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 12 Counterclaim-Defendant APPLE INC.

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

17 APPLE INC., a California corporation,
 18 Plaintiff,
 19 v.
 20 SAMSUNG ELECTRONICS CO., LTD., a
 21 Korean corporation; SAMSUNG ELECTRONICS
 22 AMERICA, INC., a New York corporation; and
 23 SAMSUNG TELECOMMUNICATIONS
 24 AMERICA, LLC, a Delaware limited liability
 company,
 Defendants.

Case No. 11-cv-01846-LHK (PSG)

**APPLE'S REPLY IN SUPPORT OF
 MOTION FOR ADVERSE
 INFERENCE JURY INSTRUCTIONS
 DUE TO SAMSUNG'S SPOILIATION
 OF EVIDENCE**

Date: June 21, 2012
 Time: 10:00 a.m.
 Place: Courtroom 5, 4th Floor
 Judge: Hon. Paul S. Grewal

PUBLIC REDACTED VERSION

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1 INTRODUCTION

2 Samsung does not contest that it has continued to use [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]. Samsung

6 characterizes its conduct as a [REDACTED] (Opp.

7 at 16.) Yet courts have issued adverse inference instructions precisely because of comparable

8 failures—including in a case against Samsung. In *MOSAID Technology, Inc. v. Samsung*

9 *Electronics Co.*, 348 F. Supp. 2d 332 (D.N.J. 2004), the court issued “spoliation inference”

10 instructions because, after the litigation was filed, Samsung “never placed a ‘litigation hold’ or

11 ‘off switch’ on its document retention policy concerning email,” which, “[u]nchecked . . . allowed

12 e-mails to be deleted, or at least to become inaccessible, on a rolling basis.” *Id.* at 333-34, 340.

13 Notwithstanding the adverse inference instructions issued in *MOSAID*, Samsung failed to

14 suspend auto-deletion of emails after litigation was filed in the *Fractus* case. (Dkt. No. 895-2,

15 Ex. 37 (filed under seal) (May 20, 2011 trial transcript referring to [REDACTED]

16 [REDACTED] Once again, Samsung has adhered to its

17 auto-deletion policy in this case, long after it [REDACTED]

18 and to this day. Adverse inference instructions are warranted here, as they were in *MOSAID* and

19 numerous other cases in which parties failed to suspend auto-deletion policies when under a duty

20 to preserve.

21 Samsung relies heavily on an order from the ITC, yet Samsung previously took the

22 position that the motion filed in this Court “is a different motion and asks for different remedies.”

23 (Dkt. No. 899-3 at 1.) Moreover, in the ITC, [REDACTED]

24 [REDACTED]; here, in contrast,

25 the Court is determining whether to instruct the jury that it can adopt an adverse inference, and

26 bad faith is not required.

27 Further, Samsung barely even acknowledges its deliberate destruction of documents

28 concerning “iPhone countermeasure” materials in connection with obstructing a Republic of

1 Korea's Fair Trade Commission ("KFTC") investigation. Adverse inference instructions are
2 warranted in light of that spoliation as well.

3 **I. SAMSUNG DESTROYED EVIDENCE IT WAS OBLIGATED TO PRESERVE**

4 **A. Samsung's Duty to Preserve Arose Before April 2011**

5 Samsung asserts that its "preservation duty . . . arose no earlier than April 15, 2011, when
6 Apple filed its Complaint," and the [REDACTED]

7 [REDACTED]
8 [REDACTED] (Opp. at 4.) The only case that Samsung cites for
9 this proposition contradicts its position. See *FTC v. Lights of Am. Inc.*, No. SACV 10-1333, 2012
10 WL 695008, at *2 (C.D. Cal. Jan. 20, 2012) ("The obligation to preserve relevant evidence
11 attaches when litigation is 'pending or reasonably foreseeable.'") (cited in Opp. at 2 n.16);¹ see
12 also *Zubulake v. UBS Warburg LLC*, 220 F.R.D. 212, 217 (S.D.N.Y. 2003) ("duty to preserve
13 attached at the time that litigation was reasonably anticipated") (cited in Opp. at 18 n.20).

14 Here, [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 [REDACTED] As Apple's motion noted, Samsung thereby "acknowledged its
19 obligation to preserve documents related to Apple's claims . . . in August 2010" (Mot. at 10);
20 thus, Samsung is wrong that Apple "admits" that the preservation duty arose in April 2011. (Opp.
21 at 14-15 (citing Mot. at 10).) Samsung offers no basis to conclude that it did not anticipate
22 litigation [REDACTED]
23 [REDACTED]
24 [REDACTED]

25 ¹ *Lights of America* does not support Samsung. In that case, the court rejected the
26 defendants' contention that the FTC's duty to preserve attached when it first initiated an
27 investigation against them, because an investigation was merely the procedure the FTC used to
28 obtain information about a product, before it could decide whether litigation was warranted.
2012 WL 695008, at *3, 11-12.

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[REDACTED]

[REDACTED] Moreover, Samsung does not contend that Apple automatically deletes emails after 14 days, or at all.

B. Samsung Destroyed Emails It Was Obligated to Preserve

Samsung does not contest that [REDACTED]

[REDACTED]

[REDACTED] Nor does Samsung contest that [REDACTED]

[REDACTED]

[REDACTED] Apple demonstrated that some custodians did not preserve all relevant emails, because they failed to preserve emails that they sent or received that were produced by other custodians. (Mot. at 4-6.) As Apple argued, those documents are likely only the tip of the iceberg, as Apple cannot possibly know how many other documents these custodians (and others) failed to preserve.² (*Id.*) Indeed, Samsung identifies even more instances [REDACTED]

[REDACTED] (Dkt. No. 987-39 ¶ 19.)

Samsung falls far short of demonstrating that, despite the [REDACTED], it somehow preserved all emails it was obligated to preserve.

² Samsung does not contend that Apple uses an email system that automatically deletes emails. Accordingly, while Samsung’s custodians’ failure to preserve emails when Samsung has [REDACTED] is highly relevant, Samsung’s assertion that some Apple witnesses did not produce some emails has no relevance whatsoever.

1 First, Samsung does not contest Apple's showing that [REDACTED]
2 [REDACTED], but argues the failure to preserve does not
3 matter because it had no duty to preserve them. (Opp. at 4, 14-15.) That argument fails because
4 all of the documents were created *after* Samsung [REDACTED]
5 acknowledging that litigation was reasonably foreseeable. (Mot. at 4-6.)

6 Second, Samsung argues that those custodians' failures to preserve documents created
7 before April 2011 does not matter because they supposedly had not [REDACTED]
8 [REDACTED] (Opp. at 10-14.) This argument flatly contradicts the four versions of the
9 transparency disclosures Samsung previously served in this case, all of which [REDACTED]
10 [REDACTED] (Dkt. No. 895-2 Ex. 9; Declaration of
11 Esther Kim in Support of Samsung's Reply in Support of Motion for Adverse Inference
12 Instructions ("Kim Reply Decl.") Exs. 1-3 [REDACTED]
13 [REDACTED] *After Apple filed its motion,*
14 Samsung filed a new amended disclosure, [REDACTED]
15 [REDACTED]. (Dkt. No. 987-37 (filed under seal) Ex. 33, at Ex. T;
16 Dkt. No. 987-43 Ex. 4.) The Court should not credit this after-the-fact change. *See, e.g., Premier*
17 *Displays & Exhibits v. Cogswell*, No. SACV 09-354, 2009 U.S. Dist. LEXIS 119462, at *22-29
18 (C.D. Cal. Dec. 23, 2009) (applying "sham affidavit" rule and disregarding declaration
19 contradicting earlier deposition testimony). Even if credited, [REDACTED]

20 [REDACTED] further demonstrates that Samsung has not paid adequate attention to its
21 preservation obligations (and disclosures to Apple). Regardless, Samsung had an obligation to
22 preserve relevant evidence once litigation was reasonably foreseeable; if Samsung failed to do so
23 because it did not send hold notices to the right people, that is Samsung's problem, not Apple's.

24 Third, contradicting the testimony of its twice-deposed corporate witness on document
25 retention, Kyu Hyuk Lee, Samsung identifies new facts about its [REDACTED]

26 [REDACTED] The Court should disregard Samsung's new facts.
27 *See, e.g., Premier Display*, 2009 U.S. Dist. LEXIS 119462, at *22-29.

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Even if considered, the new facts do not show that Samsung preserved all relevant emails

[REDACTED]

³ In conjunction with its opposition, Samsung belatedly produced [REDACTED]

(Footnote continues on next page.)

1 **C. Samsung Destroyed “iPhone Countermeasure Related Report**
2 **Materials” In Connection with Its Obstruction of the KFTC**
3 **Investigation**

4 Apple’s motion emphasized Samsung’s deliberate destruction of “Korean roadmap iPhone
5 countermeasure related report materials,” as well as “all the relevant files that came up in a search
6 for SKT-related files,” as documented in the KFTC press release. (Mot. at 1-2, 6-7, 11, 13-14;
7 Dkt. No. 895-2 Ex. 1.) *Samsung does not deny the destruction.* (See Dkt. No. 987-48 (filed under
8 seal).)

9 Contrary to Samsung’s characterization (Opp. at 20), the KFTC document is not hearsay.
10 It is a government report that relies on Samsung Vice President [REDACTED] admissions quoted
11 above, which were stated in an email he sent to EVP [REDACTED]. (Dkt. No. 895-2 Ex. 1 at 5;
12 *id.* Ex. 24 at S-ITC-003006126; Mot. at 6-7.) These statements are admissible as party
13 admissions in a report of an official investigation that Samsung has not denied. *See, e.g., U.S. v.*
14 *Vidacak*, 553 F.3d 344, 351 (4th Cir. 2009) (International Criminal Tribunal investigation records
15 admissible under Fed. R. Evid. 803(8)); *Byrd v. ABC Prof’l Tree Serv.*, No. 1:10-DV-0047,
16 2011 U.S. Dist. LEXIS 60189 at *11 n.3 (M.D. Tenn. June 6, 2011) (government press release
17 admissible under Rule 803(8) as “factual findings resulting from an investigation made pursuant
18 to authority granted by law”); *Zeigler v. Fisher-Price, Inc.*, 302 F. Supp. 2d 999, 1021 (N.D. Iowa
19 2004) (consumer agency press release admissible as party admission and as agency report under
20 Rule 803(8)(C)). Indeed, [REDACTED]
21 [REDACTED] (Dkt. No. 987-58 (filed under seal) ¶ 5.)

22 Samsung alleges that the destroyed documents were limited to [REDACTED]
23 [REDACTED] (Opp. at 20-21.) Yet Samsung’s “iPhone

24 (Footnote continued from previous page.)

25 [REDACTED]
26 [REDACTED]
27 [REDACTED] Samsung fails to show that any of the witnesses
28 identified in Apple’s motion preserved all relevant documents. (*See id.* Ex. 4.)

1 countermeasure” documents, and the “SKT-related files” (apparently referring to SK Telecom,
2 the largest Korean carrier) likely address issues such as what iPhone features are most appealing
3 to consumers; whether Samsung should offer similar features; and whether Samsung’s
4 smartphones are similar to Apple’s. [REDACTED]

5 [REDACTED] Samsung sells basically the same infringing
6 “Galaxy S” smartphones in Korea and the U.S. Thus, Samsung should have preserved and
7 produced its “iPhone countermeasure” communications with both Korean and U.S. carriers.

8 The destruction of documents in connection with the KFTC investigation is an
9 independent, sanctionable act of bad faith spoliation; that it did not involve “the mySingle
10 system” (Opp. at 21) is irrelevant. It also shows that Samsung executives knew of this
11 destruction, and undermines [REDACTED]

12 [REDACTED] given that he was informed of this destruction yet produced *no emails and merely 18*
13 *documents*. (See Mot. at 4-5, 7; Dkt. No. 987-58 (filed under seal) ¶ 6.)

14 **II. SAMSUNG ACTED WITH A CULPABLE STATE OF MIND**

15 **A. Bad Faith Is Not Required**

16 Samsung asserts that Apple must show that Samsung engaged in a “scheme” to destroy
17 relevant evidence “to gain a litigation advantage,” and argues that it did not act in bad faith.⁵
18 (Opp. at 3-4.) Ninth Circuit law is clear that “a finding of ‘bad faith’ is not a prerequisite to
19 [adverse inference instructions].” *Glover v. BIC Corp.*, 6 F.3d 1318, 1329 (9th Cir. 1993).
20 “Simple notice of ‘potential relevance to the litigation’” is enough. *Id.* Consistent with this

21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 ⁵ In sanctioning Samsung for failing to suspend its auto-deletion of emails, the *MOSAID*
27 court rejected a similar argument, stating, “Samsung provides no, and this Court did not find any
28 case law in [the Third Circuit] that requires a finding of bad faith before allowing a spoliation
inference.” 348 F. Supp. 2d at 337.

1 authority, district courts in this circuit have awarded corrective adverse inference sanctions based
2 on a showing of negligence, gross negligence, or conscious disregard for discovery obligations,
3 including where a party has failed to suspend the automatic deletion of emails after litigation is
4 filed. (*See* Mot. at 7-8, 13-15 (citing cases).

5 Indeed, Samsung has cited authority holding that “[t]he ‘culpable state of mind’ [required
6 for adverse inference sanctions] includes negligence.” *Lights of Am.* 2012 WL 695008, at *2;
7 *Keithley v. Homestore.com, Inc.*, No. C-03-04447, 2008 U.S. Dist. LEXIS 92822 at *27 (N.D.
8 Cal. Nov. 6, 2008) (“In drawing an adverse inference, a court need not find bad faith arising from
9 intentional, as opposed to inadvertent, conduct.”). Its out-of-circuit case law on culpability (*Opp.*
10 at 9 & 21) is not persuasive because, unlike the Ninth Circuit, those other circuits require bad
11 faith for adverse inference sanctions. *See, e.g., Consol. Aluminum Corp. v. Alcoa, Inc.*,
12 244 F.R.D. 335, 344 (M.D. La. 2006) (“gross negligence” not enough because Fifth Circuit
13 requires “‘bad faith’ or intentional conduct by the spoliating party”).

14 **B. Samsung Acted With a Culpable State of Mind**

15 Although bad faith is not required, Samsung’s destruction of documents in connection
16 with the KFTC investigation was clearly in bad faith. Samsung does not contend otherwise.

17 Samsung’s failure to suspend its [REDACTED] for employees whom Samsung
18 identified as likely to have relevant documents also establishes the requisite culpability.

19 Although bad faith is not required, Samsung did act in bad faith by continuing to use its [REDACTED]
20 [REDACTED] after: (1) it had been sanctioned for doing so in the *MOSAID* case; (2) the
21 plaintiff in the *Fractus* case had raised Samsung’s auto-deletion of emails; and (3) Apple had
22 specifically raised the issue with Samsung at the outset of this case. Samsung’s attempt to
23 distinguish *MOSAID* as issuing sanctions based on Samsung’s failure to implement a litigation
24 hold is disingenuous. (*Opp.* at 20.) The reference to a litigation hold in that case concerns the
25 auto-deletion of email; Samsung was sanctioned for failing to “place[] a ‘litigation hold’ or ‘off
26 switch’ on its document retention policy concerning email,” which, “[u]nchecked . . . allowed
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28

1 e-mails to be deleted, or at least to become inaccessible, on a rolling basis.” *MOSAID*, 348 F.
2 Supp. 2d at 332 (emphasis added).⁶

3 After litigation is anticipated, the failure to turn off automatic deletion amounts to a
4 conscious disregard of discovery obligations that justifies adverse inference instructions. *See*
5 *UMG Recordings, Inc. v. Hummer Winblad Venture Partners (In re Napster, Inc. Copyright*
6 *Litig.)*, 462 F. Supp. 2d 1060, 1070 (N.D. Cal. 2006) (“even if Hummer’s ‘long standing policies’
7 included deleting emails, Hummer was required to cease deleting emails once the duty to preserve
8 attached in May 2000”); *IO Grp. v. GLBT Ltd.*, No. C-10-1282, 2011 U.S. Dist. LEXIS 120819,
9 at *19-20 (N.D. Cal. Oct. 19, 2011) (party “consciously disregarded” its discovery obligations by
10 failing to turn off its automated deletion function); *Zubulake*, 220 F.R.D. at 218. Here, [REDACTED]

11 [REDACTED]
12 [REDACTED]
13 Samsung is wrong that the defendant in *Zubulake* “fail[ed] to implement a litigation hold.”
14 (Opp. at 16.) In fact, the defendant had specifically instructed its employees to preserve relevant
15 evidence, but the court held that the duty to preserve requires both suspending any “routine
16 document retention/destruction policy *and* put[ting] in place a ‘litigation hold.’” 220 F.R.D.
17 at 218 (emphasis added). Thus, the court found that the destruction of relevant documents
18 pursuant to the defendant’s regular document destruction practices showed a sufficiently culpable
19 state of mind to warrant adverse inference instructions. *Id.* Samsung attempts to distinguish *IO*
20 *Group* on the ground that the defendant “did not suspend the automatic deletion function until
21 July 2011, *over a year* after the lawsuit was filed” (Opp. at 16), but [REDACTED]
22 [REDACTED]

23
24
25 ⁶ *Fractus* shows that Samsung had notice of the impropriety of continuing to auto-delete
26 emails when under a preservation duty. That the *Fractus* court summarily denied a request to
27 issue adverse inference instructions with no reasons given (Dkt. No. 987-35 Ex. 31) hardly
28 demonstrates that Samsung’s use of its auto-delete policies when it is under a duty to preserve is
permissible. *Fractus* is from a district court within the Fifth Circuit, which requires a showing of
bad faith before allowing a spoliation inference. *See, e.g., Consol. Aluminum*, 244 F.R.D. at 344.

1 Samsung cites *Lights of America*, but there, the party accused of spoliation submitted
2 sworn declarations stating that all relevant documents had been preserved, and the moving party
3 presented no evidence that relevant documents had been destroyed. *See* 2012 WL 695008, at *3.

4 In contrast [REDACTED] (Dkt. No. 987-39
5 ¶ 19.) And many of Samsung's declarants [REDACTED]

6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10 That Samsung's document policies may serve a "legitimate business purpose" does not
11 establish that Samsung lacked a culpable state of mind when it continued [REDACTED] (Opp.
12 at 15-16.) This motion does not challenge document destruction policies in the normal course of
13 business; it concerns a party's obligations *after* litigation is anticipated. Similarly, Samsung
14 addresses the costs of [REDACTED] for all employees, but not for the subset
15 of employees Samsung identified as having relevant documents.⁷ And while Samsung cites the
16 Federal Circuit's Model Order on E-Discovery in Patent Cases (Opp. at 2 n.3), those limits would
17 not control here, where deliberate copying is probative of Apple's trade dress claims. *See AMF,*
18 *Inc. v. Sleekcraft Boats*, 599 F.2d 341, 349 (9th Cir. 1979); *Lindy Pen Co. v. Bic Pen Corp.*,
19 982 F.2d 1400, 1405 (9th Cir. 1993); 15 U.S.C. § 1117.

20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]

25 ⁷ [REDACTED]
26 [REDACTED]
27 Nor does Samsung show that it could not gain
28 consent from employees in order to implement a proper preservation program.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED] It is Samsung's culpability, not the
15 intent of individual employees, that is at issue. *See, e.g., In re Napster*, 462 F. Supp. 2d at 1070
16 (deciding question of whether investment company had violated duty to preserve); *Zubulake*,
17 220 F.R.D. at 218 (discussing whether UBS had violated its duties). Samsung's [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED] provide evidence of at least grossly negligent if not reckless misconduct and bad faith.

22 As the relevant case law holds, Samsung's actions were sufficiently culpable to justify an adverse
23 inference instruction.

24 Finally, Apple objects to the inadmissible opinions of Samsung's putative expert attorney
25 (Dkt. No. 987-65 (filed under seal)) as to the reasonableness of Samsung's conduct. *See, e.g.,*
26 *Religious Tech. Ctr. v. Netcom On-Line Comm. Servs., Inc.*, No. C-95-20091, 1997 WL
27 34605244, at *8 (N.D. Cal. Jan. 6, 1997) (sustaining objections to attorney declarations in
28

1 connection with preliminary injunction, stating “interpretations and explanations of the law are
2 not proper subjects of expert testimony”).

3 **III. SAMSUNG DESTROYED EVIDENCE RELEVANT TO APPLE’S CLAIMS**

4 Apple showed that it is entitled to a presumption that the destroyed evidence was
5 favorable to Apple. (Mot. at 9-10, 13 (citing cases).) Samsung attempts to distinguish only one
6 of Apple’s cited cases, *Hynix Semiconductor, Inc. v. Rambus Inc.*, 591 F. Supp. 2d 1038, 1060
7 (N.D. Cal. 2006), *rev’d on other grounds*, 645 F.3d 1336, 1344-47 (Fed. Cir. 2011), on the
8 ground that the court addressed the spoliation issue in the context of its discussion of unclean
9 hands. But that context does not change the meaning of its clear holding that “if spoliation is
10 shown, the burden of proof logically shifts to the guilty party to show that no prejudice resulted
11 from the spoliation” because that party “is in a much better position to show what was destroyed
12 and should not be able to benefit from its wrongdoing.” 591 F. Supp. 2d at 1060.

13 Even without the presumption, Apple has produced sufficient evidence to show that
14 destroyed documents were potentially relevant to the lawsuit. *See Kronisch v. U.S.*, 150 F.3d
15 112, 128 (2d Cir. 1998) (party must produce only “some evidence suggesting” that the documents
16 were potentially relevant). Indeed, Samsung establishes the relevance of the documents discussed
17 in Apple’s motion by describing them as [REDACTED]
18 [REDACTED] (Opp. at 4.) Moreover, Samsung’s production of documents from other custodians
19 establishes that they were relevant and responsive.

20 Nor does Samsung rebut the relevance of specific examples referenced in Apple’s motion.

21 For example, in response to Apple’s showing that [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

[REDACTED]

IV. THE COURT SHOULD ISSUE ADVERSE INFERENCE INSTRUCTIONS

Adverse inference instructions are considered a “lesser” sanction and a “corrective procedure” that help restore the prejudiced party to the position it would have occupied had the evidence not been destroyed. *Glover*, 6 F.3d at 1329; *see AdvantaCare Health Partners, LP v. Access IV*, C-03-04496, 2004 U.S. Dist. LEXIS 16835 (N.D. Cal. Aug. 17, 2004); *Dong Ah Tire & Rubber Co., Ltd. v. Glasforms, Inc.*, No. C 06-3359, 2008 U.S. Dist. LEXIS 111150, at *12 (N.D. Cal. Sept. 19, 2008). As shown in Section II.B, courts have issued such instructions where, as here, a party has failed to suspend its document destruction policies—specifically including the auto-deletion of emails—while under a duty to preserve evidence.

Samsung claims that, to give the particular “bad faith” instruction that Apple requests, “the district court must find that the spoliating party intended to impair the ability of the potential defendant to defend itself,” citing *Micron Technology, Inc. v. Rambus Inc.*, 645 F.3d 1311, 1326

1 (Fed. Cir. 2011). (Opp. at 20.) But *Micron* addressed the requirements for terminating sanctions,
2 not adverse inference instructions. As discussed above, Samsung's conduct, including its
3 continued [REDACTED] while under a duty to preserve evidence, despite having been
4 sanctioned before for doing exactly that, and its willful destruction of evidence in response to the
5 KFTC's investigation, establishes bad faith.

6 Samsung is wrong that Apple has suffered no prejudice because any documents would
7 have been cumulative to documents produced. Apple points to documents that should have been
8 produced from certain custodians to expose that they once possessed relevant documents that they
9 did not preserve, not because Apple wants more copies of the same documents. While Apple can
10 present evidence of *duplicative* documents that were destroyed by pointing to copies in the
11 possession of other custodians, there is no way for Apple to do so for the *unique* documents that
12 were destroyed and in the possession of only these custodians (or that that multiple custodians
13 failed to preserve). In light of Samsung's previous representations that documents were not de-
14 duplicated across custodians, there is only one inference to raise from the fact that duplicative
15 copies of documents were not produced from these custodians: they were not produced because
16 they were destroyed.

17 The prejudice to Apple from the destruction of unique documents is obvious. This Court
18 has ruled that Samsung's strategy of denying copying renders copying evidence highly probative.
19 (Dkt. No. 267 at 3.) Copying evidence also is relevant to issues such as non-obviousness and
20 willfulness. Samsung's destroyed evidence could include even stronger or more direct evidence
21 that Samsung deliberately copied Apple's designs, or could address additional features at issue.
22 Apple should have had the full panoply of copying evidence so that it could select the best
23 evidence for its affirmative case, as well as to have the full evidence available to rebut Samsung's
24 response.

25 Moreover, even where others have produced documents, the failure of particular
26 custodians to preserve them may prejudice Apple's ability to establish admissibility and relevance
27 where a particular witness disclaims knowledge of the document or the events described therein.
28 This too appears to be Samsung's strategy. (*See, e.g.*, Dkt. No. 799-2 (filed under seal) at 11-

1 12 & 14-15 (discussing [REDACTED]
2 citing Dkt. No. 799-4 Ex. 40 at 88 & 112-121; Ex. 6 at 34-36; Ex. 7 at 74-77).) The jury should
3 be instructed that it can infer that the destroyed evidence would have shown that Samsung
4 deliberately copied each of Apple’s designs and features at issue into the accused products.⁸

5 Finally, the ITC decision on which Samsung so heavily relies is not binding on this Court.
6 *See, e.g., Powertech Tech. Inc. v. Tessera, Inc.*, 660 F.3d 1301, 1308 (Fed. Cir. 2011) (an ITC
7 decision, even one addressing same issues as subsequent litigation, has no preclusive effect).
8 Indeed, Samsung itself stated that the motion in this Court “is a different motion and asks for
9 different remedies.” (Dkt. No. 899-3 at 1.) Nor is it persuasive authority, as [REDACTED]
10 [REDACTED]
11 [REDACTED] (Dkt. No. 987-5 (filed under seal) Ex. 1 at 6 (citing
12 *Micron Tech.* 645 F.3d at 1326-28).) Here, in contrast, the Court is determining whether to
13 instruct the jury that it may draw an adverse inference, and bad faith is not required to warrant an
14 instruction. Moreover, as discussed above, the *Micron Technologies* case on which the ALJ
15 relied involved terminating sanctions and does not apply here. Further, Apple had no reply brief
16 or oral argument in the ITC case to show, as it does here, the myriad failings in Samsung’s
17 opposition arguments and evidence.

18 **V. CONCLUSION**

19 The Court should grant Apple’s motion and issue adverse inference jury instructions as a
20 sanction for Samsung’s spoliation of evidence.

23 ⁸ Samsung’s cited authority on prejudice is inapposite. *See Gonzalez v. Las Vegas Metro.*
24 *Police Dep’t*, No. 2:09-cv-00381, 2012 U.S. Dist. LEXIS 46601, at *24 (D. Nev. Apr. 2, 2012)
25 (defendants had produced precise information that plaintiff claimed she did not receive); *Medical*
26 *Lab. Mgmt. Consultants v. ABC*, 306 F.3d 806, 824 (9th Cir. 2002) (no prejudice from accidental
27 loss of laboratory slides where plaintiff had access to digital images of slides and to medical
28 records concerning slides); *Hamilton v. Signature Flight Support Corp.*, No. C-05-0490, 2005
U.S. Dist. LEXIS 40088, at *23-24 (N.D. Cal. Dec. 20, 2005) (no prejudice from destruction of
portions of surveillance video showing altercation where missing video footage was irrelevant to
plaintiff’s claims and plaintiff had two eye witnesses who saw entire incident).

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