1 YITAI HU (SBN 248085)
   yitai.hu@alston.com
2 SEAN P. DEBRUINE (SBN 168071)
    sean.debruine@alston.com
3 ELIZABETH H. RADER (SBN 184963)
   elizabeth.rader@alston.com
4 JANE HAN BU (SBN 240081)
   jane.bu@alston.com
5 JENNIFER LIU (SBN 268990)
   celine.liu@alston.com
6 PALANI P. RATHINASAMY (SBN 269852)
   palani.rathinasamy@alston.com
7 **ALSTON & BIRD LLP**
   275 Middlefield Road, Suite 150
8 Menlo Park, CA 94025-4008
   Telephone: 650-838-2000
9 Facsimile: 650-838-2001

10 Attorneys for Plaintiff and Counterdefendant
   ELAN MICROELECTRONICS
11 CORPORATION

12

13   UNITED STATES DISTRICT COURT

14   NORTHERN DISTRICT OF CALIFORNIA

15   SAN FRANCISCO DIVISION

16

17 ELAN MICROELECTRONICS   Case No. 09-cv-01531 RS (PSG)
   CORPORATION,
18   **ELAN'S RESPONSE TO APPLE'S**
                Plaintiff and Counterdefendant,   **SURREPLY RE MOTION FOR PARTIAL**
19   v.   **SUMMARY JUDGMENT**

20 APPLE, INC.,   DATE: August 4, 2011
                                      TIME: 1:30 p.m.
21   Defendant and Counterplaintiff.   CTRM: 3
                                      JUDGE: Hon. Richard Seeborg
22
   AND RELATED COUNTERCLAIMS
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I. INTRODUCTION

The Court reluctantly granted Apple leave to file its Surreply, expressing skepticism that any additional briefing would be helpful to the determination of Elan's motion for partial summary judgment. July 11, 2011 Order [Dkt. No. 337] The Court's skepticism was well founded. Apple's Surreply does little more than restate the arguments raised in its Opposition [Dkt. No. 278]. For the reasons set forth in Elan's Reply Brief [Dkt. No. 303], Elan's motion should therefore be granted. However, embedded within those redundant arguments are a number of admissions and misstatements that Elan is compelled to address. Keeping in mind the Court's admonition, Elan will provide only brief comments on, and corrections to, Apple's assertions in its Surreply.[1]

II. ARGUMENT

A. Apple Still Fails to Justify its Attempted New Claim Construction for the "Identify" Elements

In its Opposition Apple sought to add significant new limitations on the claim term "identify" despite the fact that this term, and the order of the steps in which it appears, was among the most hotly disputed issues during the Court's Markman process. Opp'n at 3; Elan Reply at 6-7. Claims 1 and 18 both require the steps "(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." Apple now contends that the new limitations are not meant to limit in the meaning of the term "identify" but rather as part of the order in which the identification steps take place. Surreply at 5. Apparently, Apple's argument now is that the term "scanning" – the meaning of which was agreed to by the parties, in some combination with the order of the "identify" steps, creates some new limitation. Id. Apple provides no further explanation of this argument. Id. The time for Apple to have presented any such argument has long passed. In addition, as set out in Elan's Reply, the only requirement of these steps is to "identify" the maxima and minima. If Apple's attempt to recast the claims as requiring that the maxima and minima be "searched for" is not based on the actual claim term, it is

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[1] Elan reserves the right to address other points raised by Apple at the hearing on this matter.

clearly improper and must be rejected.

**B.   Apple's Products Identify the Maxima and Minima "in a finger profile …
obtained from scanning the touch sensor."**

Apple now appears to admit that one of ordinary skill in the art would understand and
expect that the initial measured capacitance values would be baselined, filtered and smoothed as
part of the process of creating the "finger profile." Surreply at 3-4. That must be so, because the
patent clearly discloses these "extensive pre-processing steps" as part of the disclosed invention.
See, e.g., 352 Patent at 5:60-6:1, 10:66-11:5; Reply at 3-5; Dezmelyk Reply Decl., ¶¶ 7-16. Elan
submitted extensive evidence that all of the "pre-processing" steps employed by Apple were
commonly used in the art at the time. Dezmelyk Reply Decl., at ¶¶ 17-24. Elan also demonstrated
that Apple's expert has previously opined that these same steps are within the scope of the patent
claims. Reply at 4, n.1. Apple's Surreply ignores this evidence. Rather than address the merits,
Apple simply repeats its expert's utterly unsupported claim that the data is somehow "changed."
Whether or not it is "changed," it is beyond dispute that the resulting data make up "a finger
profile obtained from scanning the touch sensor." Apple's argument that there is a factual dispute
is therefore unsupported. Apple casts the dispute as whether the changes are "significant" enough
to avoid infringement. Surreply at 4. That is incorrect. Elan has shown that the Apple products
identify the first maxima, the minima and the second maxima "in a finger profile taken on a
straight line obtained from scanning the touch sensor" as required by the claims.

**C.   The Accused Products Provide an Indication of the Simultaneous Presence of
Two Fingers as Required by the Claims.**

The issue of whether the accused products "provide an indication of the simultaneous
presence of two fingers" may also be resolved as a matter of law based upon the proper claim
construction. Apple contends that the claims preclude any processing steps between the simple
count of the number of maxima in the finger profile and the required "indication." Apple
concedes that this construction would omit the algorithm in the preferred embodiment. Surreply at
7 ("Elan nowhere suggests that one of ordinary skill in the art would understand [steps 290 and
305 in the preferred embodiment] to be covered by the claim.") Apple makes no attempt to

1 support the extraordinary position that this preferred embodiment somehow falls outside the claim

2 scope. Id. Apple makes no serious attempt to address the doctrine of claim differentiation,

3 arguing only that claim 15 is somehow ambiguous if not indefinite. Id. It is neither. Claim 15

4 specifically limits the method of claim 1 to the condition where the "indication" is not provided

5 unless the distance between the maxima is tested and determined to be within 5 centimeters. 352

6 Patent at 17:15-20. Apple does not even address Elan's showing that, as a matter of law, claim 1

7 must be broad enough to encompass this dependent claim. Thus, the patent makes absolutely clear

8 that "additional processing steps" may be performed after the maxima are identified to ensure that

9 two fingers are actually on the touchpad.

10 Apple's entire claim construction argument rests on a single statement in the prosecution

11 history. In particular, in response to an obviousness rejection, the applicant stated that the "present

12 invention uniquely utilizes the detection of two maxima to determine if two fingers are present on

13 the touchpad." Balakrishnan Reply Decl., Ex. 5 at 536. In context it is clear that this statement

14 broadly distinguishes the method disclosed and claimed from the prior art. As is clear from the

15 context of the entire document, the applicant meant to differentiate the method of identifying

16 maxima from the prior art methods which relied on detecting sudden movements of the centroid

17 that occur when a second finger contacts the touch sensor. Id. This sentence is therefore far from

18 the clear and unmistakable disavowal of claim scope that would be necessary to overcome the

19 plain meaning of the claims as demonstrated by the figures, the written description and the other

20 claims of the patent. *Omega Eng'g v. Raytek Corp.*, 334 F.3d 1314, 1324-1326 (Fed. Cir. 2003).

21 Thus, under the proper claim construction, the fact that Apple's products perform certain

22 tests to ensure that the finger count it returns reflects actual finger contact is immaterial to the

23 question of infringement. Apple does not dispute that the "indication" returned as the final finger

24 count is the same "raw" values created from a simple count of the identified maxima. Surreply at

25 7; see Elan Reply at 10. The tests Apple points to merely confirm that there are actually two

26 fingers on the touchpad. Thus, if further examination of the capacitance data indicates that there

27 actually are no fingers on the touchpad, this finger count is not used. Reply at 11; Dezmelyk

28 Reply Decl., ¶¶ 52-60. However, where there are actually two fingers on the touchpad, the

1 indication provided is in direct response to the identification of two maxima. Id.

2 Apple's Surreply essentially concedes that tests to determine that a processing error has

3 occurred do not prevent infringement. Apple had argued that certain error conditions under which

4 all of the scanned data would be disregarded as unreliable, such that no processing of the number

5 of fingers or finger locations would occur, somehow meant that the Accused Products would not

6 provide the required identification when those products were functioning properly. In its Surreply,

7 Apple relegates this point to an unsupported footnote.   Surreply at 4, n. 4. The determination that

8 one particular finger profile is not based on valid data cannot negate the operation of the products

9 under normal conditions when they are detecting and responding properly to actual finger contact

10 and not, for example, electrostatic shocks. By failing to provide any argument on this point,

11 Apple effectively concedes that its arguments concerning these error conditions are not relevant.

12 **D. Elan Has Shown Indirect Infringement of the Method Claims.**

13 Citing DSU Med. Corp. v. JMS Co Ltd., 471 F.3d 1293 (Fed. Cir. 2006) Apple claims that

14 Elan has not established that Apple intended the users of its products to practice the claimed

15 methods. Surreply at 9. That case is inapposite. In DSU there was evidence to support a jury

16 verdict that DSU did not intend for its products to be used to infringe the patent. What Apple fails

17 to disclose is that the evidence in DSU was an opinion obtained from a qualified independent

18 patent counsel that there was no infringement. DSU Medical Corp, 471 F.3d at 1307. There is no

19 such evidence here. All Apple can point to is a conclusory letter written by an Apple employee.[2]

20 Opp'n at 17. In light of Apple's knowledge of the patent, a direct allegation of infringement and

21 the clear showing that the products fall within the claims, Apple has no evidence sufficient to

22 support a jury verdict that it did not intend to cause its customers to practice the asserted method

23 claims. However, even if there were facts sufficient to raise a triable issue regarding customers

24 use of the Accused Products, this point would not preclude the Court from entering judgment that

25 use of the Accused Products causes the practice of the asserted method claims, or that Apple's

26 own employee's use of the products constitutes direct infringement of the method claims and that

27 _____

28 [2] It is interesting to note that the letter Apple relies on alleges no infringement based on the Synaptics claim construction, while Apple's Opposition to Elan's motion relies on claim construction positions never raised in that earlier litigation.

1 Apple's sale of products meeting apparatus claims 18 et seq. constitutes direct infringement.

2   **E.   The Accused Products Infringe the Means-Plus-Function Claims**

3   Finally, Apple does not show any genuine issue of material fact that would preclude a

4 finding that its products directly infringe claims 18 and 30. With regard to claim 18, Apple simply

5 restates the arguments in its Opposition. Surreply at 10:4-11. For the reasons set forth in Elan's

6 Reply, Apple's evidence is insufficient to support a finding of no infringement. Apple's products

7 perform the relevant functions of identifying the maxima and minima and providing an indication

8 of the simultaneous presence of two fingers in the same or equivalent way as disclosed in the

9 patent. Reply at 14. The portions of Dr. Balakrishnan's declaration Apple relies upon do not

10 directly address nor rebut this evidence. As such, infringement of claim 18 is established. As for

11 claim 30, Apple simply points to the decision of the ITC administrative law judge finding that

12 claim 30 is indefinite. Surreply at 11. Apple did not raise any such argument in its Opposition,

13 and in fact fails to do so here. Decisions of the ITC are not binding on this Court. Texas

14 Instruments v. Cypress Semiconductor Corp., 90 F.3d 1558, 1569 (Fed. Cir. 1996). Since Apple

15 has not argued indefiniteness as a defense to this motion, and has put forward no argument to

16 support such a defense in its Surreply, it should be disregarded.

17 **III.   CONCLUSION**

18   For all of the reasons set forth in Elan's Motion, Reply and this Response to Apple's

19 Surreply, there are no factual disputes concerning the operation of the accused Apple products.

20 Rejecting Apple's belated and incorrect claim construction, those products infringe as a matter of

21 law and Apple has intentionally induced its customers to use those products in an infringing

22 manner. Elan's motion should be granted in its entirety.

23 DATED: July 21, 2011   Respectfully submitted,

24   ALSTON & BIRD LLP

25

26   By: _____/s/ Sean P. DeBruine_____
                                        Sean P. DeBruine
27   Attorneys for Plaintiff
                                        ELAN MICROELECTRONICS CORPORATION
28 LEGAL02/32756043v1