

# EXHIBIT J

Erickson, Amy H

---

**From:** Mascherin, Terri L  
**Sent:** Saturday, December 13, 2008 4:28 PM  
**To:** Levy, Susan C  
**Cc:** Roper, Harry J; Bosy, George S; Bricker, Ross B; Steege, Catherine L; Hirsch, Norman M; Markowski, Robert T  
**Subject:** RE: Update on Parallel Networks

Susan:

We will be prepared to recommend a precise course of action this week. I agree that a meeting is a good idea, and I'll get one set up. I'm copying Bob, because he's the one I've been consulting on firm counsel issues re. this case.

Terri

---

**From:** Levy, Susan C  
**Sent:** Saturday, December 13, 2008 10:43 AM  
**To:** Mascherin, Terri L  
**Cc:** Roper, Harry J; Bosy, George S; Bricker, Ross B; Steege, Catherine L; Hirsch, Norman M  
**Subject:** RE: Update on Parallel Networks

Thank you Terri. I would appreciate if you and your team would make a recommendation as to how the firm should best proceed here and, if necessary, set up a meeting for all of us soon. Thanks. Susan

---

**From:** Mascherin, Terri L  
**Sent:** Friday, December 12, 2008 5:39 PM  
**To:** Levy, Susan C  
**Cc:** Roper, Harry J; Bosy, George S; Bricker, Ross B; Steege, Catherine L  
**Subject:** Update on Parallel Networks

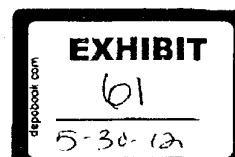
Susan:

This is an update on where we are in the Parallel Networks cases following the summary judgment ruling last week.

A. **Oracle:** Court (Judge Robinson of the D. Del.) entered summary judgment against us last week on our client's infringement claims. Trial remains set for January on Oracle's claims for a DJ on invalidity of the patents, and on its claim for inequitable conduct, for which it is seeking to recover its attorneys' fees against our client.

**Possibility that the Trial will not occur:** We have approached Oracle and proposed that Oracle dismiss its invalidity and inequitable conduct claims without prejudice to avoid the trial in exchange for our client agreeing that if Oracle wins the appeal of the infringement judgment, our client would agree not to sue Oracle for infringement of the products sold by BEA, which Oracle acquired earlier this year. Oracle's lawyer said that his client has no interest in going forward with the invalidity trial, and that he thought our proposal would be of interest to Oracle. He was to call his client today and we are waiting to hear back from him. He raised an issue

12/15/2008



JBPN 00095542

EXHIBIT J

about two cases which our client has brought in Texas against Oracle licensees (Orbitz and Netflix -- Sussman is handling those cases.) The licensees are seeking indemnification from Oracle for those cases. We agreed that we would discuss with our client finding some way to deal with those cases. We have not yet discussed this specific proposal with our client, but from past discussions George believes that our client will agree.

**Possibility of settlement:** Oracle's lawyer also told George that Oracle is interested in reconvening the mediation with the magistrate and discussing whether there is a way to reach agreement to settle this litigation, including the BEA products. He suggested mediating on Dec. 22. He said, "We can't talk about paying eight figures." We will discuss this with our client -- our client may be interested in a 7-figure settlement now that he faces the need to appeal the non-infringement judgment before he has the prospects of trying an infringement case against Oracle.

In the meantime, in case the trial does proceed, we are preparing a motion to reconsider the summary judgment ruling.

**Possibility of Payment of Outstanding Expenses:** Our client told Harry yesterday that he expects to finalize settlements of two TX cases before the end of the year and he will pay the back expenses (about \$550,000) that he owes us when he gets the settlement money. We estimate that the client would net about \$1.8 million from both settlements, based upon the draft agreements and other information we have been provided. If that is the case, the client should also have enough money to pay us a retainer to cover the expenses for a trial if that trial has to proceed in January. George and Paul Margolies have estimated those expenses as follows:

**VALIDITY ONLY TRIAL**

Projected Cost: \$157,000

Work Space, Hotel, Food and Travel expenses: \$112,000  
Trial Presentation expenses: \$30,000  
Expert Witness Fees: \$15,000

**TRIAL ON ALL ISSUES (assumes we win Motion to Reconsider)**

Projected Cost: \$365,000 (\$315,000 if we were not able to go forward with a jury study based on timing)

Work Space, Hotel, Food and Travel expenses: \$200,000  
Trial Presentation Expenses: \$115,000  
Expert Witness Fees: \$50,000  
Jury Study: \$50,000

**Oracle Background:**

- We have approximately \$9.3 million in fees invested in the Oracle case.
- We anticipate that any appeal from the Oracle summary judgment ruling (and Jan. trial, if

12/15/2008

JBPN 00095544

the trial goes forward) would not be decided until January or February 2010, at the earliest.

- If the appeal is successful, trial on remand would take place in two phases: (1) trial on infringement, approximately in the summer 2010, followed by appeal; then (2) trial on damages, followed by appeal if we succeed. Thus, we estimate that we could be 3-4 years or more from realizing anything on the contingent fee agreement and recouping any fees.
- If we keep the case through appeal, liability trial and damages trial, we estimate that our additional fee investment will be at least \$5-7 million.
- If trial does proceed in January, we will have to decide after trial whether to terminate the engagement.

**B. Quinn Street:** This case is also pending before Judge Robinson. Quinn Street sued Parallel Networks, seeking a DJ that it does not infringe the patents. We counterclaimed for infringement. Quinn Street then brought Microsoft in as a third party defendant, seeking indemnity in the event Quinn Street is found to have infringed. Microsoft moved to dismiss the third party complaint, and also filed a DJ complaint against us seeking a declaration that its products do not infringe. There must be an independent basis for jurisdiction over Microsoft's complaint. We do not believe the court has jurisdiction because, while Parallel Networks' predecessor was a DE corporation, PN is a TX corporation and there is no basis for personal jurisdiction over PN in DE. Our response to the Microsoft Complaint is due on Jan. 22.

**Possibility of Settlement:** We have had on-going settlement discussions with Quinn Street's counsel, and believe that we can achieve a settlement in the amount of about \$750,000. Such a settlement would include Quinn Street dismissing its claim against Microsoft, which should end Microsoft's involvement in the case. To date our client has not been willing to accept a settlement in that amount. His view may change if we are able to make an agreement with Oracle.

**Quinn Street Background:**

- Our total investment in this case to date is about \$1 million.
- If the court adopts a schedule for the expanded case that is analogous to the schedule in place before Microsoft was brought in to the case, we anticipate that trial could occur as early as summer 2010. Under that schedule, when the decision comes down in the Oracle appeal we would be completing expert discovery. If Microsoft stays in the case we anticipate that fees through Jan. 2010 would be at least \$3-5 million, and fees through trial could be \$8-10 million. (We think it is likely that Microsoft would remain in the case at least through some stage of discovery).
- There is a possibility the court would agree to stay the case pending decision in the Oracle appeal in the Federal Circuit.
- If only Quinn Street is a defendant in the case, we anticipate that damages range from a few million (in which case we would not recoup our investment in the case) to approximately \$20-30 million (at which level we would probably recoup our investment, perhaps plus a small bonus).
- We have told the client that we wish to terminate our engagement on this case. He has responded that if we terminate on this case he would want to terminate the engagement on Oracle as well, because the Quinn Street case is not big enough for a firm to be interested in taking over only that case. Presently we are waiting to see what we are

12/15/2008

JBPN 00095545

able to work out with Oracle before taking further action toward terminating the engagement on Quinn Street.

**Our Right to Terminate:** Under our current fee agreement, we may terminate on 30 days notice, consistent with our ethical obligations. In the event we terminate and Parallel Networks eventually succeeds in recovering damages, we remain entitled to be paid: (1) our fees incurred up to the time of termination, at our regularly hourly rates; (2) any expenses that are unpaid; and (3) a fair portion of the contingent fee award based upon our contribution to the result achieved as of the time of termination, to the extent that we have not yet been paid for all of our fees incurred.

Let us know if you would like to discuss any of this.

Terri

---

**Terri L. Mascherin**  
Jenner & Block LLP  
330 N. Wabash Avenue  
Chicago, IL 60611-7603  
Tel (312) 923-2799  
Fax (312) 840-7799  
TMascherin@jenner.com  
[www.jenner.com](http://www.jenner.com)

CONFIDENTIALITY WARNING: This email may contain privileged or confidential information and is for the sole use of the intended recipient(s). Any unauthorized use or disclosure of this communication is prohibited. If you believe that you have received this email in error, please notify the sender immediately and delete it from your system.

---

12/15/2008

JBPN 00095546