

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

SKY TECHNOLOGIES LLC,	§	
	§	
<b>Plaintiff,</b>	§	
	§	
v.	§	CIVIL ACTION NO. 2:06-CV-440 (DF)
	§	
SAP AG, SAP AMERICA, INC. and	§	
ORACLE CORPORATION,	§	
	§	
<b>Defendants.</b>	§	

**ORDER**

Before the Court is Plaintiff Sky Technologies LLC’s (“Sky”) Motion to Compel. Dkt. No. 353. Also before the Court are Defendants SAP AG and SAP America, Inc.’s (collectively, “SAP’s”) Response, Sky’s Reply, and SAP’s Sur-Reply. Dkt. Nos. 360, 364, and 366. Having considered all the relevant papers and pleadings, the Court finds that Sky’s motion should be **GRANTED**.

**I. Background**

Discovery in the above-captioned case closed in March 2008, and trial was originally scheduled to take place in October 2008. SAP moved to stay the case in September 2008, pending its interlocutory appeal to the Federal Circuit regarding the issue of Sky’s ownership of the patent-in-suit. The Federal Circuit affirmed Sky’s ownership of the patent-in-suit, and the stay was lifted December 11, 2009. This Court entered an Agreed Scheduling Order on February 17, 2010, setting jury selection for October 5, 2010. On May 20, 2010, Sky moved to compel SAP to 1) search for and supplement its production and 2) produce information relating to seat licenses.

## II. Legal Principles

Fed. R. Civ. Pro. 26(e) provides, in part, that

A party who has made a disclosure under Rule 26(a) — or who has responded to an interrogatory, request for production, or request for admission — must supplement or correct its disclosure or response:

(A) in a timely manner if the party learns that in some material respect the disclosure or response is incomplete or incorrect, and if the additional or corrective information has not otherwise been made known to the other parties during the discovery process or in writing; or

(B) as ordered by the court.

Additionally, the Court entered a Discovery Order (Dkt. No. 22) in the above-captioned case on December 5, 2006. The Discover Order states:

**4. Duty to Supplement:** After disclosure is made pursuant to the Court's Docket Control Order, each party is under a duty to supplement or correct its disclosures immediately if the party obtains information on the basis of which it knows the information disclosed was either incomplete or incorrect when made, or is no longer complete or true. Dkt. No. 22 at 4.

## III. Discussion

Sky moves to compel SAP: 1) to supplement its production; 2) to produce documentation relating to SAP's seat license data; 3) to produce a witness for a half-day deposition to answer questions regarding SAP's seat license data; and 4) to produce complete seat license data for all of the accused products. Dkt. No. 353 at 1, 10-11.

**A. Supplementation of Document Production**

Sky states that it believes that SAP has not conducted a thorough search for documents responsive to Sky's document requests since 2007, in violation of its duty to supplement under Rule 26(e) and the Court's Discovery Order (Dkt. No. 22). Dkt. No. 353 at 1. According to the Agreed Scheduling Order (Dkt. No. 330), entered after the stay was lifted, Sky and SAP were to supplement all interrogatory responses and disclosures by March 15, 2010. Sky states that even though SAP had introduced a new product that uses the accused RFX technology in November 2009, SAP did not identify this new product in its supplemental interrogatory responses on March 15, 2010. *Id.* at 5. Sky states that SAP did not supplement their interrogatory responses to include this new product until after Sky had amended its infringement contentions to include the new product. Because of this behavior, Sky is concerned that there may be other SAP products that have the accused functionality or responsive information that SAP has not disclosed. *Id.* at 7.

SAP responds by pointing out that discovery closed on March 11, 2008, and Sky should not be allowed to reopen discovery two years after discovery closed. Dkt. No. 360 at 1. SAP's argument is that under FRCP 26(e), there is no obligation to provide information that was not yet in existence as of the date that the party initially answered the discovery request. SAP also points out that after the stay was lifted, SAP did supplement its production by producing revenue data up to the first quarter of 2010 and documents relating to the most recent versions of the accused products. *Id.* at 5-6.

Sky replies that SAP is the party who sought the two year stay of the case and should be required to supplement its document production and discovery responses. Dkt. No. 364 at 3.

Sky also points to SAP's refusal to identify any SAP products as having the RFX functionality unless "Sky has already 'provided limitation-by-limitation infringement contentions' for the product." *Id.* SAP responds by alleging that Sky is merely attempting to challenge SAP's entire production in an effort to reset the case. Dkt. No. 366 at 2. SAP maintains that "there is no legal or factual basis for completely reopening discovery." *Id.* at 4.

"[Parties] have a continuing duty to supplement their [discovery] responses to ensure that they are accurate and complete." *Arthur v. Atkinson Freight Lines Corp.*, 164 F.R.D. 19, 20 (S.D. N.Y. 1995). "A party has a duty to supplement discovery responses only if the additional information has not otherwise been made known to the other parties during the discovery process. There is nothing in the language or history of the controlling version of Rule 26(e) which militates in favor of a contrary conclusion." *Reed v. Iowa Marine and Repair Corp.*, 16 F.3d 82, 85 (5th Cir. 1994).

SAP argues that Rule 26(e) only requires SAP to "revise discovery responses that were incorrect or incomplete at the time they were made." Dkt. No. 360 at 6. However, this argument does not account for the Court's own Discovery Order which states that parties are under a duty to supplement or correct its disclosures immediately if the party becomes aware that the information disclosed "is no longer complete or true." Dkt. No. 22 at 4. SAP argues that it does not have a general duty to produce documents generated after serving its document request responses and after the close of fact discovery. Dkt. No. 360 at 8. However, the cases that SAP cites do not support this proposition and do not include a court order setting forth the parties' duty to supplement.

In *Dong Ah Tire & Rubber Co., Ltd. v. Glasforms, Inc.*, the court held that "[t]he duty to

supplement under Rule 26(e)(1) is directed to documents generated during the relevant time frame previously not produced but subsequently discovered. To say that the duty to supplement covers documents generated after that date would render meaningless any delineated time period for production.” 2008 WL 465217 at \*8 (N.D. Cal. Oct. 29, 2008). However, the *Dong Ah Tire* court also says that “a stronger showing of relevance would need to be shown to justify the burden and expense of production.” *Id.* Thus, the court’s ruling leaves open the possibility of supplementation upon a stronger showing of relevance and is not a bright line cutoff for document production. Furthermore, there is no indication that the court in *Dong Ah Tire* had ordered the parties to supplement its discovery if their responses became incomplete or incorrect, as has been ordered by this Court in this case.

In *In re High Fructose Corn Syrups Antitrust Litig.*, the parties had agreed to “limit the data cutoff date” for the document request to December 31, 1996. 2000 WL 33180835 at \*3 (C.D. Ill. Jul. 19, 2000). Because of the agreed upon date, the Multi-District Litigation (MDL) court found that there is no general obligation under Rule 26(e) “absent an order from the [c]ourt or upon discovering that a response to the July 15, 1997, discovery request was materially incomplete or incorrect, to provide information not yet in existence as of the date they answered the discovery request.” *Id.* This case, too, is distinguishable from the above-captioned case where the parties have not agreed to a data cutoff date. Furthermore, like the *Dong Ah Tire* case, it does not appear that the MDL court had ordered the parties to supplement its discovery responses when they become aware that their responses have become incorrect or incomplete.

The Court’s Discovery Order states that each party must “supplement or correct its disclosures immediately if the party obtains information on the basis of which it knows the

information disclosed was either incomplete or incorrect when made, or is no longer complete or true.” Dkt. No. 22 at 4. Thus, despite the fact that discovery had closed in March 2008, before this case was stayed, both Sky and SAP have the duty to supplement its discovery disclosures when it becomes aware that the information already disclosed is no long accurate or complete. Thus, both Sky and SAP are required to supplement its production and discovery responses with any new information that would cause its existing production or discovery responses to have become inaccurate or incomplete since the case was stayed in 2008. Accordingly, Sky’s Motion to Compel with regard to supplementation of SAP’s document production is hereby **GRANTED**.

The parties are hereby **ORDERED**:

- 1) By **5pm on Friday, August 13, 2010**, the parties shall confer to come up with an agreed list of search terms and custodians for SAP to search;
- 2) SAP shall supplement its document production, discovery responses and privilege log by **5pm on Friday, August 27, 2010**; and
- 3) Both Sky and SAP shall certify, by **5pm on Tuesday, August 31, 2010**, that their document production and discovery responses are accurate and complete.

To the extent that any dispute should arise between the parties regarding the scope of discovery as it pertains to unaccused products, the Court directs the parties to its order in *EpicRealm Licensing, LLC v. Autoflex Leasing, Inc.*, Civ. Act. No. 5:07-cv-125, Dkt. No. 385, 2007 WL 2580969 (E.D. Tex. Aug. 27, 2007) for guidance. In particular, the parties should look to the Court’s discussion regarding unaccused products and services that are “reasonably similar” to those accused in the infringement contentions.

## **B. Seat Licenses**

Sky states that SAP had refrained from producing seat license data when Sky requested the data back in 2007. Dkt. No. 353 at 7. Instead, SAP purportedly informed Sky that the information did not exist. *Id.* However, as Sky later found out, SAP did keep track of seat license data and had produced it in *Versata Software v. SAP*, Civ. Act. No. 2:07-cv-153. Dkt. No. 353 at 9. Recently, and in response to Sky's repeated requests for seat license data, SAP produced six Excel spreadsheets containing seat license data that Sky claims to be unintelligible. *Id.* at 10. Sky states that it has asked SAP's lawyers to answer some questions that would allow Sky to interpret the data, but SAP has not indicated that it is willing to do so. *Id.*

SAP argues in response that it was not trying to hide seat license information from Sky and points to their production of seat license information in *Versata* as an example. According to SAP, they told Sky that they could not run the specific seat license information query requested. However, Sky did not follow up with SAP for two years. Dkt. No. 360 at 11.

There is no dispute as to the existence of seat license data and SAP has not presented arguments on why Sky is not entitled to this information. Accordingly, Sky's Motion to Compel with regard to SAP's seat license information is hereby **GRANTED**. SAP is hereby **ORDERED**

- 1) to produce documentation relating to SAP's seat license data;
- 2) to produce a witness for a half-day telephonic deposition to answer questions regarding SAP's seat license data; and
- 3) to produce complete seat license data for all of the accused products within twenty-one (21) days of this order.

**CONCLUSION**

For the foregoing reasons, Sky's Motion to Compel (Dkt. No. 353) is hereby  
**GRANTED.**

**IT IS SO ORDERED.**

**SIGNED this 3rd day of August, 2010.**

A handwritten signature in black ink, appearing to read "David Folsom", written over a horizontal line.

DAVID FOLSOM  
UNITED STATES DISTRICT JUDGE