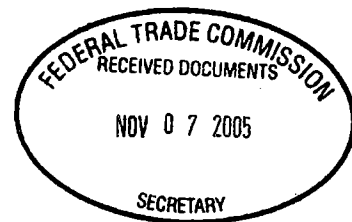


UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
OFFICE OF ADMINISTRATIVE LAW JUDGES
WASHINGTON, D.C.



In the Matter of

BASIC RESEARCH, LLC
A.G. WATERHOUSE, LLC
KLEIN-BECKER USA, LLC
NUTRASPORT, LLC
SOVAGE DERMALOGIC LABORATORIES, LLC
BAN LLC
DENNIS GAY
DANIEL B. MOWREY
MITCHELL K. FRIEDLANDER,

PUBLIC

Docket No. 9318

Respondents

**RESPONDENTS' OPPOSITION TO COMPLAINT COUNSEL'S MOTION TO QUASH
CORPORATE RESPONDENTS' SUBPOENAS**

Respondents Basic Research, LLC; A.G. Waterhouse, LLC; Klein-Becker USA, LLC; Nutrasport, LLC; Sovage Dermalogic Laboratories, LLC; Ban, LLC; (collectively "Corporate Respondents") respectfully request that the hearing officer deny Complaint Counsel's motion to quash Corporate Respondents' subpoenas issued on Friday, October 21, 2005. The subpoena recipients are the web domain companies that accessed Corporate Respondents' trade secret and confidential materials that FTC unlawfully¹ disclosed on its docket and on its website. Those

¹ "Whoever, being an officer or employee of the United States or of any department or agency thereof, any person acting on behalf of the Office of Federal Housing Enterprise Oversight, or agent of the Department of Justice as defined in the Antitrust Civil Process Act (15 U.S.C. 1311-1314), or being an employee of a private sector organization who is or was assigned to an agency under chapter 37 of title 5 [5 USCS §§ 3701 et seq.], publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information coming to him in the course of his employment or official duties or by reason of any examination or investigation made by, or return, report or record made to or filed with, such department or agency or officer or employee thereof, which information concerns or relates to the trade secrets, processes, operations, style of work, or apparatus, or to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person, firm, partnership, corporation, or association; or permits any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; shall be fined under this title, or imprisoned not more than one year, or both; and shall be removed from office or employment." 18 U.S.C. § 1905.

subpoena recipients were identified first in FTC's letter of July 25, 2005 (attached as Exhibit A). The destruction of Corporate Respondents' unique and valuable trade secrets and release of their confidential financial information caused damages that must be weighed against a liability determination, if any, by the hearing officer. That weighing is essential to prevent the risk of a compound penalty against the Corporate Respondents resulting from a failure to compensate them for the value of properties lost due to FTC's own unlawful action. To prevent Corporate Respondents from elucidating the complete nature and scope of those damages is inequitable and denies them evidence that could offset any possible liability arising from finding and conclusions in this case. The disclosure of Corporate Respondents trade secrets is not an abstraction, and the issuance of the July 25, 2005 letter is not a remedy to the severe injury that the disclosure has caused. Corporate Respondents must be permitted to exert every effort to determine the extent of dissemination of their trade secrets disclosed by the FTC in this proceeding. Hindrance of that effort only exacerbates the severity of the harm already inflicted by the disclosure. Corporate Respondents have a right to assess the complete nature and scope of the destruction of their trade secrets. They must determine whether the information was downloaded, printed, or otherwise captured and disseminated by those viewers of the protected information.

I. PERTINENT FACTS

FTC posted Corporate Respondents' trade secrets² and confidential material on its website on December 6, 2004 and on January 31, 2005.³ The January 31 motion was posted on FTC's public docket for this case on February 15, 2005. The December 8th motion was posted

² A trade secret is "any formula, patten, device, or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." Restatement of Torts § 757(b)(1939).

³ Corporate Respondents have not attached copies of the documents revealing FTC's trade secret disclosures in an effort to avoid further circulation of those documents. They instead refer the presiding officer to the nonpublic filing of those documents in this case.

earlier.⁴ Both sets of exhibits were removed on February 17th.

The Corporate Respondents are not publicly traded companies. Their sales figures and financial records (Exhibits R and 15 and 42 to December 6 and January 31st filings, respectively) are not public and are treated as highly confidential financial information. See Respondents' Response to Order to Show Cause, Declaration of Carla Fobbs at 4-6.⁵ The product formulations (Exhibit 11 to January 31st filing) are closely guarded trade secrets of the Corporate Respondents and their disclosure allows competitors to easily market identical products, both in this country for the non-ephedra products and in those countries where sale of ephedra products remains legal. Fobbs Declaration at 3.⁶ The advertising dissemination schedule (Exhibit 45 to the January 31st filing) is another vital trade secret, developed over a 13 year period at a cost of over 13 million dollars. It defines the best marketing and promotion channels and strategies for all respondents products. The information is immediately usable by, and of tremendous competitive advantage for, the Respondents' competitors. Fobbs Declaration at 7-8. Were it not for FTC's disclosure of that trade secret, it would be virtually impossible for competitors to replicate or acquire the information. Fobbs Declaration at 8. Finally, the customer email is protected by the Corporate Respondents privacy policy and its disclosure harms their goodwill and reputation for respecting their customers' privacy. Id. at 8-9.

⁴ The Commission in its order did not identify the date when the December 6 filing was posted although weblogs reflect access as early as December 10, 2004.

⁵ Complaint Counsel argues that the presiding officer's review of Exhibit 42 revealed that the exhibit did not meet the standard for in camera treatment. That argument ignores the fact that his Honor acknowledged before issuance of his opinion that it was not a detailed analysis of the arguments presented and that analysis would be conducted "when and if the exhibits are offered as exhibits at trial." April 6 Order at 8-9.

⁶ Two parties identified in the web server logs are outside of the United States and were not served with the 3.34 subpoenas: Chinanet Guangdong Province Network, Beijing China, and Asia Pacific Network Information, Australia. See Rule 3.36 requiring applications for subpoenas to be served in a foreign country. According to the webserver log, Chinanet accessed the product formulas exhibit (Exhibit 11 to the January 31st filing) six times on February 15th. See Exhibit A. The sale of ephedra-containing products is legal in China for different purposes. The use of the herb ephedra in the diet is considered to have originated in China thousands of years ago. See FDA 1995 Briefing Materials for Food Advisory Committee Meeting on the sale of ephedra and ephedrine alkaloid products in the United States.

On April 6, 2005, in response to three motions by Respondents' counsel concerning those disclosures, the Presiding Officer issued an order certifying those motions to the Commission and staying the proceedings. The Presiding Officer's order found, "[n]umerous statutes and rules prohibit and punish the unauthorized disclosure of confidential information obtained by the Commission." *Id.* at 4 (citing 18 U.S.C. § 1905; 15 U.S.C. § 46(f); 15 U.S.C. § 50). The order further acknowledged: "Courts routinely order companies to provide confidential information to the Commission, noting the protections of statutes and rules that prohibit and punish the unauthorized disclosure of confidential information obtained by the Commission." *Id.* at 4 (citing FTC v. MacArthur, 532 F.2d 1135, 1143 (7th Cir. 1976); FTC v. Owens-Corning Fiberglass Corp., 626 F.2d 966, 970 n.6 (D.C.Cir. 1980); In re FTC Line of Business Report Litig., 595 F.2d 685, 706 N.129 (D.C. Cir. 1978)). In his preliminary assessment of the nature of the materials disclosed, the Presiding Officer acknowledged that the disclosure of the net gross revenue and advertising expenditures by year for all six products at issue and the advertising dissemination schedule are confidential business records and that the Respondents have demonstrated that "disclosure of this information would result in a **clearly defined, serious competitive injury** to Respondents." *Id.* at 9 (emphasis added).

On June 17, 2005, the Commission issued its order granting, in part, Respondents' request for FTC to produce web server log information for those exhibits. The Commission granted Respondents access "to aggregate Web log data that reveal the Web domains from which requests to the exhibits in question were received." The Commission further stated,

Disclosure of this information provides Respondents with information regarding the extent of the disclosures and may allow the Respondents to contact these domains to determine to what extent the domain operators themselves, or users of those domains, may have retrieved, stored, used, shared, or disclosed exhibits from the FTC's servers.

* * *

[D]isclosure of aggregate data would allow Respondents to contact the operators of the Web domains from which requests for the exhibits originated, and determine if those domains might assist in identifying, retrieving, or destroying any copies of the exhibits that may have been retained by users of those domains or by the domain operators themselves...

Id. at 7-8.⁷

On July 25, 2005 FTC released redacted⁸ web server logs to Complaint Counsel.

According to FTC's web server logs, the gross sales figures (the December 8th Exhibit) were accessed by **23** different companies (identified by their web domains) starting on December 10, 2004 through and including February 16, 2005. The product ingredients and ratios information (Exhibit 11 to the January 31st motion) were accessed by **six** different companies (identified by their web domains) on February 15th and 16th, 2005. The advertising dissemination schedule was accessed by **five** different companies on February 15th and 16th. The Net gross revenue and advertising expenditures for all six products, the customer email, and the balance sheet were accessed by **seven** different companies on February 15th and 16th.

On October 12, 2005, by letter served on all counsel of record, Corporate Respondents' counsel requested 25 subpoenas stating,

[The subpoenas would] be served on the domestic parties identified in the Commission's letter of July 27, 2005. The forms will replace those issued to corporate respondents' previous counsel on August 19, 2005. Previous counsel completed the subpoena forms with their service information but did not serve them before being replaced by new counsel. Because of the substitution of counsel, we seek to have new copies executed because they will bear the name of new counsel. We became counsel for the corporate respondents on September 8, 2005.

⁷ The Commission stated that IP addresses would be redacted because of the protections of the Privacy Act, 5 U.S.C. § 552A. Corporate respondents do not agree that the IP addresses are protected by the Privacy Act. IP addresses identify machines, not individual users. There may be, and likely are, multiple users of a machine identified by an IP address.

⁸ Not just the IP addresses were redacted from those logs. It appears that web domain identifiers were redacted as well because Corporate Respondents' prior counsel Feldman & Gale was not identified in the logs produced by FTC despite repeated contacts by that firm to the site once the discovery was made of the trade secret disclosures. There was no reason for FTC to redact any user's domain identifiers from the web server logs. Indeed, by having done so the accuracy and completeness of the remaining material is called into question.

Upon receipt of the subpoena forms, the subpoenas were prepared and served on October 21, 2005 on each of the twenty-five parties identified in subpoenas attached to Complaint Counsel's Motion to Quash.

II. PERTINENT RULES

Rule 3.34(b) states in pertinent part:

A subpoena *duces tecum* may be used by any party for purposes of discovery, for obtaining documents for use in evidence, or for both purposes, and shall specify with reasonable particularity the materials to be produced.

16 C.F.R. § 3.34(b).

Section (c) of Rule 3.34, permitting motions to quash, states, in pertinent part:

Any motion **by the subject of a subpoena** to limit or quash the subpoena shall be filed within the earlier of ten (10) days after service thereof or the time for compliance therewith. Such motions shall set forth all assertions of privilege or other factual and legal objections to the subpoena, including all appropriate arguments, affidavits, and other supporting documentation, and shall include the statement required by Rule 3.22(f).

Id. at (c)(emphasis added).

Rule 3.31 on discovery states, in pertinent part:

(1) In general; limitations. Parties may obtain discovery to the extent that it may be reasonably expected to yield information relevant to the allegations of the complaint, to the proposed relief, or to the defenses of any respondent...Information may not be withheld from discovery on grounds that the information will be inadmissible at the hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

16 C.F.R. § 3.31(c)(1).

III. ANALYSIS

Complaint Counsel argues that the subpoenas are untimely, seek irrelevant documents, and are overbroad. In addition to lacking standing to challenge the subpoenas, Complaint

Counsel lacks standing to challenge the subpoenas, and their arguments fail on the merits.⁹ Corporate Respondents have acted reasonably and timely following the receipt of the July 25, 2005 web domain identifying information in order to assess the information available from those web server logs and to obtain any additional information related to that log information through the use of the twenty-five subpoenas.¹⁰ The documentation and records sought in the subpoenas are necessary, as the Commission stated, in “identifying, retrieving, or destroying any copies of the exhibits that may have been retained by users of those domains or by the domain operators themselves.” Equity demands that the injury inflicted on Corporate Respondents when their trade secrets and confidential commercial information were disclosed be weighed against any liability that may arise in this case. Assessment of the extent of that injury through the subpoenas at issue is necessary to prevent an inequitable liability determination (one that does not account for the economic damage suffered due to FTC’s unlawful destruction of the trade secrets). Failure to calculate the cost of the disclosure in arriving at any equitable assessment is wholly inequitable when FTC is liable for the trade secret disclosure – a deprivation of property without due process of law, a tort recognizable under the Federal Tort Claims Act, 28 U.S.C. § 2674 et seq., and a crime punishable under federal law, 18 U.S.C. § 1905. Finally, Complaint Counsel’s argument fails to prove the agency subpoenas unduly burdensome. Complaint

⁹ In opposing the subpoenas, Complaint Counsel is “confronted with a [difficult] task.” FTC v. Dresser Industries, 1977 U.S. Dist. LEXIS 16178, *8 (D.D.C. 1977)(Exhibit B). One who opposes an agency’s subpoena necessarily must bear a heavy burden. That burden is essentially the same even if the subpoena is directed to a third party not involved in the adjudicative or other proceedings out of which the subpoena arose. Dresser Industries, *8-9 (citing FTC v. Tuttle, 244 F.2d 605 (2d Cir. 1957) cert. denied, 354 U.S. 925, FTC v. Bowman, 149 F.Supp. 624 (N.D. Ill.), aff’d 248 F.2d 456 (7th Cir. 1957)(citations omitted)).

¹⁰ The web information supplied is not comprehensible to laymen but requires a computer scientist to evaluate. See Exhibit A. The Corporate Respondents retained that expertise and received professional consults on how to develop appropriate queries to yield information that would reveal the extent of the trade secret disclosures. Some of the information not supplied by FTC is indispensable to the search and may ultimately prevent subpoena recipients from providing meaningful responses. For example, FTC has not supplied IP addresses and without IP addresses for a large company like Microsoft there may be no way for it to identify what machine accessed the trade secret and confidential information. There would be no way then to examine records for that machine and its users’ records to determine if any documents were created when those trade secrets and confidential documents were viewed, downloaded, accessed, printed or otherwise used (causing the information to be further disseminated).

Counsel's argument is wholly unsupported by any specific factual allegations, affidavits, or other documents and is based entirely on hypothetical assumptions. Complaint Counsel lack the requisite first-hand knowledge to determine the nature and extent of record-keeping for the companies subject to the subpoena necessary to determine whether the requests are indeed unduly burdensome; in short, Complaint Counsel lack standing to bring the motion.

A. Complaint Counsel Lacks Standing for the Motion to Quash.

Rule 3.34 delineates when the subject of a subpoena may file a motion to quash. It does not give that standing to other parties, including parties to the action. See also, December 9, 2004 Order on Complaint Counsel's Second Motion for Protective Order at 5. Instead it clearly states that, "Any motion **by the subject of a subpoena** to limit or quash the subpoena shall be filed..." Id. at (c)(emphasis added). The reason for the standing requirement, indeed for any standing requirement, is well established. The subpoena recipient is the only one with a personal stake or interest in the production of its own documents and is the only one who bears and can attest to any resulting injury. C.f., Baker v. Carr, 369 U.S. 186, 204 (1962)(Standing afforded to plaintiffs with actual injury). Moreover, the requirement that the subpoena recipient be the party bringing the motion to quash reduces the possibility that the Presiding Officer would be deciding on a motion to quash a subpoena in which no injury would have occurred at all. C.f., e.g., Lujan v. Defenders of Wildlife, 504 U.S. 555, 564, n.2 (1992)(citations omitted). Thus, the Presiding Officer should deny Complaint Counsel's motion in violation Rule 3.34.

B. Corporate Respondents' Subpoenas Seek Documents from Parties Identified For the First Time in FTC's July 25, 2005 Letter and Attached Web Log.

The subpoenas are a timely and reasonable effort by Corporate Respondents to assess whether parties FTC identified as having accessed the trade secrets and confidential financial information have made any use of that information, downloaded it, copied it or otherwise

disseminated it, exacerbating the effects of the disclosure. The FTC's July 25, 2005 letter was the first time following the December 6th and January 31st filings that Corporate Respondents had notice of those parties that did in fact access the trade secret and confidential financial information. Complaint Counsel's recitation of the deadline for issuing subpoenas *duces tecum* in discovery¹¹ (November 8, 2004) ignores the fact that the disclosures of the trade secrets took place **after** that date. Respondents first received the web contact information from FTC on July 25, 2005. They then received expert counsel on how to fashion subpoenas to acquire information based on the contact information and acquired executed copies for service on August 14, 2005. New counsel entered the case on September 8, 2005. Newly executed subpoenas were obtained on October 14, 2005 and were served on Friday, October 21. Those steps reveal appropriate diligence and a timely prosecution of this matter. Complaint Counsel's argument that the subpoenas are untimely further ignores the fact that the Commission in its June 17th Order (again, after discovery had closed) encouraged Corporate Respondents to take the information in the web server logs and conduct discovery to determine the extend of the trade secret disclosures. *Id.* at 7-8. Thus, the subpoenas are timely and reasonable.

C. The Harm Caused to Corporate Respondents When FTC Publicized Their Trade Secrets Is a Defense In this Case

A complete elucidation of the full nature and scope of FTC's dissemination of Corporate Respondents' trade secrets and confidential commercial information is necessary to establish the full scope of the injury inflicted on the Corporate Respondents by the unlawful disclosure of the trade secrets and confidential commercial information. Indeed, there has been no restitution at all to Corporate Respondents by the FTC for that disclosure, let alone restitution equal to the economic value lost by the destruction of the trade secrets.

¹¹ As discussed in the following section Rule 3.34 (b) does not limit a party's use of subpoena duces tecum to only discovery.

The Commission's June 17th Order acknowledged that its decision was a "remedy designed to prevent a future violation" and did "not necessarily address a past violation." Id. at 6. Indeed, for three of the documents the Presiding Officer stated that "disclosure of this information would result in a clearly defined, serious competitive injury to Respondents." April 6 Order at 9. There is no "would" in this equation. The disclosure has happened and the damages are accruing. The destruction of the trade secrets has resulted in a clearly defined, serious competitive injury to Corporate Respondents. The Presiding Officer acknowledged that "numerous statutes and rules prohibit and punish the unauthorized disclosure of confidential information obtained by the Commission." Id. at 4. There has been no punishment meted out in this case. The perpetrators are free and the injured parties' damages have not been recompensed.

Equity requires that the injury FTC has inflicted on Corporate Respondents by disclosing their trade secrets offset any potential finding of liability or for consumer redress in this case. Without such an equitable assessment, Corporate Respondents would be doubly penalized, in fact penalized far in excess of any remedy available to the Commission under its statutes. The disclosure of the trade secrets and confidential financial information caused irreparable injury and irrecoverable loss that not even monetary relief will completely recompense. Thus, the subpoenas are seeking material that meet the general requirements in Rule 3.31 requiring discovery be reasonably expected to yield information relevant to the allegations of the complaint, to the proposed relief, or to the defenses of any respondent.

Furthermore, that general discovery rule is subsumed by Rule 3.34 on subpoena *duces tecum*. The subpoena rule state that subpoenas "may be used by any party for purposes of discovery, for obtaining documents for use in evidence, or for both purposes." Id. at (b); see also, FTC v. Dresser Industries, 1977 U.S. Dist. LEXIS 16178, *11 (D.D.C. 1977). The

Commission's longstanding interpretation of 3.34(b)(2) requires only a general showing of relevance. Dresser Industries, at *11. "In the relevance inquiry, the court must be satisfied merely that the material sought is 'reasonably relevant'; there need be no showing that the subpoenaed material is clearly or unquestionably relevant..." Id. at *9 (citations omitted). The subpoenas seek documents that Corporate Respondents' trade secrets and confidential financial information were disseminated to additional entities, republished on the web, printed, downloaded, or otherwise used. Those documents would be used in evidence to offset any potential finding of liability against the Corporate Respondents. Thus, the documents sought are reasonably relevant and meet the general showing requirement.

D. Equity Requires the Corporate Respondents Be Given the Opportunity to Assess the Nature and Scope of Disclosure of Their Trade Secrets by FTC

Complaint Counsel argue, without standing (direct personal injury) and without direct knowledge of each subpoena recipients record-keeping or business practices, that the subpoena requests are overbroad and place unreasonable burdens on "innocent third parties."

Unsubstantiated supposition by one not a recipient of a subpoena fails to prove the existence of an undue burden by the actual subpoena recipient. See, Dresser Industries, *12.

Some burden on subpoenaed parties is to be expected and is necessary in furtherance of the agency's legitimate inquiry and the public interest. The burden of showing that the request is unreasonable is on the subpoenaed party. Further, that burden is not easily met where, as here, the agency inquiry is pursuant to a lawful purpose and the requested documents are relevant to that purpose. Broadness alone is not sufficient justification to refuse enforcement of a subpoena. Thus courts have refused to modify investigative subpoenas unless compliance threatens to unduly disrupt or seriously hinder normal operations of a business.

Id. at *13. Like in Dresser Industries, the fact that many of the subpoena recipients are leading internet service providers (Verizon), web search engines (Microsoft and Google), and legal matter republishers (Lexis and Westgroup) are "what makes the subpoena[s] served upon [them]

critical” to ascertain whether those companies’ access of that information resulted in any republication, downloading, copying, printing or further dissemination of Corporate Respondents’ trade secrets and confidential financial information to the persons those companies reach. *Id.* at *14.¹² Moreover, each are large enterprises accustomed to complying with legal process, including subpoenas. Thus, there is no undue burden on the subpoena recipients even if Complaint Counsel’s lack of standing were ignored.

Furthermore, any burden on subpoena recipients is outweighed by the necessity that Corporate Respondents be given the opportunity to ascertain the complete nature and extent of the loss inflicted upon them by the FTC’s destruction of the Corporate Respondents’ confidential and trade secret information. Failing to allow Corporate Respondents that opportunity compounds the harm they suffer and affords them no discovery to ascertain the extent of damages.¹³ Without access to full and complete dissemination information, Corporate Respondents are left with only the July 25th letter identifying the companies that accessed the information. They are denied the ability to determine whether those companies used, copied, republished, downloaded, printed or otherwise further disseminated the trade secret and confidential financial information. The Commission clearly stated in its June 17, 2005 Order that the Respondents were expected to use that web log information to further elucidate the dissemination of their trade secrets. *Id.* at 7-8. Having the trade secrets destroyed through no fault of their own, equity now demands that Corporate Respondents be given the opportunity to exhaust all possibilities to determine the complete nature and scope of the disclosure. Complaint

¹² Ironically in *Dresser Industries* the subpoena recipient also argued against production of documents because it would require production of “vital trade secrets and other confidential information.” *Id.* at *15. The Court did not find that argument persuasive because “the administrative law judge has entered a comprehensive protective order **which should be sufficient to safeguard the confidentiality of Dresser’s secrets.**” *Id.* (emphasis added). Here, Corporate Respondents seek to assess their injury where just such a safeguard was insufficient.

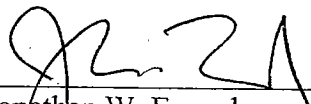
¹³ As explained supra at 5, FTC’s failure to disclose IP addresses and web domain names may cause the present subpoenas to bear no fruit, warranting revisitation by FTC of its decision not to disclose IP address identifiers.

Counsel's motion to quash should therefore be denied.

IV. CONCLUSION

For the reasons stated above, Corporate Respondents respectfully request that his Honor deny Complaint Counsel's Motion to Quash.

Respectfully Submitted,


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BAN, LLC

Date submitted: November 7, 2005

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
OFFICE OF ADMINISTRATIVE LAW JUDGES
WASHINGTON, D.C.

In the Matter of

BASIC RESEARCH, LLC
A.G. WATERHOUSE, LLC
KLEIN-BECKER USA, LLC
NUTRASPORT, LLC
SOVAGE DERMALOGIC LABORATORIES, LLC
BAN LLC d/b/a BASIC RESEARCH LLC
OLD BASIC RESEARCH, LLC
BASIC RESEARCH, A.G. WATERHOUSE,
KLEIN-BECKER USA, NUTRA SPORT, and
SOVAGE DERMALOGIC LABORATORIES
DENNIS GAY
DANIEL B. MOWREY d/b/a AMERICAN
PHYTOTHERAPY RESEARCH
LABORATORY, and
MITCHELL K. FRIEDLANDER,
Respondents

Docket No. 9318

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of November, 2005 I caused the Respondents' Opposition to Complaint Counsel's Motion to Quash Corporate Respondents' Subpoenas to be filed and served as follows:

- 1) an original and one paper copy filed by hand delivery and one electronic copy in PDF format filed by electronic mail to

Donald S. Clark
Secretary
U.S. Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Room H-159
Washington, D.C. 20580
Email: secretary@ftc.gov

2) two paper copies delivered by hand delivery to:

The Hon. Stephen J. McGuire
Chief Administrative Law Judge
U.S. Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Room H-112
Washington, D.C. 20580

3) one paper copy by first class U.S. Mail to:

James Kohm
Associate Director, Enforcement
U.S. Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20001

4) one paper copy by first class U.S. mail and one electronic copy in PDF format by electronic mail to:

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Joshua S. Millard
Laura Schneider
Walter C. Gross III
Lemuel W. Dowdy
Edwin Rodriguez
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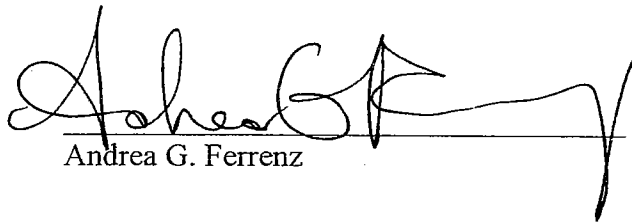
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Andrea G. Ferrenz

EXHIBIT A



Office of the General Counsel

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

July 27, 2005

Samuel Lewis, Esq.
Feldman Gale
201 S. Biscayne Blvd., 19th Fl.
Miami, Florida 33131-4332

Re: Basic Research et al., D. 9318

Dear Mr. Lewis:

As directed by Paragraph III(2) of the Commission's Order issued June 17, 2005, in the above-captioned matter, I am enclosing redacted FTC Web site server logs for Exhibit R (contained in Exhibits Q-W) accompanying Complaint Counsel's December 6, 2004, Motion to Compel, and for Exhibits 11, 15, 36, 42 and 45 accompanying Complaint Counsel's January 31, 2005, Motion For Partial Summary Decision.

If you have any questions, please feel free to contact Alex Tang of my staff at (202) 326-2447 or atang@ftc.gov.

Sincerely,

Christian S. White
Deputy General Counsel
For Legal Counsel

cc: Reilly Dolan, Esq.

Exhibit 11

Wesgroupp.com	18/Feb/2005:1	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	200	1291824	http://www.almaden.ibm.com/ves/Group-Wesgroupp2.0/	Mozilla/4.0 (compatible; West Group-Webgroupp2.0)			
Wp2.almaden.ibm.com	18/Feb/2005:1	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	200	425984	http://www.almaden.ibm.com/ves/crawler.cgi?	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
Chinanel.GD	15/Feb/2005:4	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	206	243288	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
Chinanel.GD	15/Feb/2005:4	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	206	243288	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
Chinanel.GD	15/Feb/2005:4	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	206	327680	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
Chinanel.GD	15/Feb/2005:4	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	206	327680	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
Chinanel.GD	15/Feb/2005:4	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	206	327680	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
Chinanel.GD	15/Feb/2005:4	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	206	327680	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows 98)			
LEXIS-NEXIS	18/Feb/2005:1	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	200	1291824	http://www.peris.sst	Mozilla/5.0 (compatible; MSIE 5.00; Windows 98)			
lankomsearch.com	18/Feb/2005:1	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	200	1291824	http://www.peris.sst	Mozilla/5.0 (compatible; MSIE 5.00; Windows 98)			
ceblea.mindspring.com	18/Feb/2005:1	GET /s/ad/pro/9318/motions/0501/cmossundec01/050131/exhib011.pdf	HTTP/1.1	200	65536	http://www.lic.gov.us/ad/pro/9318/index.htm	Mozilla/4.0 (compatible; MSIE 5.00; Windows NT 5.1)			

