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14 UNITED STATES DISTRICT COURT  
 15 NORTHERN DISTRICT OF CALIFORNIA  
 16 SAN FRANCISCO DIVISION

18 ELAN MICROELECTRONICS  
 CORPORATION,  
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 Plaintiff,  
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 v.  
 21 APPLE, INC.,  
 22  
 Defendant.  
 23  
 24 **AND RELATED COUNTERCLAIMS**  
 25

Case No. 09-cv-01531 RS (PSG)  
**ELAN MICROELECTRONICS  
 CORPORATION'S OPPOSITION TO  
 APPLE, INC.'S MOTION TO COMPEL**  
 DATE: July 5, 2011  
 TIME: 10:00 a.m.  
 JUDGE: Hon. Paul S. Grewal  
 CTRM: 4th Floor

PUBLIC VERSION

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## I. INTRODUCTION

Apple's scattershot motion to compel is much ado about nothing. Apple first demands that Elan be compelled to produce documents Elan has explained on numerous occasions it simply does not have. Apple seeks detailed U.S. sales information and U.S. product designations for products manufactured and sold by downstream companies who purchased Elan components and subsequently included the Elan components in their own products later sold in the U.S. Elan is not privy to such information, and in some instances two or three times removed from Elan's original sale of the component in Taiwan. Elan's witnesses have explained this situation in deposition, and Elan's counsel has explained this situation repeatedly. Yet Apple persists in filing a motion to compel information Elan does not have. This portion of the motion should be denied.

Apple then asserts a variety of ruses to try to pierce the attorney/client privilege and work product protection for a number of documents and communications authored by or sent to members of Elan's internal legal staff. Apple brought this motion just six days after it first raised some of the issues with Elan's counsel, over a long holiday weekend, and in the face of Elan's counsel's representations that they would review the disputed log entries to determine if an agreement was possible. Without properly completing its meet and confer obligations, Apple just went ahead with this motion anyway. In the meantime, Elan's counsel has agreed to produce some of the materials Apple has challenged under the common interest throng. For the items over which Elan continues to maintain privilege, Elan has valid rights to assert attorney/client privilege and/or the work product doctrine over all remaining disputed items.

Finally, Apple has also demanded that Elan be compelled to produce the named inventors of the 353 Patent for deposition in the U.S., even though the inventors are not current employees of Elan and they are Taiwanese citizens. Elan has no ability to compel these witnesses to appear for deposition, either in Taiwan or in the U.S. Even though Elan provided their contact information in Taiwan to Apple in 2009, and made clear that they were not represented by Elan's counsel, Apple has made no effort to locate and depose these individuals until now, a few weeks prior to the discovery cut off. Elan cannot be compelled to produce non-party witnesses for

1 deposition, and Apple has only itself to blame for its delay in seeking to obtain their presence for  
2 deposition.

3 For the reasons explained herein, Elan respectfully requests that Apple’s motion to compel  
4 be denied in its entirety.

5 **II. APPLE FILED ITS MOTION TO COMPEL ELAN U.S. SALES INFORMATION**  
6 **DESPITE KNOWING THAT ELAN DOES NOT POSSESS THE DISCOVERY**  
7 **APPLE IS SEEKING**

8 Typical of Apple’s premature and baseless motion is its demand for “Elan products’ U.S.  
9 presence.” As Elan told Apple repeatedly that Elan simply does not have the data Apple requests.  
10 Elan’s touch-sensing products are incorporated into downstream products such as smartphones,  
11 notebook computers and Elan does not dispute that some of those products are imported into and  
12 sold in the United States. Nonetheless, while Elan may generally know that its products are  
13 imported into downstream products sold by third parties in the U.S., Elan has little or limited  
14 specific information in its possession, control or custody about (1) the actual *volume* of Elan  
15 products sold in the U.S. by third parties; or (2) in many cases the *commercial model names* of  
16 the final products that are being sold in the United States. From the outset of this litigation, Elan  
17 consistently informed Apple that it has no or limited information relating to the U.S. products that  
18 incorporate Elan parts (Apple Motion Exh. 2). After a reasonable internal investigation, Elan  
19 again confirms that it does not know specifically how many or what percentage of its parts are  
20 imported into the U.S. by its downstream customers. Elan has at all times represented to Apple  
21 that it would produce all information in its possession but Elan cannot produce what it does not  
22 have. Therefore, Apple’s Motion to Compel U.S. sales information from Elan is pointless and  
23 meritless.

24 **A. Elan’s Statements Made In The Pixcir Case Are Irrelevant To The Discovery**  
25 **At Issue Here, But Are, Nonetheless, Entirely Consistent With Its Position In**  
26 **This Case**

27 Apple uses the declaration of Ian Chung, Elan’s marketing manager, in support of Elan’s  
28 Opposition to Pixcir’s Motion To Dismiss for *Lack of Personal Jurisdiction* in an unrelated  
matter to support its arguments (Apple Motion Exh. 5). However that declaration is consistent  
with Elan’s position here. Elan argued that Pixcir is aware that its products make their way into

1 the U.S. through the stream of commerce and that Pixcir has directly targeted U.S. customers for  
2 its sales. Elan is in a similar situation and therefore submitted Mr. Chung's declaration to attest to  
3 Elan's own general awareness of U.S. downstream products containing Elan parts. No where in  
4 his declaration in the Pixcir matter does Mr. Chung declare that Elan has specific knowledge  
5 regarding the volume of its products that are incorporated into downstream products and sold in  
6 the U.S. nor does he say Elan is aware of all such sales. Therefore, Apple's reliance upon general  
7 jurisdictional statements Elan made in the Pixcir case as alleged evidence that Elan is now hiding  
8 detailed sales information of its downstream customers in the U.S. is misplaced (Apple Motion at  
9 5-8).

10 **1. Elan Has Limited Or No Knowledge of Its Products' U.S. Presence**

11 Elan, a Taiwanese company, sells most of its products to distributors in Taiwan. These  
12 distributors in turn sell Elan's products to OEM manufacturers in Asia. These OEM manufacturers  
13 make products for brand companies, such as Dell, HP and HTC, who in turn may sell these  
14 products incorporating Elan's touch solutions worldwide, including the U.S. (Ian Chung  
15 Declaration In Support Of Elan Opposition ("Chung Decl.") ¶3). Therefore, these OEM  
16 manufacturers are Elan's "customers" and are reflected in Elan's official sales database and Elan's  
17 official corporate reports and documents (Chung Decl. ¶3). Although Elan does promote its  
18 products to certain U.S. end customers, its main promotional efforts remain in Asia, where the vast  
19 majority of its vendors and direct customers are located (Bu Decl., ¶2 Exh. 1 Chung Tr. 82:2-17;  
20 Chung Decl. ¶3). As a result, Elan does not sell its touchpad or touchscreen products directly to  
21 the companies whose brand names appear on the products in the United States or anywhere in the  
22 world.

23 Elan does attempt to maintain contacts with brand companies to foster and maintain  
24 customer relationships and to increase Elan's visibility in the U.S. so that these companies will  
25 continue to authorize their Asian vendors to source components from Elan (Chung Decl. ¶5).  
26 Therefore, in many instances, Elan may directly communicate with the brand companies regarding  
27 technical issues in an effort to provide better customer support for these companies (Chung Decl.  
28 ¶6). Due to these contacts, Elan sometimes becomes aware of the internal project codes of the

1 brand companies. There are also instances where Elan and the brand companies collaborate on a  
2 project, in which case Elan would know the internal project code of the brand customer (Chung  
3 Decl. 6). At times, Elan may also become aware of the brand customers' internal product codes  
4 through the OEM manufactures. Additionally, through informal conversations and contacts with  
5 these OEM customers and brand companies, employees in Elan's sales department may become  
6 aware of the commercial product designation of the name brand under which a product containing  
7 Elan's touchpad may be sold. But this is not usually the case. In many instances, Elan's sales  
8 department employees do not know about the commercial product designation of a final name  
9 brand product (Chung Decl. ¶6).

10 Similarly, while Elan knows how many of its products are sold to its distributors and OEM  
11 customers it has no way of knowing how many of those products are eventually sold in the U.S.  
12 Other than this anecdotal evidence, Elan does not have consistent, reliable information regarding  
13 end products that incorporate the accused Elan touch-sensing products. Elan sells its products  
14 through distributors to other third parties who then assemble the parts for the final downstream  
15 brand company (Chung Decl. ¶¶3, 9-10). As such, Elan is often three or more steps removed from  
16 who actually sells the final product in the U.S. (*id*). Therefore, Elan does not know how many of  
17 the final downstream brand company's products incorporating Elan's products are ultimately sold  
18 in the U.S. Brand companies or OEM customers simply do not share this type of information with  
19 Elan (Chung Decl. ¶4). Elan, however, has produced documents to show Elan products' volume  
20 of sales that were sold to its vendors or OEM manufacturers (Chung Decl. ¶7; Bu Decl. ¶16).  
21 Moreover, even if Elan at times is aware of some of the commercial product designations of brand  
22 company products that contain Elan components, Elan has limited ability to ascertain whether that  
23 particular model is sold in the U.S. Most of these brand companies sell their products worldwide.  
24 (Chung Decl. ¶ 4). Therefore, even for an American company such as Dell or an international  
25 company such as HTC, the U.S. is merely one of their many markets and Elan cannot ascertain or  
26 represent in Elan's official or unofficial capacity whether a particular commercial model is in fact  
27 sold in the U.S. (Chung Decl. ¶¶4, 12-14). As a result, Elan does not have and hence cannot  
28 maintain, documentation showing the sales volume, commercial product designations, or in many



1 case downstream product sold in the U.S. by third parties that contain the accused Elan  
2 components.

3 Contrary to Apple's baseless inference that Elan is concealing relevant information relating  
4 to its downstream customers, Elan has produced its communications with these downstream  
5 customers. Indeed, Apple submitted several such communications in its own motion (Apple  
6 Motion at 9, Apple Exhs. 12-13). In addition, Mr. Chung, Elan's designated 30(b)(6) witness for  
7 Elan sales, marketing and customer relations, has already given extensive testimony relating to  
8 Elan's knowledge of its downstream customer products. In his testimony, he expressly stated that  
9 Elan sells parts to vendors who then assemble the parts for customers such as HTC, and Elan is  
10 usually unaware of the ultimate destination of the end products, other than a particular HTC phone  
11 sold in Taiwan. For example, when asked about HTC's sales, Mr. Chung responded as follows:

12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]  
26 [REDACTED]  
27 [REDACTED]  
28 [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 (Bu Decl. ¶2, Exh. 1 53:22-54:13; 203:16-209:23) (emphasis added).

6 Despite having access to this testimony and similar testimony of other Elan witnesses,<sup>1</sup> and  
7 Elan counsel's repeated representations that Elan does not have the information Apple is seeking,  
8 Apple continues to demand that Elan produce information that it simply does not have and has  
9 escalated this pointless dispute to a motion to compel. Simply put, Elan does not have the  
10 information Apple seeks and Elan has made its best effort to search for and produce the relevant  
11 information it does have. For these reasons, Apple's Motion to Compel Elan products' U.S.  
12 presence information should be denied.

13 **B. Elan Has Diligently Searched For Any U.S. Sales Information Within its**  
14 **Possession, Custody or Control, and Elan Has Not Located The US Sales**  
15 **Information That is the Subject of this Motion**

16 As explained in detail above, Elan does not collect and maintain information about the sales  
17 volume or commercial product designations of third party products that include the accused Elan  
18 components and are sold in the U.S. At most Elan has some incomplete, informal and anecdotal  
19 information. Despite the fact that Elan has no access to its U.S. downstream customers' sales  
20 information, Elan nevertheless agreed to exercise its best efforts to search diligently for the  
21 information and promptly produce any such information that exists within Elan's possession,  
22 custody, or control (Apple Exh. 2; Chung Decl. ¶ 7). Elan has collected and produced relevant sales  
23 data from its sales and finance database (Lai Declaration In Support of Elan Opposition "Lai Decl"  
24 ¶¶2-4; Chung Decl. ¶ 7; Bu Decl. ¶ 16). Elan uses a web-based order system to input Elan's

25 <sup>1</sup> Apple quoted Elan's Chairman Mr. Yeh's statements taken at his deposition in his individual  
26 capacity and on topics not related to Elan sales. Indeed, Mr. Yeh is the highest ranking officer  
27 overseeing a company of over 500 employees, and he was *not* the designated Elan witness for  
28 Elan sales and products. Therefore, his statements regarding the details of Elan U.S. presence are  
based upon his personal recollection. Further, Apple ignores Mr. Yeh's statements that are  
consistent with Elan's position, such as that Elan (and himself) does not know whether certain  
brand named phones using Elan parts will be sold in U.S. (Apple Motion, Exh. 8 Yeh Tr. 88:2-  
88:16).

1 customer's order information (Lai Decl ¶2). In Elan's web-based order system, "Customer Name"  
2 is the direct customer, such as the OEM or vendor who placed the order with Elan (Chung Decl ¶¶  
3 8-9). "Customer (2)" and "Customer (3)" are the possible next level customer identities if such  
4 information is available (*id.*). Elan's web-based order system also tracks the "territory of sales"  
5 based on the place-of-business addresses of Elan's direct customer (Chung Decl ¶¶ 11-12). Elan's  
6 direct customers do not provide shipping or address information for the subsequent levels of  
7 customers, nor does Elan have access to such information from its direct customers (Chung Decl ¶¶  
8 4, 10). In addition, the "delivery address" is the location to which Elan ships the ordered products  
9 (Chung Decl ¶ 13).

10 Elan searched its database, and found no records where "territory of sale" was in the United  
11 States for Elan's touch-sensing products (Chung Decl ¶¶11-14). Similarly, there is no U.S. location  
12 reflected as a "delivery address" for those products (*id.*). Therefore, based on Elan's official record,  
13 Elan has not shipped any of its accused products directly to the U.S. Elan, in its official capacity,  
14 however, does not know or have access to the direct customer's subsequent sales or shipping  
15 activities for products containing Elan parts (Chung Decl ¶¶ 4, 14). Elan has produced some of its  
16 sales information to Apple, and is continuing to produce additional sales and pricing information as  
17 the data are being generated and collected from the system (Bu Decl. ¶16)

18 Apple has served a 30(b)(6) deposition notice that expressly requests U.S. sales information  
19 (Bu Decl. ¶9, Exh. 7). Elan has agreed to provide one or more witnesses to attest to Elan's  
20 knowledge of its parts being imported and sold in the U.S. via the commerce channel (*id.*). Apple  
21 can question these individuals to ascertain whether there is any additional information Elan has not  
22 produced. At best Apple's motion is premature and should not have been filed until it completed  
23 that deposition and learned the facts. Accordingly, Apple's Motion to Compel is unnecessary and a  
24 waste of judicial resource, at a minimum, and moot for the reasons stated above.

### 25 **III. ELAN'S ASSERTION OF PRIVILEGE IN ITS PRIVILEGE LOG IS PROPER**

#### 26 **A. Apple Has Not Fulfilled Its Good Faith Meet And Confer Obligations** 27 **Therefore The Motion To Compel Should Be Rejected**

28 As with the rest of its retaliatory motion to compel Apple did not fulfill its obligation to

1 conduct good faith meet and confer. On this basis alone the motion to compel as to privileged  
2 documents is improper and should be denied.

3 On March 2, 2010, Apple requested a more detailed response to its Interrogatory 11  
4 regarding Elan's first awareness of Apple patents. Elan's response referenced documents prepared  
5 by Elan's legal department vice project manager Mr. Nick Lin (Apple Exh. 3 at 3-4). Apple's  
6 request did not even mention Elan's privilege log, Elan's privilege assertion over the patent  
7 summaries referenced in this interrogatory, or Elan's privilege assertion for its documents  
8 generated by Elan's in-house legal department for purpose of seeking legal advice or in  
9 preparation of litigation (*id.*). In response to Apple's request, Elan supplemented its response to  
10 Interrogatory 11 on June 24, 2010 (Bu Decl, ¶3 Exh. 7 at pages 12-13). Apple did not raise any  
11 questions or challenges to Elan's answer to this interrogatory until nearly a year later. On **May**  
12 **25, 2011**, Apple contacted Elan regarding Mr. Lin's patent summaries (Apple Exh. 36 at 4-5).  
13 Elan promptly responded on May 27, 2011 that it would look into the issues and provide a  
14 response (Apple Exh. 36 at 4). One day later, on the Saturday of the memorial day holiday  
15 weekend, Apple stated that it would file a motion to compel on Tuesday (*id.*). **One single email**,  
16 with an arbitrary deadline over the long holiday weekend, is unreasonable and does not meet the  
17 good faith meet and confer requirement set forth by the Local Rules (*id.*). Elan nevertheless  
18 repeated that "we will look into the specific documents you have referenced below and get back to  
19 you as soon as we complete our review. We will also re-review our logs to determine whether any  
20 of the redactions or privilege assertions can be withdrawn based on any intervening events" (*id.*).

21 Apple, despite its failure to appropriately meet and confer and in spite of Elan's  
22 willingness to revisit its logs, filed the motion to compel. Apple's actions fall far short of the  
23 requirements set forth by the local rule (*see* NDCA Civ. L.R. at 13). Accordingly, based on its  
24 failure to satisfy this Court's meet and confer requirements alone, the Court should deny Apple's  
25 motion to compel Mr. Lin's documents and Elan's internal legal in-house documents that are  
26 prepared in anticipation of litigation. *Rodriguez v. Cate*, No. C-09-1769 (N.D. Cal. Nov. 22, 2010)  
27 (denying motion to compel explaining "[t]o promote the goal of addressing only very specific  
28 discovery disagreements (rather than becoming an overseer of all discovery), the court requires

1 that the parties meet and confer to try to resolve their disagreements before seeking court  
2 intervention.”); *Ellis v. Director Woodford*, No. C-05-2110 (N.D. Cal. April 4, 2007) (“Plaintiff’s  
3 motion to compel discovery is DENIED because he failed to meet and confer with defense counsel  
4 before filing the motion”).

5 Having now completed that review, Elan produced that Mr. Nick Lin’s patent summaries  
6 with a few minor redactions, and Elan expects to have a revised log completed and served prior to  
7 the hearing of this motion. Elan believes that these revisions may render this issue moot  
8 completely, at a minimum, the bases stated in Apple’s motion are no longer valid.

9 **B. Elan’s Internal Communications Concerning Legal Issues Presented On Its  
10 Privilege Logs (Category Three Documents) Are Entitled To The Same U.S.  
Work-Product And Attorney-Client Privilege Protection**

11 **1. Elan’s Legal Department is Entitled to Apply Traditional Principles of  
12 Attorney Client Privilege and/or Work Product To Its Communications  
And Documents Generated In Anticipation Of U.S. Litigation**

13 Apple’s challenge to Elan’s claim of privilege and work product protection over  
14 communications by Elan’s in house legal department is baseless. Indeed, internal communications  
15 between non-lawyer employees that reflect matters about which the parties intend to seek legal  
16 advice, such as the case in Elan, are protected by the attorney-client privilege. *AT&T Corp. v.*  
17 *Microsoft Corp.*, 2003 U.S. Dist. Lexis 8710, \*1-2, 8-9 (N.D. Cal. 2003) (finding the corporate  
18 internal documents are subject to the privilege protection even though the drafting employee was  
19 acting at the direction of *corporate executives* to investigate asserted patents, because these  
20 documents address matters upon which the party intended to seek legal advice). Therefore,  
21 regardless of any of Elan’s legal department employees’ legal background, including Mr. Wayne,  
22 the basic principles of attorney-client privilege and work-product doctrine apply to the Elan  
23 communications and documents concerning legal issues relating to U.S. litigations either for the  
24 purpose of seeking legal advice or prepared in anticipation of the U.S. litigation. *See also, United*  
25 *States v. Chevron Texaco Corp.*, 241 F. Supp. 2d 1065, 1077 (N.D. Cal. 2002); *Upjohn Co. v.*  
26 *United States*, 449 U.S. 383, 394-95 (1981). Further, to be protected under the work product  
27  
28

1 doctrine, a document must (1) be prepared in anticipation of litigation or for trial and (2) be  
2 prepared by or for another party or by or for that other party's representative. *Lewis v. Wells Fargo*  
3 & Co., 266 F.R.D. 433, 440 (N.D. Cal. 2010) (quoting *In re Grand Jury Subpoena*, 357 F.3d 900,  
4 906 (9th Cir. 2004)). In circumstances where a document serves more than one purpose, that is,  
5 where it was not prepared exclusively for litigation, then the “because of” test is used. *United*  
6 *States v. Richey*, 632 F.3d 559, 576 (9th Cir. Jan. 21 2011). Such dual purpose documents are  
7 deemed prepared “because of” litigation if “in light of the nature of the document and the factual  
8 situation in the particular case, the document can be fairly said to have been prepared or obtained  
9 because of the prospect of litigation.” *Id.* (internal citations omitted). The “because of” standard  
10 does not consider whether litigation was a primary or secondary motive behind the creation of a  
11 document. *Wells Fargo*, 266 F.R.D. at 440. Rather in applying the “because of” standard, courts  
12 must consider the totality of the circumstances and determine whether the document was created  
13 because of anticipated litigation, and would not have been created in substantially similar form but  
14 for the prospect of litigation. *Id.* Based on Elan’s timeline for its U.S. litigations, the entries from  
15 Elan’s privilege logs certainly are protected under the work product doctrine “because” they were  
16 generated either in anticipation of U.S. litigations or in support of the litigations.  
17  
18

19  
20 Starting in approximately 2003, Elan began patent licensing negotiations with its  
21 competitor Synaptics, Inc. (Chang Decl. ¶9). Indeed, the very few 2003 entries from Elan’s  
22 privilege logs properly describe these entries as “Email communications with Elan legal  
23 department/and or counsel in anticipation of litigation and /or for purpose of seeking/providing  
24 legal advice re Contract negotiation.” (See e.g., Apple Exh. 23, Entries 158-162). The  
25 negotiations with Synaptics continued for a few years during which both parties threatened  
26 litigation (Bu Decl ¶4, Exh. 3; Chang Decl. ¶7). Therefore, the internal Elan analysis relating to  
27 its own patents or Synaptics’ patents was done in anticipation of that litigation (Chang Decl. ¶7).  
28

1 As such, from the time period 2004 to 2006, many internal Elan communications reflected on the  
2 log were in anticipation of the Synaptics litigation or for the purpose of seeking legal advice  
3 regarding that litigation. *Upjohn v. United States*, 449 U.S. 383, 394-95 (1981) (finding that  
4 communications containing information compiled by corporate employees for the purpose of  
5 seeking legal advice which are later communicated to counsel are protected by the attorney client  
6 privilege); *U.S. v. Chevron Texaco Corp.*, 241 F. Supp. 2d 1065, 1077 (N.D. Cal. 2002) (Internal  
7 communications between non-lawyer employees that reflect matters about which the parties intend  
8 to seek legal advice are protected by the attorney-client privilege). Further, many legal analysis  
9 documents prepared by Elan employees or Elan legal department personnel were for the purpose  
10 of the pending Synaptics patent litigation, and these clearly fall within the work-product doctrine.  
11 *A&T Corp. v. Microsoft Corp.*, 2003 U.S. Dist. Lexis 8710 at \*9-10 (Chang Decl. ¶¶10-11).  
12

13  
14 In March 2006, Elan filed its lawsuit against Synaptics in this District. That lawsuit was  
15 settled in October 2008, after this Court granted Elan's request for injunction against certain of  
16 Synaptic's infringing products (Chang Decl ¶10). From 2006 to 2008, the communications and  
17 documents on the privilege log were generated and prepared during the Synaptics litigation. Since  
18 Elan primary relies on its outside counsel to handle the U.S. litigations, the communications and  
19 documents generated during that time period were either under the direction of Elan's U.S. outside  
20 counsel or were prepared for the purpose of assisting counsel in litigating the Synaptics action,  
21 even if no outside counsel was directly involved in an email (Chang Decl ¶¶10-11). Since this is a  
22 separate litigation, the communications concerning the Synaptics lawsuit were logged.

23 Also in 2006, Elan also contacted Apple regarding its infringement of Elan's 352 Patent  
24 (Bu Decl ¶6, Exh. 5). The negotiations with Apple continued until Elan filed this action in April  
25 2009 (Chang Decl ¶12). Therefore, from 2006 to 2009, for the same reasons stated above, any  
26 Elan internal legal analysis done with respect to Apple are also protected under the traditional U.S.  
27 attorney-client privilege and the work product doctrine. There is no basis for Apple to question  
28

1 the veracity of the privilege descriptions on Elan’s logs. Given the litigation timeline, accordingly,  
2 the documents as they are described on the privilege logs were for the purpose of seeking or  
3 providing legal advice, or were created in anticipation of litigation or under the direction of Elan  
4 counsel for the Synaptics or Apple litigation.<sup>2</sup> Therefore, the entries on Elan’s privilege logs  
5 precisely fall within the protections afforded by the U.S. attorney-client privilege and work-  
6 product doctrine even though these communications occurred in a foreign country. *See Tulip*  
7 *Computers Int’l B.V. v. Dell Computer Corp.*, 210 F.R.D. 100, 104 (D. Del. 2002)  
8 (communications that relate to activity in a foreign country that “touch base” with the United  
9 States are controlled by United States privilege law).

10 **2. Attorney-Client Privilege Also Covers the Communications Involving**  
11 **Legal Issues Between Elan Employees**

12 As set forth above, the status of Elan’s in house legal personnel is irrelevant for the  
13 purpose of evaluating Elan’s privilege logs. Apple’s blanket and vague challenge to many of the  
14 documents on Elan’s privilege log based on the fact Elan’s in-house legal department does not  
15 have any licensed attorneys (Apple Motion at 18-22) must also fail. Apple is disputing whether  
16 this Court should recognize a privilege in the documents reflecting or seeking legal advice or  
17 prepared in anticipation of a U.S. litigation in a foreign company where many corporations do not  
18 employ licensed attorneys. The Court should reject Apple’s rigid approach to the attorney-client  
19 privilege doctrine, and find that the attorney-client privilege attaches to the communications  
20 involving Elan legal department concerning U.S. legal issues. *See, e.g., Renfield Corp. v. E. Remy*  
21 *Martin & Co., S.A.*, 98 F.R.D. 442, 444 (D. Del. 1982) (rejecting the argument that “because  
22 French ‘in-house counsel’ are not members of a bar, the privilege is unavailable” and finds that  
23 “[i]n order to decide this, it is necessary to have some understanding of the structure of the French  
24 legal profession”); *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus.*, 1996 U.S. Dist. LEXIS  
25 19274, \*27 (N.D. Ill. Dec. 9, 1996) (finding a “functional equivalent” approach is the correct

26 \_\_\_\_\_  
27 <sup>2</sup> In a footnote, Apple represents that there are 1273 entries on Elan’s privilege logs. This is an  
28 incorrect representation. Elan has revised its logs during October 2010, and also subsequently  
produced certain billing invoices during the ITC action. The total entries amount to roughly 900.  
(Apple Motion Fn.7 at 19)



1 analysis to determine whether privilege attaches to communications with a foreign non-licensed  
2 attorney in-house legal professionals). Only such a finding will continue to encourage effective  
3 representation through truthful disclosure by corporate clients and in-house legal managers thus  
4 serving the underlying policy of this privilege. Finding otherwise will be coupled with potentially  
5 chilling effect penalizing foreign companies who are owners of U.S. patents from enforcing their  
6 U.S. patent rights in the U.S. courts.

7 **(a) Taiwan’s Legal System Is Fundamentally Different From the**  
8 **U.S. in That, Non-Licensed Attorneys in Taiwan Hold The Same**  
9 **Responsibilities And Expectations As Attorneys Here**

10 U.S. discovery rules are generally more liberal than those of most foreign countries. The  
11 scope of discovery for Taiwan is far narrower than that in the United States since there is no  
12 equivalent “discovery” or “discovery procedure” in that country. Due to the lack of formal  
13 discovery procedures, Taiwan’s legal system does not have an equivalent concept of “attorney-  
14 client privilege” or “work-product” as in the U.S. (Hsiao-Ling Fan Declaration ISO Elan  
15 Opposition (“Fan Decl.”) ¶ 3). Traditionally, in Taiwan, only roughly 3-4% of the individuals  
16 who sit for the Taiwan bar will be qualified as licensed attorneys due to that country’s strict  
17 regulation and low bar examination pass rate. Since 2003, the bar pass rate has been just over 8%  
18 to 10%, and there are very limited numbers of licensed attorneys in Taiwan (Fan Decl. ¶ 5).  
19 Therefore, it is not uncommon for certain companies, especially small to mid-sized companies to  
20 employ non-licensed attorneys in their legal departments (*id.*).

21 These in-house personnel are not “attorneys” in the sense that they did not pass the bar  
22 examinations or are not registered to practice law (Fan Decl. ¶ 6). But Taiwan law does not  
23 prohibit a company from hiring non-licensed attorneys—who are trained in legal matters, but who  
24 have not been officially licensed—to manage its legal department and provide legal advice for  
25 various corporate matters (*id.*). Therefore, especially in these small to mid-size corporations,  
26 various non-attorney legal managers perform all kinds of legal functions that would be performed  
27 in the U.S. typically by licensed attorneys, such as providing legal advice to his/her clients (the  
28 corporate individuals) and overseeing litigation (Fan Decl. ¶ 6). Finally, while the non-licensed  
individuals serving as in-house counsel for companies are not regulated by the Taiwan Codes, they

1 are under the duty and expectations from their clients not to disclose confidential information (Fan  
2 Decl. ¶ 7). Accordingly, the fact a Taiwan in-house counsel or legal manager is not a licensed  
3 attorney or did not sit for a bar should not be dispositive in determining privilege issues. *See*  
4 *Renfield* 98 F.R.D. at 444 (finding privilege applies to an in-house French counsel who was not a  
5 licensed attorney because “there is no clear French equivalent to the American ‘bar,’... Rather, the  
6 requirement is a functional one of whether the individual is competent to render legal advice and is  
7 permitted by law to do so”).

8 Mr. Wayne Chang, is the Director of Elan’s Legal IPR Department and has held this  
9 position for 14 years (Wayne Chang Declaration ISO Elan Opposition (“Chang Decl.”) ¶¶ 2-4).  
10 As the director of Elan’s Legal IPR Department, his duties include overseeing all matters related  
11 to intellectual property protection, such as filing and maintaining patent and trademark  
12 applications; overseeing the purchase, transfer and licensing of Elan’s IP portfolios, and  
13 overseeing contracts and litigation relating to IP (Chang Decl. ¶ 2). In addition to his working  
14 experience, he had formal legal training from the National Chiao Tung University (“MCTU”)  
15 Institute of Technology Law in Taiwan. Mr. Chang also acts as a conduit between Elan and  
16 Elan’s outside counsel (Chang Decl. ¶ 3), as Elan relies primarily on its outside counsel for most of  
17 the U.S. legal matters, such as licensing and litigation (Chang Decl. ¶ 4). In short, Mr. Chang  
18 actively participates in all IP legal matters of Elan and is considered by his subordinates, the  
19 employees of Elan, and Elan’s outside counsel, for all purposes, to be the general counsel of Elan  
20 (Chang Decl. ¶ 5). Further, Mr. Chang supervises a team of seven employees at Elan’s Legal IPR  
21 Department, consisting of three LLM graduates from Taiwan Institute of Technology Law or other  
22 Law Institutions, two patent engineers and one legal assistant performing paralegal functions  
23 (Chang Decl. ¶ 6). The reason Mr. Chang stated that there is no “attorney” at Elan in his  
24 deposition is because of the common practice that certain corporations of Taiwan do not employ  
25 licensed attorneys. However, the very point of the Legal IPR department is to counsel the  
26 company with respect to IP legal matters. Therefore, the internal communications amongst the  
27 Elan’s Legal IPR Department members necessarily relate to IP legal issues, such as patent analysis  
28 or litigation analysis, and are kept confidential, as the privilege logs reflect. The communications

1 between Mr. Chang or members of the Elan legal department and other Elan employees relating to  
2 any IP legal issues, such as litigation support, also are intended and reasonably expected to be  
3 confidential (Chang Decl. ¶ 8). Mr. Chang and his team performs functions sufficiently analogous  
4 to the general counsel and patent agents in the U.S. as defined in *Upjohn*, considering their  
5 training, experience, activity and the client's (Elan employees') reasonable expectations. *Upjohn*  
6 *v. United States*, 449 U.S. at 394-95. Accordingly, communications between Mr. Chang and the  
7 members of the legal department, or communications between Elan Legal IP Department and  
8 other Elan employees should be treated as privileged attorney-client communications.

9 The purpose of the attorney-client privilege is to encourage the free flow of  
10 communications between the counsel and his or her client. A mechanical application of this  
11 principle that only focuses on labels rather than sound reasoning defeats the purpose of this  
12 privilege particularly with respect to foreign countries where there is a fundamental difference in  
13 their legal systems and organizations. *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., U.S.*  
14 *Dist. LEXIS at \*27*. Accordingly, the Court should find that Mr. Chang is the **functional**  
15 **equivalent** of an in-house attorney and the usual attorney client privilege therefore applies to the  
16 legal communications with which he was involved. *Id.* (finding the head of the patent department  
17 of a foreign company “the functional equivalent of an attorney and that the attorney client  
18 privilege therefore applies to legal communications with which he was involved. Additionally,  
19 finding “the agents of the patent department “shared a relationship similar to that which exists  
20 between an American attorney and a paralegal or law clerk. Therefore, legal communications  
21 emanating from or received by [these agents] are also subject to the privilege”).

### 22 3. Mr. Nick Lin's Patent Summary

23 In Apple's motion for this group of documents, it particularly challenged Mr. Nick Lin's  
24 patent summary for Apple's asserted patents. Mr. Lin has a L.L.M. degree from NCTU Institute  
25 of Technology Law. Prior to joining Elan, where he serves as an associate manager of Elan IPR,  
26 he was the patent commissioner at several Taiwan patent law firms. Regardless of the valid  
27 privilege may be associated with Mr. Lin's work at Elan, had Apple actually met and conferred  
28 with Elan, this motion would have been avoided. Elan produced partially redacted versions of Mr.

1 Lin's patent summaries on June 14, 2011 (Bu Decl. ¶¶ 10, 11, Exh. 8). Although Mr. Lin's work  
2 is usually intertwined with work-product, a further investigation reveals that the two patent  
3 summaries relating to Apple patents may be produced with the very limited privileged information  
4 redacted. Since there is no legal analysis in the portions of the summaries Elan is producing, Elan  
5 has not waived any claim of privilege. Accordingly, Elan's production of Mr. Lin's patent  
6 summaries renders this issue moot.

7 **C. Elan Has Properly and Narrowly Applied the Common Interest Doctrine To**  
8 **Categories One and Two of Elan's Documents**

9 On September 9, 2010, Apple raised an issue with respect to certain documents on Elan's  
10 privilege logs sent to third parties. Elan responded in a letter dated September 17, 2010 that it will  
11 review the issues identified by Apple and will make the appropriate clarifications and edits and  
12 correct any inadvertent errors on the privilege log (Apple Exh. 22 at 4). On October 15, 2010,  
13 after a careful re-evaluation, Elan in fact significantly revised its logs, de-designated the third  
14 party documents on the logs and produced over 300 documents (Apple Exh. 23, 25, 35). On the  
15 revised logs, there are only 9 remaining documents at issue that were withheld on the basis of  
16 common interest doctrine. Elan has applied a very narrow application of this doctrine for the 9  
17 documents.<sup>3</sup> Indeed, the courts have generally held that where the disclosing party and the third  
18 party share a common interest, there is no waiver of the attorney-client privilege or work product  
19 doctrine. *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 115 F.R.D. 308, 309 (N.D. Cal. 1987).

20 In the Ninth Circuit, the common interest privilege applies where: (1) the communication  
21 is made by separate parties in the course of a matter of common legal interest; (2) the  
22 communication is designed to further that effort; and (3) the privilege has not been waived.  
23 *Hewlett-Packard*, 115 F.R.D. at 308. Further, in order to show a common-interest privilege, the  
24 party must demonstrate a common goal and that the documents or communications in question  
25 further that common interest. *Depomed, Inc. v. Ivax Corp.*, No. C-06-0100 CRB (JCS), Docket  
26 Nos. 103/105, 2007 U.S. Dist. LEXIS 97835 (N.D. Cal. June 19, 2007). Such common goal

27 <sup>3</sup> The communication referenced by Apple in its FN 8 on pg 19 was with respect to this  
28 category of common interest documents only, and was not related to "category 3" documents of  
Apple's Motion to Compel.

1 between Elan and its key customers are more than evident.

2 From 2005 to 2008, Elan was engaged in litigation with Synaptics and since 2009 Elan has  
3 been engaged in litigation with Apple (Chang Decl. ¶¶ 10-12). Both cases include counterclaims  
4 alleging that Elan infringes certain patents. Elan is a component supplier to many downstream  
5 product makers. As such, those downstream customers were faced with the same threat of patent  
6 infringement claims brought by Synaptics and Apple<sup>4</sup> (Chang Decl. ¶¶ 13-14). Such key  
7 customers include, among others, Garmin, HTC, Acer, Compal and Asus<sup>5</sup> (*id.*). Similarly,  
8 potential customers considering buying Elan's allegedly accused products could also be  
9 susceptible to an infringement claim. *Hewlett-Packard*, 115 F.R.D. at 308 (this Court upheld a  
10 claim of common interest privilege partly because if the purchase agreement with the potential  
11 buyer did go through, it was quite likely that both the defendant and the third-party would end up  
12 defending the same patent in one lawsuit that plaintiff could be expected to bring). Certain of  
13 Elan's current and potential customers expressly requested that Elan provide its analysis of the  
14 patents from the lawsuits in which Elan was involved (Chang Decl. ¶¶ 13-14). Prior to providing  
15 any privileged information or work product to these customers, they understood and agreed with  
16 Elan that the communications relating to this particular legal issue were to be kept confidential and  
17 were subject to the common legal interest privilege (Chang Decl. ¶15). But for this understanding,  
18 Elan would not have provided such information to the customers. There was never any intent by  
19 Elan to waive the privilege or work product protection for these documents, and their disclosure  
20 was limited to a group of Elan's key customers (*id.*). *Britesmile, Inc. v. Discus Dental, Inc.*, No. C  
21 02-3220 JSW (JL), (Docket # 205), 2004 U.S. Dist. LEXIS 20023, at \*9 (N.D. Cal. 2004) (finding  
22 no waiver of privilege by disclosing privileged documents to the third-party because they "share a  
23 common legal interest in the issue of whether the technology that [the third-party] sold to [the  
24 defendant] was patentable and whether it infringed any patent. They also share a common  
25 business interest in the sale of the technology"). These documents were communicated clearly in

26 \_\_\_\_\_  
27 <sup>4</sup> Indeed, Synaptics did sue Elan's downstream customers Prostar and Averatec in 2006 for the  
28 use of Elan products (Bu Decl. ¶ 4, Exh. 3).

<sup>5</sup> Indeed, HTC and Apple are engaged in heated patent litigations over their smartphone  
technologies both in the district court and the International Trade Commission.

1 furtherance of the common interest, in order to better assess the risk of Apple or Synaptics’  
2 counterclaims against Elan’s current or prospective customers. *Pulse Eng’g, Inc. v. Mascon, Inc.*,  
3 Civil No. 08cv0595 JM (AJB), 2009 U.S. Dist. LEXIS 92971, at \*10 (S.D. Cal. October 1, 2009)  
4 (“The work product privilege is not automatically waived by any disclosure to third persons.  
5 Rather, the courts generally find a waiver of the work product privilege only if the disclosure  
6 ‘substantially increases the opportunity for potential adversaries to obtain the information’”).  
7 Some of the infringement analysis was in fact prepared by Elan’s outside counsel directly for  
8 selected third party with the understanding that a common-legal interest applied and the party was  
9 to maintain the analysis in strict confidence (Chang Decl. ¶ 15). *See also, Depomed, Inc. v. Ivax*  
10 *Corp.*, 2007 U.S. Dist. LEXIS (finding common interest privilege and no waiver for a joint  
11 development agreement between the parties because it clearly created common goals and the  
12 communications between the parties was in furtherance of those goals). *Pulse Eng’g, Inc. v.*  
13 *Mascon, Inc.*, 2009 U.S. Dist. LEXIS at \*10.

14 Furthermore, the existence of a commercial interest does not preclude the existence of a  
15 common legal interest sufficient to invoke the common interest privilege. *Pulse Eng’g, Inc. v.*  
16 *Mascon, Inc.*, 2009 U.S. Dist. LEXIS at \*10; *Britesmile, Inc. v. Discus Dental, Inc.*, 2004 U.S.  
17 Dist. LEXIS 20023 (finding courts should not create procedural doctrine that restricts  
18 communication between buyers and sellers, erects barriers to business deals, and increases the risk  
19 that prospective buyers will not have access to important information that could play key roles in  
20 assessing the value of the business or product they are considering buying). Indeed requiring  
21 disclosure of such privileged information could potentially chill business transactions between  
22 buyer and seller when the seller is faced with a realistic threat of litigation. In this case, Elan was  
23 not faced with mere threats. It was in active litigation with Apple and Synaptics. Accordingly,  
24 Elan’s selective disclosure of its non-infringement positions sent to Elan’s key customers and  
25 certain other third parties should be protected under the common interest exception. Should the  
26 Court decide Elan has not showed sufficient evidence that a common-interest exist with respect to  
27 the nine email communications, Elan request that the Court conduct an *in-camera* review of these  
28

1 documents prior to make its final ruling.<sup>6</sup>

2 In addition to the nine emails, Apple also generically challenges PowerPoint presentations  
3 Elan prepared for its customers that discussed Elan's non-infringement positions in these  
4 litigations.<sup>7</sup> These presentations are essentially identical with minor variations, and mostly were  
5 standalone documents collected from Elan's custodians. A portion of these presentations  
6 discussed Elan's patent litigation lawsuit status. These presentations were produced to Apple with  
7 minimum redactions, roughly 4-5 pages total for the portions that contain the discussion of Elan's  
8 litigation with Apple. These 4-5 pages are substantially identical. For the reasons stated above,  
9 there is a valid common legal interest between Elan and certain of its customers such that limited  
10 disclosure of otherwise privileged information to this selective group of customers does not  
11 constitute a waiver and is subject to the common interest exception. However, in an effort to  
12 avoid troubling the Court with unnecessary disputes, Elan has notified Apple that it is willing to  
13 produce unredacted versions of these slides, on the condition that Apple agrees there is no waiver  
14 of any kind and will not pursue such an argument based on this production (Bu Decl. ¶ 10, Exh.  
15 8). Apple has not yet responded.

16 **IV. APPLE'S MOTION TO COMPEL 353 PATENT INVENTOR DEPOSITIONS IS  
17 POINTLESS AND IMPROPER**

18 Apple has also moved to compel the depositions of the four inventors named on Elan's 353  
19 Patent. None of these individuals are still Elan employees. One inventor left Elan in 2003, two  
20 other inventors left Elan in 2005, and the final inventor, left Elan shortly after the filing of this

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21 <sup>6</sup> *But see Nidec Corp. v. Victor Co.*, 249 F.R.D. 575, 578 (N.D. Cal. 2007). In *Nidec*, the Court  
22 held there was no common interest between the defendant and the non-party potential bidder for  
23 the defendant's shares since the documents shared in *Nidec* did not further a common legal  
24 strategy in connection with the litigation. *Id.* In *Nidec*, the disclosure had a purely business  
25 purpose—planning the value of outstanding shares in light of the litigation. *Id.* It is unlikely for a  
26 share holder purchaser to become a joint defendant of a case, where Elan's customers are facing a  
realistic risk that the patent owner may assert the same infringement claims against them. In  
addition, Elan's communication to its customers regarding its non-infringement positions is  
clearly helpful to facilitate the common legal interest between Elan and its customers, the user of  
the accused products, to assess the common legal risks both parties were facing. Therefore, *Nidec*  
is not applicable and *Hewlett-Packard* should be applied here.

27 <sup>7</sup> Apple does not specify which entries are at issue, and Elan is unable to discern precisely  
28 which entries Apple's generic challenge encompasses. For the purpose of this motion Elan  
responds with respect to Apple Exh. 23, entries 1-37, Exh. 25, Revised October 25 Log entry No.  
6, the minimally redacted PowerPoint presentations.

1 lawsuit. Simply put, these individuals are not Elan employees, Elan does not control them and  
2 cannot force these non-party Taiwan residents to appear for deposition in the United States as  
3 requested by Apple. *See Ethypharm SA France v. Abbott Labs.*, 271 F.R.D. 82, 92 (D. Del. 2010)  
4 (declines to order the requested depositions, and denies motion to compel Fed. R. Civ. P. 30  
5 depositions foreign individuals).

6 Elan long ago provided Apple with their last known addresses. For example, in Elan's  
7 plain text **September 2, 2009** Rule 26(1) disclosure to Apple, Elan listed all four of the 353 Patent  
8 inventors' last known addresses in Taiwan and did not represent that it controlled these  
9 individuals. Essentially, Apple was free to subpoena these former Elan employees as early as  
10 September 2, 2009 (Bu Decl. ¶ 5, Exh. 4).

11 Not until **April 20, 2011**, nearly 18 months after Elan served its initial disclosures, Apple  
12 first noticed the deposition of Mr. Chiu (Apple Exh. 30 at 5). On May 10, 2011, Apple first  
13 inquired about the depositions of the other 353 Patent inventors and demanded a stipulation  
14 precluding Elan from using these individual's testimony (*id.* at 2). On May 23, 2011, Elan re-  
15 confirmed that these inventors were no longer with Elan and responded that "[w]e, however, do  
16 not agree a stipulation as you proposed below is *necessary at this time*, nor a motion to compel  
17 will be useful. Elan is unable to mandate a non-Elan employee to appear in the Northern District  
18 of California for a Deposition" (*id.* at 2) (emphasis added).

19 This is also entirely consistent with the parties' CMC Statement submitted on September  
20 30, 2009. In that statement Elan stated that "[t]he parties agree that named inventors and  
21 employees of the parties that do not reside in the United States will be made voluntarily available  
22 for deposition in the Northern District of California without service of foreign process except as so  
23 identified to the opposing party no later than September 18, 2009" (Dkt 41 at 6:7-12). Although  
24 not expressly stated in this statement, such "inventors and employees" are intended to include only  
25 those parties and individuals that are within the party's control. Indeed, there is simply no  
26 authority for the proposition that a corporate party must produce for deposition fact witnesses who  
27 are not employed by, and do not speak for, that party. *See* Fed. R. Civ. P. 30; *In re Ski Train Fire*  
28 *of November 11, 2000 Kaprun Aus.*, 2006 U.S. Dist. LEXIS 29987, \*27 (S.D.N.Y. May 16, 2006).



1 Therefore, Elan precisely identified the individuals that were not under Elan’s control through its  
2 Initial Disclosures served on September 2, 2009. Contrary to Apple’s assertion that Elan will not  
3 abide by its agreement, Elan has made Mr. Chang, Mr. Bisset, Mr. Tang, Elan’s witnesses for this  
4 case available for deposition in the Northern District of California (Bu Decl. ¶ 7). Elan even  
5 produced Mr. Wayne Chang , Elan’s Legal Department Director and Mr. Yeh, Elan’s Chairman,  
6 the highest ranking officer of Elan, for deposition in California upon Apple’s request (*id.*).  
7 Therefore, Elan should not be compelled to do something that it has no power to do, due to  
8 Apple’s own lack of diligence in failing to pursue the foreign depositions at an earlier time.

9 **A. Apple’s Argument That Elan In Fact Controls The Departed Employees Is  
10 Flawed And The Court Should Reject This Approach**

11 Apple also bases its motion to compel these depositions on the routine patent assignment  
12 signed by the inventors during the course of prosecution. The patent assignment at issue here was  
13 a form used by Elan at that time. It was signed by the inventors on September 5, 2003 and  
14 submitted to the USPTO during prosecution. Out of the four inventors, one left Elan four days  
15 prior to signing the assignment in 2003, two others left in 2005, and the final inventor left Elan in  
16 2009. It is therefore illogical to assume that when these Taiwanese individuals signed a routine  
17 patent assignment, they envisioned the possibility to be hauled into a court anywhere in the world  
18 to be deposed years after their departure from the company. *Murata Mfg. Co. v. Bel Fuse, Inc.*,  
19 242 F.R.D. 470, 480 (N.D. Ill. 2007) (a contract to “testify” in legal proceedings was not a  
20 “contract to be deposed in any particular place”) (internal citations omitted). Further, nothing in  
21 the language of the patent assignment indicates that this “obligation” is indefinite.

22 Even assuming these inventors are contractually obligated to Elan to testify in a deposition,  
23 Elan does not have the contractual authority to require them to leave Taiwan to be deposed.  
24 *Murata Mfg. Co. v. Bel Fuse, Inc.*, 242 F.R.D. 470, 480 (N.D. Ill. 2007) (finding the patent  
25 assignment agreement cannot be construed to compel a foreign witnesses to sit for a deposition  
26 here in the United States. Further, Apple’s interpretation of the patent assignment or the reach of  
27 the assignment to Elan’s former employees is directly contrary to Elan’s own Internal Patent  
28 Policy Regulation. For example, Section 1.V of the Patent Policy states that

1 The Sponsor shall provide evidence, reason(s), and all other relevant assistance  
2 for any review, reexamination, petition, administrative litigation and other legal  
3 proceeding(s) arising from the patent application/opposition/invalidation and  
related legal cases, to the best of his/her ability. The Company may refuse to pay  
any bonus to those who do not cooperate or who are in violation of these Rules.

4 While Section 1.V.4.(2) of Elan Patent Policy states

5 After the Employee leaves his/her job position, ***the maintenance responsibility***  
6 ***for the aforementioned relevant patent proposal(s) shall be mostly borne by***  
7 ***other employees***; therefore, the aforementioned patent-related bonus(es) shall not  
8 be paid out after the Employee leaves his/her job position, with the exception of  
those who have entered into a separate agreement.

9 (Bu Decl. ¶ 8, Exh. 6 at 4, Certified Translation of Elan IP Policy (emphasis added)). This  
10 suggests that by signing the patent assignment, a seemingly routine procedure for employees of a  
11 company to give the patent rights to the company, neither Elan nor these inventors intended for the  
12 patent assignment to mean that even after their departure, which could be a decade later, Elan has  
13 the right, authority or control to compel these employees to sit for a deposition in a foreign  
14 country.

15 Moreover, Elan does not have any recourse if these former employees simply refuse Elan's  
16 request for a deposition, breaching the alleged "agreement." *Murata Mfg. Co.*, 242 F.R.D. at 480.  
17 Indeed, Elan's own IP Policy only provides the recourse of denying a bonus if an Elan employees  
18 breaches the employee IP agreement and chooses not to assist Elan in its legal actions relating to the  
19 patent. Accordingly, compelling Elan to produce witnesses that it does not control is pointless.  
20 From a practical standpoint, Apple's motion is disingenuous. For eighteen months, Apple made no  
21 effort to depose these inventors. Instead Apple waited until just a few weeks before the discovery  
22 cut-off to raise this issue (Apple Motion Exh. 30 at 5).

23 Finally, Apple has issued a 30(b)(6) Deposition Notice to Elan (Bu Decl. ¶ 9, Exh. 7), which  
24 includes Topic 7 relating to the conception and reduction to practice of the 353 Patent (*id.*).  
25 Although none of the inventors are still employed by Elan, Elan nevertheless agreed to produce a  
26 witness to attest to Elan's remaining knowledge of this Topic.  
27  
28

1           **B.     Apple’s Request To Stipulate To Preclude Elan From Using 353 Patent**  
2           **Inventor Testimony Is Improper And Premature**

3           Apple’s request for a stipulation to preclude Elan from relying on these individuals’  
4           testimony is premature and improper for purposes of this Motion to Compel. This motion is really  
5           just a premature motion in limine. Elan has never indicated that it intends to call these individuals  
6           as witnesses for trial, nor has Elan stated that “it wishes to preserve the ability to rely on their  
7           testimony through declaration at trial” as Apple has characterized in its Motion (Apple Motion at  
8           24-25). To the contrary, it never was and still isn’t Elan’s intention to obtain these individuals’  
9           declarations for trial. Elan simply responded to Apple that Elan does not agree that “a stipulation  
10          as you proposed below is necessary at this time” for the exact reason that the parties will have an  
11          opportunity to exchange witness list and evidence for trial and any objections the parties may have  
12          will be discussed at that time. Apple’s assertion that somehow it is “in an extraordinarily  
13          prejudiced position” is nothing but a flair for drama in support of its pointless motion to compel.  
14          Accordingly, its Motion to Compel Inventor Deposition should be denied.

15          **V.     CONCLUSION**

16          For the reasons stated above, Elan respectfully requests that the Court deny Apple’s Motion  
17          to Compel in its entirety.

18  
19          DATED: June 14, 2010

Respectfully submitted,

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