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9 UNITED STATES DISTRICT COURT
 10 NORTHERN DISTRICT OF CALIFORNIA
 11 SAN JOSE DIVISION

12 ELAN MICROELECTRONICS) Case No. C-09-01531 RS
 13 CORPORATION,)
)
 14 Plaintiff,) **ELAN MICROELECTRONICS**
) **CORPORATION’S REPLY IN SUPPORT**
 15 v.) **OF ITS MOTION TO DISMISS APPLE,**
) **INC.’S THIRD, FOURTH AND FIFTH**
 16 APPLE, INC.,) **COUNTERCLAIMS UNDER RULE**
) **12(b)(6) FOR FAILURE TO STATE A**
 17 Defendant.) **CLAIM, OR IN THE ALTERNATIVE, FOR**
) **MORE DEFINITE STATEMENT UNDER**
 18) **RULE 12(e)**

19 APPLE, INC.,)
)
 20 Counterclaimant,) Date: August 26, 2009
) Time: 9:30 a.m.
 21 v.) Courtroom: 4, 5th Floor
)
 22 ELAN MICROELECTRONICS) The Honorable Richard Seeborg
 23 CORPORATION,)
)
 24 Counterdefendant.)

1 **I. INTRODUCTION**

2 Apple's argument that Elan is on notice of the infringement claims against it in Apple's Fourth
3 and Fifth counterclaims under Rule 8(a) without pleading sufficient facts to support those claims based
4 on Rule 11(b)(3) is meritless. Indeed, the Supreme Court in *Twombly* and *Iqbal* set forth a "threshold
5 requirement" for Rule 8(a) to ensure that a claim for relief is "plausible" rather than merely "possible" to
6 prevent a claimant from embarking on an expensive fishing expedition in the hope of finding sufficient
7 information to eventually show infringement. To be plausible, Apple must at least plead infringement of
8 its patents, not mere speculation. Tellingly, Apple conceded that it did not plead infringement at all for
9 its Fourth and Fifth counterclaims, but speculated that infringement may be confirmed after a reasonable
10 opportunity for further investigation or discovery. Simply put, relying on possible infringement, Apple
11 failed to meet this threshold requirement depriving Elan of notice on what it must defend for those
12 counterclaims.

13 Apple's reliance on Rule 11(b)(3) and *Windy City* to support its argument is misplaced. Once the
14 factual contentions to support a claim for relief are pled under Rule 8(a), *Windy City* allowed for the
15 factual contentions to have evidentiary support "after a reasonable opportunity for further investigation"
16 under Rule 11(b)(3). The *Windy City* court did not dispense with the requirement that acts of *actual*
17 *infringement* be pled. Apple, by contrast, has failed to plead infringement for its Fourth and Fifth
18 counterclaims. Similarly, for its Third, Fourth, and Fifth counterclaims, Apple failed to plead specific
19 acts "within the United States" by Elan or any unidentified non-parties necessary to claim direct or
20 indirect infringement. Finally, Apple has failed to identify any direct infringement by any non-parties to
21 support any counterclaim for indirect infringement of any of the asserted patents. Accordingly, because
22 of Apple's failure to comply with Rule 8(a), the Court should grant Elan's motion to dismiss.

23 **II. ARGUMENT AND CITATION OF AUTHORITY**

24 **A. Apple Failed To State Claims For Relief Under Rule 8(A) In Its Third, Fourth, Fifth
25 Counterclaims.**

26 Apple's Third, Fourth, and Fifth counterclaims fail to provide a "short and plain statement of
27 the claim showing that the pleader is entitled to relief" under Rule 8(a)(2). "To survive a motion to
28 dismiss, a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief
that is plausible on its face." *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009) (internal quotations

1 omitted). Even if all of Apple's limited factual contentions were accepted as true, Apple still failed to
2 provide a plausible claim of direct or indirect infringement under Rule 8(a)(2).

3 **1. Apple Did Not Plead Direct Infringement "Within The United States."**

4 "The grammatical structure of [35 U.S.C. § 271(a)] indicates that 'within the United States' is a
5 separate requirement" for liability purposes. *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282,
6 1315 (Fed. Cir. 2005). This requirement equally applies to claims of indirect infringement because
7 actionable direct infringement is a prerequisite for such liability. *See Joy Techs., Inc. v. Flakt, Inc.*, 6
8 F.3d 770, 774 (Fed. Cir. 1993) ("Liability for either active inducement of infringement or for
9 contributory infringement is dependent upon the existence of direct infringement."). A patentee must
10 specifically plead that direct infringement occurred "within the United States." *See Advanced Analogic*
11 *Tech. v. Kinetic Tech., Inc.*, 2009 WL 1974602, at *1 & n.2 (N.D. Cal. Jul 8, 2009).

12 For Apple's Third, Fourth, and Fifth counterclaims, Apple failed to plead any specific conduct
13 by Elan or any non-party to support direct or indirect infringement "within the United States" under 35
14 U.S.C. § 271. (D.I. 15 at ¶¶ 50, 55, 60). At best, Apple's jurisdictional statement speculates Elan's
15 infringement in this judicial district. Apple's jurisdictional statement does not actually allege that the
16 acts of infringement for which it seeks relief in its Third, Fourth, and Fifth counterclaims are the
17 "infringing conduct" which gives rise to the Court's personal jurisdiction. (D.I. 15 at ¶ 34.) Rule 8(a)
18 does not permit this type of pleading. *See, e.g., J.R. v. Sylvan Union Sch. Dist.*, 2008 WL 682595, at
19 *14 (E.D. Cal. Mar. 10, 2008) (citing *Twombly* and dismissing plaintiff's allegations as "no more than
20 conjectural, as provided by their express qualification that they 'are likely to have evidentiary support
21 after a reasonable opportunity for further investigation or discovery.'"); *see also Daw Indus. Inc. v.*
22 *Proteor Holdings*, 2008 WL 251977, at *5 (S.D. Cal. Jan. 29, 2008).¹ Dismissal is proper for
23 jurisdictional statements that do not properly plead "within the United States." *See Advanced Analogic*,
24 2009 WL 1974602 at *1 & n.2. Because Apple's Third, Fourth, and Fifth counterclaims are
25 insufficient under Rule 8(a), they must be dismissed. *See id.*

26 **2. Apple Failed To Plead Properly Indirect Infringement.**

27 Apple identified Elan's Smart-Pad as the only accused device. (D.I. at ¶¶ 50, 55, 60; Reines

28 1. All unpublished decisions are attached to the supporting Declaration of Sean P. DeBruine ("DeBruine Dec.") filed contemporaneously herewith.

1 Dec. at ¶ 2.) Elan’s Smart-Pad, however, is merely sold to multiple and varying device makers who
2 then incorporate the Smart-Pad into various end-user devices such as laptop computers. Yet, even after
3 “taking apart laptops” allegedly having an Elan touchpad during its pre-investigation actions (Reines
4 Dec. at ¶ 2), Apple conceded that it did not know if Elan’s Smart-Pad actually infringed the ’659 and
5 ’929 patents, directly or indirectly. (D.I. 17 at 4-5). Importantly, these patents claim a “host device” or
6 “housing” with a particular structure for a touchpad. (D.I. 15-2 at 21:30-24:14; D.I. 15-3 at 12:52-
7 14:64.) Apple failed to allege any host device, such as a laptop or computer system, or any device
8 consisting of a housing structure and an Elan touchpad. (D.I. 15 at ¶¶ 55, 60.) Because Elan does not
9 make or sell host devices or housing structures and Apple failed to identify any, Elan is completely
10 blind on how it could possibly defend itself against indirect or direct infringement on those patents, and
11 dismissal is proper. *See Hewlett-Packard Co. v. Intergraph Corp.*, 2003 WL 23884794, at *2 (N.D.
12 Cal. Sept. 6, 2003) (dismissing claims for induced infringement because “there are no allegations of
13 direct infringement by a third-party”); *Performance Aftermarket Parts Group, Ltd. v. TI Group*
14 *Automotive Sys., LLC*, 2007 WL 2818269, at *2 (S.D. Tex. Sept. 25, 2007) (concluding that a defendant
15 who cited to 35 U.S.C. § 271 but did not provide any facts regarding contributory infringement had not
16 properly pled contributory infringement); *Goss Int’l Americas, Inc. v. MAN Roland, Inc.*, 2008 WL
17 3823707, at *1-2 (D.N.H. Aug 15, 2008) (concluding that a patentee had not properly pled a claim for
18 induced or contributory infringement because the complaint “include[d] no mention of direct
19 infringement by any party other than” the defendant).

20 Apple’s argument that Elan applies a double standard is misplaced. Apple’s ’218, ’659, and
21 ’929 patents require identification of at least end-user devices using Elan’s Smart-Pad to place Elan on
22 adequate notice of how Elan allegedly indirectly infringes those patents. In stark contrast, Elan
23 identified specific end-user devices sold and made by Apple, including the Apple iBook, PowerBook,
24 MacBook portable computers, iPhone, and iPod Touch digital media player devices, not one of
25 hundreds of components contained in those Apple products that directly or indirectly infringe Elan’s
26 ’352 and ’353 patents. (D.I. 1 at 2-4.) Those identified products are the products which Elan claims
27 directly infringe its patents. Apple has not provided the same information in any of its counterclaims.

28 Further, Apple’s reliance on the *Advanced Analogic*, *In re Katz*, and *FotoMedia* to support its

1 argument that it is not required to allege direct infringement is unavailing. In *Advanced Analogic*, the
2 court dismissed the claims for indirect infringement because the plaintiff “fail[ed] to allege, however,
3 that any such third party has itself made, used, offered to sell, or sold an infringing product.” *Advanced*
4 *Analogic*, 2009 WL 1974602 at *1. The court did not base its decision on the nature of the products,
5 but on the simple fact that there was no allegation that non-parties directly infringed. *See id.* Apple’s
6 Third, Fourth, and Fifth counterclaims also fail to allege any direct infringement by non-parties. (D.I.
7 15 at ¶¶ 50, 55, 60.)

8 *In re Katz Interactive Call Processing Patent Litigation*, 07-ML-01816 (C.D. Cal. Aug. 3,
9 2009), is equally unavailing. First, the movant did not raise the claim that the patentee improperly pled
10 indirect infringement until its reply which permitted the court to dispose of the motion without
11 addressing that issue. *See id.* at 2. Second, in denying the motion to dismiss, the court did not discuss
12 the pleading standard for indirect infringement because that issue was not before the court. *See id.* at 2-
13 3. Instead, the court merely focused on the Federal Circuit’s pre-*Iqbal* decision in *McZeal v. Sprint*
14 *Nextel Corp.*, 501 F.3d 1354 (Fed. Cir. 2007). *McZeal*, however, is inapplicable. First, the decision
15 involved a *pro se* patentee which required “the reviewing court [to] grant the *pro se* litigant leeway on
16 procedural matters, such as pleading requirements” because “an unrepresented litigant should not be
17 punished for his failure to recognize subtle factual or legal deficiencies in his claims.” *Id.* at 1356.
18 Apple is not appearing *pro se*. *See Performance*, 2007 WL 2818269 at *1 n.2 (refusing to apply
19 *McZeal* to defendant’s counterclaims because the defendant was represented by counsel and dismissing
20 various counterclaims). Second, *McZeal* did not involve allegations of indirect infringement. *See*
21 *McZeal*, 501 F.3d at 1357. Finally, the issue raised by the movant was whether the complaint
22 adequately detailed **how** the accused products infringed, which is not the basis for Elan’s motion. *See*
23 *id.* at 1356-58.

24 Equally unavailing is Apple’s reliance on the decision in *FotoMedia Tech., LLC v. AOL, LLC*,
25 2008 WL 4135906 (E.D. Tex. Aug. 29, 2008). Like *In re Katz*, the court incorrectly relied on the pre-
26 *Iqbal* decision in *McZeal*. *See id.* at *1. Moreover, the decision is inconsistent with the law of this
27 district. *See Hewlett-Packard*, 2003 WL 23884794 at *2. Because Apple’s pleading deficiencies are
28 different from those claimed against the *pro se* litigant in *McZeal*, *In re Katz* and *FotoMedia* are

1 inapplicable and do not save Apple's counterclaims.

2 **3. Apple Did Not Allege Any Actual Infringement In Its Fourth And Fifth**
3 **Counterclaims.**

4 Apple did not state a claim with respect to the '659 and '929 patents as evidenced by its
5 concession that it did not allege any infringement of those patents in its its Fourth and Fifth
6 counterclaims. (D.I. 17 at 4-6.) Those counterclaims, at best, identify that Apple thinks that some of
7 Elan's products may or may not have directly infringed the asserted patents at some time. Further,
8 Apple has asserted a speculative belief that Elan may or may not have induced others to infringe or
9 contributed to the infringement of others although neither the directly infringing products nor the direct
10 infringers have been identified. Because it did not allege a claim entitled for relief, those counterclaims
11 must be dismissed.

12 **B. Apple's Reliance On Rule 11(b)(3) Does Not Elevate Its Speculation of Infringement**
13 **To Satisfy Rule 8(a).**

14 For its Fourth and Fifth counterclaims, Apple merely speculates that "it is likely that reasonable
15 opportunity for further investigation or discovery will confirm that Elan has been" directly or indirectly
16 infringing the '629 and '959 patents. (D.I. 15 at 7-9.) The pleading standard under Rule 8(a)(2)
17 "requires a 'showing,' rather than a blanket assertion, of entitlement to relief." *Bell Atl. Corp. v.*
18 *Twombly*, 550 U.S. 544, 556 n.3 (2007). "Factual allegations must be enough to raise a right to relief
19 above the speculative level." *Id.* at 555 (emphasis added). Apple's Fourth and Fifth counterclaims are
20 merely speculative and do not meet the Rule 8(a) standard. For example, even after "taking-apart
21 laptops" allegedly having Elan touchpads as part of its pre-filing investigation (Reines Dec. at ¶ 2),
22 Apple still conceded it did not know if Elan's touchpads or products containing Elan's touchpads
23 actually infringed the '659 and '929 patents. (D.I. 17 at 4-5.) Apple simply attempts to conflate Rule
24 11(b)(3) with Rule 8(a)(2) in order to avoid having to accuse Elan of actually infringing anything.

25 Courts have repeatedly rejected Apple's position. *See, e.g., Geisinger Med. Ctr. v. Gough*, 160
26 F.R.D. 467, 469 (M.D. Pa. 1994) ("We reject the defendants' interpretation of the 1993 amendment to
27 Rule 11 as giving them a general license to plead a claim first and then allowing them to conduct the
28 necessary investigation in support of it. The amendment's intended effect is [far] more limited in

1 scope.”); *In re Papst Licensing GmbH & Co. KG Litig.*, 585 F. Supp. 2d 32 (D.D.C. 2008);² *Omega*
2 *Patents, LLC v. Lear Corp.*, 2007 WL 4247674, at *2 (M.D. Fla. Nov. 30, 2007) (dismissing
3 counterclaims for declaration of invalidity containing language identified in Rule 11(b)(3) and noting
4 that “this ‘counterclaim’ fails to rise even to the level of a conclusory assertion and will be stricken”);
5 *J.R.*, 2008 WL 682595 at *14 (“Plaintiffs’ allegations . . . are no more than conjectural, as provided by
6 their express qualification that they ‘are likely to have evidentiary support after a reasonable
7 opportunity for further investigation or discovery.’”).

8 More importantly, like courts in other districts, courts in the Ninth District also refuse to follow
9 Apple’s reading of Rule 11(b)(3) into Rule 8(a). For example, in *Chagby v. Target Corp.*, 2009 WL
10 398972 (C.D. Cal. Feb. 11, 2009), the court found:

11 Plaintiff’s attempt to rely on FRCP 11(b)(3) to obviate the need to plead any facts is
12 unavailing. Rule 11(b) allows Plaintiff to plead *facts* that she believes in good faith to
13 have evidentiary support. It does not permit Plaintiff to allege *claims* in the absence of
any facts, simply because Plaintiff speculates that those facts will eventually be
discovered.

14 *Id.* at *1 (emphasis added). A similar result was reached in the Southern District case of *Daw*
15 *Industries*, 2008 WL 251977 at *2, in which the court rejected a patentee’s declaratory judgment claim
16 which the plaintiff specifically identified the need for “reasonable opportunity for further
17 investigation.” The court correctly noted that the plaintiff had not, in fact, alleged anything:
18 “Plaintiff’s Complaint [for declaratory judgment] does not allege the right to engage in any activity at
19 all. Plaintiff’s position is simply that it does not know whether or not it has infringed Defendant’s
20 patent.” *Id.* at *5.

21 The only authority Apple cites to support its lower pleading requirement of Rule 8(a) is *Windy*
22 *City Innovations, LLC v. America Online, Inc.*, 227 F.R.D. 278 (N.D. Ill 2005). But reliance on *Windy*
23 *City* does not advance Apple’s cause. *Windy City* was issued before the Supreme Court’s latest
24 pronouncement in *Iqbal* which expressly rejected the rationale used by the *Windy City* court. *See Iqbal*,

25
26 2. Although the *Papst* court altered its order on reconsideration, the court only changed its dismissal from
27 one with prejudice to one without prejudice. *See In re Papst*, 602 F. Supp. 2d 17, 21 (D.D.C. 2009) (amending
28 the court’s previous order to provide that the complaint was dismissed without prejudice). The court reiterated
and applied the exact same legal standard on reconsideration and reached the same conclusion: dismissal was
proper. *Compare Papst*, 585 F. Supp. 2d at 34 *with Papst*, 602 F. Supp. 2d at 18-19. Accordingly, Elan is unclear
why Apple believes that the later order calls into question the legal principles applied in court’s original decision.

1 129 S. Ct. 1937 at 1944 (“*Twombly* retired the *Conley* no-set-of-facts test . . .”). Further, unlike
 2 Apple’s counterclaims, the plaintiff in *Windy City* alleged actual infringement of the patent by
 3 identified accused product.³ *Windy City*, 227 F.R.D. at 278. Because there is no legal authority that
 4 supports Apple’s attempt to avoid the pleading requirement of Rule 8(a), Apple’s arguments regarding
 5 Rule 11(b)(3) should be rejected.

6 **C. Even If Rule 11 Affected The Pleading Requirements Of Rule 8(A), Apple Has Not**
 7 **Met The Requirements Of Rule 11(B)(3).**

8 **1. Apple Did Not Conduct An Objectively Reasonable Pre-Filing Investigation**
 9 **Which Prohibits It From Relying On Rule 11(B)(3).**

10 Rule 11(b) requires a party and counsel to investigate an accused device and reasonably
 11 determine that every patent claim element is present before pleading any claim for relief. *Judin v.*
 12 *United States*, 110 F.3d 780, 784 (Fed. Cir. 1997). Once an attorney has conducted a proper pre-filing
 13 investigation, Rule 11(b)(3) permits the attorney to make factual assertions which, “if specifically so
 14 identified, will likely have evidentiary support after a reasonable opportunity for further investigation
 15 or discovery.” Fed. R. Civ. P. 11(b)(3). *See also Pellegrini v. Analog Devices, Inc.*, 2006 WL 83472, at
 16 *2-4 (D. Mass. Jan. 11, 2006) (holding that an appropriate pre-filing investigation is required before a
 17 party can allege “factual contentions” which require additional discovery under Rule 11(b)(3));
 18 *Pellegrini v. Analog Devices, Inc.*, 312 Fed. App’x. 304, 307-08 (Fed. Cir. 2008) (same), *cert denied*,
 129 S. Ct. 1329 (2009).

19 Under Rule 11(b), Apple bears the burden to demonstrate that its pre-filing investigation was
 20 proper. *See, e.g., View Eng’g, Inc. v. Robotic Vision Sys., Inc.*, 208 F.3d 981, 986 (Fed. Cir. 2000) (“In
 21 bringing a claim of infringement, the patent holder, if challenged, must be prepared to demonstrate to
 22 both the court and the alleged infringer exactly why it believed before filing the claim that it had a
 23 reasonable chance of proving infringement.”). For claims of patent infringement, Rule 11(b)(3)
 24 requires, at a minimum, interpreting the claims of the asserted patents and comparing them to the
 25 products accused of direct infringement. *See Q-Pharma, Inc. v. Andrew Jergens Co.*, 360 F.3d 1295,

26 _____
 27 3. Unlike Apple’s Fourth and Fifth counterclaims, *Windy City*’s amended complaint made infringement
 28 allegations without Rule 11(b)(3) as to a list of specific products. (DeBruine Dec., Ex. M at ¶ 11.) It reserved
 reliance on Rule 11(b)(3) only for a certain set of additional specific products. (*Id.* at ¶ 12.) *Windy City* did not
 rely on Rule 11(b)(3) for the infringement claim as a whole, as Apple does. (*Id.* at ¶ 11.) *Windy City* thus
 provides no support for Apple’s position that Rule 11 somehow lowers the pleading standard under Rule 8.

1 1300-01 (Fed. Cir. 2004). According to Apple, it engaged in a very limited pre-filing investigation of
2 Elan's products which "include[ed] not only the review of the publicly-available documentation, but
3 the purchase, use and taking-apart of laptops employing the accused Smart-Pad touchpad to determine
4 their design and function." (D.I. 17 at 8; Reines Dec. at ¶ 2.) Apple did not contact Elan to obtain any
5 additional information "uniquely in Elan's control" which might have been necessary. (DeBruine Dec.
6 at ¶ 2.) In fact, Apple does not even identify what additional information it needed. Moreover, many
7 technical service providers exist who could have assisted Apple in its pre-filing investigation if
8 necessary. (*Id.* at ¶ 3 & Ex. A.)

9 Apple's Third counterclaim alleges direct and indirect infringement of the '218 patent. The
10 '218 patent claims recite detailed circuitry and operations performed within a touchpad device. (D.I.
11 15-1 at 13:28-18:65). Apple's alleged pre-filing conduct does not indicate that Apple actually reviewed
12 the internal circuitry of Elan's Smart-Pad, actually determined how the product performed its internal
13 operations, or actually compared the claims to accused product. Thus, Apple cannot meet its burden to
14 demonstrate that its pre-filing investigation was objectively reasonable under Rule 11(b)(3). *See*
15 *Antonious v Spalding & Evenflo Cos.*, 275 F.3d 1066, 1074 (Fed. Cir. 2002) ("An attorney's pre-filing
16 actions are evaluated using a standard of objective reasonableness.").

17 The same pre-filing investigation is required for claims of indirect infringement. Apple must
18 perform the same steps with respect to the non-party's products and determine if Elan induced or
19 contributed to the non-party's alleged infringement. *See Pellegrini*, 2006 WL 83472 at *2-4.⁴ Apple's
20 alleged pre-filing investigation does not allege any review of any products from any non-party. This is
21 especially problematic for the '659 or '929 patents which require a "host device" or "housing" with a
22 particular structure for a touchpad in its claims. (D.I. 15-2 at 21:30-24:14; D.I. 15-3 at 12:52-14:64.)
23 Apple also does not appear to have compared the claims of these patents to any host device or any
24

25 4. Although the plaintiff's claims were dismissed under Rule 11 and not 12(b)(6), the holding in *Pellegrini*
26 is directly applicable to the issues raised by Apple. The court determined that the plaintiff could not rely on Rule
27 11(b)(3) because it had not engaged in a proper pre-filing investigation such that his claims should be dismissed.
28 *See Pellegrini*, 2006 WL 83472 at *1-4 (holding that the plaintiff could not receive discovery and continue to
litigate claims for which it had not conducted a reasonable pre-suit investigation). Because it was decided after
McZeal, the Federal Circuit's affirmance controls to the extent that *McZeal* is inconsistent with it. The fact that
the Federal Circuit's decision in *Pellegrini* is unpublished is irrelevant to its precedential effect. *See Fed. R. App.*
P. 32.1.

1 housing structure to form a reasonable basis that Elan could possibly directly or indirectly infringe.

2 Finally, Apple's description of its pre-filing investigation does not identify what, if any, acts
3 Apple determined were performed by Elan or any non-party "within the United States" as required by
4 35 U.S.C. § 271(a). Thus, Apple's pre-investigation analysis of Elan's Smart-Pad does not provide any
5 likelihood of direct or indirect infringement of the asserted patents through any proper infringement
6 analysis. *See View Eng'g, Inc.*, 208 F.3d at 986 (requiring at a bare minimum under Rule 11 to apply
7 the claims of each and every patent that is being brought into the lawsuit to an accused device and
8 conclude that there is a reasonable basis for a finding of infringement of at least one claim of each
9 patent so asserted).

10 Most importantly, Apple's counterclaims are not compulsory and are not facing any sort of time
11 bar. Accordingly, a reasonable investigation under Rule 11(b)(3) requires a full investigation in this
12 situation. *See, e.g., Sprague Farms, Inc. v. Providian Corp.*, 929 F. Supp. 1125, 1131 (C.D. Ill. 1996)
13 (concluding that Rule 11(b)(3) does not apply if a claimant is not under time pressure to file its claims).
14 Clearly, Apple did not engage in an appropriate pre-suit investigation. Because proper pre-filing
15 investigation is lacking, Apple cannot rely on Rule 11(b)(3) to shield its counterclaims from dismissal.
16 *See Pellegrini*, 2006 WL 83472 at *2-4; *Pellegrini*, 312 Fed. App'x. at 307-08.

17 **2. Apple Did Not Plead Specific Factual Allegations Pursuant To Rule 11(B)(3).**

18 Even if Apple had performed a proper pre-filing investigation, Apple could still not avail itself
19 of Rule 11(b)(3). That rule applies to "factual contentions" not to claims. *Compare* Fed. R. Civ. P.
20 11(b)(3) *with* Fed. R. Civ. P. 11(b)(2). *See Arnold v. Petland Inc.*, 2009 WL 816327 (S.D. Ohio Mar.
21 26, 2009) (limiting the application of Rule 11(b)(3) to specific factual allegations). Apple, however,
22 has not identified or pled any factual allegations which it contends will likely have evidentiary support
23 after discovery. (D.I. 15 at ¶¶ 50, 55, 60.) Instead, Apple asserts that Rule 11(b)(3) applies to all
24 aspects of its Fourth and Fifth counterclaims. Accordingly, even if Rule 11(b)(3) ameliorated Apple's
25 pleading obligations, Apple has failed to comply with the requirements of the rule.

26 **D. Apple's Request For Leave To Amend Is Inappropriate And Should Be Denied.**

27 In order for Apple to present properly any request for leave to amend its counterclaims in
28 response to Elan's motion, Apple must file a notice of motion with the Court. *See* L-R 7-2. Because

1 Apple has not filed a notice of motion, Apple's request contained in its response brief is improper. *See*
2 *Phleger v. Countrywide Home Loans, Inc.*, 2008 WL 65677, at *5 (N.D. Cal. Jan. 4, 2008) (holding that
3 the plaintiff's request for leave to amend her counterclaims contained in a brief in opposition to a
4 motion to dismiss was improper because no accompanying notice of motion was filed and denying
5 leave to amend).

6 In addition, Apple should have attached a copy of its proposed second amended pleading to its
7 brief. *See Hinshaw v. The Vessel M/V Aurora*, 2007 U.S. Dist. Lexis 41104, at *15 (N.D. Cal. June 6,
8 2007) ("A motion for leave to amend a complaint must attach a copy of the proposed complaint.").
9 Because Apple has not identified the substance of its proposed amended pleading, neither the Court nor
10 Elan can determine whether the proposed amendments would in fact correct the deficiencies in Apple's
11 counterclaims or would be merely futile. *See Himmelberger v. Lamarque*, 2008 U.S. Dist. Lexis
12 103956, at *10 (N.D. Cal. Dec. 11, 2008) (denying a motion for leave to amend because "[i]n the
13 absence of a proposed second amended complaint, the court cannot discern whether plaintiff could cure
14 the deficiencies set forth in the amended complaint or whether granting him leave to further amend his
15 amended complaint would be futile"). Accordingly, Apple's request should be denied.

16 **III. CONCLUSION**

17 Apple has not and cannot comply with the pleading requirements of Rule 8(a). Accordingly,
18 Elan's motion to dismiss should be granted in full. In the alternative, Apple should be required to
19 provide a more definite statement of the factual allegations which form the basis of its Third, Fourth,
20 and Fifth counterclaims before Elan should be required to serve a reply and answer to the
21 counterclaims.

22 Dated: August 12, 2009

Respectfully submitted,

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25 By: _____ /s/
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