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June 22, 2010

BY EMAIL

Sean DeBruine, Esq.
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Re: **Elan Microelectronics Corporation v. Apple Inc.,
Case No. 09-01531 (RS)**

Dear Sean:

I write concerning Elan's June 8, 2010 Answer, Affirmative Defenses, and Counterclaims in response to Apple's Third Amended Answer, Affirmative Defenses, and Counterclaims. In its Answer, Elan has asserted a defense (and a corresponding declaratory judgment counterclaim) based on inequitable conduct allegedly committed during prosecution of the '218 patent. *See* Paragraphs 80-83. Elan's claim is meritless. Moreover, Elan's defense and counterclaim do not meet the pleading requirements of Federal Rule of Civil Procedure 9(b), as set forth in the Federal Circuit's decision in *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1327 (Fed. Cir. 2009).

As the Federal Circuit cautioned in *Exergen*, before making the serious charge of inequitable conduct and harming the reputations of those being accused, a charge of inequitable conduct must be adequately pleaded. In particular, under *Exergen*, a pleading alleging inequitable conduct must (1) identify with specificity who was allegedly aware of the materiality of the reference (or falsity of statement) at issue and had an intent to deceive the Patent Office, (2) identify with specificity the allegedly material portions of the reference in question -- specifically identifying the portions of the reference and the claims and claim limitations at issue, (3) explain how any person allegedly responsible for the inequitable conduct was aware of the alleged materiality of the reference (or

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falsity of the statement), (4) explain how the reference or statement is allegedly not cumulative to the other references before the examiner, identifying specific claim limitations or combination of limitations that are supposedly absent from the information of record, (5) explain how an intent to deceive can be inferred from the given facts, and (6) explain how the statements in question, even if false, would be material.

Elan's proposed inequitable conduct claim simply does not provide the foregoing information. For example, Elan's pleading is based on the alleged failure to disclose the Cirque Glidepoint® product to the PTO, but Elan does not specify what reference, if any, related to the Glidepoint® product is alleged to have been known to the inventors of the '218 patent and withheld. Moreover, Elan inaccurately states that "At no time did Mr. Della Bona, the other inventors, or any others involved in the patent application disclose the existence of Cirque's Glidepoint® product to the USPTO." As the '218 file history shows, information concerning the Glidepoint product was in fact submitted to the PTO during prosecution. Likewise, Elan's "pleading fails to identify which claims, and which limitations in those claims, the withheld references are relevant to, and where in those references the material information is found . . ." See *Exergen*, 575 F.3d at 1329. Elan has not pleaded any basis for its allegation that the allegedly withheld reference (whatever it is) is material and not cumulative of the art already before the PTO, including the disclosed references relating to the Glidepoint® product.

As with knowledge and materiality, Elan's pleading does not "include sufficient allegations of underlying facts from which a court may reasonably infer that a specific individual (1) knew of the withheld information . . . and (2) withheld or misrepresented this information with a specific intent to deceive the PTO." See *Exergen*, 575 F.3d at 1328-29. Elan contends that Mr. Della Bona allegedly knew that the product was material to patentability and that "[o]n information and belief, the other inventors named on the '218 patent, as well as others involved in the patent application, were also aware of the Glidepoint® product and its materiality to the alleged invention claimed in the '218 patent application and that the Glidepoint® prior art rendered statements made in the application false and misleading." These allegations are devoid of underlying facts from which the Court may reasonably infer that any specific individual withheld information with an intent to deceive the PTO. Moreover, Elan's conclusory and speculative allegation that individuals "on information and belief made or allowed those false statements and withheld the material prior art with the specific intent to deceive the USPTO" is precisely the type of allegation that *Exergen* has rejected as inadequate under Rule 9(b).

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In light of these deficiencies, Apple requests that, by June 24, 2010, Elan either amend its pleading of inequitable conduct to comply with the requirements of Rule 9(b) or withdraw the pleading. We stand ready to meet and confer on this issue if you would like to discuss further.

Best regards,

A handwritten signature in black ink, appearing to be 'Sonal N. Mehta', with a long horizontal flourish extending to the right.

Sonal N. Mehta