

EXHIBIT 1

that MicroUnity may travel to Japan to depose an employee of Sony/Japan as the SCEA 30(b)(6) designee. These two issues – knowledge and location – are interrelated, but for simplicity’s sake MicroUnity will address them separately in this motion. In short, SCEA itself must produce a 30(b)(6) witness on these topics; it cannot evade that obligation by effectively changing the noticed deponent from SCEA to Sony Corporation of Japan or some other entity. SCEA, of course, has the freedom to designate anyone whom it wishes as its corporate representative (so long as that person is prepared, of course) – but that person must still be testifying on behalf of SCEA. SCEA’s refusal to present its chosen 30(b)(6) witness in the United States is unreasonable and puts MicroUnity in an impossible situation – because there are currently no more deposition dates available at the U.S. Embassy in Japan in 2007.

II. Under Rule 30(b)(6), SCEA Must Designate a Witness Who Is Prepared to Testify on SCEA’s Behalf on the Designated Topics.

When a corporate entity such as SCEA is served with a deposition notice under Rule 30(b)(6), the corporation must “designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf” on the designated topics. Fed. R. Civ. P. 30(b)(6). MicroUnity served a 30(b)(6) notice requesting SCEA to designate corporate representatives to testify as to topics that are central to this litigation and SCEA’s defense that it allegedly does not infringe MicroUnity’s patents – including the architecture, design, structure and operation of the accused PlayStation products, the manufacture of the accused products, and any license agreements relating to the accused products.¹ (Declaration of Joseph Grinstein, dated May 21, 2007 (“Grinstein Decl.”) ¶ 2, Ex. A). SCEA responded by disclaiming that any employee of SCEA has knowledge of certain of these subjects, and insisting that MicroUnity travel to Tokyo, Japan, to depose other “Sony” employees, whom SCEA intends to designate as

¹ MicroUnity also requested a witness to testify regarding SCEA’s document production in this case, and the relationship between SCEA and other Sony entities involved in the manufacture, design and/or sale of the accused products. However, SCEA has not yet designated its representative(s) on these topics.

its representatives (even though they don't work for "Sony Computer Entertainment America, Inc."). (Grinstein Decl. ¶¶ 3-4, Ex. B).

SCEA is the entity that sells the PlayStation products in the United States and the entity that stands accused of infringing MicroUnity's patents. SCEA seeks to defend against the claims by asserting, among other things, that its products do not infringe MicroUnity's patents. SCEA has done so both in interrogatory responses and in its answer and counterclaims in this case. SCEA cannot claim that its products do not infringe while, at the same time, disclaiming any knowledge as to the basis for *why* its allegedly products do not infringe MicroUnity's patents. It is exactly this kind of gamesmanship that the rules seek to prevent. The rules oblige SCEA to "make a conscientious good-faith endeavor to designate the persons having knowledge of the matters sought [by MicroUnity] and to *prepare* those persons in order that they can answer fully, completely, unevasively, the questions posed . . . as to the relevant subject matters." *Brazos River Authority v. GE Ionics, Inc.*, 469 F.3d 416, 433 (5th Cir. 2006) (emphasis and ellipses in original).

Even if there is not a single person employed by Sony in the United States² with knowledge about the design and operation of the accused PlayStation products – a dubious proposition at best – that fact alone does not absolve SCEA of its obligation to present a 30(b)(6) witness. Rather, "the duty to present and prepare a Rule 30(b)(6) designee goes beyond matters personally known to that designee or to matters in which that designee was personally involved." *Brazos*, 469 F.3d at 433. "The deponent must prepare the designee to the extent matters are reasonably available, whether from documents, past employees, or other sources." *Id*; *see also Resolution Trust Corp. v. Southern Union Co., Inc.*, 985 F.2d 196 (5th Cir. 1993) (holding that appearance of corporate witnesses who had no knowledge and were not prepared to testify on

² MicroUnity originally sued Sony Corporation of America ("SCA"), SCEA's parent. MicroUnity dismissed SCA upon SCEA's request, after being assured by SCEA that doing so would not impact the availability of relief or discovery to MicroUnity. In representing that no one within SCEA has any knowledge of how the accused products are designed or operate, SCEA is implicitly suggesting that no one employed by SCA does either.

identified topics was, for all practical purposes, no appearance at all and justified award of attorney fees and costs); 8A Charles A. Wright, Arthur R. Miller & Richard L. Marcus, *Federal Practice and Procedure* § 2103 (2d ed. 1994) (Rule 30(b)(6) is designed “to avoid the possibility that several officers and managing agents might be deposed in turn, with each disclaiming personal knowledge of facts that are clearly known to persons within the organization and thus to the organization itself.”).

“If a corporation has knowledge or a position as to a set of alleged facts or an area of inquiry, it is its officers, employees, agents or others who must present the position, give reasons for the position, and, more importantly, stand subject to cross-examination.” *United States v. Taylor*, 166 F.R.D. 356, 362 (M.D.N.C. 1996). Thus, even if SCEA’s U.S. employees allegedly lack knowledge regarding some topics, SCEA must prepare a witness (or witnesses) to testify on its behalf as to the subjects at issue in the lawsuit. *Id.* (holding that even if no current employee of corporation had knowledge of events at issue, corporation was obliged to prepare designee to testify using all available information, including prior fact witness testimony, documents and other evidence); *see also Sprint Commc’ns Co. v. Theglobe.com, Inc.*, 236 F.R.D. 524, 527-528 (D. Kan. 2006) (“Notably, and because Rule 30(b)(6) explicitly requires a company to have persons testify on its behalf as to all matters reasonably available to it, this Court has held that the Rule ‘implicitly requires persons to review all matters known or reasonably available to [the corporation] in preparation for the 30(b)(6) deposition.’ . . . Thus, the Rule makes clear that a party is not permitted to undermine the beneficial purposes of the Rule by responding that no witness is available who personally has direct knowledge concerning the areas of inquiry.”); *Coleman v. Blockbuster, Inc.*, 238 F.R.D. 167, 171 (E.D. Pa. 2006) (“A corporation must ‘prepare its selected deponent to adequately testify not only on matters known by the deponent, but also on subjects that the entity should reasonably know.’”).

SCEA must present a witness who is prepared to testify as to “matters known or reasonably available to the organization.” Fed. R. Civ. P. 30(b)(6). This rule is “necessary in order to make the deposition a meaningful one and to prevent the ‘sandbagging’ of an opponent by conducting a half-hearted inquiry before the deposition but a thorough and vigorous one

before trial.” *Taylor*, 166 F.R.D. at 362. Thus, SCEA cannot avoid its discovery obligations by disclaiming knowledge as to subjects that not only are clearly discoverable, but also involve information upon which SCEA certainly will rely to try to establish its defenses at trial, and is either known or reasonably available to SCEA.

Alternatively, if SCEA maintains its position that it has no knowledge and no access to knowledge of these infringement-related topics, then this Court should strike SCEA’s non-infringement defenses and counterclaims as having been asserted in violation of Rule 11.

III. SCEA Must Present Its Corporate Representatives To Testify In The United States

SCEA is incorporated in the United States and headquartered in New Jersey. SCEA has designated as its corporate representative on certain of the 30(b)(6) topics an individual who works for Sony Corporation in Japan and who resides in Tokyo, Japan. SCEA refuses to produce its chosen representative in the United States and instead demands that the deposition occur in Japan.³ If SCEA chooses to designate as its representatives individuals who work in Japan rather than designating witnesses who work for SCEA in the United States, so be it. But SCEA cannot, by making that choice, force MicroUnity to travel half-way around the world to depose the individual SCEA has selected to testify on its behalf. Nor can SCEA preclude MicroUnity from obtaining discovery based on the unavailability of deposition rooms in Japan.

Although trial courts have discretion in determining the appropriate location for a deposition, the exercise of this discretion is guided by the longstanding presumption that a “deposition should ordinarily be taken at the corporation’s principal place of business,” especially when . . . the corporation is the defendant.” *Salter v. Upjohn Co.*, 593 F.2d 649, 651 (5th Cir. 1979) (quoting 8 Charles A. Wright & Arthur R. Miller, *Federal Practice and Procedure* § 2112 (1970)); see also *Resolution Trust Corp. v. Worldwide Ins. Mgmt. Corp.*, 147

³ MicroUnity offered to depose SCEA’s corporate witnesses at a mutually convenient location in the United States, including New Jersey (where SCEA is headquartered) or Washington, D.C. (where SCEA’s counsel is located). SCEA rejected this offer and instead insists on its representatives being deposed in Japan. (Grinstein Decl. ¶ 4)

F.R.D. 125 (N.D. Tex. 1992). The presumption may be overcome only where a party demonstrates that “peculiar circumstances” justify an alternative location. *Salter*, 593 F.2d at 652. Here, SCEA has not offered any reason for ignoring this presumption, and there is none.

When determining whether to ignore the presumption that a deposition should take place at the corporation’s principal place of business, the court should consider the factors enumerated in *Resolution Trust Corp.*, which include: (1) the location of counsel for the parties; (2) the number of witnesses sought to be deposed; (3) the likelihood of significant discovery disputes which would require resolution by the forum court; (4) whether the witnesses often engage in travel for business purposes; and (5) the equities with regard to the nature of the claim and the parties’ relationship. *Resolution Trust Corp.*, 147 F.R.D. at 127.

SCEA has not and cannot overcome the presumption that its representatives should be deposed in the United States. First, both parties’ counsel are located in the United States, making MicroUnity’s proposed locations – including Washington, D.C. and New Jersey – far more reasonable than Tokyo, Japan. Because MicroUnity does not have counsel in Japan, it would be forced to incur the burden and expense of traveling to a foreign country.

Second, this is not a situation where undue burden to the defendant would result as a consequence of transporting large numbers of witnesses from foreign countries. SCEA has not indicated that it would need to bring a large number of witnesses to testify on the topics, or that it could not prepare one or two witnesses to cover the topics. In any event, the burden on both parties is far greater to transport attorneys to Japan to take these depositions than it is to transport the deponent(s) to the United States.

Third, SCEA’s prior resistance to MicroUnity’s discovery efforts, including the dispute leading to this motion, makes it reasonable to predict that discovery disputes may arise during the depositions. *See Resolution Trust Corp.*, 147 F.R.D. at 127-28 (citing the “previous lack of cooperation between [the] parties” as an appropriate factor). This factor weighs in favor of having the depositions occur in the United States, so that the parties can more easily seek the Court’s assistance.

MicroUnity does not have adequate information as to the fourth factor. However, even if the particular individuals SCEA chooses to designate have no existing plans to travel to the United States, it is reasonable to expect SCEA – which is headquartered in the United States, has been sued in the United States, and is the party selecting which individuals to designate – to bring the individuals it designates to the United States.

Finally, the fifth factor, the balance of the equities, weighs heavily in favor of requiring SCEA to bring its representatives to the United States. Most obviously, the U.S. Embassy in Tokyo does not have any deposition dates available in 2007. (Grinstein Decl. ¶ 5) Thus, given that the deadline for MicroUnity to complete discovery is January 2, 2008, SCEA's refusal to make its 30(b)(6) witnesses available for deposition in the United States would effectively deny MicroUnity the opportunity to depose SCEA's 30(b)(6) witnesses.⁴ Also, as the parties know from having recently scheduled other depositions in Japan, taking depositions in Japan is difficult and time-consuming due to the requirements of Japanese law.⁵ The choice to designate witnesses who reside in Japan, rather than in the United States, is SCEA's and SCEA's alone. SCEA should not be permitted to avoid its discovery obligations, or shift unnecessary costs and

⁴ MicroUnity reserved two weeks in late October to complete the depositions of individual Sony witnesses. SCEA should not be permitted – by its tactical choice to designate foreign witnesses as its 30(b)(6) witnesses and then refusing to bring those witnesses to the United States – to force MicroUnity to choose between depositing individual Sony witnesses who SCEA has identified as persons with knowledge of relevant issues and taking depositions of SCEA under Rule 30(b)(6). Nor should MicroUnity have to wait until October to take 30(b)(6) depositions of SCEA that were noticed in April.

⁵ For a discussion of the “complex” procedures necessary to take a deposition in Japan, see <http://tokyo.usembassy.gov/e/acs/tacs-7116.html>. In short, there are only two deposition rooms in all of Japan (at the U.S. Embassy in Tokyo and at the U.S. Consulate in Osaka) at which depositions may legally be taken (and Sony has refused to produce witnesses in Osaka). Not surprisingly, those rooms book-up months in advance, so it is very difficult to schedule depositions. There also are significant restrictions as to the number of people who may attend a deposition in Japan and the time each day available to conduct the deposition. Moreover, any individual wishing to participate in Japanese depositions must go through a lengthy process to obtain a “deposition Visa” from the Japanese government. Needless to say, the United States is a far more efficient venue for the taking of depositions. To be clear, MicroUnity has scheduled, and intends to take, numerous depositions of Sony/Japan employees in their individual capacities in Japan. But by doing so, MicroUnity has not consented to depose SCEA itself in Japan.

expenses onto MicroUnity, by selecting foreign representatives as the 30(b)(6) witnesses for an American corporation and then refusing to present those witnesses in the United States.

Therefore, SCEA should be ordered to produce its Rule 30(b)(6) witnesses to be deposed in the United States. SCEA has its corporate headquarters in New Jersey, and has offered no compelling reason – or any reason at all – for departing from the general rule that requires SCEA to present its corporate representatives to testify in the United States.

IV. CONCLUSION

For the foregoing reasons, MicroUnity respectfully requests that the Court grant MicroUnity's motion to compel and require SCEA to produce its 30(b)(6) witnesses at a mutually agreeable location in the United States.⁶

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Respectfully submitted,

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⁶ In addition to refusing to bring its designated representative to the United States, SCEA also seeks to impose unreasonable time limits on the deposition. (Grinstein Decl. ¶ 3, Ex. B) SCEA designated Shinji Takashima as its 30(b)(6) representative, and demands that MicroUnity complete his deposition – both in his individual capacity and as SCEA's 30(b)(6) representative – in a single day. This would limit MicroUnity to approximately four hours (considering translation time) to depose Mr. Takashima in both his personal capacity and on two separate 30(b)(6) topics. MicroUnity should be permitted a reasonable amount of time to depose SCEA's 30(b)(6) representative, and should not be penalized for time spent deposing Mr. Takashima in his individual capacity.

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CERTIFICATE OF CONFERENCE

Counsel for MicroUnity and counsel for SCEA conferred in good faith on May 15, 2007 to resolve this matter without court intervention. The parties could not reach a timely and mutually acceptable solution.

/s/ Joseph S. Grinstein

CERTIFICATE OF SERVICE

I hereby certify that the following counsel of record who are deemed to have consented to electronic service are being served this 21st day of May, 2007, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by, electronic mail, facsimile transmission and/or first class mail on this same date.

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