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# Vol. IX, Tab 47 - Ex. 31 - Deposition of Richard Holden (Google Project Manager Director)

Richard Holden Google

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## Certified Copy

## IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA ALEXANDRIA DIVISION

ROSETTA STONE, LTD.

Plaintiff, ....

VS.

Case No. 1:09-cv-00736(GBL/TCB)

GOOGLE, INC.,

Defendant

## CONFIDENTIAL - ATTORNEYS' EYES ONLY

DEPOSITION OF

RICHARD T. HOLDEN

March 05, 2010 10:32 a.m.

Four Embarcadero Center, Suite 3800 San Francisco, California

Michelle L. Archuletta, CSR No. 11028



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- Q And, I'm sorry, when did you leave @Home?
- A I left @Home in February 2002. It was then called Excite@Home. We had acquired Excite.
- Q When you say you were a product manager there, what does that mean?

A I worked with engineers to build the features that our customers used, so these were broadband modem -- early stages of broadband services, so we were delivering e-mail services, Web browsers, at cetera, so we were creating the client software and the infrastructure that these customers used to get online through a broadband cable modem connection.

- Q You said during your time at @Home you went from being a product manager to a director of product management?
  - A Yes
  - Q And what was a director of product management?
- A The director of product management managed the product managers who worked with the engineers to build these products, so I had a team of product managers who reported to me.
- Q And after your time at @Home which became Excite@Home, what was your next position?
  - A I started at Google in 2002.



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	Q	And	how	did	it	come	to	pass	that	you	left
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Exci	teeH	ome a	and	went	to	Goog!	le?		1 0	4	

- A Well, Excite@Home went out of business. I was part of the shutdown crew, so I left when there were about 30 people left in the company.
  - Q And you sent out a resume and looked for a position?
  - A I made some phone calls, sent some e-mails.

    The person who hired me at @Home Network in 1996 was

    Jonathan Rosenberg and he had -- in February of 2002 had

    become the vice president of product management at
    Google, and that's how I ended up at Google.
- 13 Q You said you went to Google in 2002. What 14 month?
  - A I started there in June.
  - Q When you started at Google, what was your first position with the company?
  - A My first position was actually product marketing manager, so I was working on how we market our services rather than building our services initially.
  - Q And how long did you serve as a product marketing manager?
    - A Two months. ....
    - Q You didn't enjoy marketing?
  - A No, I was hired as a marketing person because



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our founders believe in having only product managers with computer science degrees, and I didn't have one.

Jonathan knew he wanted me to do product management, but I didn't have a computer science degree. Once I was there at Google, we made that switch a couple months later to product management.

- Q So in about August of 2002 is when you became a product manager?
- A Yes.
  - Q And what were your duties and responsibilities as a product manager at Google?
- A We had launched probably eight months earlier AdWords, our click -- cost-per-click ad program, and I was one of the first product managers working on that, so I was working with engineers again to define and build the features that advertisers used to set up and maintain ad campaigns on AdWords.
  - Q. And how long did you serve in this position of product manager from August '02 until what date?
  - A Well, I was a variety of levels of product manager over a few years. I became a director of product management in I think it was in January of 2005.
  - Q So is it correct that from August of 2002 through December of 2004 you were a product manager?
    - . A Yeah, we have different titles.



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Q Yes.

A In fact, I frankly can't remember if we had all those titles then, but we had levels within it, and we have senior product manager and group product manager.

I was various levels within product manager until the end of 2004 and then became a director in early 2005.

- Q . A director of what?
- A Of product management.
- .Q So from August 2002 through December 2004, you had various titles but effectively served as a product manager all throughout that time period?
  - A Correct.
- Q And were your duties and responsibilities essentially the same throughout that time period?

A No, they were growing. Initially I was what we would call an individual contributor. I was just working on features myself with engineers, and during that period of time there were product managers who were reporting to me who were working on features, so my responsibilities expanded during that period of time.

Q But throughout that time you continued to have responsibility for or work with Adwords?

A That was the product areas I was focused on. I became less connected day to day with building the features and more with managing people who were building



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the features, but yes, it was all related to Adwords.

- Q In January of 2005 when you assumed the position of director of product management, was that still with respect to the AdWords product?
  - A Yes.
- . Q: And are you still a director of product management?
  - ....A·· Yes.
- Q And you've held that position since January of 2005, that same position?
- · · · · · Yes.
- Q What are your duties and responsibilities as a director of product management?
- A I manage a team of product managers who work with the engineers to build features for our advertisers.
- Q And is that -- the product for which you're responsible, is it just AdWords or are there other products within your sphere of responsibility?
- A There is Adwords but there are many features and aspects of Adwords, and I manage a portion of Adwords. I have a colleague who manages another portion of Adwords, and I also manage product managers who work on Google Analytics.
  - Q What portion of Adwords are you responsible



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A I'm focused on the tools that -- primarily on the tools that advertisers use to set up and maintain an ad campaign on Google; so what we would typically call the front end, the Web site that an advertiser logs into to see their ad campaign, see their reports, set up their ad campaigns. In addition, I'm responsible for the AdWords API.

Q . What does API mean? .

A Application programming interface. It's the tool set or the language essentially that third parties use to use our infrastructure to build their own interfaces on top of our ad systems, and so I have product managers who work on that. I also have product managers who work on something called Adwords Editor, which is a downloadable piece of software, client software that customers can use to manage ad campaigns in Adwords as well. It's just a different interface for that, and then I have product managers that work on Google Analytics as well.

Q So in your sphere of responsibility you're responsible for products and product management. Do you have any responsibility vis-a-vis Google clients or advertisers?

A Well, ultimately my team is building products



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that advertisers use directly or agencies use on behalf of advertisers. I'm not selling to advertisers. We have a sales team that does that, but we are building tools that either the advertisers use, agencies use, or sometimes our internal salespeople are using these also on behalf of an advertiser.

Q. So, for example, a sales team might be dedicated to a client or particular client; whereas, am I correct in understanding, that a director of product management would not be dedicated to a specific client or group of clients but rather a product or group of products?

A Correct. I'm building products for advertisers to use worldwide.

Q Understood. You've mentioned AdWords. Can you give me a description of exactly what AdWords is?

A Sure. Adwords is a cost-per-click advertising program, meaning advertisers pay only when somebody clicks on their ad. Historically, online advertising has been cost-per-thousand impression or CPM, and advertisers would pay any time an ad was actually just shown on a Web site.

What we did is we, in 2001, we came out with a new ad model where you only paid when somebody clicked on the ad, but in addition we added a different factor



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Exhibit	4		**				*		

(Exhibit 4 marked)
THE WITNESS: Okay.

## BY MS. PARK:

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- · Q Do you recognize this document, Mr. Holden?
- A. I think I remember seeing this story when it was published.
  - Q Is this one of the documents that you reviewed to prepare for your deposition that refreshed your recollection?
  - A No, it was not.
  - Q Can you tell me what this document is?
- A It's a story from the Wall Street Journal from
  - Q I want to direct your attention to the second page of the document, ending in Bates No. 172.
  - A (Witness complies.)
  - Q And in particular the third paragraph -- third full paragraph on that page, the second sentence of that paragraph says, "Google's trademark policy strikes a proper balance between trademark owners' interests and consumer choice and has been validated by prior court decisions," end quote, "a Google spokeswoman says."

. Do you know who that Google spokeswoman was?



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gave consumers more options because more -- it was increasing the relevant ads that were shown to them, and at the same time it wasn't allowing advertisers who didn't own the trademark to use trademark text in the ad itself?

MS. PENNYPACKER: Vague.

THE WITNESS: I think that at the time it, looking at it from the users' view point, which we always talk about ads from, it ends up generating, I presume, additional ads that were relevant to consumers which is what our primary interest was at that time. I wasn't really thinking about the creatives as much as I was thinking about that we were generating more ads that are relevant to the consumer, and our vehicle for doing that was allowing those advertisers to use those terms, those trademarked terms as keywords or bid on those trademarked terms.

BY MS. PARK:

Q I understand that. And then this refers to a balance between the user -- the consumer's choice which you have described to me at length, and the trademark owners' interest, right, and I'm asking you what is the trademark owners' interest that's being balanced against that?

MS. PENNYPACKER: Misstates the document.



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not the trademark owner interest. My statement is about advertisers and users. And the trademark owners are one set of advertisers, but I am referring to advertisers in general here.

BY MS: PARK:

- Q I think we're talking about different statements.
  - A : I am sorry.

Q I'm talking about the statement in paragraph 3 made by the Google spokeswoman, who we agree is not you, but I asked you: Do you agree with her statement quoted here that Google's trademark policy strikes a proper balance between trademark owners' interest and consumer choice, and I thought you said yes, you did agree with that, although you did not make that statement.

Do you agree with it?

- A I apologize. I was reading my quotation in the next paragraph and blending the two.
- . . Q I understand.

A What I would say is that I think that that statement is correct about balancing user interest. I think it is also correct to the extent that we're talking about advertisers in general. I don't think she was talking about advertisers in general. I was, in my



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quotation, talking about advertisers in general, and that's where the delicate balance comes in, because there are many advertisers who have many different interests. I wasn't talking about one class of advertisers; I was talking about all advertisers.

Q I understand that, and I!m focused, though, on her statement, and my question is: Do you agree with her statement that Google's trademark policy strikes a proper balance between trademark owners' interest and consumer choice?

MS. PENNYPACKER: Asked and answered.

THE WITNESS: I think at the time when this policy was in place and at that time it struck a fair balance between consumer interest and a broad -- and advertiser interest in general. I think it was also striking a balance with trademark owners as well, but that's -- again, I guess I'm not really thinking about it in terms of trademark. I'm thinking about it in terms of advertiser interest as a whole.

BY MS. PARK:

O In the next paragraph where it says, "Google acknowledges that piggybacking occurs and says that when it gets complaints, it investigates the claims and tries to stop the practice."

Were you the source of that statement,



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- A I don't believe so.
- Q Do you know at the time of when this policy was in place what Google did to investigate the claims and tried to stop the practice?
- A It's consistent with what I was saying before where I have a general understanding of what our policy was. I don't know the actual procedures around it, but my understanding is that an advertiser could file a complaint with our policy team or our operations team. They would investigate the claim. If they found that the advertiser's claim was accurate and that people were doing things counter to what our policies were, they would then take action and pull down those ads.
- Q But you don't have any specific knowledge about that; that's someone else I would have to ask?
- A Yes, it's the operations and policy team. Not the product team.
- Q In the next sentence of this article there's a quote from you. Can you read that to me?
- A "We have a long-running policy where we don't allow advertisers to use trademarked terms in an ad text to avoid creating any user confusion."
- Q How did it come to be that you were quoted in this article?



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- A I assume that somebody from our PR team asked me to meet with this reporter.
  - Q. You're assuming that. Do you recall that?
- A I don't because I get asked by the PR team to meet with lots of different reporters. That's usually how it happens. I assume that was the case in this case as well.
- Q Did anyone from the PR team tell you why they chose you or asked you to give a statement?
- A Well, we have a number of people that speak on Adwords or advertising in general. At that time I was one of those people, and we have a lot of requests for interviews, so we have a number of people that talk about Adwords, so I was one of the people that's on their list of people to contact about stories for Adwords.
- Q Did you have any discussion about why you were chosen to provide a quote regarding trademark policy considering what your role is in the company?
- A I don't know why specifically I was chosen, other than I'm one of the directors who works on AdWords and speaks on AdWords issues often, so I might have just been -- happened to have been the person that was available that day. I really don't know why.
  - Q Did you have any discussion or communication



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with anyone about why you were the person chosen to make this statement?

- Not that I -- no, I don't believe so.
- Q But as a director certainly you felt that you were, I quess -- strike that.

Do you know what the basis of your statement

- A The basis of the statement? Q Yeah.

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A. No. Opinion, probably. I don't know quite honestly.

Q You say, "We don't allow advertisers to use trademarked terms in ad text to avoid creating user confusion."

Why did you say "to avoid creating user confusion"? Why did you say that was the reason for your long-running policy?

A I don't know why at the time, but I probably -probably, in my opinion, I thought that it was a well-crafted policy because it increased user choice and user information, and at the same time I probably felt like it was fair to the trademark owner because we weren't -- we weren't -- we weren't confusing ultimately probably the end user as to who was the presenter of: this ad or what product was being sold by not having in



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- Q Did you make any other public statements about Google's trademark policy ever?
  - A I may have. Not that I recall.
- Q. Did anyone ever tell you that this statement what you re quoted as giving was inaccurate?

A No, no one -- not that I recall anyone made any comment on this story.

MS. PARK: Okay. I'm finished with this document. So if you'd like to take a break now, we can do so.

MS. PENNYPACKER: Okay. .

(Eurich recess from 1:33 p.m. to 2:23 p.m.)

BY MS. PARKE

Q So before we broke for lunch we were talking about an Exhibit No. 4, and looking back over the question and answer I think something might have been amiss, either in the repetition or in the transcription, so I wonder if I could have the court reporter read back the question that I asked and your response thereto. Go ahead:

{Record read as follows:
"Question: You say, 'We don't allow
advertisers to use trademarked terms in
ad text to avoid creating user



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Rosetta Stone Ltd. v. Google Inc. No. 1:09-cv-00736 (GBL/TCB).

# ERRATA FOR RICHARD T. HOLDEN'S DEPOSITION TRANSCRIPT (March 5, 2010)

Page	Line(s)	From	To	Reason
17	24	where you only paid when somebody clicked	where the advertiser pays only when somebody clicks	Transcription error
19	1-3	the words that they entered is a keyword, and an advertiser has been bidding on those keywords	the words they entered are a keyword, and an advertiser may be bidding on those keywords	Transcription error
31	17	build	built	Misspelling
32	7	managed at that time	managed by Sales at that time	Transcription error
.32	15-17	and so – and they were embedded in the software, like the approval bin and the like as the policies changed,	and so the policies were embedded in the software, like with the approval bin, and the software is updated as the policies changed,	Transcription error
46 .	11-12	Ramsey Homsany, who was a, I believe, a legal. R. Homsany	Ramsey Homsany who was, I believe, in legal	Transcription error
	25-9	a gentleman Salar Kamangar who was on this thread, I believe, also was heading and I reported to him. And Susan was his counterpart and she headed up what we called at the time our partnership of syndication product team. She managed at	a gentleman named Salar Kamangar, who was on this thread, I believe, was heading, and I reported to him. Susan was his counterpart and she headed up what we called at the time our partnership or syndication product team. She managed our AdSense business at the time, which is where we	Transcription error
	3 3 1	that time our AdSense business, which is where we take our AdWords ads and don't - and not show them on Google search results pages, but we actually	time, which is where we show AdWords ads not on Google search results but, at the request of web publishers, on websites with the ads targeted to the content of	

	(0)302	show them on Web sites against content on the Web on Web Publisher, and sites like New York Times and so on.	the page (sites like The New York Times and so on.)	teres d n/d Elept Shoy Elept/
49	20	-sported	supported	Transcription error
56	5	Automater	Automator	Misspelling
57	7	New Trade Policy	New Trademark Policy	Transcription error
57	18	I think he's in	I think he was on	Transcription error
66	19	talk about advertising	talk about related to advertising	Transcription error.
67	18	have more ability now at a broader set	have more ability now to bid on a broader set	Transcription error
67	21-23	we were supposing, we didn't know, they could increase ROI	we were supposing, but we didn't know, that they could increase their ROI	Transcription error
95	17	Not	No	Transcription error
123	16	what	what is	Transcription error
124	7-8	as well as to any ownership of trademarked terms	as well as with any owners of trademark terms	Transcription error
134	24	class	classes	Transcription error
151	18	Allen Eustis	Alan Eustace	Transcription error
151	19	Shawna	Shona	Transcription error
160	25	discussion with at some	discussion with him at some point.	Transcription error
167	9	wants to spend on their 50,000	wants to spend on their campaign \$50,000	Transcription error
171	14	A		Transcription error
172	24	overtake	compensate	Transcription error
194	20	in the	in the second second	Transcription error
204	9	upset	upset about	Transcription error
213	5	based on	DELETE "based on" FROM THE SENTENCE	Transcription error
218	23	e-mails .	e-mail ·	Transcription error
222	8 .	our training aspects were	our training aspect was	Transcription error
224	. 19	from my perspective, on what's our objective here	from my perspective, was our objective here	Transcription error
229	15.	Barish	Baris	Misspelling
238	15	are few	are a few	Transcription error