ¶ 18, Ex. P (5/21/10 Kevin Mandia Deposition) at 379:6-
3 16; 383:16-384:22. Mandia specifically noted Ritchie’s “experience” and “perspective” that
4 Ritchie purportedly used to “diagnose” alleged website crashes. *Id.* The “diagnosis” of a website
5 crash is the product of a “technical” analysis and “specialized knowledge,” because, as Mandia
6 himself acknowledged, Ritchie’s opinions are purportedly based on 15 years of training in
7 computer software development. *Id.*; *see also* *Hanger Prosthetics & Orthotics, Inc.*, 2008 U.S.
8 Dist. LEXIS 91373 at *5 (finding expert testimony is that “which results from a process of
9 reasoning which can be mastered only by specialists in the field,” including computer forensic
10 analysis). Moreover, the “diagnosis” of a website crash falls far outside the “prototypical”
11 examples of opinions permitted by Rule 701. *See* Fed. R. Evid. 701 advisory committee’s notes
12 (2000) (listing “appearance of persons or things, identity, the manner of conduct, competency of a
13 person, degrees of light or darkness, sound, size, weight, distance, and an endless number of items
14 that cannot be described factually in words apart from inferences”). Because Ritchie was not
15 properly disclosed as an expert, the Court should exclude evidence or testimony related to
16 Ritchie’s improper opinions on the technical question of the existence or cause of any purported
17 crashes of Plaintiffs’ websites. *See* Fed. R. Evid. 701; Fed. R. Civ. P. 37(c)(1).

18 **Stephen Neuendorf:** Neuendorf is a certified function point specialist hired by Plaintiffs
19 to perform function point analysis, a sophisticated process of estimating the size and complexity
20 of computer software; as Pinto admitted in his deposition, such analysis must be done by a
21 “trained individual.” *See* McDonell Decl. ¶ 15, Ex. M (Pinto Tr.) at 51:6-52:16; 56:20-57:2.
22 Because Pinto is not a certified function point specialist, Plaintiffs hired Neuendorf to rebut
23 portions of Defendants’ function point expert’s report. *See id.* at 52:21-53:10. Although
24 Neuendorf performed “technical analysis” requiring “specialized knowledge,” Plaintiffs never
25 disclosed Neuendorf as an expert, never provided an expert report and did not provide Defendants
26 an opportunity to take Neuendorf’s deposition. *See* Fed. R. Evid. 701; *E.E.O.C. v. Lennar Homes*
27 *of Ariz.*, CV-03-1827-PHX-DGC, 2006 U.S. Dist. LEXIS 42865, at *11-14 (D. Ariz. June 23,
28 2006) (excluding expert witness for failure to comply with the 26 disclosure requirements

1 because opposing party was deprived of “the opportunity to depose, evaluate, and file motions”
 2 concerning the expert). Instead, Neuendorf performed the specialized function point analysis and
 3 Pinto adopted Neuendorf’s opinions as his own. Defendants were not allowed to test the
 4 soundness of Neuendorf’s approach or conclusions, because Pinto had no independent knowledge
 5 or understanding of them. Such conduct impermissibly evades the expert disclosure and
 6 reliability requirements of Rule 702. *Cf.* Fed. R. Evid. 701 advisory committee’s notes (2000);
 7 *see also In re: Imperial Credit Indus., Inc. Sec. Litig.*, 252 F. Supp. 2d. 1005, 1012-13 (C.D. Cal.
 8 2003) (holding that the Federal Rules of Evidence “do not permit an expert to rely upon excerpts
 9 from opinions developed by another expert for purposes of litigation,” and that one expert may
 10 not rely on the opinions of another expert that does not testify). The Court should preclude
 11 Plaintiffs from presenting Neuendorf as a witness and from admitting his opinions, as well as
 12 preclude Pinto from relying upon Neuendorf’s opinion. *See id.*; *Hanger Prosthetics & Orthotics,*
 13 *Inc.*, 2008 U.S. Dist. LEXIS 91373, at *8-14.

14 **VI. MOTION IN LIMINE NO. 6 TO EXCLUDE DEPOSITION TESTIMONY**
 15 **INVOKING THE ATTORNEY-CLIENT PRIVILEGE**

16 The Court should preclude Plaintiffs from offering any deposition testimony wherein
 17 Defendants’ witnesses invoke the attorney-client privilege in response to a question.

18 **A. Material Facts**

19 During the discovery period, several of Defendants’ witnesses who sat for deposition
 20 invoked the attorney-client privilege when asked about certain topics and events. Plaintiffs have
 21 now designated much of this testimony as part of their case-in-chief.

22 **B. Argument**

23 Rule 403 of the Federal Rules of Evidence (“Rule 403”) states that evidence, although
 24 relevant, “may be excluded if its probative value is substantially outweighed by the danger of
 25 unfair prejudice, confusion of the issues, or misleading the jury, or by considerations of undue
 26 delay, waste of time, or needless presentation of cumulative evidence.” Fed. R. Evid. 403.
 27 Moreover, a number of federal courts have ruled it improper for parties to draw adverse
 28 inferences from their opponents’ refusal to answer questions based on the attorney-client

1 privilege. See *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337,
2 1344-45 (Fed. Cir. 2004); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 225-26 (2d Cir. 1999),
3 *overruled on other grounds by Moseley v. Secret Catalogue*, 537 U.S. 418 (2003); *Parker v.*
4 *Prudential Ins. Co. of Am.*, 900 F.2d 772, 775-76 (4th Cir. 1990). Such adverse inferences
5 interfere with the attorney-client privilege, thus discouraging litigants from having frank
6 discussions with their attorneys and more or less compelling litigants to reveal privileged
7 information. See *Knorr*, 383 F.3d at 1344; *THK Am., Inc. v. NSK, Ltd.*, 917 F. Supp. 563, 566-67
8 (N.D. Ill. 1996).

9 With deposition designations of testimony where Defendants' witnesses invoke the
10 attorney-client privilege in response to Plaintiffs' questions, Plaintiffs are clearly trying to force
11 negative inferences against Defendants. These designations are highly improper and cannot be
12 allowed. Doing so invades the attorney-client privilege and leads the jury to assume the
13 witnesses are admitting to the substance of the Plaintiffs' questions. While Plaintiffs' questions
14 may have some relevance, admitting them before the jury significantly prejudices Defendants
15 because of the inferences they raise. The danger of this prejudice substantially outweighs the
16 probative value of this testimony. It must be excluded. See *Sharer v. Tandberg, Inc.*, No. 1:06-
17 cv-626, 2007 WL 983849, at *2 (E.D. Va. Mar. 27, 2007) (citing Rule 403 and *Parker*, excluding
18 references to invocation of attorney-client privilege during deposition); *McKesson Info. Solutions,*
19 *Inc. v. Bridge Med., Inc.*, 434 F. Supp. 2d 810, 812 (E.D. Cal. 2006) (citing *Knorr* and concerns
20 about negative inferences, excluding testimony that would inform jury that party asserted
21 attorney-client privilege over patent opinion). For these reasons, the Court should exclude all
22 deposition testimony where Defendants' witnesses invoke the attorney-client privilege.

23 **VII. MOTION IN LIMINE NO. 7 TO EXCLUDE EVIDENCE AND ARGUMENT**
24 **REGARDING INVESTIGATIONS BY THE DOJ AND FBI**

25 The Court should preclude the parties from offering: (1) any and all references, questions,
26 statements or proffers of evidence regarding the DOJ's and FBI's investigation into any of the
27 facts and circumstances that are involved in this matter; (2) any and all references, questions,
28 statements or proffers of evidence regarding the DOJ's and FBI's current investigation into

1 Oracle Corporation and (3) any and all references, questions, statements or proffers of evidence
2 regarding any action(s), including, but not limited to, plea bargains and criminal/civil sanctions,
3 stemming from the result of such investigations.

4 **A. Material Facts**

5 1. There is an ongoing investigation by the DOJ/FBI into some facts and
6 circumstances that are involved in this matter.

7 2. There is an ongoing investigation and current litigation by the DOJ/FBI over some
8 of Oracle Corporation's licensing practices for its E-Business Suite software line.

9 **B. Argument**

10 Evidence of DOJ/FBI investigations and/or any resulting actions is not relevant under
11 Rule 401 and therefore should be excluded under Rule 402 of the Federal Rules of Evidence
12 ("Rule 401" and "Rule 402" respectively). *See* Fed. R. Evid. 401, 402. To determine whether
13 references to a DOJ/FBI investigation, or any actions stemming from such an investigation, are
14 relevant, the threshold question that must be answered is whether the fact that there is an
15 investigation or action tends to make the existence of any fact *that is of consequence to the*
16 *determination of this case* more probable or less probable than without this evidence. *See* Fed. R.
17 Evid. 401; *United States v. Curtain*, 489 F.3d 935, 943 (9th Cir. 2007).

18 Here, Plaintiffs' claims do not hinge on whether or not the DOJ or FBI investigated any of
19 the facts and circumstances involved in this matter, and there is no element of any of Plaintiffs'
20 causes of action that require proof of such an investigation. It is clear that any reference to the
21 DOJ/FBI investigation or any action stemming from such an investigation would be offered for
22 the mere conclusory allegation that implies that: "There is an investigation/action, so the party
23 must have done something wrong." This sentiment is problematic for numerous reasons, not the
24 least of which is that the investigation is probative only of the fact that these agencies wish to
25 evaluate and assess information related to this matter and does not make it more probable that any
26 of the alleged actions in this case, including claimed copyright violations, occurred.

27 Further, any action arising from the DOJ/FBI investigations by itself has no relevance to this
28 case without first showing that such an action ties to a specific material fact at issue here.

1 Pointing out to the jury that the DOJ/FBI is investigating the facts and circumstances at issue in
2 this case, that the DOJ/FBI is currently investigating Oracle Corporation over licensing issues for
3 its E-Business software line or that some action resulted from these investigations in no way
4 assists the jury in determining its verdict. It would only serve to improperly influence and
5 inflame the jury. *See, e.g., Lewis v. Chicago Police Dept.*, 590 F.3d 427, 442 (7th Cir. 2009)
6 (upholding a District Court's decision that evidence that provides only conclusory statements
7 about an internal police department employment investigation is irrelevant); *United States v.*
8 *Moore*, 936 F.2d 1508, 1521-22 (7th Cir. 1991) (upholding a District Court's decision to bar
9 testimony regarding a local police department's preliminary investigation that resulted in the
10 accused being released without charges even though he later faced federal charges stemming from
11 that arrest); *United States v. Smith*, 199 Fed. App'x. 759, 761, 763-64 (11th Cir. 2006)
12 (unpublished) (upholding a District Court's decision that a state prosecutor's decision not to
13 prosecute the accused for violations of state law after he was arrested by local police was not
14 relevant to whether the accused was guilty of the federal gun charges he faced even though the
15 gun charge stemmed from the same arrest).

16 Even if the Court determines there is some probative value in allowing evidence of these
17 investigations, or references to any actions stemming from such investigations, this probative
18 value is substantially outweighed by the danger of unfair prejudice to Defendants and Plaintiffs,
19 and, therefore, should be excluded. *See Fed. R. Evid. 403*. It is well-established that admitting
20 testimony regarding a government investigation may create such unfair prejudice. *See, e.g.,*
21 *Beachy v. Boise Cascade Corp.*, 191 F.3d 1010, 1015 (9th Cir. 1999) (explaining how using a
22 governmental agency's determination can create unfair prejudice because it could lead to the jury
23 accepting the results of the investigation instead of undertaking an independent evaluation of the
24 claims themselves). Moreover, excluding this type of testimony protects the fundamental fairness
25 of a trial. *See United States v. Bailleaux*, 685 F.2d 1105, 1111 n.2 (9th Cir. 1982).

26 Allowing Plaintiffs to refer to the investigation or any actions stemming from such
27 investigation, either expressly or by implication, creates a very high risk that the jury will
28 automatically assume that Defendants engaged in misconduct and assume that Plaintiffs'

1 allegations are accurate without any proof related to the elements of Plaintiffs' claims. That
 2 would be fundamentally unfair and exactly what the rule is designed to protect against. Given the
 3 lack of probative value of the investigation itself, the risk of unfair prejudice is simply too great to
 4 allow this evidence. This same reasoning applies to the ongoing investigation and litigation
 5 concerning Oracle Corporation, and, requires the same conclusion.

6 Likewise, references to either investigation will also confuse the jury and, therefore,
 7 should be excluded. *See* Fed. R. Evid. 403; *see, e.g., Lewis*, 590 F.3d at 442 (7th Cir. 2009)
 8 (affirming the District Court's decision to exclude evidence of prior investigations related to the
 9 same facts because the risk of confusing the jury as to their role in the current case). Similar to
 10 *Lewis*, the jury may incorrectly understand that the matters in this case have already been decided.
 11 *See id.* Given the minimal probative value of referring to either investigation, the risk of
 12 confusion also warrants exclusion of this evidence.

13 **VIII. MOTION IN LIMINE NO. 8 TO EXCLUDE EVIDENCE AND ARGUMENT**
 14 **REGARDING THE LEGALITY OF RIMINI STREET, INC.'S BUSINESS**
 15 **MODEL**

16 This Court should preclude Plaintiffs from offering any evidence concerning the legality
 17 of the business model of nonparty Rimini Street, Inc. ("Rimini Street").

18 **A. Material Facts**

19 1. Rimini Street is a third party support provider, providing many of the same support
 20 services, for the same Oracle software products that TomorrowNow provided when it was in
 21 business. *See* McDonell Decl. ¶ 20, Ex. Q (7/21/10 Seth Ravin Deposition ("7/21/10 Ravin Tr."))
 22 at 332:3-339:13.

23 2. Rimini Street competes with Plaintiffs and SAP for support services customers,
 24 and competed with TomorrowNow when it was in business. *Id.* Many former TomorrowNow
 25 customers are now, or have been, Rimini Street customers. *See* McDonell Decl. ¶¶ 19-20 Ex. Q
 26 (7/21/10 Ravin Tr.) at 366:14-368:21; Ex. R (5/21/09 Seth Ravin Deposition ("5/21/09 Ravin
 27 Tr.")) at 252:22-257:14.

28 3. One of the disputed issues in this case is the extent to which alternatives to TN
 existed for customers who wished to cancel Plaintiffs' support services and go to a third party

1 provider. Defendants contend that numerous alternatives existed, including Rimini Street and
2 multiple other third party support providers. Plaintiffs contend there were no viable alternatives.
3 The issue is relevant to causation of damages, i.e. whether, but for TN, customers would not have
4 cancelled their support agreements with Plaintiffs.

5 4. Plaintiffs contend that Rimini Street should not be considered a viable alternative
6 because Rimini Street's business model is unlawful. Plaintiffs have obtained discovery in this
7 case regarding Rimini Street's business model and have also filed suit against Rimini Street in the
8 District of Nevada. *See* McDonell Decl. ¶¶ 21-22, Ex. S (D.I. 1 in *Oracle USA, Inc. v. SAP AG,*
9 *et al.*, No. 2:09-cv-01591-KJD-GWF (D. Nev.)); Ex. T (D.I. 38 in *Oracle USA, Inc. v. SAP AG, et*
10 *al.*, No. 2:09-cv-01591-KJD-GWF (D. Nev.)).

11 **B. Argument**

12 Rule 403 states that evidence, although relevant, “may be excluded if its probative value is
13 substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading
14 the jury, or by considerations of undue delay, waste of time, or needless presentation of
15 cumulative evidence.” Fed. R. Evid. 403. The Ninth Circuit has upheld exclusion of evidence of
16 collateral matters, similar events and other acts of alleged wrongdoing when its introduction
17 would result in “a trial within a trial.” *See, e.g., United States v. Bussell*, 414 F.3d 1048, 1059-60
18 (9th Cir. 2005); *Tennison v. Circus Circus Enters., Inc.*, 244 F.3d 684, 690 (9th Cir. 2001).
19 Allowing “mini-trials” on such matters can lead to confusion, delays in the proceedings and
20 prejudice to the other party, outweighing any probative value the evidence may have. *See id.*

21 If Plaintiffs are permitted to present evidence that Rimini Street's business model is
22 unlawful, Defendants will have no choice but to defend Rimini Street in addition to themselves.
23 *See Nachtsheim v. Beech Aircraft Corp.*, 847 F.2d 1261, 1269 (7th Cir. 1988). That would
24 require a substantial amount of additional evidence, much of it highly technical, consume a great
25 deal of time and unnecessarily burden and confuse the jury. *See id.* (“[I]f the district court had
26 permitted this evidence, the defendant would have had to defend ... not only against the present
27 suit, but also against the St. Anne crash. The jury would be confronted with additional technical
28 evidence on a collateral issue that would have unnecessarily prolonged the trial and created a risk

1 of confusion of the issues.”). Moreover, Defendants would be prejudiced by having to defend the
2 business model of an unrelated nonparty, since Defendants have no knowledge of the details of
3 Rimini Street’s business model and the evidence required to defend against such a claim.

4 Whether Rimini Street’s business model is unlawful also has little or no relevance. It is
5 undisputed that Rimini Street competed with TN for customers, continues to compete with
6 Plaintiffs and has done so since 2006. *See* McDonell Decl. ¶ 19, Ex. Q (7/21/10 Ravin Tr.) at
7 332:3-339:13. This is sufficient to establish, for causation of damages purposes, that customers
8 considered Rimini Street a viable alternative to TN. Plaintiffs’ claim that Rimini Street operates
9 unlawfully does not change that fact. Indeed, permitting evidence on the issue would merely
10 open the door to additional evidence and argument as to whether any of the multiple other third
11 party providers that competed with TN were operating lawfully.

12 The jury in this case already will be required to consider an enormous amount of complex
13 evidence. The difficulty of this task will be unnecessarily compounded if it is forced to also
14 consider how a separate and unrelated nonparty conducts its own business. This, in addition to
15 the undue prejudice, delay, and risk of confusion warrant exclusion under Rule 403.

16 **IX. MOTION IN LIMINE NO. 9 TO EXCLUDE EVIDENCE AND ARGUMENT**
17 **REGARDING HYPERION, RETEK AND E-BUSINESS SUITE PRODUCT LINES**

18 The Court should preclude Plaintiffs from offering any evidence and argument regarding
19 whether Defendants supported or proposed to support the Hyperion, Retek and E-Business Suite
20 product lines (“HRE Products”) owned by Plaintiffs. Plaintiffs explicitly agreed, through a joint
21 scheduling order signed by this Court, that they would not pursue any claims related to HRE
22 Products in this lawsuit.

23 **A. Material Facts**

24 1. Defendants submitted declarations to Plaintiffs stating that they have not provided
25 any sort of third-party maintenance or related support on HRE Products. *See* D.I. 250 (Thomas
26 Ziemen Decl.); D.I. 251 (Andrew Nelson Decl.), D.I. 252 (Albert Van Wissen Decl.).

27 2. On June 4, 2009, the parties submitted to this Court a Stipulated Revised Case
28 Management and Pretrial Order where Plaintiffs agreed not to propound any further discovery

1 regarding HRE Products and not to pursue any claims related to HRE Products in this lawsuit.
2 *See* D.I. 324. This Court signed the stipulation on June 11, 2009. *See* D.I. 325 (6/11/09 Order).

3 3. Plaintiffs now seek to admit, through their deposition designations for their case-
4 in-chief, testimony and exhibits regarding Defendants' alleged support for HRE Products.

5 **B. Argument**

6 The Federal Rules of Evidence defines relevant evidence as being any which has the
7 "tendency to make the existence of any fact that is of consequence to the determination of the
8 action more probable or less probable than it would be without the evidence." Fed. R. Evid. 401.
9 "Evidence which is not relevant is not admissible." Fed. R. Evid. 402. Even if the evidence is
10 relevant to some aspects of the case, the Court has discretion to exclude evidence that may
11 confuse the issues or waste the Court's time. *See* Fed. R. Evid. 403.

12 Any evidence or argument regarding HRE Products is irrelevant and should be excluded.
13 Plaintiffs agreed not to pursue any claims related to their HRE Products in this lawsuit. *See* D.I.
14 325 (6/11/09 Order). Because of this agreement, Plaintiffs cannot recover any damages related to
15 Defendants' alleged support and alleged proposals to support HRE Products. Given that the
16 parties agreed not to litigate any HRE Products claims in this case, the probability of any fact
17 related to those claims being true or untrue is irrelevant because it cannot bear on the final
18 disposition. The proposed testimony therefore fails the test of relevance and is inadmissible.
19 Furthermore, to the extent that the proposed testimony is in some way relevant to other aspects of
20 the case, the admission of this testimony is likely to confuse the issues and waste the Court's time.
21 The jury will already have to sort through an enormous amount of complex evidence in order to
22 render a verdict regarding the products that are at issue. Its task will be far more difficult and
23 time-consuming should it also have to consider evidence regarding issues unrelated to any of
24 Plaintiffs' claims. All testimony related to alleged service and proposed service of HRE Products
25 should be excluded.

26 **X. MOTION IN LIMINE NO. 10 TO PRECLUDE PLAINTIFFS FROM REFERRING**
27 **TO DEFENDANT TOMORROWNOW, INC. AS SAP/TN**

28 The Court should preclude Plaintiffs from referring to, or proffering evidence referring to,

1 TomorrowNow as “SAP TN,” alleging that TomorrowNow is called “SAP TN.”

2 **A. Material Facts**

3 1. From the beginning of discovery, Plaintiffs consistently used the made-up term
4 “SAP TN” in their discovery requests and filings to refer to Defendant TomorrowNow.

5 2. “SAP TN” is not TomorrowNow’s correct legal name, a name any TomorrowNow
6 or SAP employee or executive used to refer to TomorrowNow, or a name that was used as an
7 abbreviation for “TomorrowNow,” apart from Plaintiffs’ use in this case. TomorrowNow is a
8 corporation organized under the laws of the State of Texas and registered with the Texas
9 Secretary of State as “TomorrowNow, Incorporated.” *See* McDonell Decl. ¶ 23, Ex. U (Texas
10 Articles of Incorporation of a Business Corporation for TomorrowNow, Incorporated, filed in the
11 Office of the Secretary of State of Texas); *see also* D.I. 37 (Defs.’ Rule 7.1 Disclosure Statement)
12 (stating “TomorrowNow, Inc. is a privately held corporation organized under the laws of the state
13 of Texas and is a wholly owned subsidiary of SAP America, Inc.”).

14 3. This is a point which Plaintiffs clearly recognize as Plaintiffs’ five complaints
15 always named “TomorrowNow, Inc.” in the style of the case and not “SAP TN.” *See* D.I. 418
16 (Pls.’ Fourth Am. Compl.); D.I. 182 (Pls.’ Third Am. Compl.); D.I. 132 (Pls.’ Second Am.
17 Compl.); D.I. 31 (Pls.’ Am. Compl.); D.I. 1 (Pls.’ Compl.). Further, this is the name that was
18 confirmed to the Court and Plaintiffs as the correct name through Defendants’ Rule 7.1 disclosure
19 statement. *See* D.I. 37 (Defs.’ Rule 7.1 Disclosure Statement).

20 **B. Argument**

21 Rule 403 states that evidence, although relevant, “may be excluded if its probative value is
22 substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading
23 the jury, or by considerations of undue delay, waste of time, or needless presentation of
24 cumulative evidence.” Fed. R. Evid. 403. The use of “SAP TN” to refer to Defendant
25 TomorrowNow has no probative value and would be prejudicial, confusing and misleading to the
26 jury. *See, e.g., Rogers v. Raymark Indus., Inc.*, 922 F.2d 1426, 1430 (9th Cir. 1991).

27 Plaintiffs have the burden of proof to prove all of the elements of their claims in this
28 matter to the jury. The level of integration between Defendant SAP and its subsidiary,

1 TomorrowNow, is a fact issue for the jury. Referring to TomorrowNow as “SAP TN” unfairly,
2 artificially and misleadingly suggests a shared name between the two entities that
3 TomorrowNow’s actual, accurate name does not suggest. Further, referring to TomorrowNow by
4 an incorrect name is inherently confusing. Because there is no probative value in referring to
5 TomorrowNow by a made-up name, and the use of such a name is unfairly prejudicial,
6 misleading and confusing.

7 The Court should preclude all references or proffers of evidence referring to
8 TomorrowNow as “SAP TN.”

9 Dated: August 5, 2010

JONES DAY

11 By: /s/ Jason McDonell
12 Jason McDonell

13 Counsel for Defendants
14 SAP AG, SAP AMERICA, INC., and
15 TOMORROWNOW, INC.