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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

ELAN MICROELECTRONICS CORPORATION,

Plaintiff and Counterclaim Defendant,

v.

APPLE INC.,

Defendant and Counterclaim Plaintiff.

Case No. C-09-01531 RS (PSG)

APPLE INC.'S OPPOSITION TO ELAN MICROELECTRONICS CORPORATION'S MOTION FOR PARTIAL SUMMARY JUDGMENT OF INFRINGEMENT OF U.S. PATENT 5,825,352

DATE: July 14, 2011
TIME: 1:30 p.m.
JUDGE: Hon. Richard Seeborg
CTRM: 3, 17th Floor

FILED UNDER SEAL

SUBJECT TO PROTECTIVE ORDER

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I.

INTRODUCTION

By its motion, Elan seeks a summary judgment that certain legacy products that Apple no longer sells infringe U.S. Patent No. 5,825,352 ("the '352 patent"). The very timing of Elan's motion raises questions. Notably, Elan's motion comes just days after the Chief ALJ of the ITC ruled on multiple independent bases that Apple's current product lineup ***does not*** infringe the same patent that Elan asserts here. Furthermore, through its summary judgment motion—which is directed only to legacy products that were not at issue in the ITC—Elan disclosed for the first time an infringement theory that was not previously set forth through the Patent Local Rules or any prior expert disclosures. In addition, Elan's motion seeks to short-circuit the process the parties and the Court had already set for dealing with additional claim construction disputes, including identifying such issues (and the best process for adjudicating them) at the upcoming Case Management Conference. For example, Elan seeks a summary judgment of infringement of means plus function claim 30, which Apple identified as indefinite during claim construction proceedings last year but which was not among the top ten claim construction disputes resolved by the Court in its Claims Construction Order. In requesting a CMC to discuss further claim construction proceedings, Apple specifically sought to resolve the outstanding indefiniteness issues, including on claim 30. But knowing that the ITC has already adjudicated claim 30 as invalid and that this Court has ruled that means plus function claim 19 is invalid for the same reason, *see* Dkt. No. 183 at 13-16, Elan's motion seeks to side-step those further proceedings and instead obtain a summary judgment of infringement as a matter of law. These circumstances do not paint the picture of a well-founded summary judgment motion based on thorough discovery, complete claim construction, and tested expert opinion.[1] Rather, Elan's motion is more

[1] That is not to say that there are never circumstances in which outstanding claim constructions may be addressed in conjunction with summary judgment or in which the Court can consider summary judgment before fact and expert discovery is complete However, it makes little sense to do so here because the parties and Court have already discussed that additional claim construction proceedings may well be necessary, especially in view of the parallel ITC proceedings, and have specifically scheduled a CMC to establish a proper procedure for presentation and resolution of such issues. Indeed, this case presents the unusual circumstance in which the same parties have litigated, and the same experts have presented live testimony and been cross-examined on, the same patent claims, resulting in a rich record that the Court may

suggestive of a hurried effort to recapture momentum in a case that has otherwise been stopped dead in its tracks.

In fact, Elan's motion is deficient on the merits in multiple ways. First, and most important, there are, at the very least, multiple questions of fact as to whether the accused products are within the scope of the claims, including key questions as to whether the accused products collect data, identify maxima and minima, and indicate the presence of fingers in the manner required by the claims. In this regard, Elan's motion invites the Court to engage in the type of fact-finding analysis that is simply not permitted on summary judgment. In addition, Elan's motion—filed months before the close of discovery—suffers from numerous basic proof problems. For example, while Elan's infringement theory for independent claim 1 ultimately depends on the Apple products being used in a certain way so as to trigger a certain scheme for detecting minima, Elan's motion presents no evidence that the accused products have been used in this way. Similarly, Elan seeks a summary judgment on inducement of infringement, an issue that, only two days ago, the Supreme Court confirmed queries the intent and culpability of the accused infringer and as a result is deeply factual. As to means plus function claim 18, the only other independent claim in the case, Elan's expert fails to include any analysis to show that the accused products include the full corresponding structure. And, even if he had, a question of fact would remain given the intensely factual nature of the structural equivalents inquiry and the stark differences between the algorithms in the '352 patent and Apple products. In these circumstances, and drawing all justifiable inferences in Apple's favor, Elan cannot meet its burden of showing that there is no genuine issue that every single limitation of the asserted claims is present in the Apple accused products, and its motion should be denied.

II.

LEGAL PRINCIPLES RELEVANT TO THE INSTANT SUMMARY JUDGMENT MOTION

"[I]n deciding a motion for summary judgment, [t]he evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor.'" *In re Gabapentin Patent*

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wish to review and consider in evaluating further claim construction disputes, including issues that are directly relevant to this motion.

Litig., 503 F.3d 1254, 1259 (Fed. Cir. 2007) (internal citation omitted). "A determination of infringement requires a two-step analysis." *Id.* First, the scope and meaning of the claims must be determined. Then, the claims should be compared to the accused device. *Id.* The second step is a question of fact. *Id.* Importantly, a material issue of fact on the application of the claims to the accused products may exist even when there is no dispute over the structure of the accused device. *See, e.g.*, *Dorel Juvenile Group, Inc. v. Graco Children's Products, Inc.*, 429 F.3d 1043, 1047 (Fed. Cir. 2005). As set forth herein, there remain outstanding issues on both prongs of this test, and summary judgment is inappropriate.

III.

THE APPLE LEGACY PRODUCTS DO NOT INFRINGE INDEPENDENT CLAIM 1 AND ITS DEPENDENTS

A. The Accused Apple Legacy Products Use Different Methods To Detect Fingers

As set forth below, multiple independent bases exist for concluding that the accused legacy products do not infringe claim 1 of the '352 patent and its dependents, or, at a minimum, that material factual disputes on infringement exist that preclude summary judgment.

1. The Accused Legacy Products Do Not Identify Maxima Or Minima In Values Obtained From Scanning The Touch Sensor

All asserted claims require "identif[ication] of a first peak value in a finger profile ***obtained from scanning the touch sensor***."[2] With respect to this limitation, Elan argues that the [redacted] Motion at 10. Thus, Elan appears to contend that [redacted] Elan is wrong. In fact, as set forth below, the capacitance values [redacted] As such, the accused Apple products do not "analyze data obtained from scanning

[2] Emphasis added throughout, unless otherwise noted.

the touch sensor," as the claims require.

Prior to carrying out any analysis to count fingers, the Apple code performs many steps to alter and transform the actual data that is "obtained from scanning the touch sensor" into a different set of data that is analyzed to determine whether two fingers are present, a point Elan's expert acknowledged in deposition after Elan filed its motion. *See* Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 295:6-13 [redacted]).[3] Briefly, the Apple code [redacted] These steps are set forth in detail in the accompanying declaration of Apple's expert, Dr. Ravin Balakrishnan from the University of Toronto, and will not be repeated here. *See* Balakrishnan Decl. ¶¶ 93-109; *see also* Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 296:4-305:19 (Elan's expert describes in detail the modifications to the data obtained from scanning the touch sensor). A critical result of these steps is that the data values that are obtained from scanning the touch sensor change in significant ways before they are analyzed. In fact, [redacted] *See* Balakrishnan Decl. ¶ 106. Likewise, [redacted] *Id.* ¶¶ 105-106. As such, the distinction between the data obtained from scanning the touch sensor and the modified data that results from the preprocessing is not merely an academic distinction that has no impact on the result of the analysis, but is a real modification that can change the function and result of the algorithm.

[redacted], there is at least a genuine issue of material fact as to

[3] Exhibit citations are to the Declaration of Derek C. Walter In Support of Apple's Opposition to Elan's Motion for Partial Summary Judgment of Infringement of U.S. Patent 5,825,352 filed concurrently herewith.

whether the accused products identify values "obtained from scanning the touch sensor," as the claims undeniably require. In other words, even if Elan's infringement theory on the analysis conducted by Apple's legacy products to determine whether two fingers are present were taken as correct (which, as shown below, it is not), Elan has not come close to establishing that there is no material factual dispute as to the requirement that the values identified are those that are obtained from scanning the touch sensor. Summary judgment of infringement is thus inappropriate.

Importantly, this is so even though there is an agreed claim construction for "scanning the touch sensor" and even though source code relevant to the accused functionality is available. Indeed, a material issue of fact on the application of the claims to the accused products may exist even when there is no dispute over the structure of the accused device. *See, e.g.*, *Dorel*, 429 F.3d at 1047. For instance, in *Dorel*, the asserted patent described a child seat and base, where the seat could be removed from the base. *Id. at* 1044. The trial court construed the claims to require that the seat portion function as a seat once removed from the base. *Id.* at 1045. Summary judgment was granted on the basis that there was no dispute that the accused device was an integrated unit and lacked a seat and base as separate, stand-alone structures. *Id.* Nonetheless, the Federal Circuit reversed, holding that whether the top and bottom of the accused device are the claimed seat and base "such that the top structure is capable of functioning as a 'seat' upon being removed from the bottom structure, is a question of fact that cannot be determined on summary judgment." *Id.* at 1047.

Here, Elan's motion invites the Court to engage in the same fact-finding analysis rejected in *Dorel*. For the reasons explained above, the question of whether the accused products identify values "obtained from scanning the touch sensor" within the meaning of the claims is a dense technical question on which Apple's expert has offered detailed opinions that contradict those of Elan's expert. *See, e.g.*, Balakrishnan Decl. ¶¶ 93-109. As such, it is a hotly disputed issue of fact not amenable to summary judgment. *See In re Gabapentin*, 503 F.3d at 1259-61 (finding a material issue of fact based on competing interpretations of test results); *Int'l Rectifier Corp. v. IXYS Corp.*, 361 F.3d 1363, 1370 (Fed. Cir. 2004) (finding material issues of fact despite a stipulation regarding the structure of the accused product). This issue alone confirms that the

instant motion must be denied.

2. The Accused Products Do Not Provide An Indication Of The Simultaneous Presence Of Two Fingers In Response To The Identification Of Said First And Second Maxima

As Apple explained in its claim construction briefing, the claim language and the intrinsic record of the '352 patent confirm that the inventors described and claim to have invented a technique in which two maxima (or peaks) in a finger profile taken on a straight line obtained from scanning the touch sensor to determine the presence of two fingers on the touchpad. Dkt. No. 85 [Apple Opening CC Br.] at 16-18. For example, the claims recite that it is the recognition of the two maxima which determines that two fingers are present, Exh. B ['352 patent] at 16:21-23, and in distinguishing prior art that detected the presence of two fingers on the basis of a more complex algorithm that analyzed the overall capacitive values of the touchpad, the applicant stated expressly that the feature which made the invention unique over the prior art was this direct correlation between maxima and finger count: "***The present invention uniquely utilizes the detection of two maxima to determine if two fingers are present on the touchpad***." Dkt. No. 85 [Apple Opening CC Br.] at 17 (quoting 352 CFH 0536); *see also id.* at 17-18 (quoting 352 CFH 0535) ("These claims are directed to the feature of the invention which detects multiple fingers by detecting the multiple maxima in the profile on the touchpad. This distinguishes the prior art . . ."). Thus, the '352 patent describes a peak detection method in which recognition of the two claimed maxima in the finger profile alone is indicative of the presence of fingers on the touchpad.

In its Claims Construction Order, the Court declined to adopt either party's construction for the claim term "in response to" in the phrase "providing an indication of the simultaneous presence of two fingers *in response to* identification of said first and second maxima." Dkt. No. 183 [Claims Construction Order] at 11. In so doing, the Court observed that "it appears that the parties' 'fundamental dispute' regarding this term may be one of potential infringement analysis rather than claim construction. In other words, the question may not be so much what 'in response to' means. Rather, the inquiry may turn on whether a particular accused device or method merely includes other elements that do not defeat infringement, or instead fails to indicate

simultaneous finger presence 'in response to' identifying two maximas." *Id.* at 12. Nevertheless, the Court found that "Apple has persuasively shown that the invention claimed in the '352 patent utilizes the identification of a first and second maxima, without some amalgam of additional information, to determine and indicate the simultaneous presence of two fingers," leaving application of this guidance to an infringement analysis. *Id.* at 11. Because Elan's motion requires precisely that analysis, the Court's guidance on both the claim construction and infringement analysis points is directly applicable here. As explained below, the accused legacy products do not infringe the '352 patent because they determine the number of fingers based on an amalgam of information, and do not simply utilize the identification of a first and second maxima to determine and indicate the simultaneous presence of two fingers.

a. The Accused Legacy Products Determine The Number Of Fingers Based On A Multi-Step Process That Depends On An Amalgam Of Information

Rather than uniquely utilizing the detection of two peaks to determine if two fingers are present on the touchpad, the accused products employ a multi-step process that utilizes a variety of additional information. At the outset, [redacted] As explained in detail in the accompanying declaration of Apple's expert Dr. Balakrishnan, [redacted] *See* Balakrishnan Decl. ¶ 120. If the data is disregarded for any of these reasons, [redacted] *See id.*

After data processing, the accused legacy products next [redacted] *See id.* ¶¶ 121-125. Elan's expert admits that [redacted] *See, e.g.*, Dezmelyk Decl. ¶ 51 [redacted]

[redacted] Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 365:9-14 [redacted]

[redacted] Notably, [redacted]

[redacted] *See* Balakrishnan Decl. ¶ 122. In any event, [redacted]

[redacted] *See id.* ¶¶ 123-125. For instance, [redacted] In addition, [redacted]

[redacted] *See id.* ¶ 124. [redacted] *See id.* ¶¶ 126-127. [redacted] *Id.*

In short, the accused legacy products do not simply count the number of peaks in a finger profile to determine the number of fingers present. Instead, the accused legacy products utilize a complex multi-step process to determine the number of fingers based on [redacted] Even Elan's expert Mr. Dezmelyk admitted in his deposition that the number of fingers ultimately reported by the Apple products depended on [redacted]

[redacted]

Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 351:8-352:13. Thus, the basic operation of Apple's legacy products, as acknowledged by Elan's own expert, requires some "amalgam of additional information[] to determine and indicate the simultaneous presence of two fingers" and accordingly cannot meet the "in response to" limitation as described and claimed in the '352 patent.

b. Elan's Reliance On [redacted] Is Flawed

Elan's motion ignores this overall process used by the accused products to determine the number of fingers present, and instead focuses on only one line of code from [redacted] to support its argument that the accused legacy products infringe as a matter of law. *See* Motion at 14-15 (alleging that the number of fingers in the accused legacy products is determined by [redacted]

Here again, Elan's argument grossly oversimplifies, if not outright obfuscates, Apple's algorithm. Even if Apple's products determined the number of fingers solely based on [redacted] (which they do not), the products would still not infringe because each [redacted] itself depends on a variety of additional information besides simply the number of peaks in the underlying data. As Elan's expert admitted during his deposition, even if the [redacted] Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 434:18-21 [redacted]

[redacted] As Apple's expert Dr. Balakrishnan explains, [redacted] *See* Balakrishnan Decl. ¶ 136. [redacted] *See id.*, ¶ 139; *see also* APPLECODE0000456 [redacted].[4]

Furthermore, Elan fails to mention that [redacted] *See* Balakrishnan Decl. ¶¶ 137-138; *cf.* Motion at 14-15 (alleging that [redacted] Whether the [redacted] Indeed, as Elan's expert testified, "I'm not sure there is anything other than a ten- or five-minute analysis that tells you why it happens." Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 433:17-19; *see also* Balakrishnan Decl. ¶¶ 137-138 [redacted].[5]

Each of the foregoing steps can result in a [redacted] Consequently, Elan's expert was forced to admit that the [redacted] Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at

[4] Because the parties are still meeting and conferring on a proposed procedure for submission of Apple's source code to the Court for consideration in conjunction with Elan's motion, Apple does not submit that source code with this opposition.

[5] It is noteworthy that while Mr. Dezmelyk required an extended analysis during his deposition to explain [redacted] he attempts to distill that analysis down to a brief footnote in his declaration in support of Elan's motion for partial summary judgment. Dezmelyk Decl. at ¶ 36, n.3. However, the analysis provided in that footnote is neither complete nor correct. *See* Balakrishnan Decl. ¶ 138.

434:18-21 [redacted]—which makes up one part of the overall process for determining the number of fingers present in the accused legacy products—[redacted] as required by the claims.

* * *

In sum, the Apple legacy products determine the number of fingers present on the touchpad using a complex multi-step process that includes [redacted] Viewing the foregoing evidence in the light most favorable to Apple, summary judgment is inappropriate because the accused products do not meet the claim limitation of "providing an indication of the simultaneous presence of two fingers *in response* to identification of said first and second maxima," or at a minimum, legitimate factual disputes remain as to whether the accused legacy products "utilize[] the identification of a first and second maxima, ***without some amalgam of additional information,*** to determine and indicate the simultaneous presence of two fingers." Dkt. No. 183 [Claims Construction Order] at 11 (emphasis added).

3. Under A Proper Understanding Of The Claims, The Accused Products Do Not Satisfy The Temporal Limitation

In its Claims Construction Order, the Court construed the claims to require a specific temporal order in which a maximum is identified, then a minimum, and finally a second maximum. *See* Dkt. No. 183 at 9-10. Elan's motion raises an additional, latent claim construction issue that has not yet been decided by the Court: whether the claims require not just that these extrema happen be identified in the required order by happenstance, but that the search process specifically seek out first a maximum, then a minimum, and finally another maximum, in that order. Although the Court has not weighed in on this issue, Apple submits that this aspect of

the claims is clear from the intrinsic record. The claim language requires "scanning the touch sensor ***to*** identify" a first maximum, minimum, and second maximum in the requisite order in a finger profile taken on a straight line obtained from scanning the touch sensor. That is, rather than use language to suggest that the analytical process need merely ***result in*** identification of extrema in the required order, the claim language specifically uses purposive language to state that the scanning is done "***to***" carry out the process of analyzing values in the finger profile in the specific temporal order claimed.

The specification confirms that this is the proper understanding of the claim language. Indeed, as the Court recognized in its Claims Construction Order, "[t]he specification explains that a variable is 'initially' assigned a particular value to indicate that the algorithm is in the process of finding the first peak." *Id.* at 9. In particular, the specification discloses a state variable named "Xstate," which is used "to indicate which part of the finger profile ***we are currently searching for***." Exh. B ['352 patent] at 9:10-14. The "Xstate" variable "can have values Peak1, Valley, Peak2 or Tail," which correspond to the first maximum, minimum, and second maximum of the claims, as well as "the remainder of the scan after a second peak (in the exemplary embodiment) has been identified." *Id.* Unless the Xstate variable in Figure 9-1 is set to Valley, the algorithm will not identify a minimum. *Id.* at Figs. 6-1, 9-1. Moreover, depending on the value of the "XState" variable, the algorithm carries out different analytical steps to identify the location of the particular type of extrema it is seeking. No embodiments are disclosed in the specification other than embodiments that operate in this manner. *See also* Dkt. No. 103 [Apple Responsive CC Br.] at 14-15 (Apple claim construction reply brief describing use of the "XState" variable in the analytical method of the '352 patent).

The accused products, by contrast, do not, as the claims require, purposively search for a first maximum, then search for a minimum, and then search for a second maximum, as required by the claims of the '352 patent. Rather, in the accused products, [redacted]. [6] Then, [redacted]

[6] As set forth below, Elan fails to prove any instance of these [redacted] being satisfied, and hence has not proven any instance of alleged direct infringement.

[redacted] In this regard, the accused products simply are not looking for, expecting, or "scanning the touch sensor ***to***" identify a maximum before a minimum or before identifying intermediate increasing or decreasing values. [redacted]

In short, the process in the Apple products stands in sharp contrast to the method claimed in the '352 patent. Nevertheless, Elan's motion purports to establish infringement as a matter of law on the theory that, if extrema happen be identified in the required order by happenstance, the temporal requirement of the claims is met. As a result, Elan's motion raises a dispute between the parties as to the scope of the claims that must be resolved by the Court. Additional claim construction is thus necessary, and summary judgment remains inappropriate. Following claim construction, Apple submits that the evidence will show that the Apple products ***do not*** practice the claimed method, or that, at a minimum, there will be a question of fact on whether the accused products fall within the scope of the claims.

B. There Is No Evidence Of Direct Or Indirect Infringement Of Claim 1 And Elan Cannot Prevail On Its Motion As A Matter Of Law

Elan acknowledges that "[t]o literally infringe a method claim, a person must have practiced all the steps of the claimed method." Motion at 16. Thus, to carry its burden of proof on infringement as a matter of law at the summary judgment stage, Elan must prove that someone—whether an Apple employee or a user of Apple's accused products—has actually practiced the steps of the method in an infringing way. Similarly, to prove liability for active inducement, Elan must prove (1) an underlying act of direct infringement, (2) that Apple was at least willfully blind as to infringement of the '352 patent, and (3) that Apple had specific intent to cause direct infringement by others. *See DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1305-06

(Fed. Cir. 2006) (en banc) (requiring that the party accused of inducement "actively and knowingly aided and abetted another's direct infringement"); *Global-Tech Appliances, Inc. v. SEB S.A.*, No. 10-6, 563 U.S. __, slip op. 13-14 (May 31, 2011) (as to the whether the induced acts are infringing, requiring at least "willful blindness," a level of culpability that "surpasses recklessness and negligence"). As set forth below, Elan has utterly failed to meet its burden on all of these points, and summary judgment is inappropriate.

1. Elan Cannot Meet Its Burden Of Showing That The Apple Products Identify A Minima

The claims of the '352 patent require the identification of first a maxima, then a minima, and then another maxima in a finger profile obtained from scanning the touch sensor. As to the required identification of a minima, Elan's expert witness and motion papers advance only one theory as to how this allegedly takes place in the Apple code. Specifically, Mr. Dezmelyk points to the fact that the Apple code [redacted] *See* Dezmelyk Decl. ¶ 25 [redacted].[7] However, Elan [redacted] Completely consistent with this, Judge Breyer concluded in Elan's previous litigation against *Synaptics* that such threshold testing did not correspond to identification of a minima, holding that one of the accused products in *Synaptics* "never identifies peak and lowest values, or the scan lines containing those values, but only determines whether

provides no evidence that these [redacted] and that this analysis to allegedly identify minima has ever taken place. To the contrary, Elan's expert acknowledges that he has never looked into this issue. *See* Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 325:2-6 ("Q. [redacted] *see also id.* at 325:14-21. Having failed to present any evidence on this issue, Elan cannot meet its burden on summary judgment.

The only evidence Elan points to as an alleged example of direct infringement is the testimony of Apple engineer Wayne Westerman, who agreed during deposition that he and his co-workers have performed multi-finger gestures on a MacBook Pro. *See* Motion at 16-17. However, for the reasons stated above, the fact that multi-finger gestures have been performed does not establish that someone has performed the allegedly infringing method. Indeed, Elan has submitted no evidence to show that the MacBook Pro laptops being used by Apple employees in 2010, when Dr. Westerman was deposed, are even the legacy MacBook Pro laptops that are the subject of the instant motion. While Elan has presented no evidence on the issue, a far more reasonable inference would be that the laptops being used by Apple's engineers in 2010 are Apple's ***current*** products, which the ITC has determined do not infringe on multiple grounds and which are not the subject of this motion. In fact, just a few months ago in the ITC proceedings, Elan pointed to the ***exact same testimony*** that it points to now as evidence of direct infringement by Apple ***legacy*** products as evidence of direct infringement by Apple's ***current*** products. *See* Exh. K [Elan 3/4/2011 ITC Post-hearing Brief (Excerpt)] at 61. Furthermore, even if the MacBook laptops that Dr. Westerman and his co-workers were using in 2010 were the legacy products at issue in this motion, Elan did not even allege that Dr. Westerman and co-workers used their MacBook laptop in a way that would meet the [redacted] discussed above and create an allegedly infringing situation. Given the foregoing, it is clear that Elan simply has not shown that a person has practiced all steps of the claimed method, and summary judgment is

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each scan line capacitance value exceeds the threshold value." Exh. E [Oct. 26, 2007 MSJ Order (*Synaptics*)] at 13. Simply put, any contention that mere thresholding corresponds to identification of a minima has already been rejected once, and should be rejected again.

inappropriate.

Elan is ultimately forced to rely on *Lucent Techs. Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1317 (Fed. Cir. 2009), and *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272 (Fed. Cir. 1986), for the proposition that it is under no obligation to meaningfully fill these evidentiary holes, and can instead rely on "circumstantial evidence." *See* Motion at 16 ("Moreover, Elan is not required to provide direct evidence of infringement."). Importantly, both *Lucent* and *Moleculon* were appeals from judgments following a trial, not appeals from a summary judgment ruling based on some sort of "circumstantial evidence" showing. None of the cases on which Elan relies stands for the proposition that a party can meet its burden of showing direct infringement ***on summary judgment*** by "circumstantial evidence" where, as here, the inferences to be drawn from such circumstantial evidence can go either way. Elan's request that the Court weigh the facts and circumstantial evidence and draw inferences in its favor at the summary judgment stage must be rejected, as all inferences based on "circumstantial evidence" are, at this time, to be drawn in ***Apple's*** favor. This alone confirms that Elan's motion for summary judgment of infringement of Claim 1 must be denied.

2. Elan Has Not Met Its Burden On Its Inducement Claim

To prove inducement of infringement, Elan must not only show some instance of direct infringement (which it has failed to do), but also show specific intent to cause direct infringement by actively and knowingly aiding and abetting another's direct infringement. *DSU*, 471 F.3d at 1305-06. In other words, "inducement requires evidence of culpable conduct, directed to encouraging another's infringement, not merely that the inducer had knowledge of the direct infringer's activities." *Id.* Just two days ago, the Supreme Court clarified that a showing of inducement requires "knowledge that the induced acts constitute patent infringement" or, absent that, "willful blindness" requiring a culpability level that "surpasses recklessness and negligence." *Global-Tech Appliances, Inc. v. SEB S.A.*, No. 10-6, 563 U.S. __, slip op. 10, 13-14 (May 31, 2011) ("Accordingly, we now hold that induced infringement under §271(b) requires knowledge that the induced acts constitute patent infringement."). Elan has completely failed to make a showing of these requirements, let alone a showing that would permit summary judgment in its

favor.

As a threshold matter, as to whether Apple had knowledge that the allegedly-induced acts constitute patent infringement, Elan's showing is far from compelling, let alone conclusive enough to support judgment as a matter of law. Elan first alleges that a single Apple engineer, Dr. Wayne Westerman, discussed the '352 patent in his Ph.D. thesis years before coming to work at Apple. *See* Motion at 17. Yet, [redacted] *See* Exh. L [Westerman 11/17/2010 Dep. Tr.] at 63:17-22. Furthermore, Elan fails to mention that Dr. Westerman testified live at the ITC hearing that his thesis specifically criticizes the method of the '352 patent as suffering from several problems, and actually describes a different and more sophisticated finger detection method—[redacted] *See* Exh. F [Westerman Thesis] at 34-35; Exh. C [ITC Hearing Tr.] at 389:21-393:17. Elan goes on to cite an Apple interrogatory response in which Apple allegedly "admits" that [redacted] Motion at 17-18. However, in that interrogatory response, Apple merely confirmed that [redacted] let alone that Apple had knowledge that any allegedly-induced acts constitute patent infringement of the '352 patent. Finally, Elan alleges that [redacted] *Id.* at 18. In fact, [redacted] For example, [redacted] Exh. G [August 27, 2006 letter]. Subsequent correspondence shows that, [redacted]

[redacted] *See, e.g.*, Exh. H [August 22, 2007 letter]. Far from showing inducement as a matter of law, this evidence raises significant material factual disputes as to whether Apple had knowledge that any allegedly-induced acts constitute patent infringement of the '352 patent at all, and if so, the scope of the alleged infringement Apple should have been aware of, the date that Apple was aware of it, etc.[8]

Likewise, as to whether Elan has shown that Apple acted with the requisite intent to induce infringement, it must be noted that questions of intent and culpability are intensely factual in nature. *See Insituform Techs., Inc. v. Cat Contracting, Inc.*, 385 F.3d 1360, 1378 (Fed. Cir. 2004) ("Intent is a factual determination particularly within the province of the trier of fact and may be inferred from all of the circumstances."). On this factual question, Elan's evidence falls short. Indeed, Elan offers only attorney argument that Apple's User Guides "instructed their customers . . . to place two fingers on the touchpad to scroll, pinch and expand and rotate objects in the user interface" and therefore that "Apple knowingly and with specific intent induced customers to use the Accused Products with multiple fingers on the touch screen to directly infringe." Motion at 18-19. Notably, the user guides and manuals Elan points to do not even mention the '352 patent or the algorithms that are disclosed therein, let alone establish a specific usage that results in the specific allegedly infringing code being executed so as to ultimately report the presence of two fingers. They at most apprise users that, out of a range of options, there exists the option to use a limited number of multi-finger gestures on the Apple touchpad. Simply put, this evidence is inadequate to show the culpable conduct necessary to prove inducement, let alone as a matter of law.

[8] Elan does not allege in its brief that Apple was willfully blind as to the existence of the '352 patent, nor are there any facts that would support such an allegation. However, even if it did, this issue probes the culpability of the accused infringer, and is hence intensely factual in nature and not well-suited to summary judgment.

IV.

THE APPLE LEGACY PRODUCTS DO NOT INFRINGE MEANS PLUS FUNCTION CLAIM 18 AND ITS DEPENDENTS

A. The Legacy Products Do Not Identify Extrema In Values Obtained From Scanning The Touch Sensor And Do Not Satisfy The Temporal Requirement

As noted above in connection with claim 1, the accused Apple products do not identify extrema in values "obtained from scanning the touch sensor." *See supra* Section III.A.1. In addition, the accused Apple products do not perform the function of providing an indication of the simultaneous presence of two fingers in response to identification of said first and second maxima, as the claims require. *See supra* Section III.A.2. Finally, the accused Apple products do not satisfy the temporal requirement because the algorithm they employ does not look first for a maxima, then a minima, and then another maxima. *See supra* Section III.A.3. These non-infringement bases apply equally to claim 18.

B. The Legacy Products Do Not Include The Requisite Corresponding Structure

The scope of a means-plus-function limitation is limited to only the disclosed structure in the specification for performing the claimed function and structural equivalents. *See, e.g.*, *Blackboard, Inc. v. Desire2Learn, Inc.*, 574 F. 3d 1371, 1382 (Fed. Cir. 2009). Means plus function claim 18 recites, in part, "means for scanning the touch sensor to (a) identify a first maxima in a signal corresponding to a first finger, (b) identify a minima following the first maxima, and (c) identify a second maxima in a signal corresponding to a second finger following said minima . . . ." Thus, this means-plus-function limitation includes multiple functions for which a corresponding structure in the specification must be identified. First, there must be corresponding structure for the function of "scanning the touch sensor," which is for the purpose of collecting data for subsequent analysis. Second, there must be corresponding structure for the functions of analyzing that data to identify the multiple extrema.

However, in his declaration, Elan's expert meaningfully addresses the corresponding structure for only the first of these functions. *See* Dezmelyk Decl. ¶¶ 52-81. For the second function, Mr. Dezmelyk merely opines in a single paragraph that "the relevant products that

included the [redacted] or [redacted] touchpads analyzed the capacitive measurements taken from the scanning process and identified the maxima and minima values in a manner identical to the requirements of this claim language as construed by the Court." *Id.* ¶ 82. Yet, this is not the analysis required under §112 ¶ 6. In fact, the proper analysis includes (1) identification of relevant corresponding structure in the specification of the '352 patent, and (2) a mapping of this structure (or some equivalent thereof) to the accused products. *See id.* No such analysis is present in Elan's motion papers. This alone is reason enough for the Court to deny Elan's motion. *Intellectual Sci. & Tech., Inc. v. Sony Elecs., Inc.*, 589 F.3d 1179, 1187 (Fed. Cir. 2009) ("Without clear identification of the claimed structure or its equivalent in the accused devices, Intellectual Science cannot survive summary judgment [of non-infringement].").

In any event, Elan's motion for summary judgment of infringement of claim 18 should also be denied because, even if Elan had carried out the required analysis under §112 ¶ 6, there remains a dispute as to whether the accused products include the corresponding structure for this claim limitation. At the outset, this limitation presents yet another latent claim construction dispute that Apple submits must be resolved by the Court. Briefly, during the claim construction phase in this case, the parties agreed to a claimed function and corresponding structure for the claim language "means for scanning the touch sensor," but did not agree on or present to the Court a dispute on the full claim requirement of a "means for scanning the touch sensor ***to (a) identify a first maxima in a signal corresponding to a first finger, (b) identify a minima following the first maxima, and (c) identify a second maxima in a signal corresponding to a second finger following said minima***." Dkt. No. 84 [First Amended Joint CC and Prehearing Statement, Exh. A]. In subsequent claim construction proceedings before the ITC, Chief ALJ Luckern considered and construed this full claim requirement. In so doing, he properly concluded that the full corresponding structure is an analog multiplexer, a circuit to measure changes in capacitance of sensor conductors, an analog to digital converter, a microcontroller, and Fig. 5 (items, 400-440) and Fig. 6-1 or Fig. 9-1 (items 200-278). *See* Exh. I [ITC Claim Construction Order] at 38. In this construction, the structure corresponding to the function of identifying extrema includes Fig. 5 (items, 400-440) and Fig. 6-1 or Fig. 9-1 (items 200-278),

while the remaining structure pertains to the process of "scanning the touch sensor." Because Elan's motion purports to apply only the claimed function and corresponding structure for the "means for scanning the touch sensor" language and not the full claim requirement of a "means for scanning the touch sensor to (a) identify a first maxima in a signal corresponding to a first finger, (b) identify a minima following the first maxima, and (c) identify a second maxima in a signal corresponding to a second finger following said minima," there is a ripe claim construction dispute on the broader limitation upon which Apple will request further claim construction proceedings at the upcoming CMC.

There is no reason to believe that this Court will not, upon considering the same record that the Chief ALJ considered in the ITC, come to the same conclusions regarding the corresponding structure for claim 18. Should that be the case, a simple comparison of the Apple products to the relevant structure confirms the Apple products simply do not include that structure. Steps 400-440 of Fig. 5 of the '352 patent call for the execution of both an "Xcompute" and "Ycompute" algorithm, which identify the extrema in the finger profile and are set forth in detail in Fig. 6-1 or Fig. 9-1 of the '352 patent. *See* Balakrishnan Decl. ¶¶ 152-156. The Xcompute algorithm begins by setting the variable Xstate = Peak1 to indicate that it is searching for a first peak in the values obtained from scanning the touch sensor. It then proceeds to iterate across the X axis (*i.e.*, the finger profile taken on a straight line) to locate the sought after extrema. Peak 1 is identified on the X axis and then the algorithm specifically searches for Xvalley. Following the identification of Xvalley, the algorithm changes the Xstate variable and specifically searches for Xpeak2. Once Xpeak2 is found, the algorithm sets the Xstate variable to Tail, which effectively terminates the search for the extrema. *See* Balakrishnan Decl. ¶ 155. During this process, Xcompute determines the centroid of the finger profile taken on the X axis by computing a weighted sum of the values of the finger profile. *See* Exh. B ['352 patent] at 9:24-38; *see also* Balakrishnan Decl. ¶ 154.

[redacted]

[redacted] a point Elan's expert appears to understand. *See* Exh. A [Dezmelyk 5/24/11 Dep. Tr.] at 343:15-344:11 (describing the analysis of the individual data points); Dezmelyk Decl. ¶¶ 26-31; *see also supra* Section III.A.3. Vividly illustrating the distinct differences between the '352 patent and the Apple products is the fact that the algorithms disclosed in the '352 patent can, at most, determine the presence of two fingers, [redacted] Indeed, in the '352 patent, after two peaks are found, there is simply no provision for setting the "XState" variable to a status that might correspond to a third peak. [redacted] *See* Balakrishnan Decl. ¶¶ 154-156.

Plainly, the algorithms in the Apple accused products are not literally the same as those disclosed in the '352 patent. Moreover, because they are so different, they also cannot be regarded as equivalent. *See id.* ¶¶ 151-156. Indeed, Elan's motion does not even attempt to contend that the required structure set forth in the '352 patent is present in the Apple products that are at issue in this motion. Notably, this is not the first time Elan has failed to make a basic showing on its infringement case for claim 18. Specifically, in the ITC, where a different set of Apple products was at issue, Elan failed to present any evidence at the hearing to sustain its infringement allegations on claim 18, and was ultimately forced to drop it from the Investigation shortly thereafter. *See* Exh. J [ITC Order No. 35] (following the ITC hearing, terminating the Investigation with respect to claims 4, 12, 14, 18, and 21 on Elan's unopposed motion). In any event, even if Elan had contended that the requisite corresponding structure was present in the Apple accused products, summary judgment would still be inappropriate because the question of structural equivalents under § 112, ¶ 6 is an intensely factual question that is not well suited to summary judgment. Indeed, the inquiry for equivalent structure under § 112, ¶ 6 examines whether the assertedly equivalent structure "performs the function in substantially the same way to achieve substantially the same result." *IMS Tech., Inc. v. Haas Automation, Inc.*, 206 F.3d 1422, 1435 (Fed. Cir. 2000). This already complex three-pronged inquiry can further include consideration of things such as the context of the invention and the importance of the disclosed limitation to the claimed invention. *See id.* (reversing a district court finding of non-infringement

because factual questions remained on the issue of structural equivalents under § 112, ¶ 6); *NMT Med., Inc. v. Cardia, Inc.*, 239 Fed. Appx. 593, 599 (Fed. Cir. 2007) (same); *Asyst Techs., Inc. v. Empak, Inc.*, 268 F.3d 1364, 1373-74 (Fed. Cir. 2001) (same). Elan's expert includes no analysis in his declaration to address any of this. On the other hand, Apple's expert has concluded that there are multiple critical differences between the requisite corresponding structure of the '352 patent and the accused products, and that those differences preclude any finding of structural equivalence under § 112, ¶ 6. *See* Balakrishnan Decl. ¶¶ 151-156. Where, as here, there is unrebutted expert opinion confirming no infringement, a summary judgment to the opposite effect on an intensely factual question such as structural equivalents would be inappropriate.

C. The Apple [redacted] Touchpads Do Not Include The Corresponding Structure Of An Analog Multiplexer

According to the parties' agreed-upon claim construction, the structure that performs the recited function of "scanning the touch sensor," is "an analog multiplexer, a circuit to measure changes in capacitance of sensor conductors, an analog to digital converter, a microcontroller, and equivalents thereof." The [redacted] touchpads do not include an analog multiplexer. *See* Balakrishnan Decl. ¶ 157. While Elan argues that the [redacted] touchpads contain a [redacted] in fact that ASIC does not contain any structure that performs the function of a multiplexer, namely selecting "one of a number of inputs." The structure that Elan alleges acts as a multiplexer is [redacted] *See* Balakrishnan Decl. ¶ 157. While Apple submits that this record supports a finding that the legacy products [redacted] ***do not*** infringe because they do not include the requisite structure, at a minimum there is a material factual dispute precluding summary judgment that they do.

V.

CONCLUSION

For the foregoing reasons, the Court should deny Elan's motion for partial summary judgment.

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