

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

NETBULA, LLC,  
Plaintiff,  
v.  
BINDVIEW DEVELOPMENT  
CORPORATION, et al.  
Defendants.

No. C 06-0711 MJJ (WDB)

**ORDER FOLLOWING HEARING  
ON PLAINTIFF'S MOTION TO  
COMPEL AND DEFENDANTS'  
MOTION TO ENFORCE PRIOR  
COURT ORDER AND FOR  
SANCTIONS**

On May 2, 2007, the Court heard oral argument in connection with Plaintiff's Motion to Compel Initial Disclosures, Compliance with Document Requests, and Answers to Interrogatories, and Defendants' Motion to Enforce Prior Court Order and For Sanctions. Having considered the briefs and arguments of the parties, the Court ruled from the bench and Ordered as follows:

**I Plaintiff's Motion to Compel**

Plaintiff asked the Court to compel each of the Defendants to produce documents in response to eleven document requests, and to provide further responses to eleven interrogatories. Plaintiff also asked the Court to order Defendants to produce a privilege log for documents generated *after* suit was filed. In addition, Plaintiff moved the Court to fix certain terms on which the parties would produce documents, including cost, encryption method, and electronic format. Each issue is addressed in turn below.

1           **By no later than May 25, 2007, or a date thereafter as may be set by Judge**  
2 **Martin J. Jenkins**, Defendants must produce documents and answers to  
3 interrogatories as set forth in the following paragraphs. Defendants will not be  
4 permitted to use in motion practice or at trial any documents responsive to the  
5 following categories that are not timely produced.

6           A.     *Document Requests*

7           Document Requests Nos. 1 and 2 seek one installable copy of every one of  
8 BindView's software products, including an installable copy of every minor and major  
9 revision to BindView's software products. Plaintiff's Motion as to these requests is  
10 GRANTED in part. To the extent it can find them, BindView must produce one  
11 installable copy of each version of "Hackershield" or "bv-CIS" that was released to the  
12 public. BindView need not produce installable copies of any other software products.

13           Document Request No. 4 seeks a copy of every version of Netbula software that  
14 BindView has or ever had and the identity of every person who possesses or who ever  
15 possessed any version of the Netbula software. Plaintiff's Motion as to this request is  
16 GRANTED in part. If it has not already done so, BindView must produce the 1998  
17 version of the Netbula software that BindView inherited from Netect. The remainder  
18 of this request regarding the identity of certain persons is not an appropriate use of a  
19 document request and is thus DENIED.

20           Document Request No. 7 seeks all documents related to the acquisition of  
21 Netect by BindView. Plaintiff's Motion as to this request is GRANTED. Defendants  
22 must produce unprivileged documents responsive to this request.

23           Document Request No. 15 seeks "All documents in Symantec, BindView's or  
24 [Mr.] Pulaski's possession concerning BindView's SEC filings, including filings of  
25 draft versions. These include communications between Symantec and its legal  
26 advisors." Plaintiff's Motion as to this request is GRANTED in part. Defendants  
27 must produce unprivileged SEC filings and communications that refer to or imply  
28 some fact relevant to the Netbula software, the "bv-CIS" software, or the  
"Hackershield" software. Defendants' search for and production of responsive

1 documents must not be limited to those documents in which "Netbula" is explicitly  
2 named, but must include documents that in any way relate to the relevant software  
3 products.

4 Document Request No. 16 seeks documents related to BindView's allegedly  
5 limited authority to settle this dispute after signing the Symantec-BindView merger  
6 agreement. Plaintiff's Motion as to this request is GRANTED. Defendants must  
7 provide any unprivileged documents in their possession regarding any constraint put  
8 on Mr. Pulaski by Symantec regarding settlement of the dispute that is the subject of  
9 this litigation.

10 Document Request No. 18 seeks all documents about Symantec's past, present  
11 and planned use of public domain or open source software in its commercial software.  
12 This request is patently over-broad and seeks largely irrelevant documents. Plaintiff's  
13 Motion as to this request is GRANTED only to the extent that Defendants must  
14 produce the code for the free, drop-in software they used to replace Netbula's software  
15 in the latter part of 2005.

16 Document Request No. 19 seeks all documents related to the copyright  
17 registrations by Symantec, BindView or Netect on all relevant Defendants' software.  
18 This request also is patently over-broad. Plaintiff's Motion as to this request is  
19 GRANTED only to the extent that Defendants must produce any unprivileged  
20 documents that are related to copyright registrations that refer to Netbula or that  
21 indicate that any of the Defendants likely knew that the "bv-CIS" product contained  
22 material protected by Plaintiff's copyright.

23 Document Request No. 21 seeks the "RapidFire update database and other  
24 databases." Plaintiff's Motion as to this request is GRANTED in part. Defendants  
25 must produce the entire Rapidfire database.

26  
27 Document Request No. 24 seeks all documents related to the Hart-Scott-Rodino  
28 Act ("HSR") antitrust review of the Symantec-BindView merger. Plaintiff's Motion  
as to this request is GRANTED in part. Defendants already have produced the HSR

1 filing, including all attachments. In addition, Defendants must produce all  
2 unprivileged documents related to the acquisition by Symantec that refer to Netbula or  
3 Netbula's products. Defendants must also produce documents that shed light on the  
4 amount of revenue BindView received from marketing the "bv-CIS" product by itself  
5 or as part of packages or as an inducement to customers to buy other BindView  
6 products.

7 Document Request No. 26 seeks all documents related to Symantec's  
8 acquisition of BindView, including analysis of each of "All BindView Software" and  
9 its customer base. Plaintiff's Motion as to this request is DENIED. The documents  
10 Defendants have been ordered to produce in response to Document Request 24 are  
11 sufficient to provide Plaintiff with the information sought by this request.

12 B. *Responses to Interrogatories*

13 Netbula's Motion for further responses to its interrogatories to Symantec is  
14 DENIED.

15 Netbula's Motion for further responses to its interrogatories to Mr. Pulaski is  
16 DENIED.

17 Netbula's Motion for further responses to its interrogatories to BindView is  
18 GRANTED in part. Except as set forth below, BindView need not respond further to  
19 the interrogatories at issue in Netbula's Motion. BindView must make a good faith,  
20 reasonable effort to provide responses to the following:

21 (1) Defendants must identify every customer that purchased from BindView  
22 the allegedly infringing software or a license to use that software ;

23 (2) Defendants must identify customers who received the allegedly infringing  
24 product at no cost, either for purposes of evaluating the product, or for any other  
25  
26 reason, including as an inducement to consider buying or to buy any other BindView  
27 products

28 (3) BindView must disclose how much revenue it received from marketing or  
selling the infringing software by itself or as part of packages;

1 (4) For buyers of packages whom BindView did not charge for the inclusion  
2 in that package of the "bv-CIS" software product, BindView must disclose any  
3 communication to or with the buyer that might indicate that the inclusion of the "bv-  
4 CIS" software product in the package helped persuade the buyer to buy the package;

5 (5) BindView must disclose any price difference between otherwise similar  
6 packages of software that BindView sold with the "bv-CIS" software program and  
7 packages it sold without the "bv-CIS" software program; and

8 (6) BindView must disclose when and how each BindView employee who  
9 knew or had some reason to believe that the "bv-CIS" product might contain software  
10 that might infringe Netbula's rights first learned or came to suspect that circumstance.  
11 This universe of people includes (but is not limited to) former Netect employees who  
12 stayed on with BindView after the acquisition of Netect.

13 C. *Privilege Log and Terms for Production of Documents*

14 (1) Defendants need not produce a privilege log for any communications *after*  
15 January 29, 2006, when the case was filed;

16 (2) The parties must meet and make a good faith effort to agree on the most  
17 useful and efficient format in which to produce electronic documents;

18 (3) The parties must follow Mr. Wakefield's proposal for encrypting and  
19 protecting source code, unless Plaintiff can articulate a principled objection, and  
20 identify an efficient and effective alternative;

21 (4) The parties must work out an allocation of costs for reproducing and  
22 producing documents once the volume of documents at issue becomes more certain;

23 (5) When producing documents, Defendants must follow the procedure set  
24 forth in Rule 34(b)(i) of the Federal Rules of Civil Procedure.

25  
26 **II Defendants' Motion to Enforce Prior Court Order and For Sanctions**

27 Defendants brought this Motion to enforce the Court's Order of February 14,  
28 2007, which compelled Plaintiffs to produce a wide range of documents. In this

1 Motion, Defendants also ask the Court to sanction Plaintiff for failing to comply with  
2 this prior court Order.

3 Preliminarily, the Court notes that its prior Order was not crafted with as much  
4 specificity as it should have been and was not intended to have the reach and effect for  
5 which Defendants now argue. The Court had no intention of imposing through the  
6 prior order a duty on Plaintiff to produce much more information than the Federal  
7 Rules would otherwise contemplate.

8 The Court also made no finding that the way Plaintiff's former counsel had  
9 responded to discovery requests justified finding that Plaintiff had waived all potential  
10 objections to Defendants' discovery; nor will the Court find a waiver from current  
11 counsel's actions subsequent to the February 14, 2007, Order. A finding of waiver  
12 would be inappropriate for a host of policy reasons articulated on the record, as well  
13 as because Defendants have failed to make a clear showing that the shortfalls in  
14 Plaintiff's responses were sufficiently substantial and sufficiently unjustified, or that  
15 those shortfalls have caused Defendants to suffer real prejudice in their ability to  
16 defend against Plaintiff's claims.

17 With this said, **by no later than May 25, 2007, or a date thereafter as may be**  
18 **set by Judge Martin J. Jenkins**, Plaintiff must produce the documents set forth  
19 below in response to Defendants' Amended First Set of Requests for Production of  
20 Documents. Plaintiff will not be permitted to use in motion practice or at trial any  
21 documents responsive to the following categories that are not timely produced:

22 (1) Documents that disclose all sales between 1998 and 2005 (inclusive) of its  
23 allegedly infringed product — Power RPC;

24 (2) Documents that disclose all prices paid for every such sale;

25 (3) All licenses and license agreements from January 1, 1998 to the end of  
26 2005 — however formed, communicated, stored, captured or recorded — that cover

27 or include any iteration of the allegedly infringed software — Power RPC —

28 including all terms and conditions of such agreements. Plaintiff must also produce all

1 correspondence and other documents related to negotiating, consummating, adjusting  
2 or enforcing the terms of such license agreements.

3 (4) Electronically executable source code for, and installable copies of each  
4 iteration of, the allegedly infringed software that was offered for sale or license  
5 between January 1, 1998 and the end of 2005, including any product sold or licensed  
6 by Plaintiff during this period that included within it the allegedly infringed files;

7 (5) All documents related to Plaintiff's effort to acquire and its acquisition of  
8 copyright protection for the allegedly infringed product — Power RPC — including  
9 multiple applications for any software Plaintiff claims BindView's "bv-CIS" product  
10 infringes. Such documents must include the source code that Plaintiff submitted in  
11 connection with the application to register for the copyright protection on which  
12 Plaintiff bases the rights on which it sues Defendants in this action; and

13 (6) All unprivileged documents that are not available to the public in readily  
14 accessible records of judicial proceedings that relate to Plaintiff's efforts between 1994  
15 and 2005 to protect or enforce its rights in the allegedly infringed software — Power  
16 RPC — and that have probative utility for the nature of the license agreements, or to  
17 the copyrightability of Netbula products. Plaintiff need not produce any documents of  
18 this nature that are publicly accessible, but Plaintiff must identify in a signed writing  
19 to accompany its document production all judicial proceedings related in any way to  
20 the copyright infringement alleged in this case.

21 Finally, the Court DENIES Defendants' Motion for Sanctions on the merits and  
22 for failing to comply with Civil Local Rule 7-8.

23  
24 IT IS SO ORDERED.

25 Dated: May 7, 2007

26   
27 \_\_\_\_\_  
28 WAYNE D. BRAZIL  
United States Magistrate Judge