SCOTT P. COOPER (Cal. Bar No. 96905)
PROSKAUER ROSE LLP
2049 Century Park East, Suite 3200
Los Angeles, CA 90067
Telephone: (310) 557-2900
Facsimile: (310) 557-2193
Attorneys for the MGM, Fox, Universal, Viacom, Disney & NBC Plaintiffs

ROBERT M. SCHWARTZ (Cal. Bar No. 117166)
O'MELVENY & MYERS LLP
1999 Avenue of the Stars, Seventh Floor
Los Angeles, California 90067-6035
Telephone: (310) 553-6700
Facsimile: (310) 246-6779
Attorneys for the Time Warner Plaintiffs

ROBERT H. ROTSTEIN (Cal. Bar No. 72452)
McDERMOTT, WILL & EMERY
2049 Century Park East, 34th Floor
Los Angeles, CA 90067
Telephone: (310) 277-4110
Facsimile: (310) 277-4730
Attorneys for the Columbia Plaintiffs

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PARAMOUNT PICTURES CORPORATION *et al.*, Plaintiffs, v. REPLAYTV, INC. *et al.*, Defendants.	CASE NO. CV 01-9358 FMC (Ex) Hon. Florence-Marie Cooper DECLARATION OF SCOTT P. COOPER IN SUPPORT OF THE COPYRIGHT OWNER PLAINTIFFS' MOTION FOR PROTECTIVE ORDER
AND CONSOLIDATED ACTIONS.	

DECLARATION OF SCOTT P. COOPER

1. I am an attorney admitted to practice before this Court. I am one of the attorneys representing the MGM, Fox, Universal, Viacom, Disney and NBC Plaintiffs in the above-captioned consolidated action (the "Replay Action"). I submit this declaration in support of the Copyright Owner Plaintiffs' Motion for Protective Order restricting access by attorneys for the Electronic Frontier Foundation ("EFF") to certain categories of "highly restricted" documents. I know the following facts of my own personal knowledge and, if called upon to do so, could testify competently to them.

2. On August 15, 2002, this Court granted the Newmark Plaintiffs' motion to consolidate the action titled Newmark, et al. v. Turner Broadcasting Network, et al. (Case No CV 02-04445 FMC (Ex), with the Replay Action. Attached as Exhibit A is a true and correct copy of the order for consolidation. Following the order, the Newmark Plaintiffs, through their counsel Ira Rothken, requested that they be given access to all of the discovery produced in the Replay Action, subject to the terms of the Protective Order.

3. In response to Mr. Rothken's request, on August 28, 2002, I called Mr. Rothken to attempt to negotiate certain restrictions and limitations on discovery access, including an agreement that the Newmark Plaintiffs' counsel not be given access to the most sensitive proprietary information produced by these companies, and that they be treated as other *in-house* counsel under the Protective Order that governs confidentiality designations and restrictions in the Replay Action. In-house counsel are not allowed to review "restricted" or "highly restricted" information under that Protective Order. I also asked Mr. Rothken to agree that the Newmark Plaintiffs and their lawyers would not review the so-called "lobbying" and "DOJ" documents because, in addition to the sensitivity of these proprietary and confidential documents, we did not think they had any potential relevance to the Newmark Plaintiffs' case.

4. In our conversation, Mr. Rothken said that he would agree to our proposed conditions for granting access to the discovery, subject to an express provision in any stipulation or order that permitted the Newmark Plaintiffs to seek a ruling from the magistrate judge vacating the order (which, of course, could be opposed by the Copyright Owner Plaintiffs), if the Newmark Plaintiffs later decided to seek access to the DOJ and Lobbying documents, and/or if they decided that EFF should be allowed to be treated as outside counsel for all purposes in the case, including the review of "restricted" and "highly restricted" discovery. Attached as Exhibit B is a true and correct copy of a letter dated September 3, 2002, from Alan Rader of O'Melveny & Myers, counsel for the Time Warner plaintiffs in the Replay Action, to Mr. Rothken, transmitting the proposed stipulation and order consistent with my conversation with Mr. Rothken.

5. I am informed that, shortly after he reviewed Mr. Rader's September 3 letter and enclosure, and apparently after also reviewing it with the EFF lawyers, Mr. Rothken called Mr. Rader to advise him that EFF's attorneys would not agree to any restrictions limiting their access to documents or discovery, other than the ones that applied to all outside counsel under the Protective Order. I am informed that Mr. Rothken also changed his position about limiting the Newmark Plaintiffs' access to the DOJ and Lobbying documents. Further discussion failed to resolve the issue.

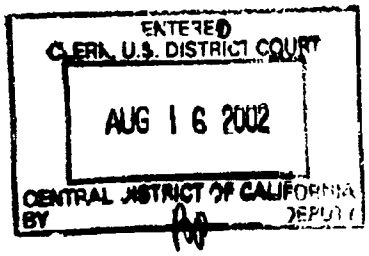
6. In connection with the scheduling of this Motion, the parties agreed to an interim stipulation and order that allows the Newmark Plaintiffs to gain access to those documents and discovery for which access is not disputed in this Motion. Attached as Exhibit C is a true and correct copy of that Stipulation and Order, which was signed by Judge Eick on September 19, 2002.

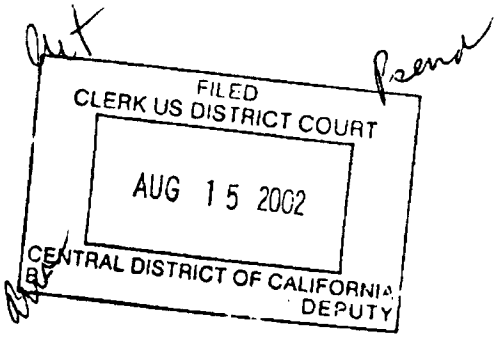
7. Attached as Exhibit D is a true and correct copy of the Court's "Order on Parties' Motion for Review of Magistrate Judge's Discovery Order of April 26, 2002," dated May 30, 2002.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 1st day of October, 2002, at Los Angeles, California.

SCOTT P. COOPER

EXHIBIT A





UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CRAIG NEWMARK, et al.,

Plaintiffs,

vs.

TURNER BROADCASTING NETWORK, et al.,

Defendants.

CV 02-04445 FMC (Ex)

ORDER DENYING MOTION TO DISMISS; ORDER DENYING MOTION TO STAY; ORDER GRANTING MOTION TO CONSOLIDATE

This matter is before the Court on Defendants' Motion to Dismiss or, Alternatively, to Stay Proceedings, and Plaintiffs' Motion to Consolidate. These matters were heard on August 12, 2002, at which time the parties were in receipt of the Court's tentative order. For the reasons set forth below, the Court **hereby denies** the Motion to Dismiss (docket #43-1), **hereby denies** the Motion to Stay (docket #43-2), and **hereby grants** the Motion to Consolidate (docket #45).

82

I. Background

The parties are well-acquainted with the nature of the present action and *Paramount Pictures Corporation v. RePlayTV, Inc.*, No. 02-04445 FMC (Ex) ("the *RePlayTV* action"), which are only briefly described below.

A. The *RePlayTV* Action

Plaintiffs in the *RePlayTV* action are a number of television and film companies in the entertainment industry.[1] Defendants in the *RePlayTV* action are SONICblue, Inc. ("SONICblue"), and its wholly owned subsidiary, RePlayTV, Inc ("RePlayTV").[2]

The factual allegations in the *RePlayTV* action center on the development and sale by RePlayTV of a digital video recorder: the RePlayTV 4000 series. The digital video recorder, or DVR, enables television viewers to make digital copies of copyrighted television programs. The DVRs are equipped with commercial-skipping features, and they may be used to send copies of televised programs (or "content") to other RePlayTV owners via high-speed internet connections.

---

[1] Specifically, the Plaintiffs in the *RePlayTV* action are Paramount Pictures Corp. ("Paramount"); Disney Enterprises, Inc. ("Disney"); National Broadcasting Company ("NBC"); NBC Studios, Inc. ("NBC Studios"); Showtime Networks, Inc. ("Showtime"); The United Paramount Network ("UPN"); ABC, Inc. ("ABC"); Viacom International, Inc. ("Viacom"); CBS Worldwide, Inc. ("CBS Worldwide"); CBS Broadcasting, Inc. ("CBS"); Time Warner Entertainment Company, L.P. ("TWE"); Home Box Office ("HBO"); Warner Brothers ("Warner Brothers"); Warner Brothers Television ("WBT"); Time Warner, Inc. ("TWI"); Turner Broadcasting System, Inc. ("Turner Broadcasting"); New Line Cinema Corp. ("New Line"); Castle Rock Entertainment ("Castle Rock"); The WB Television Network Partners, L.P ("WBT Network"); Metro-Goldwyn-Mayer Studios, Inc. ("MGM"); Orion Pictures Corp. ("Orion"); Twentieth Century Fox Film Corp. ("Fox"); Universal City Studios Productions, Inc. ("Universal"); Fox Broadcasting Co. ("FBC"); Columbia Pictures Industries, Inc. ("Columbia Industries"); Columbia Pictures Television ("Columbia Television"); Columbia Tristar Television ("CTTV"); and TriStar Television, Inc. ("TriStar Television").

[2] Throughout this Order, the Court will refer to SONICblue, Inc., and RePlayTV, Inc., collectively as "RePlayTV."

The Plaintiffs in the *RePlayTV* action have asserted claims against SONICblue and RePlayTV based on, *inter alia*, contributory and vicarious copyright infringement. These claims are based on the alleged direct copyright infringement committed by the owners of the RePlayTV DVRs. (*See, e.g.*, *Paramount Compl.*, No. 01-09358, ¶ 64 (regarding contributory infringement); ¶ 71 (regarding vicarious infringement)).

B. The *Newmark* Action

Five owners of RePlayTV DVRs have filed the present declaratory relief action in this Court.

All the twenty-eight plaintiffs in the *RePlayTV* action are defendants in the present action, which the Court refers to as the *Newmark* action. Throughout this Order, the Court refers to these defendants as "the Entertainment Defendants." SONICblue and RePlayTV are defendants in the present action as well.

The factual allegations in the Complaint reveal that the *Newmark* Plaintiffs use the units to record content for later viewing;[3] some of the Plaintiffs transfer content to laptop computers for viewing while traveling. Plaintiffs use the commercial-skipping features of the RePlayTV DVRs; at least one Plaintiff uses the commercial-skipping features to control the advertising to which his children are exposed.

The *Newmark* Plaintiffs seek a declaration as to whether their activities constitute copyright infringement.

---

[3] This use is referred to as "time-shifting."

II. Motion to Dismiss

The Entertainment Defendants move to dismiss the *Newmark* Plaintiffs' claims, arguing that the claims do not present an actual "case or controversy" as required by the Declaratory Judgment Act, 28 U.S.C. § 2201, and Article III of the United States Constitution. If the *Newmark* Plaintiffs' claims do not present an actual "case or controversy", the Court lacks subject matter jurisdiction over the matter, and the claims must be dismissed. *See Mason v. Genisco Technology Corp.*, 960 F.2d 849, 853 (9th Cir. 1991).

A motion to dismiss an action for lack of subject matter jurisdiction is properly brought under Fed. R. Civ. P. 12(b)(1). The objection presented by this motion is that the court has no authority to hear and decide the case. When considering a Rule 12(b)(1) motion challenging the substance of jurisdictional allegations, the Court is not restricted to the face of the pleadings, but may review any evidence, such as declarations and testimony, to resolve any factual disputes concerning the existence of jurisdiction. *See McCarthy v. United States*, 850 F.2d 558, 560 (9th Cir. 1988), *cert. denied*, 489 U.S. 1052, 109 S. Ct. 1312 (1989). The burden of proof on a Rule 12(b)(1) motion is on the party asserting jurisdiction. *See Sopcak v. Northern Mountain Helicopter Serv.*, 52 F.3d 817, 818 (9th Cir. 1995).

The present motion presents a novel issue: Does a plaintiff present an actual "case or controversy" under the Declaratory Judgment Act and Article III where the plaintiff's conduct is alleged, in a separate action against a third party for contributory and/or vicarious copyright infringement, to be direct copyright infringement? The parties have cited no authority that discusses the actual "case or controversy" requirement in the context of this unique factual scenario, and the Court, in its own research, has found none.

Nevertheless, both the Entertainment Defendants and the *Newmark* Plaintiffs cite a number of cases that are instructive on this issue, from which

the Court concludes that the *Newmark* Plaintiffs have presented an actual "case or controversy."

The Declaratory Judgment Act permits a federal court to "declare the rights and other legal relations" of parties to "a case of actual controversy." 28 U.S.C. § 2201. This "actual controversy" requirement is the same as the "case or controversy" requirement of Article III of the United States Constitution. *See Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 239-40, 57 S. Ct. 461, 463 (1937). Therefore, the question of justiciability, and therefore of subject matter jurisdiction, is the same under § 2201 as it is under Article III.

The United States Supreme Court has given guidance as to when "an abstract" question becomes a "controversy" under the Declaratory Judgment Act:

> The difference between an abstract question and a "controversy" contemplated by the Declaratory Judgment Act is necessarily one of degree, and it would be difficult, if it would be possible, to fashion a precise test for determining in every case whether there is such a controversy. Basically, the question in each case is whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.

Maryland Casualty Co. v. Pacific Coal & Oil Co., 312 U.S. 270, 273, 61 S. Ct. 510, 512 (1941).

Applying this standard, the Ninth Circuit has held that something less than an "actual threat" of litigation is required to meet the "case or controversy" requirement; instead, courts must focus on whether a declaratory plaintiff has a "reasonable apprehension" that he or she will be subjected to liability. *Societe de Conditionnement en Aluminum v. Hunter Engineering Co., Inc.*, 655 F.2d 938,

944 (9th Cir. 1981). In *Societe*, the court first noted that the parties' assumption that a declaratory plaintiff must be subject to an "actual threat" was incorrect:

> We infer from the arguments of the parties that they agree that an actual threat of litigation must be made by the [declaratory defendant] for a case or controversy to exist. We assume that the district court applied this standard in reaching its decision. We conclude that the Constitution has a much lower threshold than this standard would suggest.

Id. The Ninth Circuit then went on to hold that the determination of whether a case or controversy exists must focus on the reasonable apprehension of the declaratory plaintiff:

> A better way to conceptualize the case or controversy standard is to focus on the declaratory judgment plaintiff. An action for a declaratory judgment that a patent is invalid, or that the plaintiff is not infringing, is a case or controversy if the plaintiff has a real and reasonable apprehension that he will be subject to liability if he continues to manufacture his product.

Id.

Other cases make it clear that no explicit threat of litigation is required to meet the "case or controversy" requirement. *See also K-Lath v. Davis Wire Corp.*, 15 F. Supp. 2d 952 (C.D. Cal. 1998) (noting that a plaintiff seeking declaratory judgment must show "an explicit threat or ***other action***" that creates a reasonable apprehension that the plaintiff will face an infringement suit) (emphasis added); *Intellectual Property Development v. TCI Cablevision of California, Inc.*, 248 F.3d 1333, 1340 (Fed. Cir. 2001) ("other action" is sufficient), *cert. denied*, __ U.S. __, 122 S. Ct. 216 (2001); *Guthy-Renker Fitness v. Icon Health & Fitness, Inc.*, 179 F.R.D. 264 (C.D. Cal. 1998) (same).

The Entertainment Defendants argue that the *Newmark* Plaintiffs cannot

have a reasonable apprehension that they will face liability based on their use of their RePlayTV DVRs. The Entertainment Defendants contend that did not even know about the *Newmark* Plaintiffs until they filed this action, and that they did not name any individual Doe defendants in the *RePlayTV* action and point out that they make these allegations only because these allegations are necessary to state a claim against RePlayTV for contributory and vicarious copyright infringement.

However, the *Newmark* Plaintiffs argue persuasively that a victory by the Entertainment Defendants in the *RePlayTV* action will necessarily require a determination that the activities of the owners constitute direct copyright infringement, thereby instilling in them a reasonable apprehension that they will be subject to liability.

When viewed from the perspective of the *Newmark* Plaintiffs, the Entertainment Defendants' allegations in the *RePlayTV* action are sufficient to raise a reasonable apprehension that they will be subject to liability. The Complaints in the *RePlayTV* action allege that the actions of the *Newmark* Plaintiffs (and other RePlayTV DVR owners) constitute direct copyright infringement. Of course, the Entertainment Defendants must allege these facts to support their claims of contributory and vicarious copyright infringement against RePlayTV. But the fact remains that the Entertainment Defendants have, with a great deal of specificity, accused the *Newmark* Plaintiffs (and other RePlayTV DVR owners) of infringing the Entertainment Defendants' copyrights, and have demonstrated the will to protect copyrights through litigation. These facts raise a reasonable apprehension on the part of the *Newmark* Plaintiffs. This is especially so because that it appears from the Complaint in the *Newmark* action that the *Newmark* Plaintiffs are continuing to use their RePlayTV DVRs in a manner that the Entertainment Defendants allege constitutes infringing activity.

The Entertainment Defendants also argue that Plaintiffs cannot demonstrate any direct communication with defendants. However, it is clear in the Ninth Circuit that such direct communication is not necessarily required. *See Societe de Conditionnement en Aluminum*, 655 F.2d at 944-45. (finding that communication to third party could reasonably be viewed as a threat of litigation).

For these reasons, the Court holds that the claims of the *Newmark* Plaintiffs present an actual case or controversy, and that therefore this Court has subject matter jurisdiction over this action. Accordingly, the Court **hereby denies** Defendants' Motion to Dismiss.

III. Motion to Stay Action

In the alternative, the Entertainment Defendants move the Court to exercise its discretionary authority under the Declaratory Judgment Act to dismiss or stay this action.

The Court's exercise of jurisdiction under the Declaratory Judgment Act, 28 U.S.C. § 2201, is discretionary:

> In a case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, ***may*** declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.

Id. (emphasis added). The United States Supreme Court has interpreted this language as conferring the discretion, but not the obligation, to render declaratory judgments: "This is an enabling Act, which confers a discretion on the courts rather than an absolute right upon the litigant." *See Public Service Commission of Utah v. Wycoff Co.*, 344 U.S. 237, 241, 73 S. Ct. 236 (1952). "The Declaratory Judgment Act was an authorization, not a command. It gave the

federal courts competence to make a declaration of rights; it did not impose a duty to do so." *Public Affairs Associates, Inc. v. Rickover*, 369 U.S. 111, 112, 82 S. Ct. 580 (1962). "A declaratory judgment, like other forms of equitable relief, should be granted only as a matter of judicial discretion, exercised in the public interest." *Id.*

The Supreme Court not surprisingly has noted, however, that the refusal to exercise its discretion must be principled and reasonable, and should be articulated: "Of course a District Court cannot decline to entertain such an action as a matter of whim or personal disinclination." *Id.*

This Court considers a number of factors in determining whether a stay should be granted. The factors enunciated in *Brillhart v. Excess Insurance Company of America*, 316 U.S. 491, 62 S. Ct. 1173 (1942), are meaningful when the underlying action is a state action, rather than where, as here, the underlying action is proceeding in the same forum. *Brillhart* requires federal courts to 1) avoid needless determinations of state law issues, 2) discourage forum shopping, and 2) avoid duplicative litigation. These factors are not particularly helpful to the Court's analysis in this case. *Id.*

The Ninth Circuit has noted, however, that the *Brillhart* factors are not exhaustive. *See Government Employees Insurance Co. v. Dizol*, 133 F.3d 1220, 1225 n.5 (9th Cir. 1998). Other factors to be considered by the Court are 1) whether the declaratory action will settle all aspects of the controversy; 2) whether the declaratory action will serve a useful purpose in clarifying the legal relations at issue; 3) whether the declaratory action is being sought merely for the purposes of procedural fencing or to obtain a "res judicata" advantage; and 4) whether the use of a declaratory action will result in entanglements between the federal and state court systems. *Id.*

The fourth factor, like the *Brillhart* factors, is inapplicable here.

The first and second factor appear to the Court to be interrelated, and to

weigh in favor of denying a stay. The argument in favor of a stay is that all the issues presented in the *Newmark* action will necessarily be resolved by the *RePlayTV* action. However, the Court is persuaded that the *Newmark* Plaintiffs may be correct that the *RePlayTV* action will not necessarily resolve what specific uses, if any,[4] of the RePlayTV DVR constitute fair use.[5] Denying the stay furthers the purpose of the first and second factors — to resolve the uncertainties in the relations between the parties. The rationale behind these factors are better served by permitting the *RePlayTV* action and the *Newmark* action to proceed simultaneously.

Despite the Entertainment Defendants' argument, the Court is unconvinced that the *Newmark* action constitutes "procedural fencing." The Entertainment Defendants contend that the *Newmark* Plaintiffs' true intent is to circumvent the intervention requirements of Fed. R. Civ. P. 24 and to, in effect, intervene in the *RePlayTV* action. The Court is persuaded, however, that the *Newmark* Plaintiffs could well meet the intervention requirements of Fed. R. Civ. P. 24(a).[6] The *Newmark* Plaintiffs claim an interest in the transaction at issue, and are so situated that the resolution of the *RePlayTV* action may as

---

[4] The *RePlayTV* action is in its early stages. At this time, the Court expresses no opinion as to the merits of the claims advanced in the *RePlayTV* action.

[5] The Court recognizes that resolution of the *RePlayTV* action may significantly narrow the issues presented in the *Newmark* action.

[6] Rule 24(a) of the Federal Rules of Civil Procedure provides:

> Upon timely application anyone shall be permitted to intervene in an action: ... (2) when the applicant claims an interest relating to the property or transaction which is the subject of the action and the applicant is so situated that the disposition of the action may as a practical matter impair or impede the applicant's ability to protect that interest, unless the applicant's interest is adequately represented by existing parties.

Id.

a practical matter impair or impede their ability to protect that interest.[7] The Court is persuaded that although RePlayTV's interests and the interests of the *Newmark* Plaintiffs overlap significantly, those interests are not perfectly aligned. The *Newmark* Plaintiffs' interests are focused on whether specific uses constitute "fair use" under copyright law; RePlayTV's interests (and legal defenses) are likely to venture beyond the fair use doctrine. Therefore, the Court rejects the Entertainment Defendants' argument that the *Newmark* Plaintiffs' true intent is to circumvent the intervention requirements of Fed. R. Civ. P. 24, and that their actions constitute mere "procedural fencing".

The Court concludes that the factors set forth in *Dizol* favor a denial of a stay.

The Court has also considered whether a stay will serve the public interest. *See Rickover*, 369 U.S. at 112. The Court recognizes that any unnecessary delay in adjudicating the rights of the *Newmark* Plaintiffs may chill their use of their RePlayTV DVRs. Similarly, any unnecessary delay may also lead to increased liability for statutory damages under federal copyright law. *See* 17 U.S.C. § 504(c)(1) (authorizing statutory damages for each non-willful violation of no less than $750 and no more than $30,000). Additionally, the Court is persuaded that denying the stay may result in a more fully developed factual record regarding the consumers' uses of the RePlayTV DVR and, as a result, the Court may be better able to fashion an appropriate equitable relief. The Court agrees that the public interest would not be served by the granting of a stay.

Accordingly, the Court **hereby denies** the Motion to Stay.

---

[7] For instance, the *Newmark* Plaintiffs' ability to protect their interest in using their RePlayTV DVRs would be impaired if the Court were to order that RePlayTV disable the send-show and commercial skipping features of the DVRs.

IV. Motion to Consolidate

The Federal Rules of Civil Procedure authorize consolidation of cases in appropriate circumstances:

> When actions involving a common question of law or fact are pending before the court, it may order a joint hearing or trial of any or all the matters in issue in the actions; it may order all the actions consolidated; and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay.

Fed. R. Civ. P. 42(a).

Under this standard, it is clear to the Court that the *Newmark* action should be consolidated with the *RePlayTV* action. The actions involve common questions of law and fact. Both actions involve a determination of whether the use of certain features of the RePlayTV DVR constitutes copyright infringement. Both cases are at the early stage of litigation, which facilitates consolidation, at least for discovery and pretrial purposes.[8]

The Entertainment Defendants argue that the actions should not be consolidated. They correctly contend that the issues presented in the *Newmark* action — whether the specific uses of the *Newmark* Plaintiffs constitute fair use — is narrower than the issues presented in the *RePlayTV* action. From this fact, the Entertainment Defendants conclude that the *Newmark* action will be more quickly and efficiently resolved if it is not consolidated with the *RePlayTV* action. Nevertheless, there is no question that the issue of whether the *Newmark* Plaintiffs' use of the RePlayTV DVRs' send-show and commercial-skipping features constitutes fair use will most likely figure prominently in both the *RePlayTV* action and the *Newmark* action. The Court

---

[8] The Court reserves for another day the issue of whether these actions should be consolidated for trial.

is unconvinced that the Entertainment Defendants' are correct in characterizing the *Newmark* action as a case that will require little discovery and that will be resolved quickly if not consolidated. The issue of fair use has yielded a great deal of discovery in the *RePlayTV* action, and promises to do the same in this action.[9]

The Entertainment Defendants also claim that the *Newmark* Plaintiffs, in seeking consolidation, are merely attempting to gain unfettered access to discovery documents, and to widen the scope of discovery in *RePlayTV* action. That a party may seek discovery of irrelevant documents is a danger in any litigation; this concern is not unique to consolidated cases. There are procedural protections in place that assist parties in guarding against a party obtaining that irrelevant discovery. The Entertainment Defendants are well versed in seeking such protection. The Court does not at this time resolve issues regarding the scope of discovery; rather, the Court merely notes that the Entertainment Defendants' concerns regarding access to discovery do not persuade the Court that consolidation is inappropriate.

In reaching this conclusion, the Court is guided by the agreement of the *Newmark* Plaintiffs' counsel to abide by the terms of the multi-tiered protective order to which the parties stipulated in the *RePlayTV* action.

---

[9] Part of the Entertainment Defendants' Opposition to the Motion for Consolidation addresses the scope of discovery to which the *Newmark* Plaintiffs would be entitled. They contend that consolidation will unnecessarily complicate the *RePlayTV* action because the *Newmark* Plaintiffs will not be entitled to as broad a range of discovery as RePlayTV was found to be entitled to. The Entertainment Defendants similarly argue that the depositions of the Entertainment Defendant representatives would be unnecessarily complicated as RePlayTV would attempt to question these representatives using documents obtained in discovery in the *RePlayTV* action. This would cause the Entertainment Defendants to halt the depositions every few moments to discuss whether the *Newmark* Plaintiffs should be entitled to access to discovery provided in the *RePlayTV* action.

The Court leaves the determination of the precise scope of discovery to the Magistrate Judge. At this stage of the proceeding, the Court is satisfied that the issue of fair use is present in both actions, and therefore finds the Entertainment Defendant's arguments unpersuasive.

V. Conclusion

For the reasons set forth above, the Court **hereby denies** the Motion to Dismiss (docket #43-1), **hereby denies** the Motion to Stay (docket #43-2), and **hereby grants** the Motion to Consolidate (docket #45). For ease of recordkeeping, the Court **orders** that all further documents be filed under Case No. CV 01-09358, and that Case No. CV 02-04445 be closed.

Dated: August 15, 2002

FLORENCE-MARIE COOPER, JUDGE
UNITED STATES DISTRICT COURT

EXHIBIT B

O'MELVENY & MYERS LLP

LOS ANGELES
IRVINE
MENLO PARK
NEWPORT BEACH
NEW YORK
SAN FRANCISCO

1999 Avenue of the Stars
Los Angeles, California 90067-6035
TELEPHONE (310) 553-6700
FACSIMILE (310) 246-6779
INTERNET: www.omm.com

TYSONS CORNER
WASHINGTON, D.C.
HONG KONG
LONDON
SHANGHAI
TOKYO

September 3, 2002

OUR FILE NUMBER
019,019-20

VIA FACSIMILE (415) 924-2905

WRITER'S DIRECT DIAL
310-246-6747

WRITER'S E-MAIL ADDRESS
arader@omm.com

Ira P. Rothken, Esq.
ROTHKEN LAW FIRM
1050 Northgate Drive, Suite 520
San Rafael, California 94903

Re: ***Paramount Pictures Corp., et al. v. ReplayTV, Inc., et al.***

Dear Ira:

As we discussed a few minutes ago, here is a draft stipulation to effectuate the arrangements we have discussed. As I told you when we spoke, all of the plaintiffs have not yet signed off.

Sincerely,

Alan Rader
of O'MELVENY & MYERS LLP

AR:bss
cc: Plaintiffs' Counsel
Emmett Stanton, Esq.

Enclosure

SCOTT P. COOPER (Cal. Bar No. 96905)
PROSKAUER ROSE LLP
2049 Century Park East, 32nd Floor
Los Angeles, California 90067
Telephone: (310) 557-2900 / Facsimile: (310) 557-2193
Attorneys for the MGM, Fox, Universal, Disney, Viacom & NBC Plaintiffs

ROBERT M. SCHWARTZ (Cal. Bar No. 117166)
O'MELVENY & MYERS LLP
1999 Avenue of the Stars, Seventh Floor
Los Angeles, California 90067-6035
Telephone: (310) 553-6700 / Facsimile: (310) 246-6779
Attorneys for the Time Warner Plaintiffs

ROBERT H. ROTSTEIN (Cal. Bar No. 72452)
McDERMOTT, WILL & EMERY
2049 Century Park East, 34th Floor
Los Angeles, California 90067
Telephone: (310) 284-6101 / Facsimile: (310) 277-4730
Attorneys for the Columbia Plaintiffs

IRA P. ROTHKEN (Cal. Bar No. 160029)
ROTHKEN LAW FIRM
1050 Northgate Drive, Suite 520
San Rafael, California 94903
Telephone: (415) 924-4250 / Facsimile: (415) 924-2905
Attorneys for the Newmark Plaintiffs

LAURENCE F. PULGRAM (Cal. Bar No. 115163)
FENWICK & WEST LLP
275 Battery Street, Suite 1500
San Francisco, California 94111
Telephone: (415) 875-2300 / Facsimile: (415) 281-1417
Attorneys for Defendants ReplayTV, Inc. and SONICblue Incorporated

[Full counsel appearances on signature page]

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PARAMOUNT PICTURES CORPORATION, *et al.*, Plaintiffs, v. REPLAYTV, INC., *et al.*, Defendants. AND CONSOLIDATED ACTIONS.	Case No.: CV 01-09358 FMC (Ex) Hon. Florence-Marie Cooper STIPULATION AND [PROPOSED] ORDER REGARDING THE NEWMARK PLAINTIFFS' ACCESS TO CONFIDENTIAL INFORMATION

WHEREAS, on August 15, 2002, the Court granted the Newmark Plaintiffs' motion to consolidate the action entitled Newmark, et al. v. Turner Broadcasting System, Inc., et al. (former Case No CV 02-04445 FMC (Ex) (the "Newmark Action") with the above-captioned consolidated actions (the "Action"), the parties to the Action, through their respective counsel of record, HEREBY STIPULATE AND AGREE as follows:

1. The plaintiffs in the Newmark Action (the "Newmark Plaintiffs"), through their counsel of record, shall execute the Stipulation and Protective Order entered by this Court on May 29, 2002 (the "Protective Order");

2. Upon their execution of the Protective Order and subject to its terms, the Newmark Plaintiffs shall, to the same extent as all other parties in the Action, be allowed to obtain and to review all discovery in the Action to date, including but not limited to all documents, interrogatory responses and responses to requests for admissions produced or served in the Action, subject to the following limitations and restrictions:

(a) Neither the Newmark Plaintiffs nor their attorneys shall be given access to, or be allowed to obtain or review, documents or interrogatory responses that were produced or served by Plaintiffs in the Action in response to any of the following discovery requests: SONICblue Document Request Nos. 12, 14, 15, 16, and 17 (the "Movies.com/Movielink Discovery"); and ReplayTV Document Request No. 53 through 56, and ReplayTV Interrogatory Nos. 11(f) and 14 (the "Lobbying Discovery").[1] Plaintiffs in the Action shall promptly identify by Bates number all documents produced in response to the Movies.com/Movielink Discovery and the Lobbying Discovery.

(b) The Electronic Frontier Foundation, and its attorneys, employees and agents (including but not limited to Cindy A. Cohn, Esq., Fred von Lohmann, Esq., and Robin D. Gross, Esq.) (collectively, the "EFF") shall not be given access to, nor be allowed to obtain or review, any discovery produced by any of the parties in the Action designated as "Restricted" Information or "Highly Restricted" Information (as those terms are defined in the Protective Order).

3. Nothing in this Stipulation and Order shall prevent the Newmark Plaintiffs from applying to the Court for an order allowing (i) the Newmark Plaintiffs to obtain access to, or to obtain or review, the Movies.com/Movielink

[1] Defendants ReplayTV, Inc. and SONICblue Inc. used different numbering for the written discovery they served on the various groups of Plaintiffs in the Action. The ReplayTV Document Requests and Interrogatories referenced above refer to the requests and interrogatories identified in Magistrate Judge Eick's April 26, 2002 orders.

Discovery and/or the Lobbying Discovery and/or (ii) the EFF to obtain access to discovery produced by any of the parties in the Action designated as "Restricted" Information or "Highly Restricted" Information (as those terms are defined in the Protective Order); nor shall anything in this Stipulation and Order prevent any other party to this Action from opposing such an application. All such rights are expressly reserved.

DATED: September __, 2002

PROSKAUER ROSE LLP	O'MELVENY & MYERS LLP
By:_____ Scott P. Cooper	By:_____ Robert M. Schwartz
Attorneys for Plaintiffs Metro-Goldwyn-Mayer Studios Inc., Orion Pictures Corporation, Twentieth Century Fox Film Corporation, Universal City Studios Productions, Inc. (formerly, Universal City Studios Productions LLLP), Fox Broadcasting Company, Plaintiffs Paramount Pictures Corporation, Disney Enterprises, Inc., National Broadcasting Company, Inc., NBC Studios, Inc., Showtime Networks Inc., UPN (formerly, The United Paramount Network), ABC, Inc., Viacom International Inc., CBS Worldwide Inc., and CBS Broadcasting Inc.	Attorneys for Plaintiffs Time Warner Entertainment Company, L.P., Home Box Office, Warner Bros., Warner Bros. Television, Time Warner Inc., Turner Broadcasting System, Inc., New Line Cinema Corporation, Castle Rock Entertainment, and The WB Television Network Partners, L.P.

MCDERMOTT, WILL & EMERY

By:_____
Robert H. Rotstein

Attorneys for Plaintiffs Columbia Pictures Industries, Inc., Columbia Pictures Television, Inc., Columbia TriStar Television, Inc., and TriStar Television, Inc.

FENWICK & WEST LLP

By:_____
Laurence F. Pulgram

Attorneys for Defendants ReplayTV, Inc. and SONICblue Incorporated

ROTHKEN LAW FIRM

By:_____
Ira P. Rothken

Attorneys for Plaintiffs Craig Newmark, Shawn Hughes, Keith Ogden, Glenn Fleishman and Phil Wright

Good cause appearing therefore, the preceding stipulation of the parties in the above-captioned action, as evidenced by the signatures of counsel of record appearing above, is hereby ordered.

DATED: September __, 2002

_____
HONORABLE CHARLES F. EICK
United States Magistrate Judge

EXHIBIT C

SCOTT P. COOPER (Cal. Bar No. 96905)
PROSKAUER ROSE LLP
2049 Century Park East, Suite 3200
Los Angeles, CA 90067
Telephone: (310) 557-2900
Facsimile: (310) 557-2193
Attorneys for the MGM, Fox, Universal, Viacom, Disney & NBC Plaintiffs

ROBERT M. SCHWARTZ (Cal. Bar No. 117166)
O'MELVENY & MYERS LLP
1999 Avenue of the Stars, Seventh Floor
Los Angeles, California 90067-6035
Telephone: (310) 553-6700
Facsimile: (310) 246-6779
Attorneys for the Time Warner Plaintiffs

ROBERT H. ROTSTEIN (Cal. Bar No. 72452)
McDERMOTT, WILL & EMERY
2049 Century Park East, 34th Floor
Los Angeles, CA 90067
Telephone: (310) 277-4110
Facsimile: (310) 277-4730
Attorneys for the Columbia Plaintiffs

[Full counsel appearances on signature page]

Priority ___
Send ✓
Enter ___
Closed ___
JS-5/JS-6 ___
JS-2/JS-3 ___
Scan Only ___

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PARAMOUNT PICTURES CORPORATION *et al.*,

Plaintiffs,

v.

REPLAYTV, INC. *et al.*,

Defendants.

AND CONSOLIDATED ACTIONS.

CASE NO. CV 01-9358 FMC (Ex)

Hon. Florence-Marie Cooper

STIPULATION AND [~~PROPOSED~~] ORDER REGARDING THE NEWMARK PLAINTIFFS' ACCESS TO CONFIDENTIAL INFORMATION

On August 15, 2002, the Court granted a motion to consolidate the action entitled Newmark, et al. v. Turner Broadcasting System, Inc., et al. (former Case No. CV 02-04445 FMC (Ex)) with the previously pending Paramount Pictures Corporation, et al. v. ReplayTV, Inc., et al. action. The Plaintiffs in the Newmark action (the "Newmark Plaintiffs") and the Plaintiffs in the original action (the "Copyright Owner Plaintiffs") disagree concerning the extent to which the Electronic Frontier Foundation and its attorneys, employees and agents (including but not limited to Cindy A. Cohn, Esq., Fred von Lohmann, Esq., and Robin D. Gross, Esq.) (collectively, the "EFF") are entitled to access to information and documents already produced during discovery in this action. To obtain a judicial resolution of that disagreement while allowing this litigation to progress, the parties to this action, through their respective counsel of record, HEREBY STIPULATE AND AGREE as follows:

1. Pursuant to Local Rule 37-2, the Copyright Owner Plaintiffs will file a motion for protective order seeking certain restrictions on the types of discovery available to EFF. The Copyright Owner Plaintiffs shall provide the opening portion of the Joint Stipulation called for by Local Rule 37-2.1 to the Newmark Plaintiffs on September 23, 2002. The Newmark Plaintiffs shall provide their portion of the Joint Stipulation on September 30, 2002, and the motion shall be filed promptly thereafter. Supplemental Memoranda, pursuant to Local Rule 37-2.3, shall be filed on October 7, 2002. The motion shall be noticed for hearing on October 15, 2002.

2. The Newmark Plaintiffs, through their counsel of record, shall execute the Stipulation and Protective Order entered in this action by this Court on May 29, 2002 (the "Protective Order"). Upon their execution of the Protective Order, and subject to its terms and the terms of this Stipulation, counsel for the Newmark Plaintiffs, Ira Rothken and EFF, shall be allowed to obtain and to review all discovery in the action to date, including but not limited to all documents, deposition transcripts, interrogatory responses and responses to requests for admissions produced or served

in the action, ***except that*** -- unless and until altered or adjusted by the Court's ruling on the motion for protective order referred to above -- the following additional limitations and procedures shall apply:

(a) The EFF shall not have or be given access to, nor be allowed to obtain or review: (i) documents produced in this action that were originally produced or prepared by the Copyright Owner Plaintiffs in connection with the Department of Justice investigation regarding Movies.com and/or Movielink; and (ii) documents, interrogatory responses or responses to requests for admission that were produced or served by Copyright Owner Plaintiffs in response to any written discovery concerning lobbying activity by the Copyright Owner Plaintiffs. The Copyright Owner Plaintiffs shall promptly identify, by Bates number or otherwise, all such produced documents, interrogatory responses and responses to requests for admission, and the EFF will not be allowed to have, and will not accept, access to any such information.

(b) The EFF also shall not have or be given access to, nor be allowed to obtain or review, any other discovery produced by the Copyright Owner Plaintiffs designated as "Restricted" Information or "Highly Restricted" Information (as those terms are defined in the Protective Order) to the extent that that Information will be the subject of the Copyright Owner Plaintiffs' motion for protective order referred to above. The Copyright Owner Plaintiffs will, on a rolling basis, identify, by Bates number or otherwise, any discovery responses and produced documents designated under the Protective Order as "Restricted" or "Highly Restricted" Information that are not subject to their motion for protective order. Thereafter, the EFF may have immediate access to those materials that are not subject to such motion.

(c) The Copyright Owner Plaintiffs shall promptly identify, by Bates number or otherwise, the other discovery responses and produced documents that are

designated under the Protective Order as "Confidential" or "Highly Confidential" Information or were produced without any designation under the Protective Order and EFF shall be entitled to have access to such responses and documents, subject to the provisions of the Protective Order (as applicable).

DATED: September 17, 2002

PROSKAUER ROSE LLP

By: _____
Scott P. Cooper
Attorneys for Plaintiffs Metro-Goldwyn-Mayer Studios Inc., Orion Pictures Corporation, Twentieth Century Fox Film Corporation, Universal City Studios Productions LLLP (formerly, Universal City Studios Productions, Inc.), Fox Broadcasting Company, Plaintiffs Paramount Pictures Corporation, Disney Enterprises, Inc., National Broadcasting Company, Inc., NBC Studios, Inc., Showtime Networks Inc., UPN (formerly, The United Paramount Network), ABC, Inc., Viacom International Inc., CBS Worldwide Inc., and CBS Broadcasting Inc.

O'MELVENY & MYERS LLP

By: _____
Alan Rader
Attorneys for Plaintiffs Time Warner Entertainment Company, L.P., Home Box Office, Warner Bros., Warner Bros. Television, Time Warner Inc., Turner Broadcasting System, Inc., New Line Cinema Corporation, Castle Rock Entertainment, and The WB Television Network Partners L.P.

MCDERMOTT, WILL & EMERY

By: _____
Robert H. Rotstein

Attorneys for Plaintiffs Columbia Pictures Industries, Inc., Columbia Pictures Television, Inc., Columbia TriStar Television, Inc., and TriStar Television, Inc.

FENWICK & WEST LLP

By: _____
Laurence F. Pulgram

Attorneys for Defendants ReplayTV, Inc. and SONICblue Incorporated

designated under the Protective Order as "Confidential" or "Highly Confidential" Information or were produced without any designation under the Protective Order and EFF shall be entitled to have access to such responses and documents, subject to the provisions of the Protective Order (as applicable).

DATED: September 17th 2002

PROSKAUER ROSE LLP

By:_____
Scott P. Cooper
Attorneys for Plaintiffs Metro-Goldwyn-Mayer Studios Inc., Orion Pictures Corporation, Twentieth Century Fox Film Corporation, Universal City Studios Productions LLLP (formerly, Universal City Studios Productions, Inc.), Fox Broadcasting Company, Plaintiffs Paramount Pictures Corporation, Disney Enterprises, Inc., National Broadcasting Company, Inc., NBC Studios, Inc., Showtime Networks Inc., UPN (formerly, The United Paramount Network), ABC, Inc., Viacom International Inc., CBS Worldwide Inc., and CBS Broadcasting Inc.

O'MELVENY & MYERS LLP

By:_____
Alan Rader
Attorneys for Plaintiffs Time Warner Entertainment Company, L.P., Home Box Office, Warner Bros., Warner Bros. Television, Time Warner Inc., Turner Broadcasting System, Inc., New Line Cinema Corporation, Castle Rock Entertainment, and The WB Television Network Partners L.P.

MCDERMOTT, WILL & EMERY

By:_____
Robert H. Rotstein
Attorneys for Plaintiffs Columbia Pictures Industries, Inc., Columbia Pictures Television, Inc., Columbia TriStar Television, Inc., and TriStar Television, Inc.

FENWICK & WEST LLP

By:_____
Laurence F. Pulgram
Attorneys for Defendants ReplayTV, Inc. and SONICblue Incorporated

CC1:585468.1

designated under the Protective Order as "Confidential" or "Highly Confidential" Information or were produced without any designation under the Protective Order and EFF shall be entitled to have access to such responses and documents, subject to the provisions of the Protective Order (as applicable).

DATED: September __, 2002

PROSKAUER ROSE LLP

By:_____
Scott P. Cooper
Attorneys for Plaintiffs Metro-Goldwyn-Mayer Studios Inc., Orion Pictures Corporation, Twentieth Century Fox Film Corporation, Universal City Studios Productions LLLP (formerly, Universal City Studios Productions, Inc.), Fox Broadcasting Company, Plaintiffs Paramount Pictures Corporation, Disney Enterprises, Inc., National Broadcasting Company, Inc., NBC Studios, Inc., Showtime Networks Inc., UPN (formerly, The United Paramount Network), ABC, Inc., Viacom International Inc., CBS Worldwide Inc., and CBS Broadcasting Inc.

O'MELVENY & MYERS LLP

By:_____
Alan Rader
Attorneys for Plaintiffs Time Warner Entertainment Company, L.P., Home Box Office, Warner Bros., Warner Bros. Television, Time Warner Inc., Turner Broadcasting System, Inc., New Line Cinema Corporation, Castle Rock Entertainment, and The WB Television Network Partners L.P.

MCDERMOTT, WILL & EMERY

By:_____
Robert H. Rotstein
Attorneys for Plaintiffs Columbia Pictures Industries, Inc., Columbia Pictures Television, Inc., Columbia TriStar Television, Inc., and TriStar Television, Inc.

FENWICK & WEST LLP

By:_____
Laurence F. Pulgram
Attorneys for Defendants ReplayTV, Inc. and SONICblue Incorporated

CC1:585468.1

ROTHKEN LAW FIRM

By: _____
Ira P. Rothken
Attorneys for Plaintiffs Craig Newmark, Shawn Hughes, Keith Ogden, Glenn Fleishman and Phil Wright

ELECTRONIC FRONTIER FOUNDATION

By: _____
Cindy A. Cohn
Attorneys for Plaintiffs Craig Newmark, Shawn Hughes, Keith Ogden, Glenn Fleishman and Phil Wright

ORDER

Good cause appearing therefore, the preceding stipulation of the parties in the above-captioned action, as evidenced by the signatures of counsel of record appearin above, is hereby ordered.

DATED: September 19, 2002

_____
HONORABLE CHARLES F. EICK
United States Magistrate Judge

CC1:585468.1

PROOF OF SERVICE

I, Cora Moncrief, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is 1999 Avenue of the Stars, Seventh Floor, Los Angeles, CA 90067-6035. On September 18, 2002, I served the within document(s):

STIPULATION AND [PROPOSED] ORDER REGARDING THE NEWMARK PLAINTIFFS' ACCESS TO CONFIDENTIAL INFORMATION

☒ by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California addressed as set forth below. I am readily familiar with the firm's practice of collecting and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

Emmett C. Stanton, Esq.
Fenwick & West LLP
Two Palo Alto Square
Palo Alto, California 94306

Laurence F. Pulgram, Esq.
Fenwick & West LLP
275 Battery Street
San Francisco, CA 94111

Ira P. Rothken, Esq.
Rothken Law Firm
1050 Northgate Drive, Suite 520
San Rafael, CA 94903

Scott P. Cooper, Esq.
Proskauer Rose LLP
2049 Century Park East
Suite 3200
Los Angeles, California 90067

Robert H. Rotstein, Esq.
McDermott, Will & Emery
2049 Century Park East
34th Floor
Los Angeles, California 90067

Cindy Cohn, Esq.
Electronic Frontier Foundation
454 Shotwell Street
San Francisco, CA 94110

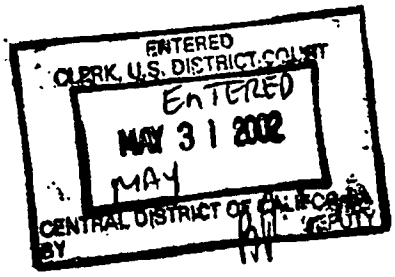
I declare under penalty of perjury under the laws of the United States that the above is true and correct.

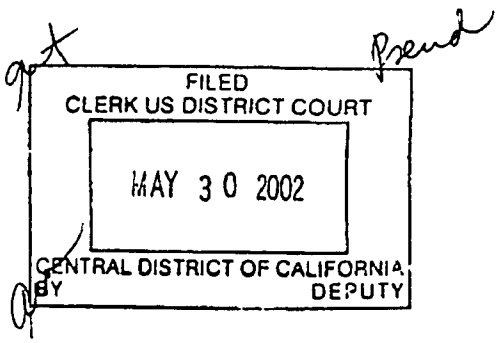
Executed on September 18, 2002, at Los Angeles, California.

Cora Moncrief

CCI 586115 1

EXHIBIT D



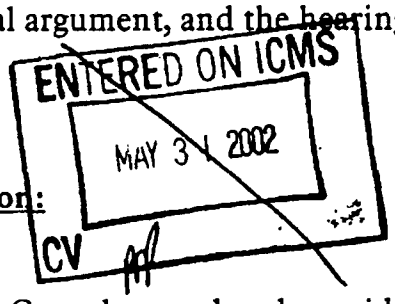


UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PARAMOUNT PICTURES CORPORATION, et al., Plaintiff, vs. REPLAY TV, et al., Defendants.	CV 01-9358 FMC (Ex) ORDER ON PARTIES' MOTIONS FOR REVIEW OF MAGISTRATE JUDGE'S DISCOVERY ORDER OF APRIL 26, 2002

This case is before the Court on the parties' requests for review of the Magistrate Judge's Discovery Order of April 26, 2002. The Court deems these matters suitable for resolution without oral argument, and the hearing set for June 3, 2002, is off calendar.



I. Order re Customer Use Data Collection:

A. Documents Considered:

In connection with this motion, the Court has read and considered the following documents:

*Defendants' memorandum in support of objections and motion for review
*Declaration of Laurence F. Pulgrum
*Defendants' objections to Declaration of Craig O. Thomas
*Plaintiffs' memorandum in opposition
*Declaration of Simon Block in opposition
*Defendants' reply memorandum
*Brief of Technology Industry, *Amici Curiae,* in support of defendant's motion

141

*Plaintiffs' response to the brief of Technology Industry
*Brief of Liberties and Consumer Groups, *Amici Curiae,* in support of defendants' motion.
*Transcript of oral argument conducted April 23, 2002.

B. Standard of Review:

The Court has not considered the declaration of Craig O. Thomas in opposition to defendants' motion, because that declaration was not considered by, nor even presented to, the Magistrate Judge. This Court's function, on a motion for review of a magistrate judge's discovery orders, is not to decide what decision this Court would have reached on its own, nor to determine what is the best possible result considering all available evidence. It is to decide whether the Magistrate Judge, based on the evidence and information before him, rendered a decision that was clearly erroneous or contrary to law. *Bhan v. Hospitals, Inc.*, (9th Cir. 1991) 929 F.2d. 1404, 1414; F.R.C.P. 72(a); 28 USC §636(b)(1)(A). Therefore, parties objecting to a magistrate judge's order may not present affidavits containing evidence not presented below. *Paddington Partners v. Bouchard,* (2nd Cir. 1994) 34 F.3d. 1132, 1137-8.

The Court sustains the defendants' objection to the Thomas declaration, because it was not part of the record before the Magistrate Judge. The Court has, for the same reason, not considered the Supplemental and Reply declarations of Philippe Pignon.

C. Order Reviewed:

The Magistrate Judge ordered defendants, within 60 days, to "do that which Plaintiffs sought to be ordered at page 43, line 7 through page 44, line 10 of the Joint Stipulation..." By the terms of that order, therefore, defendants are required to:

(1) take the steps necessary to use their broadband connections with ReplayTV 4000 customers to gather all available information about how users of the ReplayTV employ the devices, including all available

information about what works are copied, stored, viewed with commercials omitted, or distributed to third parties with the ReplayTV 4000, when each of those events took place, and the like;

(2) implement Defendants' offer to collect available data from a second source – the MyReplayTV.com web site – about how users of the RepayTV employ the devices, but for all time periods for which that data can be collected, rather than just for a short period;

(3) provide the foregoing data to Plaintiffs in a readily understandable electronic format and provide any technical assistance that may be necessary for Plaintiffs to review the data;

(4) provide Plaintiffs with all documents about Defendants' consideration of what data to gather or not to gather about their customers' uses of the ReplayTV 4000; and

(5) provide Plaintiffs with any other documents (such as emails or logs) reflecting what works have been copied with the ReplayTV 4000 and how those works have been stored, viewed, or distributed.

D. Discussion:

Defendants and *amici* raise numerous objections to this Order. Generally, they contend that the order requires not that they produce material in discovery but that they create new data; that the order is, therefore, not a discovery order but an impermissible mandatory injunction; that the burdens on defendants and their customers outweigh any benefit to the plaintiffs, and that the order constitutes a serious and unnecessary invasion of ReplayTV4000 users' privacy rights.

Although each of the issues raises serious questions, which have been very well briefed on all sides, the Court is persuaded to reverse the Magistrate Judge's Order on the grounds that it impermissibly requires defendants to create new data which does not now exist. A party cannot be compelled to

create, or cause to be created, new documents solely for their production. Federal Rule of Civil Procedure Rule 34 requires only that a party produce documents that are already in existence. *Alexander v. FBI* (D.D.C. 2000) 194 F.R.D. 305, 310.

The only evidence before the Magistrate Judge on this issue was the uncontroverted declaration of Philippe Pignon, Ph.D., Vice President of Engineering Operations at defendant SONICblue, Inc. According to that declaration, defendants were able to collect some customer-use data from earlier versions of the ReplayTV. In May 2001, following negative publicity about the data collection practices of defendants' competitor, TiVo, defendants stopped all customer data-collection, except for technical information such as error messages. Defendants have never collected customer data (other than limited technical information) from ReplayTV4000 customers. Further, when customer-use data was being gathered from ReplayTV customers, it did not include information concerning Send Show or Commercial Advance, which were not then in existence.[1]

In order to gather information from customers about "what works are copied, stored, viewed with commercials omitted, or distributed to third parties with the ReplayTV4000 [and] when each of those events took place," defendants would be required to undertake a major software development effort, incur substantial expense, and spend approximately four months doing so.

It is evident to the Court, based on Pignon's decla ration, that the information sought by plaintiffs is not now and never has been in existence. The Order requiring its production is, therefore, contrary to law. See *National Union Elect. Corp. v. Matsushita Elec. Indust. Co.*, 494 F.Supp. 1257, 1261 (E.D.

---

[1]These two features are the most significant and relevant in connection with the issues raised in this lawsuit.

Pa. 1980)[2]

The Court does not question the relevance of information concerning how customers of ReplayTV4000 use their units. However, this information can be obtained by plaintiffs by conducting surveys, a traditional method of gleaning customer data in copyright-infringement cases.

That portion of the Magistrate Judge's Discovery Order of April 26, found at page 3, paragraph 2, is hereby reversed.

II. Defendants' Motion for Review of Order re Responses to Document Requests No. 35 and 44:

A. Documents Reviewed:

In connection with this motion, the Court has read and considered the following documents:

*Defendants' Amended notice of motion for review of the order
*Defendant's points and authorities in support of the motion
*Corrected declaration of Emmett C. Stanton in support
*Plaintiff's opposition
*Defendant's Reply memorandum
*Declaration of Jennifer M. Lloyd in support of reply.
*Transcript of April 23, 2002, oral argument

B. Standard of Review:

A magistrate judge's nondispositive order may be set aside or modified by a district court only if it is found to be clearly erroneous or contrary to law. 28 USC §636(b)(a)(A); Federal Rules of Civil Procedure, Rule 72(a).

C. Order Reviewed:

The Magistrate Judge denied defendant's motion to compel the production of the following two items:

---

[2]This Order does not affect the defendants' obligation to provide to plaintiffs customer-use information presently being collected from the approximately 10% of customers who are subscribers to MyReplayTV.com.

B. Standard of Review:

A magistrate judge's nondispositive order may be set aside or modified by a district court only if it is found to be clearly erroneous or contrary to law. *Bhan v. Hospitals, Inc.* (9th Cir. 1991) 929 F.2d. 1404, 1414.

C. Order Reviewed:

Plaintiffs seek review of five categories of compelled discovery.[4] These are: (1) confidential financial documents; (2) confidential business plans; (3) documents relating to MovieFly/MovieLink and Movies.com; (4) documents and information in various categories concerning plaintiffs' businesses dating from 1984 to 1996; and (5) documents relating to lobbying.

D. Discussion:

The Court has carefully reviewed all of plaintiffs' objections and arguments concerning the Magistrate Judge's rulings in each of these categories. Although the arguments made concerning the breadth and scope of the orders are not unreasonable, and certainly different orders could have been issued, the unfailing conclusion reached by this Court with respect to each issue is that the Magistrate Judge's orders are not clearly wrong or contrary to law. No legal basis exists for this Court to reverse any of the discovery orders of which plaintiffs complain.

Dated this 30th day of May 2002.

Florence-Marie Cooper

FLORENCE-MARIE COOPER, Judge
United States District Judge

[4]In their Notice of Motion, plaintiffs set out three categories; however, in the body of their motion, they identify five categories of discovery as to which they seek review and reconsideration.