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AUTOALERT, INC.

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

AUTOALERT, INC.,
Plaintiff,
v.
DEALERSOCKET, INC.,
Defendant.
AND RELATED COUNTERCLAIMS

Case No. SACV 13-00657 SJO (JPRx)

**AUTOALERT, INC.'S FIRST
SUPPLEMENTAL RESPONSES
TO DEALERSOCKET, INC.'S
INTERROGATORY NOS. 7, 12,
AND 13**

1 Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure,
2 Plaintiff AutoAlert, Inc. hereby provides this first supplemental response to
3 Defendant DealerSocket, Inc.'s Interrogatory Nos. 7, 12 and 13.

4 **PRELIMINARY STATEMENT**

5 AutoAlert has responded to these interrogatories to the best of its ability
6 based on the information presently available to it. Discovery and fact
7 investigation are ongoing, and AutoAlert has not completed its own discovery or
8 trial preparation. AutoAlert reserves the right to amend and/or supplement its
9 responses to these interrogatories as may be necessary and appropriate. These
10 responses are made without prejudice to AutoAlert's right to present at trial or
11 any other proceeding additional evidence as may later be discovered and/or
12 evaluated.

13 **GENERAL OBJECTIONS**

14 The general objections below are incorporated by reference into each
15 response to each interrogatory. In addition to these general objections,
16 AutoAlert has also stated specific objections to interrogatories where
17 appropriate, including objections that are not generally applicable to all
18 requests. The stating of a specific objection or response shall not be construed
19 as a waiver of these general objections, and all responses should be understood
20 to be subject to these general objections.

21 1. AutoAlert objects to these interrogatories to the extent that they
22 seek the disclosure of information not relevant to a claim or defense of any party
23 in this action and not reasonably calculated to lead to the discovery of
24 admissible evidence. The provision of information in response to an
25 interrogatory shall not be deemed to constitute any agreement or concession that
26 the subject matter thereof is relevant to this action, and the provision of
27 information is made without waiving or intending to waive any objections as to
28 the relevance, privileged status, authenticity, materiality, or admissibility of any

1 information in any subsequent proceeding or at trial of this action on any
2 ground.

3 2. AutoAlert objects to these interrogatories to the extent that they
4 seek to compel production or disclosure of confidential and/or privileged
5 information under the attorney-client privilege, the commonality of interest
6 privilege or protection, or information that is not discoverable under the attorney
7 work product doctrine or other applicable privileges, laws, or doctrines that
8 prohibit or otherwise limit discovery.

9 3. AutoAlert objects to these interrogatories to the extent that they are
10 vague, ambiguous, overly broad, duplicative, and/or unduly burdensome.

11 4. AutoAlert objects to these interrogatories to the extent that they
12 seek to compel the disclosure of information not within AutoAlert's possession,
13 custody, or control.

14 5. AutoAlert objects to these interrogatories to the extent that the
15 interrogatories may reasonably be characterized as having multiple subparts. To
16 the extent that the interrogatories may be reasonably characterized as having
17 multiple subparts, each subpart shall be counted against DealerSocket's limit on
18 interrogatories.

19 6. AutoAlert objects to all interrogatories, definitions, and instructions
20 to the extent they would impose obligations beyond those required by the
21 Federal Rules of Civil Procedure, the Local Rules of this Court, or any other
22 applicable law, rule, or doctrine. AutoAlert further reserves the right to produce
23 business records in response to any interrogatory where appropriate pursuant to
24 Rule 33(d) of the Federal Rules of Civil Procedure.

25 Subject to and without waiving any of the foregoing, AutoAlert responds
26 to these interrogatories as set forth below.

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INTERROGATORY NO. 1:

For each claim of the Asserted Patents, separately describe the conception and reduction to practice (actual or constructive) of the invention(s) claimed therein. Such description should include: the exact date upon which it occurred; a description of all facts that support or corroborate such conception and reduction to practice; identification of all persons involved; identification of all documents referring or relating to such conception and reduction to practice, including all documents that refer or relate to any diligence on the part of the inventors in reducing the invention(s) to practice; and identification of the persons who are most knowledgeable of such conception, reduction to practice, and diligence.

RESPONSE TO INTERROGATORY NO. 1:

AutoAlert incorporates its Preliminary Statement and General Objections by reference as if fully stated herein. AutoAlert further objects to this interrogatory to the extent it calls for legal conclusions. AutoAlert further objects to this interrogatory as overly broad and unduly burdensome in seeking “all facts” and “identification of all documents.” AutoAlert further objects to this interrogatory as compound, including multiple discrete requests for information into a single interrogatory, such that the interrogatory should be counted as multiple interrogatories.

Subject to and without waiving the foregoing objections, AutoAlert responds as follows:

For each of the Asserted Claims, conception occurred in or around late 2001 or early 2002. The person most knowledgeable about the conception is Jeffrey Cotton.

For each of the Asserted Claims, the actual reduction to practice occurred on March 7, 2003. The persons most knowledgeable about the actual reduction

1 to practice and diligence include Boyd Warner, Jeffrey Cotton, Brad Codd, and
2 Keith Eckstein. AutoAlert produced documents relating to the actual reduction
3 to practice and diligence bearing the production numbers AA033423;
4 AA118784; AA119356; AA119595–AA119597; AA119599; AA119826–
5 AA119827; AA119831; AA119838–AA119839; AA119844; AA119845;
6 AA119848; AA119853–AA119858; AA119862–AA119878; and AA119882.

7 Discovery is ongoing, and AutoAlert reserves its right to amend and/or
8 supplement the response to this interrogatory as additional information becomes
9 available.

10 **FIRST SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 7:**

11 Subject to and without waiving the foregoing objections, AutoAlert
12 incorporates its Response to Interrogatory No. 7 (above) and supplements its
13 response to the interrogatory as follows:

14 AutoAlert incorporates by reference as if stated herein its Response to
15 Interrogatory No. 7.

16 In addition to the documents identified in AutoAlert's Response to
17 Interrogatory No. 7, AutoAlert produced documents relating to the actual
18 reduction to practice and diligence at AA168959–960.

19 **A. Facts Relating To Mr. Jeffrey Cotton**

20 **1. Background**

21 Mr. Cotton has over twenty-five years of automotive dealership industry
22 experience. For most of those years, he worked as a car salesperson in
23 dealerships in Southern California, doing sales, F&I, and sales management. He
24 specialized in selling Mercedes-Benz vehicles, including stints at the House of
25 Imports Mercedes-Benz dealership in Buena Park, California and the Fletcher
26 Jones Motor Cars dealership in Newport Beach, California.

27 Mr. Cotton has been recognized for his success as a car salesperson. In
28 2008, he was named the Maybach Salesman of the Year, meaning that he was the

1 top salesperson in the U.S. In 2000, after his first full year at Fletcher Jones
2 Motor Cars, he was named Salesperson Of The Year, awarded to the top
3 salesperson based on overall performance amongst the approximately 45
4 salespersons at Fletcher Jones Motor Cars. In 1991, he was invited by Mercedes-
5 Benz to travel to Germany to participate in a roundtable discussion of future
6 products. Mr. Cotton attended, along with approximately 7 of the other top
7 Mercedes-Benz salespersons in the U.S.

8 Throughout his career, Mr. Cotton has tried to use computers to improve
9 his job performance. In the 1990's he created a program using Lotus 123 that
10 allowed him to make calculations relating to car financing, which he used to assist
11 in selling cars. His program included a database with financial terms, such as
12 lease rates and residual values. His program could calculate the monthly payment
13 on a vehicle for both lease and loan financing options, taking into account the
14 price of the vehicle and the trade value of an existing vehicle, if any.

15 Mr. Cotton conceived of an approach that uses computer technology to
16 identify people, such as former customers of a dealer, who would be most likely
17 to trade in their current car for a new car if offered the opportunity. The approach
18 he conceived allows a dealer to identify prime candidates for acquiring a car even
19 though they are not in the market for a new car and are unaware that a sales
20 opportunity favorable to them exists.

21 Mr. Cotton conceived of multiple ways to make this prediction without
22 input from the candidate, as is discussed in detail in AutoAlert patents. One such
23 way compares the candidate's current monthly payment on their existing car to a
24 calculated new monthly payment he or she would have for a new car (such as a
25 newer model of their existing car), based on such factors as the purchase price of
26 the new car, the candidate's creditworthiness, and the estimated equity the
27 candidate has in the existing car. This approach uses the difference in monthly

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1 payments as a predictor of whether the candidate presents an attractive sales
2 opportunity for the dealer.

3 Mr. Cotton's computer-implemented approach can survey information on
4 tens of thousands of people (e.g., former customers) and identify from that large
5 group the top candidates on which a dealer should focus its sales efforts. His
6 approach also guides the dealer on the sales pitch to present to the candidate,
7 specifying the financing terms for the new vehicle, thus allowing a salesperson at
8 the dealer to call a candidate with the details of an attractive deal. As an example,
9 a dealer benefiting from Mr. Cotton's inventions acquires information that allows
10 the dealer to call up a former customer and state "I can get you into a 2013 model
11 of your current car for forty dollars less than your current monthly payment."

12 **2. Mr. Cotton's Background with Brad Codd**

13 Brad Codd met Mr. Cotton and his business partner, Boyd Warner, years
14 prior to 2001 through a common church affiliation. At times prior to 2001, Mr.
15 Cotton interacted socially with Mr. Codd on a weekly basis.

16 From their many social interactions, Mr. Cotton knew Mr. Codd was a
17 computer programmer. It was well known within their church community that
18 Mr. Cotton was a car salesperson at Fletcher Jones Motor Cars. Mr. Codd knew
19 that, as well, and from time to time Mr. Codd raised with Mr. Cotton the
20 possibility of buying a car at Fletcher Jones.

21 **3. The "Four Square" System**

22 The "Four Square" system is an approach used by car salespersons that
23 uses a sheet of paper—divided into four squares—to help negotiate a deal with a
24 customer visiting a dealership. One example of a "Four Square" sheet of paper
25 is shown below.

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YOUR NEIGHBORHOOD DEALERSHIP
123 Main Street

The car you want _____
Lot ID Number _____

Trade in	Price
Down Payment	Monthly Payment

A car salesperson using the “Four Square” system uses the sheet of paper to show a prospective buyer the trade value, purchase price, down payment, and monthly payment for a proposed deal. In normal use, the entries are handwritten by the salesperson into the four squares.

A car purchase typically requires a back-and-forth negotiation between the buyer and the dealership over the purchase terms. The salesperson reflects this on the paper by lining through an old number (price, down payment, etc.) and writing in a new number.

It makes no sense to a car salesperson to “computerize” the Four Square system. The “system” is not the piece of paper; it is the sequence of human interactions between the salesperson and the customer that is reflected on the paper.

1 There are numerical calculations that are done to support the Four Square
2 system, namely calculating out a monthly payment (square 4) based on a given
3 trade in (square 1), price (square 2), and down payment (square 3). Those are
4 straightforward calculations that dealerships make all the time, and they are not
5 specific to the Four Square system. Mr. Cotton never asked Mr. Codd to
6 “computerize” those simple calculations.

7 To a person experienced with dealerships, it makes no sense to memorialize
8 the negotiations leading up to a car purchase. Dealerships generally discard the
9 Four Square paper after closing a deal. What is important are the agreed upon
10 terms reflected in the final purchase contract signed by the customer and the
11 dealership. Mr. Cotton has never heard of a customer disputing the proposed
12 terms of a deal not yet agreed upon. Dealerships go to great lengths to
13 memorialize the agreed-upon terms of a purchase, generating a lengthy contract
14 for the customer to review and sign, as anyone who has purchased a car can attest.

15 **4. Mr. Cotton’s Sales Process At Fletcher Jones**

16 As a salesperson at Fletcher Jones, Mr. Cotton devoted time, on his own
17 initiative, to gather the information necessary to price a hypothetical deal for
18 existing customers who were nearing the end of their lease. He considered
19 customers who were approaching the end of their lease to be prime candidates
20 for a proactive sales call, because he knew that they were soon going to be
21 obligated to return the vehicle to the dealership.

22 Using the database of Fletcher Jones customers, Mr. Cotton would
23 identify one or two promising customers who were approaching the end of a
24 lease. He would then spend a couple of hours a day gathering the information he
25 needed, for the promising customers he had selected, to do the calculations to
26 price hypothetical deals for them to get out of their current lease and into a new
27 vehicle. His goal was to be proactive with these customers, to get them out of

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1 their existing vehicle and into a new vehicle some number of months before their
2 lease period ended.

3 A first challenge with Mr. Cotton's approach is that it required current
4 information needed to price a hypothetical deal, some of which was not normally
5 provided to salespersons at dealerships. Mr. Cotton had to research the sources
6 available to access the information that he needed, and he had to use the same
7 sources repeatedly to make sure he had up-to-date information.

8 A second challenge with Mr. Cotton's approach is that it took substantial
9 time to do. He usually had to spend about an hour to gather the information and
10 do the calculations needed to price a deal for a single customer.

11 A third challenge with Mr. Cotton's approach is that it had a low
12 probability of success. For the vast majority of the customers that he tried, he
13 arrived at hypothetical deal prices he knew were unlikely to result in a sale
14 (because, for example, the customer's new monthly payment was much higher
15 than the current monthly payment). It was the exception when his approach
16 found a customer with a hypothetical deal promising enough to justify a
17 proactive sales call.

18 A fourth challenge with Mr. Cotton's approach is that it was not
19 predictive. While he tried to identify "promising" customers to use the approach
20 on, his results revealed to him that he was not good at predicting which
21 customers approaching the end of their lease were actually good candidates for a
22 hypothetical deal.

23 Despite these challenges, Mr. Cotton was an ambitious salesperson, and
24 he continued to use his approach, hoping to find customers he could get into a
25 new vehicle. Mr. Cotton showed his approach to other salespersons at Fletcher
26 Jones. His experience was that most other salespersons had no interest
27 whatsoever in his approach. It was a labor intensive approach, with low odds of
28 success, and they probably saw it as a poor use of their time.

1 Sales managers at Fletcher-Jones were aware of Mr. Cotton's approach,
2 but they did not require other salespersons to use it. At most, sales managers
3 may have suggested that a salesperson try Mr. Cotton's approach. There was
4 nothing "routine" about Mr. Cotton's approach, and to his knowledge he was the
5 only salesperson at Fletcher Jones who used the approach with any regularity.

6 **5. Conception Of The Claimed Inventions**

7 Mr. Cotton originated the idea for the invention, including its reliance on
8 computers. One time, Mr. Cotton priced a hypothetical deal for a customer
9 nearing the end of a lease and he discovered that the customer was a great
10 candidate for a proactive sales call. In reviewing the numbers, it occurred to him
11 that he could have gotten the customer out of their current car and into a new
12 one at an attractive price much earlier in the lease period, perhaps even a year
13 earlier.

14 This experience changed Mr. Cotton's thinking about which customers to
15 consider for proactive selling. He realized that he should not limit himself to
16 customers nearing the end of their lease. He realized that attractive deals occurred
17 throughout the phases of a lease. That result was counter to the conventional
18 thinking of sales managers and salespersons in dealerships that he had been
19 hearing throughout his career.

20 Once Mr. Cotton realized that he could potentially target customers who
21 were not nearing the end of a lease, he realized that he could also target customers
22 who purchased a car with a loan, rather than a lease. Dealerships did not focus
23 the same proactive sales efforts at customers with loans as they did on customers
24 with leases. Mr. Cotton realized that he could target customers throughout
25 Fletcher Jones' database, and that the customer database as a whole—and the
26 customer databases at other car dealerships—was a goldmine of information that
27 could be searched for deals from customers at all stages of their leases and loans.

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1 Mr. Cotton envisioned a new approach to finding sales leads. Rather than
2 beginning by identifying a promising candidate nearing the end of a lease, he
3 would treat every customer in the database as a potentially promising candidate
4 for a new sale. He knew that this approach was revolutionary.

5 Mr. Cotton recognized that his new approach would require use of a
6 computer system, which could gather lots of information from a variety of sources
7 and perform a large number of calculations in a reasonable time. He knew that
8 the financing information for the existing vehicles of Fletcher Jones' customers
9 was stored electronically and was accessible by the dealership's computer. He
10 also knew that computers could be programmed to repeat the same process
11 regularly, such as running a program every night at a preset time, which would
12 allow his approach to alert Fletcher Jones (or any other dealership) to the
13 existence of attractive sales leads on a daily or weekly basis.

14 Mr. Cotton knew from his past experience that dealerships generally used a
15 computerized Dealer Management System that maintained the dealership's
16 customer database. He envisioned his processes being implemented in computer
17 code that he could use with virtually any dealership in the country that maintained
18 a Dealer Management System.

19 Mr. Cotton conceived of the computer-based process discussed above
20 before he ever spoke to Mr. Codd about his idea.

21 **6. Creating Computer Code To Implement Mr. Cotton's Idea**

22 At the time Mr. Cotton conceived of his idea, he had been proficient with
23 computers and had been using them for business purposes for many years. But he
24 was not a professional computer programmer and he knew he needed the help of
25 one.

26 Mr. Cotton knew that Mr. Codd was a computer programmer. Mr. Cotton
27 met with Mr. Codd and described what he needed. Mr. Codd told Mr. Cotton that
28 he could write the code to accomplish what Mr. Cotton was describing. But Mr.

1 Codd knew nothing about selling cars or the business operations of car
2 dealerships. Mr. Codd also knew nothing about how to price a deal for a
3 customer with an equity position in an existing vehicle. Mr. Cotton had to teach
4 him all of the steps of his idea so that Mr. Codd could create the process using
5 computer code. Mr. Cotton was working full time at Fletcher Jones at the time, so
6 his efforts with Mr. Codd were done on a part-time basis.

7 To teach Mr. Codd about how to price a hypothetical deal, Mr. Cotton sent
8 Mr. Codd samples for different scenarios. An email chain sent by Mr. Codd to
9 Mr. Cotton in March 2002 (produced at AA119869), shows communications
10 between Mr. Codd and Mr. Cotton that demonstrate Mr. Cotton's education of
11 Mr. Codd.

12 To help Mr. Codd, Mr. Cotton wrote a detailed description of the
13 functionality of the computer program that Mr. Codd was to write, which was
14 then being called "Balboa Software." On August 1, 2002, Mr. Cotton sent an
15 email to Mr. Codd attaching the detailed description. The email and attachments
16 are produced at AA119826 through AA119828.

17 **7. The Commercialization Of Mr. Cotton's Idea**

18 Mr. Cotton was confident that he had an idea that could form the basis for a
19 new business, but he had no experience starting a new business. Mr. Cotton
20 contacted an acquaintance that he had known for many years, Mr. Boyd Warner,
21 who Mr. Cotton understood had a background in business. Mr. Cotton explained
22 his idea to Mr. Warner, and Mr. Warner expressed interest in working with him.
23 Mr. Warner, Mr. Codd, and Mr. Cotton began meeting on a semi-regular basis,
24 and they agreed to pool their resources and form a new business.

25 By March 2003, the new business had successfully completed a
26 commercial version of the software that had been delivered to Fletcher Jones
27 Motor Cars and accepted as working. A copy of an Acceptance Agreement
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1 between Fletcher Jones and AutoAlert (then-called Codd, Cotton & Warner),
2 dated March 7, 2003, is produced at AA033423.

3 Mr. Cotton has always claimed that he is the inventor of AutoAlert's
4 technology.

5 **B. Facts Relating To Mr. Boyd Warner**

6 Mr. Warner met Mr. Cotton and Mr. Codd in the 1990's through a
7 common church affiliation. For several years, through their church affiliation,
8 Mr. Warner interacted with Mr. Cotton and Mr. Codd socially, typically every
9 week or so.

10 In the summer of 2002, Mr. Cotton told Mr. Warner that Mr. Cotton was
11 interested in forming a business around an idea he had for using computers to
12 facilitate auto sales. At that time, Mr. Warner knew that Mr. Cotton was a
13 successful salesperson at Fletcher Jones Motor Cars in Newport Beach, a large
14 Mercedes-Benz dealership.

15 Mr. Cotton asked Mr. Warner if he was interested in joining Mr. Cotton in
16 forming the business. Mr. Warner assumed that Mr. Cotton had presented him
17 with the opportunity because Mr. Cotton knew from their past conversations that
18 Mr. Warner's background was in banking and finance. Mr. Warner told Mr.
19 Cotton that he was interested in hearing more about the business opportunity Mr.
20 Cotton was considering.

21 Mr. Cotton explained to Mr. Warner that he was confident, from his many
22 years of experience as a car salesman, that an auto dealership would pay
23 significant money for a service that would provide the dealership with promising
24 sales leads. Mr. Cotton explained to Mr. Warner that the sales staff at auto
25 dealerships took a mostly reactionary approach to sales, relying heavily on
26 personal visits from potential customers in the market for a vehicle. Mr. Cotton
27 explained to Mr. Warner that auto dealerships would put some effort at proactive
28 attempts to generate business, usually through targeted phone calls or mailings

1 to customers approaching the end of a loan or lease. Mr. Cotton told Mr.
2 Warner that Mr. Cotton's idea was to use a different kind of proactive approach
3 that would use computers to find promising sales leads.

4 Mr. Cotton told Mr. Warner that he had discovered during his years
5 selling cars that sometimes, by chance, he would encounter a customer that he
6 could get out of the lease on their current vehicle and into a lease on a new
7 vehicle with little or no change in monthly payment. Mr. Cotton explained to
8 Mr. Warner that he knew how to do the calculations needed, for any given
9 customer of the dealership, to calculate a new monthly payment on a new
10 vehicle if, hypothetically, the customer were to trade in their existing vehicle.
11 The problem, Mr. Cotton said, was that it took a lot of time to gather the
12 information needed and to do the calculations for a single customer. Mr. Cotton
13 said that if he spent all day gathering information on customers and doing
14 calculations, most days the end result would be failing to find even a single
15 promising sales lead.

16 Mr. Cotton explained to Mr. Warner that his business idea was to use
17 computers to gather the information and do the calculations for all of the
18 thousands of customers in a dealership's database, finding the most promising
19 sales leads. Mr. Cotton told Mr. Warner that he had been working with Mr.
20 Codd, who was a computer programmer, and that Mr. Cotton had asked Mr.
21 Codd to write the computer code to gather the necessary information and make
22 the necessary calculations.

23 Mr. Warner was impressed by Mr. Cotton's idea, and Mr. Warner talked
24 with Mr. Codd to hear his perspective. Mr. Codd told Mr. Warner that he
25 believed that he would have no difficulties writing the computer code to
26 implement Mr. Cotton's idea. Mr. Codd told Mr. Warner that he estimated that
27 it would take him a matter of a few months to write the code.

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1 Mr. Warner agreed to join the business and began to make business
2 arrangements for a partnership consisting of Mr. Cotton, Mr. Codd, and Mr.
3 Warner. In September 2002, Mr. Warner had papers filed with the State of
4 Nevada to incorporate their new business, then named Codd, Cotton & Warner,
5 Inc.

6 In the first half of 2003, a working version of computer code
7 implementing Mr. Cotton's idea was completed. It provided sales leads to
8 Fletcher Jones Motor Cars, the new company's first customer. The company
9 called the commercial product, which generated "alerts" for the dealership to
10 inform them of promising sales leads, "AutoAlert."

11 During the summer of 2003, Mr. Warner assigned to Mr. Codd the task of
12 drafting a description of the operation of the AutoAlert system, with the goal of
13 having documents the could be provided to the company's patent attorneys to
14 assist with the preparation of a patent application.

15 Well into the autumn of 2003, Mr. Warner still had not received a draft
16 description of the operation of the AutoAlert system from Mr. Codd. Mr.
17 Warner reminded Mr. Codd several times of the need for the draft document,
18 with a greater sense of urgency as time went on. Over time, Mr. Warner began
19 to lose confidence that Mr. Codd would ever provide the document he was
20 tasked to draft. Eventually, in November 2003, Mr. Codd provided Mr. Warner
21 with a draft description of the operation of AutoAlert. (*See* document produced
22 at AA168947-955.) Mr. Warner reviewed the document with Mr. Cotton, and
23 the two of them decided that the document was both incomplete and inaccurate.
24 Mr. Cotton and Mr. Warner realized that it would not be helpful to provide Mr.
25 Codd's draft to the company's patent attorneys.

26 Mr. Cotton and Mr. Warner stayed up late into the evening on two
27 consecutive nights to create figures and draft language that described the
28 operation of the AutoAlert product. The figures and description were produced

1 at AA121418–469. That document was provided to the patent attorneys to assist
2 with the preparation of a provisional patent application.

3 Back in 2002 and 2003, Mr. Warner had never heard Mr. Codd claim that
4 he came up with the idea for the AutoAlert product. At that time, everyone
5 understood that Mr. Codd’s role was to write the computer code that would
6 implement Mr. Cotton’s idea.

7 Discovery is ongoing, and AutoAlert reserves its right to amend and/or
8 supplement the response to this interrogatory as additional information becomes
9 available.

10 **INTERROGATORY NO. 2:**

11 Identify each person that contributed to, or participated in, the conception,
12 reduction to practice, commercialization, or other development of the inventions
13 claimed in the Asserted Patents; and for every such person, state specifically
14 what each contribution or item of participation was.

15 **RESPONSE TO INTERROGATORY NO. 2:**

16 AutoAlert incorporates its Preliminary Statement and General Objections
17 by reference as if fully stated herein. AutoAlert further objects to this
18 interrogatory as compound , including multiple discrete requests for information
19 into a single interrogatory, such that the interrogatory should be counted as
20 multiple interrogatories. AutoAlert further objects to this interrogatory as
21 overly broad and unduly burdensome in seeking “each person that contributed
22 to, or participated in, the conception, reduction to practice, commercialization,
23 or other development of the inventions.” AutoAlert further objects to this
24 interrogatory to the extent it calls for legal conclusions. AutoAlert further
25 objects to this interrogatory as overly broad and unduly burdensome for failing
26 to be reasonably limited in time with respect to the “commercialization, or other
27 development of the inventions claimed in the Asserted Patents.” AutoAlert
28 further objects to this interrogatory to the extent that it seeks information

1 protected from disclosure by the attorney-client privilege, work product
2 doctrine, or other applicable privileges.

3 Subject to and without waiving the foregoing objections, AutoAlert
4 responds as follows:

5 Jeff Cotton, by himself, conceived the claimed inventions.

6 Jeffrey Cotton, Boyd Warner, Brad Codd, and Keith Eckstein participated
7 in actually reducing the claimed inventions to practice. Mr. Cotton provided
8 guidance regarding the composition of the claimed systems and methods. Mr.
9 Warner provided managerial oversight of the project, including the creation of
10 development milestones and the management of resources. Mr. Codd wrote
11 software to implement the claimed systems and methods identified by Mr.
12 Cotton. Mr. Eckstein assisted Mr. Codd with the writing of software.

13 Mr. Cotton, Mr. Warner, William Bunker, Esq., and Ryan Farr, Esq.
14 participated in the constructive reduction to practice of the claimed inventions.
15 Mr. Cotton and Mr. Warner provided written disclosures to their patent
16 attorneys, Mr. Bunker and Mr. Farr, for use in the preparation of a provisional
17 patent application. Mr. Bunker and Mr. Farr prepared and filed a provisional
18 patent application with the U.S. Patent Office that discloses the claimed
19 inventions.

20 Mr. Cotton, Mr. Warner, Mr. Codd, and Mr. Eckstein participated in
21 AutoAlert's initial commercialization of the claimed inventions. Mr. Cotton
22 and Mr. Warner interacted with Fletcher Jones Motor Cars for the purpose of
23 installing, testing, and refining a working system that practiced the claimed
24 inventions using Fletcher Jones' customer base. Mr. Codd and Mr. Eckstein
25 provided technical support for the installing, testing, and refining the system
26 until it worked for its intended purpose. Mr. Cotton provided quality control
27 management for the project.

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1 Discovery is ongoing, and AutoAlert reserves its right to amend and/or
2 supplement the response to this interrogatory as additional information becomes
3 available.

4 **FIRST SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 12:**

5 Subject to and without waiving the foregoing objections, AutoAlert
6 incorporates its Response to Interrogatory No. 12 and supplements its response
7 as follows:

8 AutoAlert incorporates by reference as if stated herein its Response and
9 Supplemental Response to Interrogatory No. 7.

10 Discovery is ongoing, and AutoAlert reserves its right to amend and/or
11 supplement the response to this interrogatory as additional information becomes
12 available.

13 **INTERROGATORY NO. 3:**

14 Identify any and all persons and entities deposed in the Codd Litigation.

15 **RESPONSE TO INTERROGATORY NO. 3:**

16 AutoAlert incorporates its Preliminary Statement and General Objections
17 by reference as if fully stated herein.

18 Subject to and without waiving the foregoing objections, AutoAlert
19 responds as follows:

20 Based upon a recent review of documents acquired from the Court
21 Reporter associated with the Codd Litigation, AutoAlert is aware that the
22 following individuals were deposed during the Codd Litigation:

23 Brad H. Codd;

24 Philip M. Grice; and

25 Barry S. Heller.

26 Upon information and belief, AutoAlert believes that Elisete Da Silva
27 (aka "Elizabeth Codd") was also deposed during the Codd Litigation.

28 Discovery is ongoing, and AutoAlert reserves its right to amend and/or

1 supplement the response to this interrogatory as additional information becomes
2 available.

3 **FIRST SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 13:**

4 Subject to and without waiving the foregoing objections, AutoAlert
5 incorporates its Response to Interrogatory No. 13 and supplements its response
6 as follows:

7 AutoAlert's personnel do not recall the persons and entities deposed
8 during the Codd Litigation, beyond a vague recollection that Brad Codd and his
9 wife were each deposed.

10 Discovery is ongoing, and AutoAlert reserves its right to amend and/or
11 supplement the response to this interrogatory as additional information becomes
12 available.

13
14 KNOBBE, MARTENS, OLSON & BEAR, LLP

15
16 Dated: May 1, 2014

By: /s/ Cheryl T. Burgess

17 Craig S. Summers
18 David G. Jankowski
19 Cheryl T. Burgess

20 Attorneys for Plaintiff,
21 AUTOALERT, INC.
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