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15 INC. and SAMSUNG
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16

17 UNITED STATES DISTRICT COURT

18 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION

20 APPLE INC., a California corporation,

21 Plaintiff,

22 vs.

23 SAMSUNG ELECTRONICS CO., LTD., a
Korean business entity; SAMSUNG
24 ELECTRONICS AMERICA, INC., a New
York corporation; SAMSUNG
25 TELECOMMUNICATIONS AMERICA,
LLC, a Delaware limited liability company,

26 Defendant.
27

CASE NO. 11-cv-01846-LHK

**SAMSUNG'S REPLY IN SUPPORT OF
MOTION FOR RULE 37 SANCTIONS
FOR APPLE'S VIOLATION OF
DECEMBER 22, 2011 COURT ORDER**

Date: June 21, 2012

Time: 10:00 a.m.

Place: Courtroom 5, 4th Floor

Judge: Hon. Paul S. Grewal

28 **PUBLIC REDACTED VERSION**

1 **I. INTRODUCTION**

2 In withholding throughout discovery tens of thousands of pages of relevant employee
3 testimony from cases involving the same or similar patents as those at issue here – despite a Court
4 order compelling their production by January – Apple's conduct was without substantial
5 justification and prejudicial to Samsung. Moreover, undisputed facts compel the conclusion that
6 Apple's misconduct was the result of a calculated decision to disregard this Court's December 22
7 Order to obtain an unfair litigation advantage. For example, Apple has never disputed the
8 relevance of transcripts from the ITC 796 Investigation (or their responsiveness to the Court's
9 December 22 Order), yet it refused to produce them until the Court enforced the order compelling
10 their production. And even then, Apple waited for several days until the evening before
11 Samsung's rebuttal expert reports to simply "deem" them produced. Apple withheld the rest of the
12 other transcripts it produced in response to the April 12 Order until April 17, the day after
13 Samsung's rebuttal expert reports were due. To remedy the substantial prejudice Samsung has
14 suffered as a result of Apple's misconduct, and to prevent Apple from further exploiting the unfair
15 advantage it has already gained, the Court should issue sanctions.

16 **II. APPLE'S FAILURE TO COMPLY WITH THE DECEMBER 22 ORDER WAS**
17 **NOT SUBSTANTIALLY JUSTIFIED**

18 “Substantially justified means justified in substance or in the main – that is, justified to a
19 degree that could satisfy a reasonable person.” *Pierce v. Underwood*, 487 U.S. 552, 565 (1988);
20 *see also Sexton v. Astrue*, 2012 WL 592057, at *1 (9th Cir. Feb. 23, 2012). Apple’s conduct here
21 was anything but reasonable.

22 **A. Withholding Tens of Thousands Of Pages of Sworn Employee Testimony**
23 **From Actions With A Technological Nexus Throughout Discovery Is**
24 **Objectively Unreasonable**

25 Apple has withheld more than 280 employee transcripts from twelve cases with a
26 technological nexus, including 34 inventor transcripts, throughout the entire discovery period.¹
27 Most of the cases share one or more patents in suit with this case, and the others involve

28 ¹ Reply Declaration of Diane C. Hutnyan ("Hutnyan Decl.") at ¶ 2.

1 technologies related to those in the patents in suit. As this Court recognized in its December 22
2 order, these materials needed to be produced as soon as possible and no later than January 15,
3 2012 so that they could be used by Samsung to develop its case.²

4 Few items could be more relevant than party employee testimony concerning the patents
5 and products at issue. Facts about the development of Apple's claimed designs and inventions,
6 and of the products it claims are commercial embodiments, are hugely important to the scope and
7 validity of the patents in suit. Having these transcripts in January was important so that Samsung
8 could use them to identify witnesses, to seek documents, to depose witnesses effectively, and to
9 avoid wasting time on depositions. But Samsung had none of those opportunities as a result of
10 Apple's non-compliance.

11 The withholding of transcripts from the 796 Investigation by itself shows Apple's conduct
12 was not objectively reasonable. As is indisputable, the 796 Investigation involves patents on the
13 same products, with the same inventors, with the same prior art, allegedly infringed by the same
14 Samsung products as the patents in this case. Although Apple had agreed to cross-use of
15 documents between the two cases, and use of transcripts from this case in the 796 Investigation,
16 Apple refused to produce deposition transcripts taken in the 796 Investigation in this case until it
17 was compelled yet again to do so and weeks after the close of discovery (with only approximately
18 30 hours before Samsung's rebuttal expert reports were due).³

19 **B. The Excuses Apple Gave For Its Non-Production In March, Already Rejected**
20 **By This Court, Were Objectively Unreasonable**

21 Apple concedes that it "was ordered [in the December 22 Order] to produce transcripts of
22 'prior' deposition testimony of Apple witnesses testifying in their employee capacity" from cases
23 with a technological nexus. (Opp. at 3:22-23.) Yet in March, in opposing Samsung's motion to
24 enforce, Apple revealed for the first time that it had excluded (1) deposition transcripts of Apple
25 witnesses that were not appearing in the present case and (2) deposition transcripts of witnesses

26 _____
27 ² See Dkt. 536 (ordering Apple to complete its production of all responsive transcripts "on a
rolling basis and no later than January 15, 2012.")

28 ³ Hutnyan Decl. at ¶¶ 7-8.

1 whose role is purportedly not technical. This Court rejected each of those limitations as
2 unsupported and implausible (“Is there any language in my order that you can point me to that
3 supports that position?”)⁴ and enforced its order requiring Apple to produce *all* the transcripts.

4 Apple’s current contention that the Court’s April 12 Order expanded the scope of the
5 December 22 Order⁵ was previously rejected as well. As the April 12 Order sets forth in detail,
6 the December 22 Order did not include any of the exceptions Apple claimed it did. The December
7 Order required the production of “all” transcripts and was “enforced” by this Court.⁶ And if Apple
8 really thought the April 12 Order was expanding the scope of the December 22 Order, it would
9 have sought reconsideration on that basis.

10 In addition, Apple said it had withheld the deposition transcripts taken in the 796
11 Investigation because this Court’s protective order and the 796 protective order prohibited it.⁷
12 This was not correct. Apple also argued to this Court that it withheld them because Samsung
13 already had access to them in the 796 case⁸ and, then contradicting itself, because Samsung was
14 only seeking their use and not really their “production.”⁹ Misstating the terms and impact of
15 protective orders in order to construe them to obstruct compliance with this Court’s order was not
16 reasonable conduct.

17 **C. Apple’s Newly Revealed Limitations on the Court’s Order Are Not**
18 **Reasonable, Either Individually Or Collectively**

19 Now it appears that Apple’s explanations to the Court last time were not even accurate.
20 Now, *in addition* to those earlier excuses, Apple claims it withheld these nearly 300 transcripts
21 throughout almost the entire pendency of this case for the following new reasons:

22 ⁴ Ex. 1 to Hutnyan Decl., April 9, 2012 Hearing Tr. at 128:11-129:2.

23 ⁵ Opp. at 1:8-9 (“When this Court ordered, on April 12, a broader production of transcripts,
Apple promptly complied.”).

24 ⁶ Order, Dkt. 867, at 10:6-8 (“ . . . the court GRANTS Samsung’s motion to enforce the
December 22 Order as to all deposition transcripts of Apple employees, testifying in their
25 employee testimony, from actions bearing a technological nexus to this case.”).

25 ⁷ Apple’s Opposition to Motion To Enforce, Dkt. No. 825, at 7:8-10.

26 ⁸ Apple’s Opposition to Motion To Enforce, Dkt. No. 825, at 6:22-25. Apple made this argument
though it was well aware that Samsung’s access in the 796 Investigation did not permit use of the
27 transcripts in this case, having refused to allow their “cross-use” in this case for months.

28 ⁹ Apple’s Opposition to Motion To Enforce, Dkt. No. 825, at 6:26-7:12 (arguing that Samsung
wanted “redesignat[ion]” and “cross-use” and not production).

1 • Because its “understanding [was] that it was not required to produce more than a
2 hundred [or more than a “few”] transcripts.”¹⁰ Apple bases this alleged understanding on
3 statements made by Samsung when it brought its initial motion to compel about the production
4 request being narrow.¹¹ Obviously, Samsung’s statements (which were made at a time when
5 Samsung could not know how many transcripts Apple was withholding apart from the parties’
6 ITC proceedings) could not narrow the scope of the Court’s order requiring *all* transcripts to
7 be produced. Indeed, nothing in the Court’s order provided any support at all for Apple’s
8 claimed understanding.

9
10 • Because Samsung was only seeking testimony from “inventors.” Apple argues that
11 examples about inventor transcripts offered by Samsung in early meet and confer
12 correspondence, and the examples the Court put in footnote 6 of its order, led it to believe that
13 the Order was limited to “inventors” only.¹² The Court’s order requiring production of
14 transcripts of “Apple Witnesses Testifying in their Employee Capacity” plainly contradicts this
15 interpretation.

16 • Because some of the depositions were taken after January 15, 2012, the Court’s
17 deadline for production, or after March 8, 2012, the close of discovery.¹³ Apple’s rationale for
18 this exclusion was that Samsung and the Court had referred to “prior” deposition testimony.¹⁴
19 Obviously, the word “prior” was not intended to make some distinction between transcripts
20 based on their timing; Apple was to produce any and all existing deposition testimony and
21 follow the supplementation rules to produce any new responsive testimony after it had been
22

23 ¹⁰ Opp. at 1:4-5; *see also* Opp. at 8:15-17 (“An order directing Apple to produce *every* transcript
24 from a host of proceedings, without consideration of a deponent’s role or relevance, would
necessarily implicate far more than a “few” “highly relevant” transcripts.”).

25 ¹¹ Opp. at 2:13-15 (meet and confer correspondence); 3:6-7 (motion); 4:1-3 (resultant production
scope).

26 ¹² Opp. at 2:13-18; 3:3-5; 8:18-22; 8:25-28; 9:4-6.

27 ¹³ Opp. at 5:9-11.

28 ¹⁴ Opp. at 3:13-15 (“Samsung supported its motion to compel with a declaration discussing
‘prior’ deposition testimony”); 3:22-23 (“Apple was ordered to produce transcripts of ‘prior’
deposition testimony of Apple witnesses testifying in their employee capacity.”); 8:17-18 (“Only
‘prior’ testimony was ordered to be produced.”).

1 transcribed. Apple does not explain how it plausibly thought the Court was authorizing Apple
2 to suddenly withhold directly relevant employee depositions taken after January 15, 2012,
3 even though discovery was continuing, Samsung’s experts were preparing their reports, and
4 Samsung was preparing for dispositive motion practice and trial.

5 • Because Samsung waived its rights to transcripts from cases where its counsel
6 represents the other party in the underlying case – by not complaining enough when Apple
7 failed to produce relevant transcripts from those cases.¹⁵ First, Samsung’s counsel cannot and
8 did not share information between cases as Apple premises, as this would not have been
9 consistent with Samsung’s counsel’s obligations under the relevant protective orders.¹⁶
10 Second, there was no need to also "complain" on a case-by-case basis, when Samsung was
11 moving to compel all employee transcripts from cases with a technological nexus. Third,
12 Apple’s claims about Samsung’s statements or omissions do not alter the scope of the Court’s
13 order in any event.

14 • Because Samsung did not accurately identify all Apple’s cases with a technological
15 nexus.¹⁷ It was never Samsung’s responsibility to identify for Apple which of Apple’s cases
16 had a “technological nexus.”¹⁸ The Order recognized that Apple had the best knowledge of its
17 own cases and had itself proposed the technological nexus standard. Accordingly, it ordered
18 Apple to “apply this standard and complete its production of all responsive transcripts”
19 without participation from Samsung.¹⁹

20
21 ¹⁵ Opp. at 9:6-16.

22 ¹⁶ Notably, Apple’s position is also inconsistent with the position it has taken with respect to the
23 other litigation materials the April 12 order required it to produce by April 27. With respect to
24 those materials, Apple’s counsel has refused to gather from Apple’s other counsel even the basic
25 information needed to comply with the Court’s production order, whereas it expects Samsung’s
26 counsel to share information across clients.

27 ¹⁷ Opp. at 5:5-9 (discussing how Apple finally produced depositions it had been withholding
28 from the 701 and 710 Investigations and the QRG case, which were not identified by Samsung).

¹⁸ Samsung’s Motion to Enforce Dec. 22, 2011 Court Order, Dkt. 782 at 3-5 (listing cases and
noting that “[t]here may be more cases, but Apple has refused to identify them.”).

¹⁹ Further, in attempting to determine whether Apple had complied with the December 22 order,
Samsung had repeatedly requested that Apple identify all cases it believed had a technological
nexus, but Apple refused to do so, choosing only to criticize some of Samsung’s suggestions.
(Hutnyan Decl. ¶ 5-6.) Apple could not have “reasonably relied on the results of those
negotiations” in figuring out what to produce because there were no negotiations.

1 Collectively, these excuses are even less plausible. It is simply not reasonable to interpret
2 an order to produce all employee transcripts from cases with a technological nexus as an order to
3 produce just a “few” deposition transcripts of inventors only, with technical testimony, who are
4 appearing in the present case, whose depositions were taken before January 16, 2012, in cases that
5 Samsung specifically identified, and where Samsung’s trial counsel does not represent the
6 opposing party.²⁰ These serial restrictions on the Court’s Order, imposed without prior disclosure
7 by Apple, were not substantially justified.

8 **D. Apple’s Interpretation Is Not Reasonable Because It Bears No Resemblance**
9 **To Apple’s Production**

10 Apple’s actions were not even consistent with its claims about its production. For
11 example, Apple claims it believed the order only required production of testimony from inventors.
12 But Apple *withheld* dozens of inventor transcripts from production and nevertheless represented to
13 this Court that it had “complied” with the original Order compelling production. It also produced
14 several non-inventor transcripts.²¹ Apple also claims it believed the order only required
15 production of testimony from witnesses in the present case. But many of the transcripts it

16 _____
17 ²⁰ See *Hanni v. American Airlines, Inc.*, 2009 WL 1505286, *4 (N.D. Cal. May 27, 2009) (no
18 “substantial justification” for party’s failure to produce documents based on its mistaken reading
19 of the protective order, resulting in sanctions); *Alden v. Mid-Mesabi Associates Ltd. Partnership*,
20 2008 WL 2828892, *23 (D. Minn. Jun. 21, 2008) (no “substantial justification” for party’s
21 withholding discovery and failing to serve a privilege log in violation of a court order due to
22 party’s misinterpretation of the court order, resulting in sanctions); *Adelman v. Hobbie*, 2006 WL
23 2639359, *7 (N.D.N.Y. Sep. 13, 2006) (dismissing action under Rule 37(b)(2)(C) where
24 “[p]laintiff had the opportunity to show substantial justification,” but failed to do so, and “no
25 reasonable person could interpret the Court’s Order to mean that compliance was optional or
26 unnecessary”); *Mescal v. U.S.*, 161 F.R.D. 450, 454-455 (D.N.M. 1995) (no “substantial
27 justification” for party’s failure to file a motion as required by a court order, resulting in
28 sanctions); *Poliquin v. Garden Way, Inc.*, 154 F.R.D. 29, 31-32 (D. Me. 1994) (no “substantial
justification” for party’s disclosure of confidential information to a third party based on a
misunderstanding of the import of the protective order, resulting in sanctions); *Fisher v. Samuels*,
1986 WL 12330, *4 (N.D. Ill. Oct. 24, 1986) (party’s “unreasonable” interpretation of discovery
request was not “substantial justification” for its inadequate response thereto in violation of court
order compelling discovery, resulting in sanctions).

²¹ See, e.g., Apple’s Opposition to Samsung’s Motion to Enforce Dec. 22, 2011 Court Order,
Dkt. 825, at 3:15-3:18 (“Apple had inadvertently not previously identified or produced a transcript
from the November 10, 2010 deposition of Eric Jue in ITC Investigation No. 337-TA-714, which
it promptly produced after receiving Samsung’s final list of “related proceedings” sent on March
3.”). Mr. Jue works in marketing, is the product line manager for the iPod, and was never an
inventor.

1 withheld – such as those from Mark Buckley, Eric Jue, Arthur Rangel, Richard Lutton, Michael
2 Tchao, Jason Skinder, Jason Shi, David Singer and Achim Pantfoerder²² – were taken of witnesses
3 also testifying in this case. Next, Apple claims it believed the order only required production of
4 transcripts that were taken on January 15, 2012 or earlier. But Apple failed to produce over 150
5 deposition transcripts pre-dating January 15, 2012,²³ and it admitted in its March 21 brief that it
6 had produced some post-January 15 transcripts in compliance with the order.²⁴ And Apple now
7 claims that it withheld transcripts from cases in which Samsung’s counsel represents the opposing
8 party, but it admitted in November that it had produced more than 45,000 pages of materials from
9 the Motorola cases in which Quinn Emanuel is counsel of record.²⁵

10 The disconnect between what Apple did, and what it claims to have done, is fundamental.
11 That, coupled with the sheer number of excuses Apple has now offered, shows the lack of merit to
12 its positions.²⁶

13 **E. Because Apple’s Actions Were Designed To Damage Samsung’s Defense, It**
14 **Cannot Be Considered Reasonable**

16 ²² See June 5, 2012 Declaration of Nathan Sabri ("Sabri Decl.") at ¶ 21, Exh. 16.

17 ²³ Sabri Decl., Exh. 16.

18 ²⁴ Opp. at 4:12-13 (“[before Samsung filed its motion to enforce,] Apple revisited its production,
19 produced several additional transcripts – most of which were from after January 15. . .”).

20 ²⁵ See Apple’s Opposition to Samsung’s Motion to Compel, Dkt. 502, at 5:27-6:3 (“For example,
21 Samsung seeks the production of pleadings, briefs, discovery, and transcripts from *Apple v.*
22 *Motorola* actions in the ITC and the Western District of Wisconsin. . . . Apple already produced
23 those materials, however—totaling more than 45,000 pages—on November 23, 2011, and
24 December 1, 2011.”).

25 ²⁶ Moreover, Apple now contends, for the first time, that it produced 49 transcripts before the
26 April 12 Order. But this includes many transcripts it produced not in the Northern District case,
27 where it was ordered to produce them, but in the 794 and 796 Investigations. (Hutnyan Decl. ¶ 2.)
28 Notably, Apple never before pointed to this 796/794 production as part of its production pursuant
to the December 22 order; in opposing Samsung’s motion to enforce as late as last March, Apple
did not ever mention these transcripts in describing what it had produced. Apple’s Opposition to
Motion to Enforce Dec. 22 Court Order, Dkt. 825, at 1-4. Also, Apple’s story about these
additional transcripts is at odds with its claims that it thought it was to produce only transcripts
from witnesses appearing in the instant matter. Several of the transcripts were of witnesses who
have never appeared in this case. See, e.g., Sabri Decl. ¶ 17 (noting that Apple had produced
deposition transcripts of Paul Marcos, Martin Grunthner, Chris Krah, Ken Kocienda, Nima
Parivar, and David Heller, none of whom testified in this case). And in the end, even if all of these
transcripts can be considered part of Apple’s earlier “production,” that does not change the fact that
nearly 300 more transcripts previously compelled by Court Order in December 2011 were
produced for the first time after April 12, 2012.

1 Apple's approach to the production of these transcripts, before and after the December 22
2 Order, refutes any claim of honest mistake in its failure to comply. First, Samsung was forced to
3 move to compel these transcripts because Apple would not embrace a definition of "technological
4 nexus" that would ensure Samsung received all relevant employee transcripts.²⁷ Samsung
5 requested a factually driven standard to avoid this problem,²⁸ but after Apple finally presented a
6 plausible definition of "technological nexus" in its opposition brief, this standard was adopted by
7 the Court.²⁹

8 Once the December 22 order issued, however, Apple did not produce a single transcript in
9 response to it.³⁰ In January, after analyzing all the transcripts Apple had produced, Samsung
10 sought Apple's cooperation in identifying the cases with a technological nexus but, ignoring the
11 Court's directive to negotiate on this point, and taking advantage of its unique knowledge of many
12 of these cases, Apple refused to identify even a single case.³¹ As to the many inventor and other
13 deposition transcripts taken in the 796 Investigation, Apple refused to deem them produced even
14 though it had accepted cross-use of documents and deposition transcripts every other way between
15 the two cases, which it admitted shared a technological nexus.³² Then, at the April 9 hearing,
16 Apple misstated both this Court's December 22 Order and the protective orders by construing
17 them to obstruct the court-ordered production.³³

18 Both the December 22 and April 12 Orders required production on a "rolling basis." Upon
19 questioning by the Court, Apple admitted that it would be easy to complete the production.³⁴ But
20 Apple waited until April 17 to produce any of the missing transcripts, and until Sunday, April 15,

21 ²⁷ Samsung's Motion to Compel Apple to Produce Documents and Things, Dkt. 487, at 20-22.

22 ²⁸ *Id.*

23 ²⁹ Dkt. No. 536 at 5.

24 ³⁰ Hutnyan Decl. ¶ 4

25 ³¹ *Id.*, ¶ 5-6.

26 ³² *Id.*, ¶ 7.

27 ³³ *Id.*, Exh. 1, April 9 Hearing Tr. at 132:6-135:10 ("THE COURT: Really, your only objection
28 to producing the transcripts that are essentially burdenless is that it would break the deal you cut
with Samsung?"); 140:13-141:15.

29 ³⁴ *Id.* at 130:17-131:12 ("THE COURT: What's the problem? There's a deposition transcript
sitting in an Apple database as I speak that you can produce in about 10 minutes, I suspect, maybe
20. So there's no burden objection. . . . MR. SABRI: The only objections, your honor, would be
without seeing who the employees and the prior witness are, I don't the [sic] what the relevance
would be.")

1 at 6 p.m. to even "deem produced" the 796 Investigation transcripts. This timing ensured that
2 none of the transcripts that had been withheld throughout discovery could be analyzed in time for
3 use in Samsung's rebuttal expert reports.³⁵ And Apple did not "complete" its production on April
4 21, or even by the Court's April 27 deadline, as it contends.³⁶ One new transcript trickled in on
5 April 24, another on April 26, three more on May 31, and two on June 7.³⁷

6 **III. APPLE'S REFUSAL TO PRODUCE TRANSCRIPTS PREJUDICED SAMSUNG'S**
7 **ABILITY TO PREPARE ITS CASE**

8 **A. Samsung Has Suffered Prejudice**

9 Under Ninth Circuit law, prejudice to the party seeking sanctions is one of five factors that
10 should be considered when deciding whether to issue sanctions under Rule 37(b)(2)(A). *Rio*
11 *Props., Inc. v. Rio Int'l Interlink*, 284 F.3d 1007, 1022 (9th Cir. 2002). Apple's withholding of
12 almost 300 transcripts until April 17, 2012 deprived Samsung of its ability to use the transcripts in
13 several important ways in preparing its case. It deprived Samsung of any ability to develop lines
14 of deposition questioning based on admissions or facts contained in the transcripts, to avoid
15 wasteful foundational questioning, and to question Apple witnesses who offered testimony
16 inconsistent with their prior testimony about that testimony. Similarly, Apple's withholding
17 prevented Samsung from identifying and noticing relevant individuals for deposition and
18 prevented Samsung's experts from using them to analyze the case and develop their opinions.
19 Samsung was also prevented from discovering Apple's explanations or arguments in response to
20 hundreds of admissions in the transcripts or to obtain related materials that Samsung's experts
21 could have used to overcome those explanations and arguments. In short, Apple's misconduct ate
22 up Samsung's deposition allotment and forced it to prepare its case without the prior sworn
23 statements of Apple's own employees about the products and intellectual property rights it has
24 asserted in this case.

25 ³⁵ Though some analysis could take place with respect to the 796 transcripts before April 16,
26 Apple's refusal to permit cross-use meant that Samsung experts could not plan to rely on any of
27 those materials in preparing their opinions in the weeks leading up to the submission of their
28 reports.

³⁶ Opp. at 5:2-5.

³⁷ Hutnyan Decl. ¶ 10.

1 **1. Apple Withheld Voluminous, Critically Relevant Materials In Violation**
2 **of the Order**

3 A few examples illustrate the highly prejudicial nature of Apple's misconduct. Among the
4 80 or more³⁸ transcripts from the 796 Investigation that Apple withheld until after the April 12
5 Order are 44 transcripts for depositions of Apple employees who are testifying witnesses in this
6 case. Among these, Apple withheld from use in this case 25 utility and design patent inventor
7 transcripts, including transcripts for named patent inventors Boule (2 transcripts), Westerman,
8 Herz, Anzures, Williamson, Christie, Blumenberg, Lemay, Coster, Ive, Platzer, Chaudhri,
9 Howarth, Forstall (2 transcripts), Zorkendorfer, Stringer, Whang, De Iuliis (2 transcripts), Kerr,
10 Rohrbach, Andre and Hotelling. See May 22 Hutnyan Decl., ¶ 2.

11 Apple's index of the transcripts it produced in response to the April 12 Order – which does
12 not include the 796 transcripts – confirms that it withheld large volumes of critical material from
13 the other cases as well. (Sabri Decl, Exh. 16.) Even under Apple's version of what matters in this
14 production, Apple withheld 71 transcripts constituting thousands of pages of relevant testimony
15 from six proceedings. Apple argues that these transcripts are "wholly irrelevant to this matter"
16 (Opp. at 5:12-13) but this is simply not credible. Five of these cases involve the same patents
17 asserted by Apple here, and the sixth, the *Elan v. Apple* matter, involves patents directed to multi-
18 touch technology similar to the '828, '915, '891 and '163 patents Apple has asserted here.

19 The particular transcripts that Apple withheld from these cases until after the April 12
20 order unquestionably prejudiced Samsung's ability to prepare its defenses. For example, even
21 though the *Elan v. Apple* matter involves patents related to the patents-in-suit, a fact which the
22 Court has recognized,³⁹ Apple withheld all the transcripts from that case, including all transcripts
23 for depositions of the named inventors of the patents asserted there that are related to asserted
24 patents here.⁴⁰ Similarly, with respect to the ITC 797 investigation, which involves the '381 patent

25 ³⁸ See Dkt. No. 1041 at 6:7 (Apple's Opposition to Samsung's Motion to Enforce April 12, 2012
26 Order).

27 ³⁹ April 12 Order, Dkt. No. 867 at 9:20-22 (referring to group of eight cases including *Elan v.*
Apple as having "an undisputed technological nexus to this action").

28 ⁴⁰ Sabri Decl., Exh. 16 at 2. Steve Bollinger, Mark Della Bona, Jonathan Dorfman, Jay Hamlin
and Greg Marriot are all named inventors of the patents-in-suit in the *Elan v. Apple* matter.

1 at issue here, Apple withheld the deposition of the sole inventor of the '381 patent, Bas Ording.
2 (Sabri Decl., Exh. 16 at 3.) Apple withheld many other transcripts for named inventors of patents
3 asserted in this case, including Brian Land ('129 patent), Andrew Platzer ('915 patent), Joshua
4 Strickon ('607 patent), Wayne Westerman ('828 patent), Freddy Anzures (D'305), Stephen Lemay
5 ('163 patent) and John Elias ('828 patent). (Sabri Decl., Exh. 16 at 3, 5.)

6 Beyond the named inventor transcripts, Apple withheld numerous transcripts of other
7 Apple witnesses testifying in this case. For example, Apple's index of its productions in response
8 to the April 12 Order lists 15 transcripts for non-inventor witnesses who are witnesses in this
9 case.⁴¹ (Sabri Decl., Exh. 16.) Almost all of these were transcripts of depositions taken before the
10 December 22 Order issued.

11 **2. Samsung Need Not Show that the Withheld Materials Are**
12 **"Compelling" or "Impeaching"**

13 Apple's argument that Samsung did not "identify any compelling example of probative
14 information" or "impeaching statement[s]" in the materials Apple withheld (Opp. at 9:27-10:2,
15 10:8-10) is unavailing. First, the implication that withholding of voluminous materials that are not
16 "impeaching" or "compelling" (however Apple may define those terms) is not grounds for
17 sanctions is fundamentally at odds with the position that Apple took previously and that the Court
18 accepted. (Dkt. Nos. 880, 898.) And, as discussed previously, Apple's withholding also
19 prejudiced Samsung by depriving it of facts that could have led to the discovery of admissible
20 evidence, including through lines of deposition questioning and other discovery efforts.

21 Moreover, the information contained in the transcripts Apple withheld is indeed
22 compelling and impeaching. For example, the PTO initially rejected applications for both the
23 D'677 and D'087 patents which Apple has asserted here on the ground that their designs were
24 anticipated and obvious in light of prior art. Apple persuaded the PTO to issue the patents by
25 asserting that what was new was their clear continuous surface.⁴² Yet, as Apple Senior Director

26 _____
27 ⁴¹ The witnesses listed are Mark Buckley (6 transcripts), Eric Jue, Arthur Rangel, Richard Lutton
(2 transcripts), Michael Tchao, Jason Skinder, Jason Shi, David Singer and Achim Pantfoerder.

28 ⁴² Hutnyan Decl., Exh. 6.

1 Chris Stringer admitted in his ITC 796 deposition, [REDACTED]
2 [REDACTED]
3 [REDACTED]⁴³ Mr. Stringer also admitted in that
4 deposition [REDACTED]

5 [REDACTED]⁴ This is critical testimony, yet Apple withheld it until April 15, and Samsung's experts
6 were thus unable to use it in their reports.

7 Other transcripts that Apple withheld are similarly critical to Samsung's defenses in this
8 case. For example, Douglas Satzger, a member of Apple's design group from 1996 through 2008,
9 testified in his 796 deposition about the functionality of iPhone design elements Apple claims in
10 this case, including "a flat clear surface covering the front of the product," "a metallic bezel around
11 the flat clear surface," and "under the clear surface, substantial black borders above and below the
12 display screen and narrower black borders on either side of the screen." (Dkt. No. 75, at ¶ 57.) As
13 another example, testifying about the circle shown in Figure 1 of the '678 sister patent, which is
14 identical to the drawings in the '677 patent except for its color, '677 named inventor Daniel Coster
15 testified [REDACTED]⁵ while Director of Industrial Design Evans Hankey, testified [REDACTED]
16 [REDACTED]⁴⁶ and '677 named inventors Daniele De Iuliis and Matthew Rohrbach testified [REDACTED]
17 [REDACTED]⁴⁷ Similarly, testifying about the drawings of the '678 more generally, '677
18 inventor Bart Andre testified he thought [REDACTED]⁸ and '677
19 inventors De Iuliis and Rico Zorkendorfer testified [REDACTED]

20 [REDACTED]⁴⁹ Nor are these isolated examples. Virtually every page of these depositions relates
21 to iPhone design and, thus, to issues also present in this case. Yet Apple withheld these transcripts
22 for months, entirely depriving Samsung's experts of an opportunity to use the testimony in forming
23 their opinions and authoring their reports.

24

25 ⁴³ *Id.*, Exh.7 at 79:11-15.

26 ⁴⁴ *Id.*, Exh. 7 at 370:19-373:23.

27 ⁴⁵ *Id.*, Exh. 8 at 271:18-272:1.

28 ⁴⁶ *Id.*, Exh. 9 at 93:2-94:16.

⁴⁷ *Id.*, Exh. 10 at 214:11-18; Exh. 11 at 138:1-139:5.

⁴⁸ *Id.*, Exh. 12 at 276:11-277:14.

⁴⁹ *Id.*, Exh. 10 at 217:9-19; Exh. 13 at 214:17-215:3.

1 **B. Samsung Did Not Get the Five Depositions The Court Intended to Mitigate**
2 **The Prejudice It Suffered Due to Apple's Misconduct**

3 Apple has not provided a single one of the depositions that the Court permitted Samsung to
4 take and Apple's argument that Samsung "fail[ed] to take advantage of" them is incorrect. (Opp.
5 at 9:27-10:2.) Samsung sought to take the five additional depositions within the deadline provided
6 by the Court but Apple refused. Apple claims that Samsung's identification of the witnesses was
7 too late, but has provided no evidence that it was unable present the witnesses by the Court's May
8 10 deadline. The record shows it never even attempted to schedule the depositions, and it refused
9 to enter into a simple stipulation that would have eased any scheduling burden.

10 Samsung identified the deponents as soon as it could reasonably do so given the massive
11 volume of transcripts that Apple had failed to produce as ordered and only produced well after it
12 was ordered the second time to do so. Since the enforcement Order intended the depositions to
13 mitigate the prejudice Apple caused Samsung by withholding the deposition transcripts, Samsung
14 had to review and analyze over 34,000 pages in just a few days in order to factor this new
15 information into its selections. It is indeed ironic that Apple simultaneously criticizes Samsung
16 for not identifying deponents Apple contends are related to the prejudice resulting from the
17 withholding of transcripts, while at the same time asserting that Samsung should have made its
18 selections before Apple even produced the transcripts. Apple cannot have it both ways.

19 Samsung's selections were also delayed by Apple's failure to narrow its case when Judge
20 Koh ordered it. If Samsung had identified the deponents prior to this further case narrowing, it
21 could have chosen deponents who would no longer be relevant to this litigation, which would do
22 nothing to relieve the prejudice the Court intended to remedy (and, according to Apple, would thus
23 automatically violate the Court's order).⁵⁰ Even now, Apple offers no legitimate reason why,
24 weeks after the Court's enforcement Order and weeks after Samsung identified the witnesses,
25 Apple still could not produce them for deposition.

26
27 _____
28 ⁵⁰ Samsung provided its list of deponents almost immediately after Apple filed its narrowing
statement.

1 **IV. APPLE'S CONDUCT AND THE ENSUING PREJUDICE TO SAMSUNG**
2 **WARRANTS PRECLUSIVE SANCTIONS**

3 The relief Samsung seeks to remedy the prejudice stemming from Apple's misconduct is
4 simple and easy to administer. Based on the fundamental principle that Apple should not be
5 permitted to rely on evidence it wrongfully withheld in violation of Court order, Samsung asks
6 that the Court (1) preclude Apple's experts from affirmatively relying on the transcripts or their
7 contents, and (2) strike any references to the transcripts or their contents that Apple's experts have
8 made or may make.⁵¹ Additionally, based on the principle that it would be unfair to permit Apple
9 to leverage its misconduct to surprise Samsung at trial with new explanations for admissions
10 Samsung had no opportunity to explore during discovery, Samsung requests that the Court
11 preclude Apple's experts from responding to, denying, explaining, commenting on, or otherwise
12 testifying contrary to the admissions contained in the withheld transcripts.

13 The timing of Apple's productions is also probative. Though the 796 Investigation
14 transcripts could have been deemed produced upon issuance of the Court's order on April 12,
15 Apple waited until the night before Samsung's experts' rebuttal reports were due. Apple also
16 delayed until April 17, the *day after* Samsung's rebuttal reports were due, to produce the vast bulk
17 of the withheld transcripts. Apple thus ensured that Samsung had no opportunity to make use of
18 the withheld transcripts in connection with its expert reports, as well as the dispositive motion
19 briefing and trial preparation relying on expert testimony.

20 Back in November, Apple engaged in a cost-benefit analysis and concluded that it would
21 fight production of these transcripts all the way – Court orders notwithstanding – because the
22 unfair litigation advantage it would obtain and be able to exploit throughout trial from withholding
23 them outweighed the monetary cost of this battle, as well as any risk of preclusion. Apple does
24 not argue here, and has never argued, that the transcripts are not relevant or that those transcripts
25 do not meet the technological nexus requirement of the December 22 Order. Nor do the

26 ⁵¹ Apple argues that Samsung's requested relief is not warranted because Samsung has not
27 pointed to particular statements by Apple experts referring to the withheld transcripts. This misses
28 the point, as Samsung's motion requests that the Court strike references that Apple's experts "have
made *or may make*." (Mot. at 19) (emphasis added).

1 transcripts fall outside the bounds of Apple's claimed "understanding" of the December 22 Order.
2 They contain extensive "prior" testimony of "witnesses testifying in this case," including
3 thousands of pages of inventor testimony on the same or similar patents at issue here. Yet Apple
4 withheld every one of them, including refusing to permit Samsung to submit them to this Court in
5 connection with Samsung's motion to enforce the December 22 Order, on the frivolous and now-
6 rejected grounds that (1) Samsung already "had" the transcripts so Apple need not produce them
7 (despite Apple's full knowledge that Samsung could not use the transcripts absent production
8 without violating the ITC protective order), and (2) that this Court's protective order and the ITC
9 protective order somehow prohibited Apple from producing its own confidential information in
10 this case.

11 Declining to issue the sanctions requested – and allowing Apple to further exploit the
12 advantage it has unfairly seized – would cause Samsung even more prejudice as it defends itself
13 against Apple's claims. To revoke Apple's ill-gotten advantage, the Court should grant Samsung's
14 motion.

15

16 DATED: June 12, 2012

Respectfully submitted,

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