

Exhibit C

February 4, 2005

VIA FACSIMILE AND E-MAIL

Aaron Wainscoat, Esq.
DLA Piper Rudnick Gray Cary US LLP
2000 University Avenue
East Palo Alto, CA 94303

**Re: *Zoran Corporation, et al. v. MediaTek, et al.*
*USDC Case Nos. C-04-02619 RMW (PVT) and C-04-04609***

Dear Aaron:

I write to respond to certain discovery issues raised in your letter of January 7, 2005 and letter of January 28, 2005 regarding Defendants' responses to Plaintiffs' First Set of Interrogatories and First Set of Documents Requests.

General Issues: Interrogatory Responses.

1. Interrogatory Nos. 1-2:

Interrogatory No. 1 seeks facts supporting each Defendant's contention that it does not willfully infringe the patents-in-suit.

Interrogatory No. 2 contains three interrogatories,¹ seeking when and how each Defendant learned of the patents-in-suit as well as what actions each Defendant took upon so learning. Defendants will supplement their responses to the extent that there is any non-privileged information that is responsive to this interrogatory.

2. Interrogatory No. 3: (to all Defendants except MediaTek)

Interrogatory No. 3 seeks the identification of persons who have engaged in communications regarding the continued used of MediaTek's chips (or any other manufacturer's

¹ Interrogatory No. 2 contains three separate requests, how each Defendant first learned of the Patents-in-Suit, the identities of the persons who first so learned, and what action each Defendant took upon so learning.

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chips) in accused products as a result of this litigation. Defendants agree to supplement their responses to this interrogatory to the extent that there is any non-privileged information.

3. Interrogatory Nos. 4-5:

These interrogatories seek the identification of accused products and the identification of customers to whom such products were sold. Plaintiffs alleged that despite of the information provided in the related ITC Investigation (337-TA-506) (“the current ITC Investigation”), some of Defendants’ information is not current. This allegation is largely incorrect or inaccurate since most of the Defendants have recently updated their pertinent information.

For example, in October 2004, in connection with the Stipulation Regarding the Importation, Sale for Importation or Sale After Importation, Mintek Digital, Changzhou Shinco, ASUSTek and Lite-On all updated their sales and/or inventory reports through October 2004. *See e.g.*, MIN-ITC-116403 – MIN-ITC-116530, LOT-ITC-011347 – LOT-ITC-012072, SHINCH-ITC-008912 – SHINCH-ITC-008925, ASUS-ITC-000787 – ASUS-ITC-000827. On December 29, 2004, in response to Complainants’ interrogatory request, ASUSTek, Lite-On, MediaTek, TEAC America and Mintek Digital all provided updated inventory reports up through the end of December 2004. *See e.g.*, ASUS-ITC-005828 – ASUS-ITC-005830, LOT-ITC-012073 – LOT-ITC-012158, MTK-ITC-404711 – MTK-ITC-404719, TEAC-ITC-000711 – TEAC-ITC-000712, MIN-ITC-116531 – MIN-ITC-116534.

These sales reports and inventory reports invariably contain current information regarding the identification of the accused products. Thus, Mintek Digital, Changzhou Shinco, ASUSTek, Lite-On, MediaTek and TEAC America do not think that an update is necessary or reasonable at this point. Instead, they will supplement “*at appropriate intervals*” in accordance with the Federal Rule of Civil Procedure Rule 26 (e) (1) (emphasis added).

Terapin and Terapin Technology will supplement their answers.

4. Interrogatory No. 6 (No. 7 to Terapin and TEAC):

This interrogatory actually contains four interrogatory requests. They require each Defendant to provide: (a) the total number of accused units made, used or sold by each Defendant (on a per customer basis); (b) quantity of returns; (c) gross and net revenues, by product; and (d) gross profits or margin, by product.

As an initial matter, as we discussed during the meet and confer, we await your explanation as to the relevance of the quantity of returns. Also, with respect to the total number of accused units, Defendants have already provided annual reports and/or quarterly reports which contain the

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responsive information in the current ITC Investigation. *See e.g.*, ASUSTek-ITC-001391 – ASUSTek-ITC-001522, LOT-ITC-000001 – LOT-ITC-000174, MIN-ITC-009723 – MIN-ITC-009775, MTK-ITC-127285 – MTK-ITC-127286, MTK-ITC-127430 – MTK-ITC-127511.

Defendants will supplement when new annual reports or quarterly reports are available.

Specific Issues: Interrogatory Responses.

MediaTek:

1. Interrogatory No. 3:

This interrogatory requires MediaTek to describe in detail any design changes to its accused products, including any efforts to design around the patents-in-suit. During the January 21, 2005 meet and confer, MediaTek noted that the phrase “any design changes” is vague, ambiguous and overbroad since it may encompass any design changes made during the regular course of business. Plaintiffs clarified that the intent of this interrogatory was to discover non-privileged information regarding MediaTek’s specific efforts to design around the patents-in-suit. MediaTek will supplement accordingly.

TEAC Corporation:

1. Interrogatory No. 6:

TEAC Corp. will supplement.

General Issues: Document Requests.

1. General:

Your letter of January 7, 2005 complained that the documents referenced in Defendants’ responses were produced several months ago, and therefore do not satisfy Defendants’ obligation to produce responsive documents “through the present.” As we discussed above, most of the Defendants provided updated information in the current ITC Investigation at least within one or two month(s) or even simultaneously from the time when they served their responses to Plaintiffs’ discovery requests in this matter. To the extent that certain Defendants have not updated or supplemented the corresponding information in the past three months, those Defendants will produce additional documents to the extent that they exist.

You also questioned Defendants’ responses – “agree to produce” responsive documents “to the extent that they exist and have not already been produced.” As Defendants explained during

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the January 21, 2005 meet and confer, this is simply to draw Plaintiffs' attention to the fact that the parties have agreed that all documents produced in the current ITC Investigation should not be reproduced in this case.

2. Request No. 4:

This request seeks "all annual, quarterly, and monthly Documents" from which the following eleven categories of financial information may be obtained (gross revenues, discounts, net revenues, cost of goods sold, gross profit, operating expenses, operating profit, net profit, contribution margin, allocated overhead expenses and/or other allocated expenses, and other sales, general, and administrative expenses). Defendants were concerned about the over broad scope ("all" documents) of the original request and invited Plaintiffs to meet and confer to clarify the intended scope of this request. It is apparent from your January 7, 2005 letter that Plaintiffs are no longer insisting on "all" documents and instead agree to limit the scope of this request to "documents sufficient to show" the financial information requested. *See* Aaron Wainscoat's January 7, 2005 letter to Susan Callender at page 2.

As noted above, ASUSTek, Terapin, MediaTek, Lite-On, TEAC Corp., Mintek and Changzhou Shinco have produced their annual reports or quarterly reports in the current ITC Investigation. These documents are sufficient to show the information sought by this request. However, we will continue to search for additional relevant documents kept in the normal course of business.

TEAC America and Terapin Technology will supplement in this regard.

3. Request No. 5:

This request seeks documents sufficient to show the same information requested in Interrogatory No. 6, discussed above.

Your January 7, 2005 letter asserted that many documents referenced by Defendants are irrelevant while at the same time your letter asks Defendants to confirm the relevance of documents that were produced in a foreign language. It appears that Plaintiffs made this assertion without really looking through those documents in the first place. As a matter of fact, these documents include financial statements, purchase orders, invoices as well as other documents from which gross revenues, net revenues and/or the number of units sold can be ascertained. Defendants thus cannot agree that these documents are "irrelevant."

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In your letter, Plaintiffs also complained that the information provided by Defendants is not current. Again, this allegation is not true with respect to Mintek Digital, Changzhou Shinco, ASUSTek and Lite-On. The remaining entities will supplement.

Your January 7, 2005 letter also complained about the fact that many documents were produced in foreign languages. As you are well aware, Defendants are only obligated to produce documents in native format. To the extent that there are English translations of these documents, Defendants would have already produced them. However, Defendants have no obligation to generate English versions of all documents which were originally written in a foreign language.

4. Request No. 6:

This request seeks documents that identify all customers that receive the accused products for sale or other distribution in the United States during the relevant time frame, including customer account number, name, full address, customer key contact person, and the names of Defendants' employees serving the account.

As an initial matter, please explain the relevance of customer account number, full address, customer key contact person, and the names of Defendants' employees serving the account to damages issues. Also, Defendants have already provided various kinds of documents, including sales reports and inventory reports, that contain the identity of their customers. Furthermore, the original request does not seek "all documents," and therefore, Plaintiffs cannot now request Defendants to agree to produce "all responsive documents."

5. Request Nos. 9, 10, 13, 14, 18:

These requests seek "*all documents*" that refer to or relate to annual R&D expenditures, anticipated sales information, any relationship that do or may exist between sales of the accused products and sales of each Defendants' other products, marketing and determination of prices. During the January 7, 2005 meet and confer, Defendants noted that these requests are over broad, and proposed limiting the corresponding discovery to documents sufficient to show the information sought by these requests. However, Plaintiffs refused this very reasonable request and instead, insisted on the discovery of "all documents" and forced Defendants to agree or disagree on this issue.

Discovery is still at its very early stage, and Defendants are willing to meet and confer on this issue.

Finally, Defendant will provide documents sufficient to show how prices are determined if any such documents exist.

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6. Request No. 16:

This request seeks documents sufficient to show any serial numbers for Defendants' accused products and the location or the disposition of such products. Defendants do not know what serial number Plaintiffs are talking about. Your January 27, 2005 letter alleged that "serial numbers are relevant for identifying the sale price for each accused product sold, as well as determining inventory and tracking products." However, Defendants already provided the identification of their accused products, such as product name, model number and/or internal names, which should be sufficient for Plaintiffs to determine sale price, etc. It is also worth noting that, as discussed above, many Defendants provided updated inventory information, including quantity and locations of the accused products, in the past month.

7. Request No. 17:

Defendants will supplement to provide price lists or pricing scheduled issued or developed by each entity, to the extent that such documents exist.

8. Request Nos. 19-20, 22 and 24:

These requests seek all licenses for patents or technology relating to DVD players and recorders. As clarified during the January 21, 2005 meet and confer, by agreeing to produce "one copy of licenses," Defendants meant one copy for each executed license agreement that is relevant to the specific features and functionality of the asserted patents, and not one copy in total as Plaintiffs believed.

Specific Issues: Document Requests:

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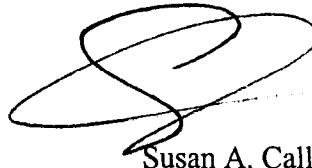
MediaTek

1. Request No. 26:

This request seeks documents referring to or relating to any design changes to MediaTek's accused products, including any efforts to design around the patents-in-suit. Your January 7, 2005 letter further stated that this request seeks "all documents related to any actual design changes or design arounds." This is an extremely over-broad request since it encompasses all the day-to-day design activities, regardless of whether that activity is relevant to the patents-in-suit or not. During the January 21, 2005 meet and confer, MediaTek raised this concern, and Plaintiffs agreed to limit the scope of this request to the actual design-around of the specific patents-in-suit. MediaTek will supplement to the extent that there are any non-privileged documents not already produced.

Sincerely,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation



Susan A. Callender

cc: Karin Norton, Esq. (via e-mail)
Mark Zolno, Esq. (via e-mail)
William Wright, Esq. (via e-mail)