

EXHIBIT 5
(Filed Under Seal)

***CONTAINS CONFIDENTIAL BUSINESS INFORMATION
SUBJECT TO PROTECTIVE ORDER***

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**Before the Honorable Paul J. Luckern
Chief Administrative Law Judge**

In the Matter of

CERTAIN ELECTRONIC DEVICES
WITH MULTI-TOUCH ENABLED
TOUCHPADS AND TOUCHSCREENS

Inv. No. 337-TA-714

RESPONDENT APPLE INC.'S POSTHEARING BRIEF

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. Elan Has Not Established Direct Or Indirect Infringement (RFF 288 TO 352)

a. Elan Has Not Met Its Burden To Prove Specific Acts of Direct Infringement (RFF 288 TO 323)

(1) Elan Bears The Burden To Prove Specific Acts Of Direct Infringement

“A method claim is *directly* infringed only by one practicing the patented method.” *See Joy Techs.*, 6 F.3d at 775 (Fed. Cir. 1993) (emphasis in original). In other words, “allegations of infringement turn on the methods used by the two inventions, not their output.” *See Surfware*, 2009 WL 605803, at *5; *see also GTX Corp. v. Kofax Image Prods. Inc.*, 571 F. Supp. 2d 742, 748 (E.D. Tex. 2008) (rejecting infringement theory where infringement theory was based on a different method than claimed in the patent). Moreover, although in some cases “an accused product that sometimes, but not always, embodies a claimed method nonetheless infringes,” the accused product must still embody the claimed method and not merely achieve the same output in particular circumstances. *See Ferguson Beauregard/Logic Controls v. Mega Sys., LLC*, 350 F.3d 1327, 1346 (Fed. Cir. 2003) (quoting *Bell Comm’ns Research, Inc. v. Vitalink Comm’ns Corp.*, 55 F.3d 615, 622-23 (Fed. Cir. 1995)).

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To prove infringement, the patent owner must show “specific instances of direct infringement or that the accused device necessarily infringes the patent in suit.” *Ball Aerosol & Specialty Container, Inc. v. Limited Brands, Inc.*, 555 F.3d 984, 995 (Fed. Cir. 2009) (quoting *Acco Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307, 1313 (Fed. Cir. 2007)). If an accused product can, at any time, be used in a noninfringing manner, then the product does not “necessarily infringe.” *Acco*, 501 F.3d at 1313. In that case, infringement can only be proven by providing substantial evidence of specific instances of direct infringement. *Id.* Showing that a product is reasonably capable of use in an infringing manner—for example, by “being put into the claimed configuration”—is not sufficient to prove infringement unless the patent claims are specifically drawn to capability. *Ball Aerosol*, 555 F.3d at 995 (citing *Acco*, 501 F.3d at 1313). As to specific instances of direct infringement for an accused device that does not necessarily infringe, if there is no proof that the device was ever used in an infringing manner then a finding of infringement is reversible. *Id.*

Thus, to carry its burden of proof, Elan was obligated to prove as a threshold matter that someone has actually used each product in an allegedly-infringing way. Elan has not met that burden.

**(2) Elan’s Infringement Theory Is Limited To Three
Narrow Hypotheticals**

As noted above, Elan concedes that, even under its own infringement theory, Apple’s accused products are only alleged to infringe [REDACTED]

[REDACTED] Balakrishnan,
Tr. at 872:21-874:4; Dezmelyk, Tr. at 650:14-19; **RDX-772**. [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Balakrishnan, Tr. at 872:21-874:4; **RDX-772**; **RDX-774C** to **RDX-775C**; **RDX-784C** to **RDX-786C**; **RDX-790C**; Dezmelyk, Tr. at 650:20-651:6, 657:5-658:2. It is undisputed that, in all other cases, Apple’s products are not even alleged to infringe. Indeed, Elan’s infringement theory is so constrained that, in Elan’s infringement hypothetical where [REDACTED]

[REDACTED]

[REDACTED] Dezmelyk, Tr. at 653:2-24.

Likewise, in the hypothetical where [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Dezmelyk, Tr. at 667:4-16; **CDX-172C.232**.

(3) Elan Has Presented No Evidence Of Direct Infringement In Any Of Its Three Hypotheticals

Because of the limited scope of Elan’s infringement theory, it is impossible for any accused Apple product to practice the method of Claim 1 unless someone uses the product in one of the highly-specific hypotheticals that Elan has alleged to infringe. Thus, to establish direct infringement, it was incumbent on Elan to prove that Apple’s accused products are actually used in the very specific hypotheticals Elan has accused.

11 [REDACTED]

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Elan did not even purport to meet this burden at the evidentiary hearing. Indeed, the Elan’s only purported evidence of direct infringement that Elan has ever proffered is its citation to a single passage of deposition testimony of Dr. Westerman, which Elan also designated as part of the parties’ joint exhibit of deposition designations from Dr. Westerman’s deposition. *See* Elan Motion for Summary Determination of Infringement at 12, 19-20; **JX-12C** [Westerman Dep.] at 144:18-145:19. But while Elan appears to wish to rely on Dr. Westerman’s testimony as supporting its contention that individuals perform multi-finger gestures in a manner alleged to infringe Claim 1, Dr. Westerman’s testimony says nothing of the sort. In fact, Dr. Westerman testified only that he and others at Apple “use multi-finger gestures.” **JX-12C** [Westerman Dep.] at 144:18-145:19. That is not enough for even an allegation of infringement under Elan’s theory. To wit, although Elan’s counsel has attempted to conflate the use of multi-finger gestures broadly with infringement throughout this Investigation, Elan Opening Statement, Tr. at 102:18-104:2, Elan’s infringement theory requires Elan to prove use of such gestures in orientations and with conditions that are much more specific. On that issue, Dr. Westerman did not testify at deposition or at the hearing—nor has any other witness or document suggested—that anyone has ever used multi-finger gestures in the specific, narrow scenarios that Elan has alleged to infringe. To the contrary, even after the completion of extensive fact and expert discovery, there is not a scrap of evidence to suggest that Elan’s accused hypotheticals are anything more than the supposition of Elan’s counsel.¹²

¹² In a belated effort to proffer some semblance of an infringement showing, Elan attempted to introduce through Mr. Dezmelyk a handful of animations and videos downloaded from the internet that purportedly show allegedly infringing uses. Even if these videos showed that Elan’s infringement hypotheticals occur in use of the products (which they did not), the videos were excluded, leaving Elan with just the animations that Mr. Dezmelyk created. Dezmelyk, Tr. at 471:19-473:5, 473:17-479:3. Of course, these animations are merely illustrative of Mr. Dezmelyk’s opinion and are not evidence of any actual use of the products at all.

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Instead of presenting any evidence of specific instances where all of the conditions necessary for infringement under its theory have actually been met in practice, Elan has merely argued that its required data conditions are likely to have been met in practice in at least some of the accused Apple products. In support, Elan relies upon its expert Mr. Dezmelyk's opinion as to what is and is not likely to occur in the operation of the accused products. But neither Elan nor its expert Mr. Dezmelyk has actually measured any data of capacitive coupling for actual fingers on actual accused products to determine whether the conditions necessary for infringement under Elan's theory have actually ever been met in practice. Dezmelyk, Tr. at 652:7-12, 660:3-11, 668:17-25, 669:8-12.

Rather, Mr. Dezmelyk's opinions are based on hypothetical data sets. Dezmelyk, Tr. at 652:13-653:1, 666:25-667:3. To be sure, hypothetical data sets can be useful to understand how Apple's algorithms would function in certain conditions (as Dr. Balakrishnan used them to illustrate the operation of Apple's code). But hypothetical data sets cannot be used as a substitute for evidence to satisfy a burden of proof on whether those certain conditions actually occur in practice. The testimony on Mr. Dezmelyk's hypothetical data sets reveals exactly why this is so. Mr. Dezmelyk testified that the data depicted on his demonstrative slides including CDX-172.232, are hypothetical data, not actual data. Dezmelyk, Tr. at 652:13-653:1, 666:25-667:3; **CDX-172C.232**. "All data in the hypothetical has been deliberately placed" by Mr. Dezmelyk, presumably to support Elan's infringement case. Dezmelyk, Tr. at 667:10-668:7. Yet, Mr. Dezmelyk admitted that [REDACTED]

[REDACTED]

[REDACTED] Dezmelyk, Tr. at 668:8-12. [REDACTED]

[REDACTED]

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on the orientation, placement, and pressure of the individual's fingers. Dezmelyk, Tr. at 668:13-16. Mr. Dezmelyk's hypothetical data sets shed no light on whether and in what circumstances this would happen in real life. Thus, apart from the deliberate placement of values in Mr. Dezmelyk's hypothetical data sets to support Elan's theory, Elan has not presented any actual evidence of any specific instances where all of the conditions necessary for infringement under its theory have actually been met in practice. Dezmelyk, Tr. at 652:7-12, 660:3-11, 668:17-25, 669:8-12.

Mr. Dezmelyk's hypothetical data set should also be given little or no weight in carrying Elan's burden of proof on the threshold question of whether its infringement hypotheticals occur because it is contradicted by other evidence in the case, including the only real-world data that Mr. Dezmelyk considered. Mr. Dezmelyk testified that he has not seen actual raw data from the Apple products a presentation from Apple to the Patent Office that he relied upon in his direct testimony. Dezmelyk, Tr. at 660:12-23; **RX-632C** [USPTO Presentation] at RX-632C.018; **RX-631C** [Draft USPTO Presentation] at RX-631C.019 (same image as RX-632C.018). Although Mr. Dezmelyk initially claimed that he could not tell if the data in the Patent Office presentation would fall within one of Elan's infringement scenarios, he ultimately conceded on cross-examination that the presentation reflected a non-infringing case even under Elan's theory. Dezmelyk, Tr. at 666:6-13 ("Q. [REDACTED]

[REDACTED] *Q. And under your infringement theory, that would make this actual data non-infringing, right? A. That's correct.*"); see also *id.* at 791:6-792:6. In other words, the only real-world data that Elan presented at the hearing does not reflect an allegedly-infringing scenario at all.

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This is not surprising given the testimony from Dr. Balakrishnan that the Elan infringement hypotheticals are highly unlikely to occur because they are very constrained.

Balakrishnan, Tr. at 874:5-23. As Dr. Balakrishnan explained, [REDACTED]

[REDACTED] Balakrishnan, Tr. at 874:5-23. Likewise, the

[REDACTED] As Dr. Balakrishnan explained, the finger will perturb the capacitive field all around it, and not merely to the bottom and sides as Mr. Dezmelyk claimed. Balakrishnan, Tr. at 874:24-875:17. More to the point, the actual capacitive coupling of a finger depends on pressure of contact and the angle of an individual finger on any individual touchpad. Dezmelyk, Tr. at 658:3-660:2, 779:9-780:12, 490:23-24. Many factors can influence the data that results from finger contact on any particular Apple product. The size and shape of fingers, things like calluses, and a variety of other ergonomic factors can affect the data. Balakrishnan, Tr. at 875:18-876:13. Even if a person is not touching the actual sensor, data on the sensor can be above the threshold level for background pixels because there is capacitive coupling when a finger is hovering over the touchpad. Dezmelyk, Tr. at 658:3-14. Given these variables, Mr. Dezmelyk's testimony that the narrow hypotheticals that Elan posits are likely to occur in practice is simply not credible.

At bottom, Elan presented no evidence that the data conditions under which the accused products allegedly infringe have actually occurred in practice. Instead, Elan's argument that

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those conditions are likely to occur in practice in the actual accused products is based on hypothetical data and guesswork instead of reliable evidence. Balakrishnan, Tr. at 874:24-876:13; Dezmelyk, Tr. at 652:7-12, 660:3-11, 668:17-25, 669:8-12, 770:23-771:15. That is not the stuff a proper infringement showing is made of. Without any evidence that anyone has ever used the accused products in one of those particular hypotheticals, Elan has completely failed to prove direct infringement. See *Certain Endoscopic Probes Used in Argon Plasma Coagulation Systems*, Inv. No. 337-TA-569, Initial Determination, 2009 ITC LEXIS 2079 *86, *126-27 (January 16, 2008) (finding that Complainant failed to prove any specific instance of infringement where it asserted that users of the accused system directly practiced at least one claim of the asserted patent, but relied upon expert testimony to show infringement of a “typical” device without presenting testimony from its expert that any specific device used by any of the users was arranged in the specific configuration claimed).

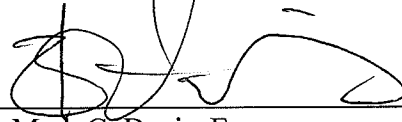
**3. Elan Has Presented No Evidence Of Indirect Infringement By Apple
(RFF 324 TO 352)**

35 U.S.C. § 271(b) governs liability for active inducement of patent infringement. Proving liability for active inducement “requires, as a predicate, a finding that some party amongst the accused actors has committed the entire act of direct infringement.” *BMC Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1379 (Fed. Cir. 2007) (citing *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263, 1272 (Fed. Cir. 2004)). As a result, a “patentee always has the burden to show direct infringement for each instance of indirect infringement.” *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1303 (Fed. Cir. 2005) (en banc). After that predicate showing, a patent holder must further prove that the accused infringer had specific intent to cause direct infringement by others. *Id.* at 1305-06 (requiring that the party accused of inducement “actively and knowingly aid[ed] and abet[ed] another’s direct infringement”). In other words,

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