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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

HO KEUNG TSE,

Plaintiff,

v.

APPLE INC., et al.,

Defendants.

No. 06-06573 SBA (EDL)

**ORDER DENYING PLAINTIFF'S
MOTION FOR SANCTIONS AND FOR
LEAVE TO TAKE WRITTEN
DISCOVERY**

In this patent infringement case, Plaintiff alleges that Defendants infringed Plaintiff's patent number 6,665,797 entitled Protection of Software Against Unauthorized Use. Because the '797 patent is undergoing reexamination, this case has been stayed since October 4, 2007. In March 2008, Defendant Musicmatch, a wholly owned subsidiary of Yahoo! that provided music download services on the internet until the services were discontinued in September 2007, sought a protective order permitting it to decommission approximately 300 servers that had hosted the defunct music download services and were costly to maintain. On April 22, 2008, the Court held a hearing on Musicmatch's motion for protective order during which the Court granted the motion in part. Specifically, the Court ordered Musicmatch to permit an inspection of the servers, to preserve three servers, to make a backup copy of the software and data on the servers and to permit a half-day deposition of a Musicmatch employee. On April 24, 2008, as ordered by the Court, Musicmatch filed a proposed order on the motion that had been approved by Plaintiff's counsel. See Declaration of Douglas Lumish Ex. A, B. On April 25, 2008, Plaintiff filed a separate proposed order including several provisions not ordered by the Court. See id. Ex. C. On April 29, 2008, the Court entered

1 Musicmatch's order, which accurately stated the Court's ruling.

2 Meanwhile, on April 22, 2008, Musicmatch's counsel confirmed with Plaintiff's counsel
3 that the court-ordered inspection could take place on April 23, and that the court-ordered deposition
4 could take place on April 25, and that due to the shut down of the music download services,
5 Musicmatch could not demonstrate a client working with the services, but could provide screen
6 shots. See Lumish Decl. Ex. F, G. On April 22, 2008, Plaintiff's counsel declined to inspect the
7 servers, including through a remote login, on the proposed day or at any time in the future. See id.
8 Ex. F at 2. The deposition took place on April 25, 2008. See id. Ex. H. Musicmatch states that it is
9 in the process of creating a backup of the software and will maintain the three servers as ordered.
10 See Musicmatch's Opp'n at 4. Accordingly, Musicmatch has complied with the Court's April 29,
11 2008 Order, and Plaintiff has provided no evidence to the contrary.

12 Instead, Plaintiff now moves for sanctions against Musicmatch for violation of the Court's
13 April 29, 2008 Order. He cites no legal authority for his sanctions request. Because there is no
14 evidence that Musicmatch violated the Court's order, sanctions are not appropriate under Federal
15 Rule of Civil Procedure 37(b). The Court assumes that Plaintiff seeks sanctions pursuant to the
16 Court's inherent power, which requires a finding of bad faith. See Chambers v. Nasco, Inc., 501
17 U.S. 32, 44 (1991).

18 Plaintiff argues that sanctions are appropriate because Musicmatch improperly denied
19 Plaintiff's repeated requests to permit Plaintiff and his counsel to remotely access Musicmatch's
20 online music store functionality. See Lumish Decl. Ex. E, J, L. Specifically, Plaintiff would like
21 Musicmatch to arrange an internet inspection of the functionality of the 300 servers by providing an
22 internet link for downloading a Musicmatch Jukebox to be used in Windows XP and VISTA
23 environments and enabling the Jukebox to connect to Musicmatch servers and to access all of the
24 Musicmatch online store functionality, including, but not limited to signing up, signing in, signing
25 off, purchasing music files, subscribing to Musicmatch on demand, allowing music to be played and
26 performing credit card authorization. See Lumish Decl. Ex. J. This kind of inspection, however,
27 was not ordered by the Court, so Musicmatch has not violated any court order by not facilitating
28 Plaintiff's desired inspection. Furthermore, Plaintiff's counsel declined, on Plaintiff's behalf, to

1 conduct the inspection that was ordered. Plaintiff was represented by counsel during this time and
2 so is bound by his attorney's decisions made on Plaintiff's behalf. See, e.g., Link v. Wabash R. Co.,
3 370 U.S. 626, 633-34 (1962) ("Petitioner voluntarily chose this attorney as his representative in the
4 action, and he cannot now avoid the consequences of the acts or omissions of this freely selected
5 agent.").

6 Plaintiff appears to argue that the inspection is necessary so that an expert can examine the
7 system. However, Plaintiff has had numerous opportunities to inspect the system himself or to have
8 an expert do so. Specifically, Musicmatch points out that the internet inspection that Plaintiff
9 describes is the kind of inspection that Plaintiff should have conducted before filing this case
10 pursuant to Rule 11 of the Federal Rules of Civil Procedure. See View Eng'g, Inc. v. Robotic
11 Vision Sys., 208 F.3d 981, 986 (Fed. Cir. 2000) ("Before filing counterclaims of patent
12 infringement, Rule 11, we think, must be interpreted to require the law firm to, at a bare minimum,
13 apply the claims of each and every patent that is being brought into the lawsuit to an accused device
14 and conclude that there is a reasonable basis for a finding of infringement of at least one claim of
15 each patent so asserted."). In addition, Musicmatch also points out that Plaintiff should have
16 conducted an inspection before Plaintiff submitted the preliminary infringement contentions in
17 February 2007. See Lumish Decl. Ex. M. Plaintiff could have done this easily before September
18 2007 because the user software was publicly available on the internet before the services were
19 discontinued in September 2007. Moreover, Musicmatch states that it provided the software to
20 Plaintiff in April 2007. See Opp'n at n. 5.

21 Plaintiff has made no showing of bad faith by Musicmatch, let alone a showing that would
22 warrant sanctions pursuant to the Court's inherent power. Accordingly, Plaintiff's motion for
23 sanctions is denied. In addition, the Court notes that Plaintiff has included threats of police
24 intervention or imprisonment in communications with Musicmatch's counsel. See Lumish Decl. Ex.
25 K, L. Plaintiff is cautioned to refrain from such threats of criminal sanctions, which are
26 inappropriate in a civil action like this one.

27 In his motion for sanctions, Plaintiff also seeks leave to serve interrogatories and requests
28 for production of document. See Pl.'s Mot. at 10. Judge Armstrong, however, has stayed this

1 matter, which includes a stay on discovery. If Plaintiff wishes to propound discovery, he must seek
2 leave from Judge Armstrong to lift the stay. Accordingly, Plaintiff's request to serve written
3 discovery is denied.

4 **IT IS SO ORDERED.**

5 Dated: June 12, 2008

Elizabeth D. Laporte

ELIZABETH D. LAPORTE
United States Magistrate Judge

United States District Court
For the Northern District of California

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