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 14 ELAN MICROELECTRONICS
 CORPORATION

15 UNITED STATES DISTRICT COURT
 16 NORTHERN DISTRICT OF CALIFORNIA
 17 SAN JOSE DIVISION

18 ELAN MICROELECTRONICS
 19 CORPORATION,

20 Plaintiff,

21 v.

22 APPLE, INC.,

23 Defendant.

) Case No. 09-cv-01531 RS
)
) **JOINT CASE MANAGEMENT**
) **CONFERENCE STATEMENT**

) Date: October 7, 2009
) Time: 2:30 PM
) Ctrm: 4, 5th Floor

) The Honorable Richard Seeborg

24 _____)
 25 **AND RELATED COUNTERCLAIMS.**)
 26 _____)

1 Pursuant to Civil L.R. 16-9 and the Court's standing Order regarding case management
2 conferences, and Plaintiff Elan Microelectronics Corporation ("Elan") and Defendant Apple Inc.
3 ("Apple") jointly file this Case Management Conference Statement.

4 **I. JURISDICTION AND SERVICE**

5 This court has subject matter jurisdiction over Elan's patent infringement claims under 28
6 U.S.C. § 1338(a) because this case involves a dispute over patent infringement and invalidity
7 under 35 U.S.C. §§ 271 and 102. Venue is proper in this court under 28 U.S.C. § 1391(b),
8 because, *inter alia*, Apple was personally served on April 18, 2009. Apple has its principle
9 place of business in this judicial district and regularly conducts business in this judicial district.

10 This court has subject matter jurisdiction over Apple's patent infringement counterclaims
11 under 28 U.S.C. § 1338(a) because this case involves a dispute over patent infringement and
12 invalidity under 35 U.S.C. §§ 271 and 102. Venue is proper in this court under 28 U.S.C. §
13 1391. Apple has alleged that Elan is subject to personal jurisdiction in this district, and Elan has
14 chosen not to contest personal jurisdiction in this matter.

15 **II. FACTS**

16 **A. Claims**

17 Elan filed this action on April 7, 2009 seeking a judgment that Apple has and is
18 infringing Elan's U.S. Patents No. 5,825,352 ("the '352 patent") entitled "Multiple Finger
19 Contact Sending Method for Emulating Mouse Buttons and Mouse Operations on a Touch
20 Sensor Pad," and No. 7,274,353 B2 (the '353 patent") entitled "Capacitive Touchpad Integrated
21 with Key and Handwriting Functions" (collectively "the Elan patents") by the importation, sale
22 and offer for sale of certain of its MacBook, iPhone and iPod products. Elan is requesting, *inter*
23 *alia*, an injunction, damages, costs and expenses. Apple timely answered the Complaint on June
24 12, 2009, denying Elan's claims.

25 On July 1, 2009, Apple filed an Amended Answer and Counterclaims seeking a
26 declaratory judgment that Elan's '352 patent and '353 patent are invalid and not infringed, and a
27 judgment of infringement of Apple's U.S. Patents No. 5,764,218 ("the '218 patent") entitled
28

1 “Method And Apparatus For Contacting A Touch-Sensitive Cursor-Controlling Input Device To
2 Generate Button Values,” No. 7,495,659 (“the ‘659 patent”) “Touch Pad for Handheld Device,”
3 and No. 6,933,929 (“the ‘929 patent”) entitled “Housing For A Computing Device” (collectively
4 “the Apple patents”). Apple also seeks, *inter alia*, an injunction, damages, costs and expenses.
5 As explained in Section IV below, Elan responded to Apple’s patent infringement counterclaims
6 on July 21, 2009 by filing a motion to dismiss, and in response to the September 14, 2009 Order
7 on that motion, Apple intends to file amended counterclaims on or before October 5, 2009.

8 **B. Parties**

9 Elan is a corporation organized and existing under the laws of Taiwan, R.O.C. and
10 having a principal place of business at No. 12, Innovation 1st Road, Science Based Industrial
11 Park, Hsinchu Taiwan R.O.C. Elan’s main business is the design and development of touch-
12 sensitive input devices, as well as microcontroller-based IC products.

13 Apple is a corporation organized under the laws of the State of California and having a
14 principal place of business at 1 Infinite Loop, Cupertino, CA 95014. Apple designs and sells
15 personal computer and other consumer electronic products.

16 **III. LEGAL ISSUES**

17 The key legal issues include the following subjects:

- 18 (i) Construction of any disputed patent claim terms.
 - 19 (ii) Elan’s allegations that Apple infringes the Elan patents.
 - 20 (iii) Apple’s allegations that the Elan patents are invalid, unenforceable, and not
21 infringed by Apple and its customers under 35 U.S.C. §§ 101, *et seq.*
 - 22 (iv) Apple’s allegations that Elan infringes the Apple patents.
 - 23 (v) Elan’s allegation that the Apple patents are invalid, unenforceable, and not
24 infringed by Elan and its customers under 35 U.S.C. §§ 101, *et seq.*
 - 25 (vi) Appropriate forms of relief due to either party, including declaratory, injunctive
26 and monetary relief.
- 27
28

1 **IV. MOTIONS**

2 On July 21, 2009, Elan moved to dismiss Apple's counterclaims for patent infringement
3 under Fed. R. Civ. P. 12(b) for failure to state a claim or for a more definitive statement under
4 Fed. R. Civ. P. 12(e). Elan's motion to dismiss was granted on September 14, 2009 and Apple
5 was provided leave to amend its counterclaims within 20 days. Apple plans to amend its
6 counterclaims on or before October 5, 2009.

7 **V. AMENDMENT OF PLEADINGS:**

8 Apple filed its Amended Answer and Counterclaims on July 1, 2009. The parties
9 anticipate that they may seek to add affirmative defenses and/or additional counterclaims as
10 discovery proceeds. Apple plans to amend its counterclaims in view of the Court's September
11 14, 2009 Order.

12 **VI. EVIDENCE PRESERVATION:**

13 The parties have agreed to take reasonable steps to preserve documents relating to the
14 issues presented in Elan's Complaint and Apple's Amended Answer and Counterclaims based
15 on the parties' current understanding of the issues, and to preserve documents relating to the
16 issues presented in subsequent amendments of those documents, based on the parties'
17 understanding of the issues at the time, by issuing document preservation instructions to the key
18 individuals likely to have such documents directing such individuals to take affirmative steps to
19 preserve such documents, whether in hardcopy or electronic form, and to suspend applicable
20 document destruction/deletion procedures.

21 **VII. DISCLOSURES:**

22 The parties exchanged initial disclosures pursuant to Fed. R. Civ. P. 26(a) on September
23 2, 2009.

24 **VIII. DISCOVERY:**

25 No discovery has been taken. The parties anticipate discovery on both parties' claims for
26 patent infringement, including affirmative defenses and counterclaims thereto, and prayers for
27 relief.
28

1 **A. Method of Service**

2 The parties agree that service by email will be treated as personal service.

3 **B. Disclosure or Discovery of Electronically Stored Information**

4 The parties agree presumptively to produce non-source code documents in electronic
5 format (i.e., as PDF or TIFF files) and to reasonably accommodate one another's requests for
6 OCR and load-file information to allow processing of production documents by the receiving
7 party.

8 **C. Claims of Privilege or Work-Product Protection**

9 The parties agree that attorney-client privileged documents and work product documents
10 (including electronically stored information) created after April 7, 2009 do not need to be
11 logged.

12 The parties further agree that draft expert reports, including notes, and communications
13 between expert witnesses and counsel for the purpose of preparing expert reports are not
14 discoverable except insofar as relied upon or considered by the expert witness in rendering his or
15 her opinion.

16 **D. Changes to Limitations on Discovery**

17 Requests for Admission: The parties propose that each party should be permitted to
18 propound up to fifty (50) requests for admission to each other party, excluding requests for
19 admission used solely for authentication, issues of hearsay, exceptions to hearsay and issues
20 relating to the best evidence rule and its exceptions. The parties agree to discuss a reasonable
21 approach to those exceptions as the case progresses.

22 Interrogatories: The parties propose that each party should be permitted to serve thirty
23 (30) interrogatories to each other party.

24 Depositions: The parties propose that each party should be permitted to take up to one
25 hundred (100) hours of deposition testimony of fact witnesses, with depositions requiring
26 translation counting as **[Apple's position: half][Elan's position: two-thirds]** time against the
27 time limit. The parties further propose the presumptive time limit of seven (7) hours per
28

1 deposition of non-inventors and a presumptive nine (9) hour limit for inventors. For Rule
2 30(b)(6) depositions of the parties, the parties propose a presumptive limit of twenty-one (21)
3 hours total per party being deposed. The parties further agree to work together to adjust limits
4 as reasonable and necessary under the circumstances.

5 The parties do not otherwise propose that the discovery rules found in the Federal Rules
6 of Civil Procedure be modified at this time.

7 **E. Foreign Named Inventors and Employees**

8 The parties agree that named inventors and employees of the parties that do not reside in
9 the United States will be made voluntarily available for deposition in the Northern District of
10 California without service of foreign process except as so identified to the opposing party no
11 later than September 18, 2009.

12 **F. Protective Order**

13 The parties intend to meet and confer on and submit a proposed Stipulated Protective
14 Order for the Court's approval shortly.

15 **IX. RELATED CASES**

16 Elan's '352 patent was one of the five patents at issue in the case of *Elantech Devices,*
17 *Inc. v. Synaptics*, Case No. C06-01839 PWT. During the pendency of that case, Elantech
18 Devices, Inc. was merged into Plaintiff Elan Microdevices Corp. That case settled and was
19 dismissed in November 2008. However the parties do not believe this case is related to the
20 *Elantech Devices, Inc. v. Synaptics* case as defined in Civil L.R. 3-12.

21 **X. RELIEF**

22 Elan contends that it is entitled to a judgment that certain of Apple's Macbook laptop
23 computers and its iPod Touch and iPhone products infringe the '352 and '353 patents and that
24 the infringement was and continues to be willful. As a result Elan contends that it is entitled to
25 damages in an amount not less than a reasonable royalty, and to an injunction against any further
26 infringement. Elan is also requesting that any damage award be trebled as a result of Apple's
27 willful infringement and that Apple be ordered to pay Elan's costs and attorneys' fees.
28

1 Apple seeks a declaratory judgment that it has not and is not infringing any claim of
 2 Elan's '352 and '353 patents, either directly or indirectly, willfully, contributorily or otherwise,
 3 and that Elan's '352 and '353 patents are invalid for failure to comply with the requirements of
 4 the Patent Laws of the United States, including but not limited to the provisions of 35 U.S.C. §§
 5 101,102,103, and/or 112. Apple also seeks a judgment that certain of Elan's touch-sensitive
 6 input devices, including without limitation the Smart-Pad, infringe the '218, '659 and '929
 7 patents. Apple seeks damages in an amount not less than a reasonable royalty and an injunction
 8 against any further infringement of its '218, '659 and '929 patents. Apple also seeks costs and
 9 attorneys' fees.

10 **XI. SETTLEMENT AND ADR**

11 The parties discussed the possibility of settlement and believe that ADR via a settlement
 12 conference under the auspices of a Magistrate Judge in this district is mostly likely to be
 13 productive. The Court has referred this case to Magistrate Judge Spero for such a conference.
 14 Magistrate Judge Spero has ordered the following schedule:

15 November 20, 2009	Elan provides Apple with its settlement proposal.
16 December 4, 2009	Apple provides Elan with counter-proposal.
17 December 18, 2009	The principals of the parties must have met in an attempt to 18 settle the case.
19 January 7, 2010	Each party lodges a Settlement Conference Statement.
20 January 14, 2010	Settlement conference.

21 Dkt. 40.

22 **XII. CONSENT TO MAGISTRATE JUDGE FOR ALL PURPOSES:**

23 As noted in the parties August 14, 2009 submissions, the parties have consented to have
 24 this case proceed before Magistrate Judge Richard Seeborg for all further proceedings including
 25 trial and entry of judgment while his nomination as district judge is pending.

1 **XIII. EXPEDITED SCHEDULE**

2 Because of the nature and complexity of the claims and defenses in this action, the
3 parties submit that this is not the type of case that can be handled on an expedited basis or with
4 short-circuited procedures. The parties' proposed schedule is set forth in Section XIV below.

5 **XIV. SCHEDULING**

6 The parties agree on, and therefore propose to the Court, the following schedule for the
7 case. Each party expressly reserves its rights to move for a change in the schedule:

<u>Event</u>	<u>Proposed Date</u>
Parties to serve Disclosure of Asserted Claims and Infringement Contentions pursuant to Pat. L.R. 3-1 and document production pursuant to Pat. L.R. 3-1, 3-2. (10 days after CMC)	October 22, 2009
Parties to serve Preliminary Invalidity Contentions and document production pursuant to Pat. L.R. 3-3 and 3-4. (45 days after Infringement Contentions)	December 7, 2009
The parties will exchange a list of patent claim terms to be construed by the Court pursuant to Pat. L.R. 4-1. (10 days after Invalidity Contentions)	December 21, 2009
The parties will exchange proposed constructions and extrinsic evidence pursuant to Pat. L.R. 4-2. (20 days after list of patent claim terms)	January 11, 2010
The parties will have a conference regarding the terms to be construed by the Court.	February 1, 2010
The parties will file a Joint Claim Construction Statement and Prehearing Statement pursuant to Pat. L.R. 4-3. (60 days after Invalidity Contentions)	February 5, 2010

1 2 3 4 5	Completion of Claim Construction Discovery, including discovery of expert opinions (if any) on Claim Construction pursuant to Pat. L.R. 4-4. (30 days after Joint Claim Construction and Prehearing Statements)	March 8, 2010
6 7	The parties will file their opening patent claim construction briefs pursuant to Pat. L.R. 4-5(a).	March 26, 2010
8 9	The parties will file their opposition patent claim construction briefs pursuant to Pat. L.R. 4-5(b).	April 16, 2010
10 11	The parties will file their reply patent claim construction briefs pursuant to Pat. L.R. 4-5(c).	April 30, 2010
12 13 14	Claim Construction hearing. (2 weeks after reply claim construction briefs)	At the Court's convenience on or after May 10, 2010
15 16	Further Case Management Conference.	At the Court's convenience, 15 days after issuance of the Court's Claim Construction Order

XV. PATENT LOCAL RULE DISCLOSURES AND CLAIM CONSTRUCTION

Pursuant to Patent Local Rule 2-1(a), the parties propose that the obligation and deadlines set forth in the patent local rules be modified pursuant to the above proposed schedules. The parties further agree to meet and confer regarding amendment of contentions on subjects that will be developed in discovery such as obviousness as discovery progresses.

With respect to Claim Construction proceedings, the parties propose to discuss the duration and format of a tutorial and hearing with the Court at the Case Management Conference.

XVI. TRIAL

A jury demand has been made. A determination of the number of days required for the trial would best be made following the Court's claim construction ruling.

