

EXHIBIT 1

Greenblatt, Nathan

From: Walter, Derek
Sent: Monday, July 25, 2011 7:58 AM
To: Bu, Jane
Cc: Apple Elan WGM Service; Elan Apple Team
Subject: RE: RE--Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Jane:

We respond in turn to the issues you raise below:

Document Request Nos. 77, 94, 95

As you know, we have produced over 60,000 pages of market research documents. We will do our best to update our production of documents related to market research no later than August 5. To the extent we anticipate difficulties in meeting this schedule, or to the extent we need to produce anything after this date, we will let you know.

Finally, to the extent you seek "pre-launch" studies that focus on Multitouch™, we have gone back again to look for such studies in view of your requests and have determined that Apple generally does not carry out any studies of this sort and have not been able to identify pre-launch studies on Multitouch™ based on a reasonable investigation.

Document Request No. 78

With regard to documents pertaining to pricing information for touchpad and touchscreen components, we plan to make an additional small production of such documents this week. Unfortunately, given the nature and age of the information you seek, it is extremely difficult to identify collect the requested information. Therefore, we are continuing our investigation to see if there is any way to obtain this information from the component manufacturers themselves. In the meantime, if there is specific information within these category of documents you think you need, please bring it to our attention and we will do our best to promptly locate it, to the extent it is available.

Document Request No. 76

There may be a miscommunication on this topic. Apple has conducted a reasonable search for and has produced documents relating to the design and development of the accused products, including documents that shed light on business decisions relating to such products such as cost estimates, market research, and supply plan information. We direct you to our production for numerous documents relating to those subjects which are ample to address your claimed need for forecasting documents relating to the reasonable royalty analysis. We understand Elan's current request to be for financial and sales forecasts beyond that, which request is unduly burdensome, overbroad and not relevant to any issue in the case. If we misunderstand your request, please let us know specifically what you are requesting.

Document Request Nos. 80, 81, 92 and 93 and Interrogatory No. 22

With regard to documents related to market research, see our response above.

As to your request that Apple provide detailed financial spreadsheets for products that are not accused in this case, we cannot agree to produce such information. At the outset, none of the requests you identify genuinely call for such information. Your interpretations of the Elan requests to call for such information are, to put it mildly, creative. Indeed, Elan has propounded requests that call for financial information, and none of them seek financial information for non-accused products. See, e.g., Elan Document Request Nos. 73-74, 78. Rather, they are all directed to the "Accused Products" or "Accused Instrumentality."

Furthermore, although you contend that the information you seek is simply a matter of Apple generating "a few more spreadsheets," there is nonetheless a definite burden associated with generating "a few more" spreadsheets for every non-accused Apple product that you contend may have an analog in an actual accused product. Likewise, such detailed discovery on products that are not even accused is highly invasive. At the same time, the relevance justification you provide is not credible. The notion that you can attribute a difference in profits or sales prices, if any, between accused and non-accused products, which are completely different products and all of which have hundreds of features, to the presence of Multitouch™ does not withstand even basic scrutiny under applicable damages law requiring damages theories to be based on sound economic analysis and not speculation. That said, if Elan wants to compare completely different Apple products (e.g., a classic iPod vs. an iPod touch) as part of its damages analysis, you are free to do so based on publicly available sales prices and we will respond as appropriate in expert discovery, motions in limine and *Daubert* motions.

Documents Request No. 99 and Interrogatory No. 23

Below you state that "Elan only asks Apple to identify any IP that it contends contributed to the accused instrumentality regardless of the claims." We have explained that Apple has numerous patents that may be relevant to the accused instrumentalities and have identified categories of such patents in our interrogatory response and document production. As we understand your current request, Elan asks Apple to undertake an analysis of whether its IP contributes to the accused product by comparing the accused product to the claims of the relevant patent. Indeed, although you contend you are not asking for such an analysis, below you nonetheless ask us to take a position as to whether Apple "own[s] any IP that is embodied by the accused instrumentality." We are simply not obligated to carry out such an analysis in response to interrogatories or document requests, particularly given how burdensome such an analysis would be. Moreover, the type of analysis Elan appears to be requesting is the purview of expert opinion and not fact discovery. Indeed, you have provided no response to our request for authority that any such analysis is required to be provided in response to document requests and interrogatories, let alone that such an analysis is required under *Georgia-Pacific*. Simply put, Elan's interrogatory calls for Apple to undertake an extremely burdensome analysis of all patents embodied by each of Apple's accused products. That analysis calls for expert opinion and is beyond the scope of an interrogatory response, and Apple stands on its objections.

Document Request No. 18 and Deposition Topic No. 12

Below you state that Elan seeks "a general understanding as to how Apple purchases and assembles the accused instrumentality for the purpose of damages analysis, not the technical details of the assembly process." Apple can agree to prepare one of its 30(b)(6) witnesses to speak to the identity and nature of the components and products described in the documents produced responsive to Elan Request No. 78, which we have pointed you to previously. This should provide you with information regarding the individual components that Apple is, in fact, purchasing for the accused products and should be more than sufficient for your damages analysis in this case. We do not agree that the details of the assembly process Apple manufacturers employ -- either at a "general" or "technical" level -- are relevant to any issue in this case, and we therefore cannot agree to provide an interrogatory response or witness.

Thanks,

Derek

From: Bu, Jane [mailto:Jane.Bu@alston.com]
Sent: Tuesday, July 19, 2011 4:29 PM
To: Walter, Derek
Cc: Apple Elan WGM Service; Elan Apple Team
Subject: RE--Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Derek: I write to address some of the issues raised in your response below.

Document Requests Nos. 77, 94, 95

For these requests, Apple states that it plans to update its production on market research. Only a few weeks remain in the fact-discovery period, and the 30(b)(6) depositions will commence in the first week of August. Apple simply cannot delay this production further. Accordingly, we request that Apple immediately provide a date certain for this supplemental production or confirm by no later than COB July 22 that Apple has completed its production for these topics.

Document Request No. 78

Apple states that it “continues to work to identify additional information regarding pricing information for touchpad and touchscreen components, and it will produce such information as it becomes available.” For the same reasons stated above, we request Apple provide a date certain for this production or confirm by COB July 22 that it has completed its production.

Document Requests No. 76

Apple states that it does not “believe that any forecasts Apple may have made for products that have long since been released shed any meaningful light over the actual established profitability for such products that would justify the burden of collecting and producing such information, if any.” We disagree. Such information is clearly relevant to the reasonably royalty analysis, and Apple has done nothing to establish that this obvious relevance is outweighed by some alleged burden. Please confirm whether Apple will produce all responsive discovery for this request by COB July 22, or Elan will have no choice but to seek Court intervention on this issue.

Document Requests No. 80, 81, 92 and 93 and Interrogatory No. 22

To the extent Apple plans to produce additional documents for these topics, we request that Apple provide a date certain for this production or confirm by COB July 22 that it has completed its production.

Further, it is Elan’s position that the scope of these requests does include the sales, pricing, profit and cost information of non-accused prior versions of the accused products such as iPods and Macbooks without the multi-touch function. RFP 80 calls for “all documents” relating to customer acceptance of the iPod touch compared to the iPod w/o the multi-touch technology and RFP 81 calls for “all documents” relating to customer acceptance of Macbooks with multi-touch technology compared to those without. Pricing and/or revenue earned by Apple compared to the older non-accused product could be attributable to customer acceptance of the patented features. Further, Elan points Apple to RFP 79 where Elan requests “all documents relating to any internal analysis or studies of anticipated and realized changes in profit price, profits per units and sales volume due to the incorporation of the Accused Instrumentality and/or MT tech into the accused products.” Comparing sales data for the older version of products without the accused feature to the accused version of the products may reflect the benefits and value of the patented feature. It certainly will reflect any “changes in profit price, profit per units and sales volume” potentially due to the incorporation of accused instrumentality or the MT technology as called for in RFP 79. For the purpose of the damages discovery, both parties have agreed to provide native spreadsheets that are not usually kept in the course of business but could be generated by the company’s financial databases. Therefore we do not foresee any “burden” for Apple to generate a few more spreadsheets detailing the same type of sales data for a certain prior generations of iPod and Macbook without the accused functionality. Accordingly, we request Apple confirm by COB July 22 whether Apple will provide this relevant discovery. Otherwise, Elan will seek Court intervention to resolve this issue.

Document Request No. 99 and Interrogatory No. 23

Contrary to your characterization, Elan does not and did not require Apple to conduct a patent-by-patent or claim-by-claim evaluation. Rather, as explained in our previous meet and confer correspondence, Elan only asks Apple to identify

any IP that it contends contributed to the accused instrumentality regardless of the claims. To the extent Apple cannot identify such IP or takes the position that it does not own any IP that is embodied by the accused instrumentality or contributed to the accused instrumentality's value, please confirm so in writing by COB July 22.

Interrogatory No. 18 and Deposition Topic 12

These requests seek a very narrow set of information relating to the assembly and manufacturing process of the accused instrumentality. As explained numerous times in our previous meet and confer correspondence, the documents Apple produced, including the voluminous BOMs, are not readily understandable by non-Apple employees. Further, we also explained that what we seek is a general understanding as to how Apple purchases and assembles the accused instrumentality for the purpose of damages analysis, not the technical details of the assembly process. For example, does Apple directly purchase each component of the touchscreens or touchpads, such as the ASICs that were incorporated into a final product, and then provide these components to a manufacturer or OEM for assembly? Or does Apple only purchase the final touchscreen and touchpad unit, which includes all prequalified components? Or does Apple take a middle approach, a combination of the two? Apple has no basis to refuse such straightforward and relevant discovery, nor is it credible to claim that Apple does not possess such information. Therefore, we request that Apple immediately identify a 30(b)(6) witness and supplement Apple's interrogatory response with narrative descriptions by COB July 22 or Elan will have no choice but to seek Court intervention on this issue.

Finally, Apple states that it "will provide any additional such information as it becomes available" for this request. To the extent Apple intends to produce additional information responsive to this topic, we request Apple provide a date certain for this production or confirm by COB July 22 that it has completed its production.

Best,

Jane

From: Walter, Derek [mailto:Derek.Walter@weil.com]
Sent: Monday, July 18, 2011 10:01 AM
To: Bu, Jane
Cc: Apple Elan WGM Service; Elan Apple Team
Subject: RE: Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Jane:

We respond to the issues you raise below in turn.

Document Requests Nos. 73, 79, 88, 90, 91, 93, & 97-97

As of July 14, Apple has produced the product line financial information that it has agreed to produce. See APEL0074050 to APEL0074056.

Document Requests Nos. 77, 94, 95

By these requests, you state that Elan seeks "pre-launch user studies, surveys and internal analyses . . . particularly the studies relating to the Accused Instrumentality or the use of multiple fingers." To be clear, Request No. 77 broadly seeks "[d]ocuments relating to the reasons customers purchased Apple Accused Products . . ." Likewise, request No. 94 seeks "[a]ll documents relating to historical and projected customer preference and desired attributes for touch-sensing input device . . .," while Request No. 95 seeks "[a]ll documents relating to the development, design and selection of Accused Products' features relating to the touch-sensing user interface." There can be no dispute that the thousands of marketing and survey documents Apple produced at APEL0107309 – APEL0162111 are responsive to one or more of

these requests, including at least one that reflects a pre-launch market study. See APEL0114462. Furthermore, there can be no dispute that many of the documents in this Bates range address the touch controls in Apple products. In this regard, Apple has already provided substantial information directly responsive to these requests (including numerous internal analyses) sufficient for Elan to look into the numerous reasons customer purchased the accused products. The nub of Elan's ongoing complaints appears to be disappointment that the information Apple has provided does not focus on the one particular feature (i.e. Multitouch™) of the Apple accused products that Elan is most interested in. Yet, the Apple accused products include hundreds of different features, many of which plainly play a role in market demand and customer's purchasing decisions. See, e.g., Chung 11/16/10 Dep. Tr. at 179:3-20; 199:20-200:7. It is thus unsurprising that Apple market research and internal analyses take into consideration a wide range of features and do not focus singularly on just one feature. In this regard, it remains unclear what additional discovery you believe has not been provided beyond the 60,000 pages of material Apple has already produced on this topic.

Despite this, we do plan to update our production of market research documents. To the extent we identify any additional pre-launch market research or studies, we will produce those as part of our supplemental production.

Document Requests No. 74-75

Below you state that these requests call for "cost and pricing of the relevant components at issue, including the cost of the smallest unit Apple purchases for those components may be relevant to Elan's determination and analysis of the royalty base." However, Request No. 74 seeks "[p]rofit and loss statements . . . which identify the direct and indirect costs associated with the manufacture, sale or distribution of Apple's Accused Products." Likewise, Request No. 73 seeks documents that analyze inter alia gross and net revenues, quantities sold, and cost of goods sold, for the accused products as a whole. We do not read these Requests as being directed to component costs, and we suspect you have confused Request Nos. 74-75 with, for instance, Request No. 78.

Regardless, as of July 14, Apple has produced the product line financial information that it has agreed to produce. See APEL0074050 to APEL0074056.

Document Request No. 78

Request No. 78 seeks documents in excel format regarding cost and price information for the "Accused Instrumentality." Although you refer to Requests No. 74-75, you clarify that on this issue you seek "pricing and cost information for each Accused Instrumentality (e.g., touchpads, touchscreen, or parts thereof Apple incorporates into the accused products)." You further state that "[t]o date, we have not seen any such production from Apple."

However, during our meet and confer on June 27, we specifically pointed you to documents directly responsive to this request. See APEL0074044 to APEL0074049. In addition, we pointed you to agreements with Apple's suppliers for touchpad and touchscreen components. See APEL0073106 to APEL0073978. We further explained that Apple was attempting to track down additional documents related to this issue, but that additional information would be difficult to collect given its nature and age. Since that time, the situation has not changed. Apple continues to work to identify additional information regarding pricing information for touchpad and touchscreen components, and it will produce such information as it becomes available. In this regard, we further note that on July 14 Apple produced an additional spreadsheet summarizing touchpad chipset costs. See APEL0074057.

Document Requests No. 76

Through this request you ask that Apple provide information regarding sales forecasts that Elan made "prior to the release of the accused products." You further contend that this information "may be relevant to the hypothetical negotiation analysis." However, as noted above, Apple has already produced actual sales information for the accused products following their release. See APEL0074050 to APEL0074056. We do not believe that any forecasts Apple may have made for products that have long since been released shed any meaningful light over the actual established profitability for such products that would justify the burden of collecting and producing such information, if any.

Document Requests No. 80, 81, 92 and 93 and Interrogatory No. 22

Below, you acknowledge that Apple has produced "thousands of documents" that "relate to foreign buyer studies general marketing materials." You further claim that such documents "were not called for by these requests." However, Request No. 92 broadly calls for "[a]ll market surveys, research, analyses and studies relating to the Accused Instrumentality, the Multi-Touch technology, or the market surveys, research, analyses and studies of the Accused Products where a section of such studies relates to the Accused Instrumentality and/or the Multi-Touch technology." Similarly, Interrogatory No. 22 broadly calls for "all surveys, market or product projections, market or consumer research or report, or group studies conducted or commissioned by or on behalf of, or otherwise in the possession of, Apple that relate to, or include as part of the subject matter of the overall Accused Products, the Accused Instrumentality, Multi-Touch technology or the functionalities of touch-sensing input devices." As explained above with respect to Requests No. 77, 94, and 95, the documents Apple has produced are plainly responsive to these requests.

Likewise, requests No. 80 and 81 seek information regarding "customer acceptance" of certain products with and without Multi-Touch features, while request No. 93 seeks promotional materials that describe the advantages of Multi-Touch. As above, the nub of Elan's complaint appears to be that the thousands of pages of market research information Apple has produced do not focus as specifically as Elan would like on the one product feature (out of hundreds) that Elan is most interested in (i.e. Multitouch™). While this may be so, the documents Apple has produced are nonetheless plainly called for by Elan's requests, as they shed light on the range of features that may drive market demand and customer purchasing decisions. In this regard, Apple believes its production to date responsive to these requests is sufficient. Nevertheless, as noted above, Apple plans to update its production of market research data and will produce additional documents to the extent we identify them in our updated collection.

Finally, you state that "for this category of discovery, Elan further requests that Apple provide, in native spreadsheet format, sales, pricing, profit and cost information for the accused products, and the non-accused older versions of the same products without the multi-touch function or without the use of multiple fingers." However, none of these requests call for detailed financial information regarding non-accused products. On this basis alone, Apple cannot agree to provide the information you seek. Additionally, we do not believe the relevance theory you articulate would justify the burden of collecting and producing detailed financial information for products not accused in this case. If you continue to seek such information, please let us know specifically what document request Elan contends call for this information and what legal authority Elan is relying upon to support its theory that such information would be relevant and discoverable.

Document Request Nos. 89-90

Through Request No. 89, you seek licenses Apple has entered into related to the accused functionality, whether inbound or outbound. However, in our June 17 email below and during our June 27 telephonic meet and confer, we explained that Apple had already produced relevant licenses in its possession, custody, or control that relate to the accused functionality. See APEL0072987 – APEL0073076. Should we come to learn that there are relevant agreements Apple has entered into since we did our collection, we will update our production accordingly.

As to Request No. 90, you seek documents that pertain to Apple's licensing policy generally. After a reasonable search, we are not aware of any documents in our possession, custody, or control related to this issue. We note, however, that Apple has agreed to make available Boris Teksler as a 30(b)(6) witness on this issue.

Document Request No. 99 and Interrogatory No. 23

We disagree that Apple's response to Interrogatory No. 23 "was not on point and is inadequate." As explained in Apple's objections, Elan's interrogatory called for Apple to undertake an extremely burdensome analysis of all patents embodied by each of Apple's accused products. That analysis calls for expert opinion and is beyond the scope of an interrogatory response.

Moreover, Elan's request is premature to the extent that it conflicts with the schedule for expert reports. Indeed, Elan's own position in its July 20 response to Apple's damages interrogatories is that "Elan will disclose the opinions of its expert pursuant to Fed. R. Civ. P. 26(a)(2) at the appropriate time under the schedule adopted by the Court in this matter." Therefore, Apple's response to Interrogatory No. 23 is adequate.

Finally, Elan cites no authority for the proposition that such a burdensome analysis is required under Georgia-Pacific. To the contrary, Factor 13 of the Georgia-Pacific analysis dictates that a reasonable royalty rate will be lower if a product makes use of "nonpatented elements . . . or significant features or improvements" beyond the patented feature. See, e.g., *Chisum on Patents* Sec. 20.07[04] ("This factor attempts to take into account the relative contribution of the patented feature to the success of the product. . . . If the patented feature forms only a small part of the product, either physically or economically, it is generally the case that a licensee would have been less disposed to agree to a high royalty."). Therefore, the relative contribution of the patented feature versus other IP can be considered under Georgia-Pacific regardless of whether a patent-by-patent, claim-by-claim analysis of the type Elan requests is performed. If Elan has any authority supporting its position that the highly burdensome analysis it requests is required under the Georgia-Pacific factors, please bring it to our attention and we will consider it.

Interrogatory No. 18 and Deposition Topic 12

As described above, Apple has provided Elan with pricing and cost information for the accused instrumentalities, and has provided agreements with Apple's suppliers for Apple's touchpad and touchscreen components. See APEL0074044 to APEL0074049; APEL0073106 to APEL0073978. Further, on July 14 Apple produced an additional spreadsheet summarizing touchpad chipset costs. See APEL0074057. Apple will provide any additional such information as it becomes available.

While Apple can agree to produce this type of cost information that is within its possession, custody or control, we do not see how the "process by which Apple purchases the Accused Instrumentalities and assembles them into the final products" is relevant. As such, the burden of providing further information in response to this interrogatory and providing a witness on this topic significantly outweighs the likely benefit, which based on the explanation provided by Elan to date is zero. In addition, Apple indicated in its objections that the details of the manufacturing and assembly process are handled by the manufacturer, not by Apple. Therefore, while Apple will consider any explanation that Elan provides regarding the relevance of the information Elan seeks and any proposed narrowing of Elan's request, Apple stands on its objections.

Thanks,

Derek

From: Bu, Jane [mailto:Jane.Bu@alston.com]
Sent: Wednesday, July 13, 2011 4:12 PM
To: Walter, Derek
Cc: Apple Elan WGM Service; Elan Apple Team
Subject: RE: Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Derek, Sonal:

As discussed in our meet and confer earlier, I write regarding the outstanding deficiencies in Apple's production. The discovery deadline is fast approaching, and we are concerned that Apple's delay in producing the documents you have already agreed to produce will make it impossible for us to prepare for upcoming depositions. We reserve the right to reschedule or retake depositions of any witnesses for whom we did not receive relevant documents in a timely fashion. Let me know if you will be available to discuss these issues tomorrow so that we can resolve these matters this week or promptly move to compel.

Document Request Nos. 73, 77, 79, 88, 90, 91, 93-95, & 97-98

You have repeatedly claimed that “[w]e have begun the process of generating documents containing the responsive information and will produce them as soon as they are available, which we expect to be within the next week or two”, see your June 17 email below. Yet three weeks have passed and we have not yet received any discovery. Given that the fact-discovery cutoff date is approaching, Elan demands that Apple provide discovery responsive to these requests before the end of this week. If Apple is unable to produce its discovery in a timely fashion, then we will be forced to file a motion to compel, and to further extend the discovery deadline.

In addition, as I have stated in our last meet and confer, with respect to **RFP No. 77, 94 and 95** Elan is seeking pre-launch user studies, surveys and internal analyses that Apple conducted for the accused products during the design and development stage, particularly the studies relating to the Accused Instrumentality or the use of multiple fingers. To the extent Apple does not have such studies, surveys or related documents, please confirm so in writing no later than close of business Friday.

Document Requests Nos. 74-76 & 78
(discovery relating to profit, cost, pricing of the Accused Instrumentalities)

In your response below and during the meet and confer three weeks ago, Apple indicated that it will produce the responsive final information for **RFP No. 78**. To date, we have not seen any such production from Apple. Please provide the spreadsheets before the end of this week.

To streamline the discovery, and to address your initial objections, Elan is willing to further narrow the scope of **RFP Nos 74-76**.

Elan RFP Nos. 74 and 75 seek documents that analyze, study, or explain the profit, costs and losses of any accused products. The cost and pricing of the relevant components at issue, including the cost of the smallest unit Apple purchases for those components may be relevant to Elan’s determination and analysis of the royalty base. Therefore, Elan requests that Apple, at minimum, produce pricing and cost information for each Accused Instrumentality (*e.g.*, touchpads, touchscreen, or parts thereof Apple incorporates into the accused products).

Elan RFP No. 76 seeks various financial forecast information. Apple’s forecasts of its expected profitability of the accused products is relevant to the damages case. Particularly, how Apple perceived potential profits prior to the release of the accused products may be relevant to the hypothetical negotiation analysis. As such, Elan requests that Apple provide sales forecast analysis conducted for each of the accused products prior to its launch.

Document Request Nos. 80, 81, 92, 93; Interrogatory No. 22
(discovery relating to benefits of accused features)

We have reviewed Apple’s production including the thousands of documents identified by Apple in its interrogatory responses. Most if not all of these documents are not responsive. Many of them relate to foreign buyer studies or general marketing materials which were not called for by these requests. As we discussed during the June 23 meet and confer, we have not seen any documents specifically relating to the features of the Accused Instrumentalities or surveys or studies that included the Accused

Instrumentalities. Therefore, for **Interrogatory No. 22**, to the extent Apple has produced specific studies or surveys that actually relate to the Accused Instrumentalities, please identify them by bates number no later than Friday. To the extent Apple does not have such documents, please indicate so in writing no later than Friday.

In addition, for this category of discovery, Elan further requests that Apple provide, in native spreadsheet format, sales, pricing, profit and cost information for the accused products, and the non-accused older versions of the same products without the multi-touch function or without the use of multiple fingers. For example, we are requesting iPod Touch sales information compared to the iPod products without the multi-touch technology, and accused MacBook sales information compared to those older versions without the multi-touch function. We note that the non-accused products and their sales data are not part of the underlying damages calculation. However, the comparison of the sales and profits of products with and without the patented feature is highly relevant to our damages analysis for the Accused Products.

Document Request Nos. 82-85 & 96; Interrogatory Nos. 20-22

(discovery relating to iOS Apps, Apps with accused features compare to Apps w/o accused features)

As confirmed in today's meet and confer, the parties have reached an impasse on this issue and Elan will be seeking a motion to compel next week for these requests.

Document Request Nos. 89 and 90

(discovery relating to Apple licenses for the accused features and comparable features)

Federal Circuit case law establishes that licenses in the industry, licenses and royalties paid for similar or comparable non-accused technology of the same accused product, or licenses relating to comparable patents are very relevant to reasonable royalty analysis for the accused features of the products. *See, e.g., Lucent Techs. v. Gateway, Inc.*, 580 F.3d 1301, 1325-1326 and 1337 (Fed. Cir. 2009) (requiring comparison of patented verse non-patented feature for damages analysis and allowing analysis of comparable licenses) If it is Apple's position that there are no other Apple in-bound or out-bound licenses comparable to the technology at issue or comparable to the patents-in-suit, state so in writing no later than Friday or immediately produce all Apple in-bound or out-bound licenses for the Accused Products that Apple intent to rely on.

Similarly, **RFP 90** requests Apple produce documents relevant to Apple's general licensing policy, such as how Apple approaches license negotiations and how Apple determines royalty rates for its technology embodied in the accused products. This information is relevant to Elan's damages case and as such Elan demands that Apple immediately produce documents responsive to this request. To the extent Apple does not have such documents, please confirm so in writing no later than Friday.

Document Request No. 99 and Interrogatory No. 23

(discovery relating to U.S. patents that Apple claims embody the Accused Instrumentality)

The contribution of the patented technology to the value of an accused product versus the contribution of other patents to the same product is relevant to the damages case and highly probative to the Georgia Pacific analyses. Apple's response to **Interrogatory No. 23** was not on point and is inadequate. Elan did not request Apple to identify Apple patents that simply relate to touch-sensing input devices. Therefore, as already explained in my June 10 letter, and to further narrow this request, Elan requests that Apple identify any patents that it claims embodies the Accused Instrumentality. To the extent Apple cannot identify such patents, or takes the position there are no such patents, please indicate so in writing no later than Friday. If Apple

refuses to provide this discovery, Elan will seek to exclude or strike any evidence Apple's expert will rely upon to the extent it argues that other patents and IP contributed to the value of the accused functionality.

Interrogatory 18 / Deposition Topic 12

As discussed in our meet and confer today, this discovery is relevant to the determination of a reasonable royalty base. In the spirit of efficiency, we have previously discussed the possibility of obtaining this discovery in written form, rather than by deposition. However, in lieu of providing a substantive description in its interrogatory response, Apple identified product hardware specifications, technical schematics, engineering requirements and BOMs for the accused products. We have reviewed all of these documents. These documents, including the BOMs, do not fully reveal the process by which Apple purchases the Accused Instrumentalities and assembles them into the final products. Accordingly, Elan requests that Apple supplement its response to this interrogatory with an actual substantive response. Also discussed in our meet and confer, if Apple has already produced this information or will be producing additional information responsive to this topic, please identify the documents by production range. While we are hopeful we can get the discovery we need from Apple's interrogatory response, we are entitled to depose a witness for this topic if warranted. Therefore, in the meantime, we request that Apple designate a responsive 30(b)(6) witness for this topic. If Apple adequately supplements this interrogatory prior to the deposition, then Elan will consider withdrawing this Rule 30(b)(6) topic.

Best,

Jane

From: Walter, Derek [mailto:Derek.Walter@weil.com]
Sent: Thursday, June 23, 2011 8:12 PM
To: Bu, Jane
Cc: Apple Elan WGM Service; Elan Apple Team
Subject: RE: Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Jane:

We appreciate you explaining why Elan believes discovery related to Apps is relevant. We will discuss your relevance theory with our client and get back to you.

Thanks,

Derek

From: Bu, Jane [mailto:Jane.Bu@alston.com]
Sent: Wednesday, June 22, 2011 5:35 PM
To: Walter, Derek
Cc: Apple Elan WGM Service; Elan Apple Team
Subject: RE: Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Derek: thank you for your response. Will you be available for a meet and confer tomorrow? I am available any time after 9:30am. If tomorrow does not work, please propose another time at your earliest convenience.

At the meet and confer, I would like to address Apple's responses and questions concerning each of the requests. However, I will address here Apple's blanket refusal to produce any discovery relating to the iOS apps. These requests are relevant to Elan's damages case. The use of apps necessarily requires the use of the touch-screen in the iOS products, which is precisely one of the accused instrumentalities in this case. Some of the apps are specifically designed with the touchscreen's technical specifications in mind. For example, certain apps have features that require the use of multiple finger input. As such, the price, revenue and cost for the apps is relevant to Elan's claims, particularly if there are differences in price and revenue between Apps that require the use of multiple fingers and those without such a requirement. In addition, details about the apps will also be relevant to consumer demand for the patented technology, the utility and advantages of the patented technology and the benefit of the invention and commercial success of the accused products. These are some of the key elements of a damages analysis. Elan is entitled to obtain discovery regarding any non-privileged matter that appears reasonably calculated to lead to admissible evidence. The discovery pertaining to iOS apps is relevant and at the minimum reasonably calculated to lead to admissible evidence. Therefore, we ask that Apple immediately agree to produce documents and information responsive to Elan's Document Requests Nos. 82-85 & 96 and Interrogatory Nos. 20-22.

Again, as I indicated in my June 10, 2011 letter, if Apple contends, as you suggested, that sales data about the apps are publicly available, complete and reliable, please direct us to the sources(s) of such data.

Best,

Jane

From: Walter, Derek [mailto:Derek.Walter@weil.com]
Sent: Friday, June 17, 2011 7:31 PM
To: Bu, Jane; Elan Apple Team
Cc: Apple Elan WGM Service
Subject: RE: Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Jane:

I write in response to your June 10, 2011 letter regarding Apple's response to Elan's latest discovery requests.

Document Request Nos. 73, 77, 79, 88, 90, 91, 93-95, & 97-98

As Apple stated in its responses to Elan's requests for production, Apple will produce documents containing responsive financial information (including costs and revenues) maintained in the ordinary course for the Apple products on a product line basis. We have begun the process of generating documents containing the responsive information and will produce them as soon as they are available, which we expect to be within the next week or two. With respect to the other requests for production you list, you have not identified with any specificity any particular documents you believe you are missing. At the same time, you have identified document requests for which Apple has plainly already produced responsive documents. For instance, with respect to Elan RFP No. 77, Apple has produced thousands of pages of customer surveys and market research. See APEL0107309 – APEL0162111. Likewise, for Elan RFP No. 88, which seeks documents related to royalty payments, Apple has already produced the relevant license agreements in its possession, which disclose the relevant royalty payments. See APEL0072987 – APEL0073076. As another example, in response to Elan RFP No. 93, Apple has already produced thousands of pages of advertising material that discusses MultiTouch™. Given the foregoing, please identify with additional specificity what additional documents you think you are missing that are responsive to these requests and we would be happy to consider your request.

Document Requests No. 75-76 & 78

With respect to Elan RFP No. 78, which seeks financial information related to the accused functionality, Apple will produce documents responsive to this request that are maintained in the ordinary course of business and within its possession, custody, or control, including documents relating to touchpad hardware components. Elan RFP No. 75 broadly seeks documents that "analyze or study the costs identified" in documents produced responsive to Elan RFP No. 73, which seeks financial information for the accused products generally. As Apple stated in its response to this request for production, the request is overbroad. That said, Apple has agreed to produce product line financial information. However, to the extent there are specific additional documents that you are seeking, we are happy to discuss. Finally, with respect to Elan RFP No. 76, which seeks various financial forecasting information, we have objected to the request on a number of grounds, including that it is overbroad, unduly burdensome, vague, and ambiguous. Please explain in more precise terms what you seeking and your theory of relevance for such information that you believe justifies the burden of collecting and producing it so we can consider the request.

Document Requests No. 80, 81 & 92

Generally speaking, these requests seek documents related to "customer acceptance" of Apple products, such as customer surveys and marketing documents. Apple has already produced thousands of pages of documents responsive to these requests, *see inter alia* APEL0107309 – APEL0162111, and it is unclear what additional information Elan is seeking. Nevertheless, Apple is checking to see if there are additional documents responsive to this request. To the extent there are such documents, Apple will produce them prior to the close of the discovery period.

Document Requests No. 82-85 & 96

By these requests, Elan seeks information relating to Apps sold for iOS devices, including *inter alia* revenues, usage rates, costs, and marketing information. However, you offer no explanation as to how or why this sort of information is relevant to Elan's case, let alone relevant enough to justify the burden of collecting such information. Indeed, such Apps are not the subject of any infringement allegation and are not relevant to the accused functionalities. In these circumstances, we simply cannot agree to provide wide ranging discovery on iOS Apps that may use MultiTouch™. In any event, much of the information you seek is available either publicly from Apple's website or more appropriately obtained from third party developers of iOS Apps. To the extent you believe information on iOS Apps is relevant and discoverable to the issues in this case, please explain specifically the theory of relevance so we can discuss further whether there is any relevant information Apple can and should provide responsive to these requests.

Document Requests No. 87 and 89

Elan RFP Nos. 87 and 89 seek documents related to licensing of the accused functionality. As noted above, Apple has already produced relevant licenses in its possession, custody, or control that relate to the accused functionality. *See* APEL0072987 – APEL0073076. With respect to Request No. 89 specifically, in your letter, you state that licensing information for aspects of Apple products "outside of the accused function" are relevant to Elan's damages case. To the extent you are asking that Apple produce licensing information that relates to any feature of any Apple accused product, we simply cannot agree to such a broad scope of discovery and you have not articulated any basis for such a request.

Document Request No. 99

Elan RFP No. 99 asks that Apple identify all U.S. patents utilized in the accused products. This request is overbroad and unduly burdensome, and Apple will stand on its objection. Nevertheless, to the extent there are specific patents you are interested in, we are happy to discuss further.

Interrogatory No. 16

After a reasonable search, Apple confirms that the licenses in the Bates range you identify constitute the relevant licenses we have produced to date.

Interrogatory No. 17

Interrogatory No. 17 asks Apple to identify the three most knowledgeable individuals regarding Apple licensing generally, including *inter alia* licensing related to the accused functionality, MultiTouch™, Apple patents, and related patents. As we stated in our discovery responses, this request is overbroad. Nevertheless, if, after review of the licensing agreements Apple has already produced, Elan is willing to narrow its request, Apple can discuss possibly identifying an appropriate individual in response to this Interrogatory.

Interrogatory No. 19

Interrogatory No. 18 seeks information regarding the total units of the Accused instrumentality sold, and you ask that Apple provide a date certain by which it will produce these documents. As stated above, we can confirm that we have long since begun the process of generating documents containing the responsive information and will produce them as soon as they are available, which we expect to be within the next couple of weeks.

Interrogatory Nos. 20-22

These discovery requests again seek discovery related to iOS Apps. Apple's response here is the same as for Elan RFP Nos. 82-85 & 96 above.

Interrogatory No. 23

Similar to Elan RFP No. 99, this discovery request seeks information regarding U.S. patents that are used in the accused Apple products. As we stated in our discovery response, this request is overbroad and unduly burdensome and seeks expert opinion and legal conclusions not appropriately provided in an interrogatory response. Nevertheless, to the extent there are specific patents you are interested in, we are happy to discuss further.

Thanks,

Derek

From: Englund, Jason [<mailto:Jason.Englund@alston.com>]
Sent: Friday, June 10, 2011 5:29 PM
To: Mehta, Sonal
Cc: Bu, Jane; Apple Elan WGM Service; Elan Apple Team
Subject: Elan Microelectronics Corp. v. Apple Inc., C-09-01531-RS

Counsel:

Attached please find a letter from Jane Bu.

Regards,

Jason A. Englund
Alston + Bird LLP
275 Middlefield Road, Ste. 150, Menlo Park, CA 94025-4008
650.838.2007 D I 650.838.2001 F

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