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16 AMERICA, INC. and SAMSUNG
17 TELECOMMUNICATIONS AMERICA, LLC

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
26 company,

27 Defendant.

CASE NO. 11-cv-01846-LHK (PSG)

**SAMSUNG’S MOTION FOR LEAVE TO
SEEK RECONSIDERATION OF THE
COURT’S JUNE 25, 2012 ORDER TO
THE EXTENT IT PRECLUDES
CONSIDERATION OF A PRELIMINARY
INJUNCTION ON THE ‘889 PATENT
BASED ON CURRENT EVIDENCE**

Date: N/A

Time: N/A

Place: Courtroom 8, 4th Floor

Judge: Hon. Lucy H. Koh

PUBLIC REDACTED VERSION

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NOTICE OF MOTION

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT Defendants Samsung Electronics Co. Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC (collectively, “Samsung”) will, and hereby do, move for leave, pursuant to Civ. L.R. 7-9, to file a motion for reconsideration of this Court’s June 25, 2012 Order Regarding June 29, 2012 Hearing (“June 25 Order”).

This motion will be based on this Notice of Motion and Motion for Leave to File a Motion for Reconsideration of the Court’s June 25 Order, the Memorandum of Points and Authorities attached hereto, the accompanying Declarations of Thomas Watson, Travis Merrill and Paul Chapple, the Proposed Order, the files and records in this matter and any oral argument that the Court may hear.

RELIEF REQUESTED

Pursuant to Civ. L.R. 7-9(a), Samsung requests leave of Court to file a motion for reconsideration of the Court’s June 25 Order.

STATEMENT OF ISSUES TO BE DECIDED

Whether the Court should grant leave to file a Motion for Reconsideration of the Court’s June 25 Order barring introduction of new evidence bearing on Apple’s request for a preliminary injunction on the ‘889 patent, because a grant of a preliminary injunction on a record that is now more than seven months old would be manifestly unjust.

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DATED: June 26, 2012

Respectfully submitted,

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AMERICA, INC. and SAMSUNG
TELECOMMUNICATIONS AMERICA, LLC

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Apple’s motion for preliminary injunctive relief on the D’889 patent is now back before the
4 Court on remand from the Federal Circuit. The record on which the Court denied such relief in its
5 Order of December 2, 2011, however, has now been rendered entirely stale by changed facts and
6 circumstances. These changed facts and circumstances warrant the Court’s reconsideration of its
7 June 25, 2012 Order (“June 25 Order”), in which the Court ruled that “[n]o further briefing or
8 evidence will be permitted” on Apple’s motion for preliminary injunctive relief. (Dkt. No. 1131 at
9 1.) To issue a preliminary injunction based on the evidence as it existed seven months ago—or a
10 year ago when Apple first filed its motion—would be reversible error. A preliminary injunction is
11 an extraordinary remedy that, because strictly prospective, may be based only upon accurate and
12 up-to-date evidence.

13 Samsung therefore respectfully seeks leave, pursuant to Local Rule 7-9, to file a motion
14 seeking reconsideration of the Court’s June 25 Order, and permission to introduce current evidence
15 that demonstrates the absence of any likely infringement, validity, or irreparable harm to Apple on
16 its D’889 patent warranting grant of a preliminary injunction.

17 **II. PROCEDURAL BACKGROUND**

18 **A. Apple’s 2011 Motion For A Preliminary Injunction**

19 Apple first moved for a preliminary injunction on July 1, 2011. (Dkt. No. 86.) Apple
20 argued that the Galaxy Tab 10.1 shares the “major elements” of the D’889 patent, including “an
21 overall rectangular shape with four evenly rounded corners,” “a flat clear surface covering the front
22 of the device that is without any ornamentation,” “a thin rim surrounding the front surface,” “a
23 substantially flat back panel that rounds up near the edges to form the thin rim around the front
24 surface,” and “a thin form factor.” (*Id.* at 14-15.) Apple emphasized visual comparisons between
25 its iPad2 and the Galaxy Tab 10.1 to support its position that the Galaxy Tab 10.1 infringed the
26 D’889 patent (*Id.* at 3; Dkt. No. 282 at 8), even though it did not argue until its reply that the iPad2
27 “embodies the D’889 patent.” (Dkt. No. 282 at 11.)

1 Apple also claimed that Samsung’s introduction of the “Galaxy Tab tablet in the fall of 2010
2 directly harmed sales of the original iPad” because the “Galaxy Tab captured more than 17% of
3 tablet sales during the holiday season while Apple’s market share declined.” (Dkt. No. 86 at 27
4 (citations omitted).) Apple predicted that the Galaxy Tab 10.1 would have a “similar impact” (*Id.* at
5 27 (citations omitted)), emphasizing that “[m]any of the design features that drove demand for the
6 iPad are found in the iPad2.” (Dkt. No. 282 at 11.)

7 **B. The Court’s Denial Of Apple’s 2011 Motion For A Preliminary Injunction**

8 Explaining that a “preliminary injunction is an extraordinary remedy, never granted as a
9 matter of right,” the Court denied Apple’s motion in its entirety on December 2, 2011. (Dkt. No.
10 452 at 8 (citing *Winter v. Natural Res. Def. Council*, 555 U.S. 7, 9 (2008).) The Court found the
11 D’889 patent likely invalid as obvious in light of the 1994 Fidler/Knight Ridder tablet—a finding
12 based on Apple’s own broad characterization of the patent’s scope (*see* Dkt. No. 86 at 14-15). The
13 Court determined that the “D’889 patent is a broad, simple design that gives the overall visual
14 impression of a rectangular shape with four evenly rounded corners, a flat glass-like surface without
15 any ornamentation and a rim surrounding the front surface. The back is a flat panel that rounds up
16 near the edges. The overall design creates a thin form factor. The screen takes up most of the space
17 on the front of the design.” (Dkt. No. 452 at 40.) In light of the “broad” nature of the D’889 patent,
18 the Court found serious questions as to invalidity because the Fidler tablet created “basically the
19 same visual impression.” (*Id.* at 40.)

20 With respect to infringement, the Court compared the Galaxy Tab 10.1 to both the D’889
21 patent and the iPad2 (*id.* at 46-48) based on Apple’s claim and the Court’s “assum[ption]” that “the
22 iPad 2 is the commercial embodiment of the D’889 patent.” (*Id.* at 47 n.27.)

23 Regarding irreparable harm, the Court first explained that “[t]he relationship between the
24 parties frames the Court’s analysis” (Dkt. No. 452 at 31), and then that:

25 There appear to be two major competitors in the tablet market: Apple and Samsung.
26 As of the second quarter in 2011, Apple and Samsung together claimed over 75% of
27 the tablet market. Indeed, from the third to fourth quarter of 2010, the evidence
28 shows that Apple’s market share of the tablet market decreased 20 percentage points,
while Samsung’s newly introduced tablet gained approximately 17% of the market.

1 (*Id.* at 48-49 (citations omitted).) Based on alleged evidence “that Samsung has been taking market
2 share from Apple overall” (*id.* at 49 n.29), the Court found probable irreparable harm, citing the rule
3 that the “existence of a two-player market may well serve as a substantial ground for *granting* an
4 injunction” because “it creates an inference that an infringing sale amounts to a lost sale for the
5 patentee.” (*Id.* at 48-49 (quoting *Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1151 (Fed.
6 Cir. 2011) (emphasis in original).) Apple then appealed.

7 **C. The Federal Circuit’s Decision**

8 On May 14, 2012, the Federal Circuit affirmed this Court on all but the D’889 patent. As to
9 that patent, the Court of Appeals remanded because it disagreed with this Court’s obviousness
10 analysis. *Apple Inc. v. Samsung Elecs. Co., Ltd.*, 678 F.3d 1314, 1328-32 (Fed. Cir. 2012). The
11 Court of Appeals explained that, “[u]nlike the D’889 patent, the Fidler reference contains no thin
12 bezel surrounding the edge of the front side,” the sides of the Fidler reference are neither smooth
13 nor symmetrical; it has two card-like projections extending out from its top edge and an indentation
14 in one of its sides. And the back of the Fidler reference also conveys a visual impression different
15 from that of the D’889 design.” *Id.* at 1331. While the “D’889 design creates the visual impression
16 of an unbroken slab of glass extending from edge to edge on the front side of the tablet,” the “Fidler
17 reference does not create such an impression.” *Id.* These “noticeable differences” sufficed to
18 render the two designs distinct. *Id.* According to the Federal Circuit, this Court had “view[ed] the
19 various designs from too high a level of abstraction.” *Id.* at 1332.

20 The Court of Appeals also found no abuse of discretion in the Court’s finding of a likelihood
21 of irreparable harm based on “the relative market share of Apple and Samsung and the absence of
22 other competitors in the relevant market.” *Id.* at 1328.

23 Over a dissent as to whether there should be a remand, the court “vacate[d] the order
24 denying an injunction with respect to the D’889 patent and remand[ed] the case to the district court
25 for further proceedings on that portion of Apple’s motion for preliminary relief.” *Id.* at 1333. The
26 Court of Appeals directed that these “further proceedings” should include an analysis of the balance
27 of hardships and public interest factors, but did not limit the scope of the “further proceedings” to
28 those two factors. *Id.*

1 **D. The Court's Orders Since The Federal Circuit Decision**

2 On May 18, 2012, prior to the Federal Circuit's issuance of the mandate, Apple filed a
3 motion to shorten time and for injunctive relief pursuant to Rule 62(c) emphasizing that, in its prior
4 order, "the Court noted that Apple and Samsung are the two major competitors in the tablet market"
5 and "that in the fourth quarter of 2010, Apple's tablet market share decreased by 20%, while
6 Samsung's newly-introduced tablet gained 17% of the market." (Dkt. No. 951 at 6-7.)

7 On May 21, 2012, this Court granted Apple's motion to shorten time, stating that the parties
8 "shall address" the balance of hardships and public interest factors, and that the "Court will not
9 entertain new evidence with respect to the issuance of the preliminary injunction EXCEPT with
10 respect to the amount of a bond." (Dkt. No. 962 at 2.)

11 On May 25, 2012, Samsung moved for leave to seek reconsideration of this Court's May 21
12 Order to the extent that it precludes Samsung from introducing new evidence except with respect to
13 the amount of the bond. Samsung argued that the Court should consider all the current, relevant
14 evidence, and not merely the stale record prepared over half a year ago, including evidence related
15 to changes in competition and market shares in the tablet computer industry, newly discovered prior
16 art, and the Federal Circuit's revised construction of the D'889 patent. (Dkt. No. 978 & 1081.)

17 On June 4, 2012, this Court denied without prejudice Apple's motion under Rule 62(c),
18 finding that it lacked jurisdiction because the Federal Circuit had not issued the mandate. (Dkt. No.
19 1032.) The Court likewise denied without prejudice Samsung's motion for reconsideration. (Dkt.
20 No. 1032 at 2. n.1.)

21 On June 19, 2012, the Federal Circuit issued the mandate. On June 21, 2012, the Court
22 stated its intent to hold a hearing on Apple's renewed motion for a preliminary injunction on the
23 D'889 patent, explaining that it regarded such a hearing as required by "due process," but also
24 stating its intent to deny Samsung's renewed motion for leave to seek reconsideration of the Court's
25 May 21 Order.

26 On June 25, 2012, having received the Federal Circuit's mandate, the Court issued an order
27 reiterating that the preliminary injunction hearing would be limited to consideration of "(1) whether
28 the balance of the hardships favors issuing a preliminary injunction, and (2) whether the public

1 interest favors issuing a preliminary injunction” and that “[n]o further briefing or evidence will be
2 permitted.” (Dkt. No. 1131, at 1.) Samsung nonetheless respectfully requests the Court’s
3 reconsideration of its June 25 Order.

4 **III. LEGAL STANDARD**

5 This Court has discretion to reconsider its prior orders. *See United States v. Quintanilla*,
6 No. CR 09-01188 SBA, 2011 WL 4502668, at *5 (N.D. Cal. Sept. 28, 2011). Local Civil Rule 7-
7 9(a) provides that any party can request “leave to file a motion for reconsideration of any
8 interlocutory order made by that Judge on any ground set forth in Civil L.R. 7-9 (b).” Under Rule
9 7-9(b), reconsideration is appropriate if the district court (1) is presented with newly discovered
10 evidence; (2) committed clear error or the initial decision was manifestly unjust; or (3) if there is an
11 intervening change in controlling law. *See Quintanilla*, 2011 WL 4502668, at *5. Additionally, the
12 Court has inherent authority to reconsider interlocutory orders to prevent manifest injustice. *Id.* at
13 *5.

14 **IV. ARGUMENT**

15 **A. The Court May Not Grant Apple A Preliminary Injunction On The D’889**
16 **Patent Based On Stale Evidence Of Likely Infringement, Validity And**
17 **Irreparable Harm**

18 Because injunctions are equitable and prospective in nature, when deciding a motion to
19 grant or modify injunctive relief, courts must consider the facts as they presently exist, not as they
20 existed at some point in the past. *See, e.g., Salazar v. Buono*, 130 S. Ct. 1803, 1816 (2010) (“An
21 injunction is an exercise of a court’s equitable authority, to be ordered only after taking into account
22 *all of the circumstances* that bear on the need for *prospective* relief.”) (emphasis added);
23 *MercExchange, L.L.C. v. eBay, Inc.*, 467 F. Supp. 2d 608, 611 (E.D. Va. 2006) (ruling, on remand
24 from the Supreme Court’s decision holding that injunctive relief does not follow automatically from
25 a finding of patent infringement, that court must “consider the facts as they exist at the time of
26 remand and not as they existed several years in the past.”); *N.A.A.C.P. v. North Hudson Regional*

1 *Fire & Rescue*, 707 F. Supp. 2d 520, 532 (D.N.J. 2010) (considering new evidence and all relevant
2 factors on remand after appeal from previously granted preliminary injunction).¹

3 Apple’s burden is thus to demonstrate that “irreparable injury is *likely* in the absence of an
4 injunction,” not that irreparable harm was likely seven months ago. *Winter*, 555 U.S. at 22; *see*
5 *Church v. City of Huntsville*, 30 F.3d 1332, 1337 (11th Cir. 1994) (“Logically, ‘a prospective
6 remedy will provide no relief for an injury that is, and likely will remain, entirely in the past.’”)
7 (citation omitted); Wright & Miller, FEDERAL PRACTICE & PROCEDURE § 2948.1 (“There must be a
8 likelihood that irreparable harm will occur. . . . *A presently existing* actual threat must be shown.”)
9 (emphasis added). In light of these principles, this Court should consider new evidence bearing on
10 the D’889 patent claim on remand of the preliminary injunction question from the Federal Circuit.

11 As the district court stated in the *eBay* remand, “an injunction . . . necessitates that the court
12 consider the facts *as they exist at the time of remand* The *current* facts are so vital to the
13 court’s decision when such form of relief is sought as the court is not only charged with determining
14 the equitable relief appropriate *on the date of the court’s order*, but is also expected to fashion
15 relief that appears appropriate for extension into the future.” 467 F. Supp. 2d at 611 (emphasis
16 added); *see also Lankford v. Sherman*, 451 F.3d 496, 513 (8th Cir. 2006) (remand of preliminary
17 injunction request was required because “many facts have changed since the original hearing”);
18 *Chemlawn Services Corp. v. GNC Pumps, Inc.*, 823 F.2d 515, 518 (Fed. Cir. 1987) (remanding

19
20 ¹ In *Salazar*, for example, the Supreme Court recently reversed a district court’s refusal to
21 modify an injunction, holding that “[b]ecause injunctive relief ‘is drafted in light of what the court
22 believes will be the future course of events, . . . *a court must never ignore significant changes in*
23 *the law or circumstances underlying an injunction lest the decree be turned into an ‘instrument*
24 *of wrong.’”* *Salazar*, 130 S. Ct. at 1816 (quotation omitted) (emphasis added); *see also Sys.*
25 *Federation No. 91, Ry. Emp. Dept., AFL-CIO v. Wright*, 364 U.S. 642, 647 (1961) (reversing
26 refusal to modify injunction). The Supreme Court, for example, has explained “sound judicial
27 discretion may call for the modification of the terms of an injunctive decree if the circumstances,
28 whether of law or fact, obtaining at the time of its issuance have changed, or new ones have since
arisen.”); *A&M Records, Inc. v. Napster, Inc.*, 284 F.3d 1091, 1098 (9th Cir. 2002) (“A district
court has inherent authority to modify a preliminary injunction in consideration of new facts.”);
Amado v. Microsoft Corp., 517 F.3d 1353, 1360 (Fed. Cir. 2008) (affirming dissolution of
injunction based on “fundamental difference” between “the granting of retrospective relief and the
granting of prospective relief”). As discussed in text, these principles are equally applicable to a
request for an injunction following remand.

1 preliminary injunction request where “the facts may now have changed in light of the present
2 circumstances” and a party’s “subsequent commercial activity, if any, may have altered the facts”).

3 Nor does the Federal Circuit’s decision limit this Court’s ability to consider new evidence.
4 The decision broadly remanded for “further proceedings” regarding the order “denying an
5 injunction with respect to the D’889 patent,” without expressing any limitations. *Apple*, 678 F.3d at
6 1333. This broad remand for “further proceedings” plainly does not preclude the Court from fully
7 considering updated evidence in deciding whether to issue a preliminary injunction. *See*
8 *N.A.A.C.P.*, 707 F. Supp. 2d at 532.

9 Moreover, new evidence should be considered as it affects all four preliminary injunction
10 factors, not only the “public interest” and “balance of hardship” factors as this Court’s June 25
11 Order suggests. The Court of Appeals’ decision states that the question of whether to issue a
12 preliminary injunction requires “balancing of the four factors” against one another, not considering
13 a subset of them in isolation. *Apple*, 678 F.3d at 1332-33 (citing *Jack Guttman, Inc. v. Kopykake*
14 *Enters., Inc.*, 302 F.3d 1352, 1362-63 (Fed. Cir. 2002)); *see also Chrysler Motors Corp. v. Auto*
15 *Body Panels of Ohio, Inc.*, 908 F.2d 951 (Fed. Cir. 1990) (“Our rule regarding whether a
16 preliminary injunction should be granted or denied is that the trial court should weigh and measure
17 each of the four factors against the other factors and against the magnitude of the relief requested.”).
18 Indeed, as the Federal Circuit acknowledged, the decision whether to issue a preliminary injunction
19 requires a “balancing” of the movant’s showing on all four factors against one another and against
20 the relief requested. *Apple*, 678 F.3d at 1332-33. This balancing can only occur if all four
21 preliminary injunction factors are considered in relation to one another. *See N.A.A.C.P.*,
22 707 F. Supp. 2d at 541-42 (rejecting argument “that on remand, the Court should only reconsider
23 the first factor—likelihood of success on the merits—of its decision to grant the preliminary
24 injunction, since the Court of Appeals’ mandate ‘said nothing about reconsidering the other
25 preliminary injunction factors’” and ruling that the court would “reexamine each of the four factors”
26 and consider “new evidence based on any other circumstances which may have changed since the
27 Court granted the injunction”).

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1 **B. Current Evidence Precludes Any Grant Of A Preliminary Injunction On The**
2 **D’889 Patent**

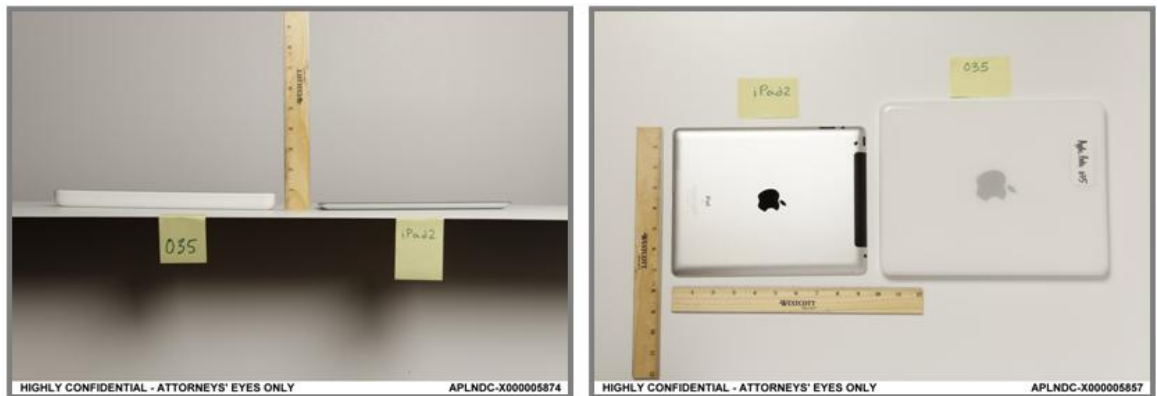
3 **1. New Evidence Shows That Apple Is Not Likely To Prove Infringement**
4 **Of The D’889 Patent**

5 In the course of discovery, Samsung has uncovered evidence previously withheld by Apple
6 that shows that the D’889 patent does not depict a flat, continuous front surface and that the iPad2
7 does not embody the D’889 patent. This new evidence also demonstrates that the D’889 patent is
8 substantially different from the Galaxy Tab 10.1.

9 **(a) Newly Discovered Evidence Contradicts Apple’s Claim**
10 **Construction**

11 *The 035 Prototype.* After the arguments on Apple’s first preliminary injunction motion took
12 place, Apple produced, pursuant to a Samsung motion to compel, a prototype tablet called the “035”
13 whose photographs Apple submitted to the PTO in connection with its application for the D’889
14 patent. (Dkt. Nos. 346, 372.) This prototype, according to one of the named inventors of the D’889
15 patent, embodies the D’889 patent. (Watson Decl., Ex. 3 (Stringer Dep. Tr.) at 95:5-21, 98:7-
16 104:3; Ex. 4 (Stringer Dep. Ex. 841).) The figures in the D’889 patent were drawn based on the
17 prototype. (Watson Decl., Ex. 5 (Hoellwarth Dep. Tr.) at 102:5-10, 103:15-104:4, 117:25-119:9,
18 121:21-122:16.)

19 The 035, however, looks far different from the iPad2—Apple’s professed commercial
20 embodiment of the D’889 patent:





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9 The stark *dissimilarities* between the 035 and the iPad2 show that, since the 035 concededly *was* the
10 embodiment of the D’889 patent, the iPad2 was no such thing. And since the D’889 patent figures
11 were based directly on the 035, those figures cannot possibly depict the dissimilar iPad2.²

12 The 035 prototype is relevant for another reason; it has a prominent “gap” separating the
13 outer edge of the glass surface and the frame of the device:



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21 Apple inventors have admitted [REDACTED]

22 [REDACTED]
23 [REDACTED]
24 [REDACTED]

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26 ² Samsung requested that Apple bring the 035 prototype to the oral argument before the
27 Federal Circuit in light of its obvious relevance. Apple refused on grounds of confidentiality.
28 (Watson Decl., Ex. 19.)

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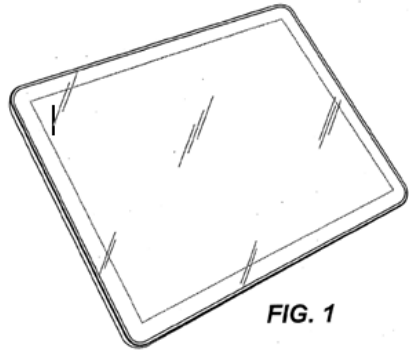


FIG. 1



FIG. 9

[REDACTED]

[REDACTED] *see also Oatey Corp. v. IPS Corp.*, 514 F.3d 1271, 1276-77 (Fed. Cir. 2008) (vacating claim construction that “improperly excluded” embodiment from the scope of claim construction, and holding that “where claims can reasonably be interpreted to include a specific embodiment, it is incorrect to construe the claims to exclude that embodiment, absent probative evidence on the contrary.”). Thus, contrary to Apple’s claims, the front face of the D’889 patent does **not** show an uninterrupted, continuous glass surface running from edge to edge. Moreover, far from having a “thin form factor” as the Court previously found, the 035 shows that the D’889 patent is bulky and thick.³

Apple’s Admissions to the PTO. Apple’s admissions to the PTO make equally clear that the D’889 patent does not include a continuous flat front surface and that the iPad2 does not embody it.

³ Apple has argued that the photographs of the 035 model submitted to the PTO during prosecution of the D’889 patent are irrelevant because “the Examiner expressly excluded the photos” from the patent. (Dkt. No. 1033 at 9.) Although the Examiner struck reference to the photographs of the 035 model from the D’889 patent, those pictures and Apple’s statement that they represent an embodiment of the patent remain part of the prosecution history and are therefore relevant to the scope of the patent. *See DePaoli v. Daisy Mfg. Co., Inc.*, No. 07-cv-11778, 2009 WL 2145721, at *8 (D. Mass. July 14, 2009) (scope of design patent limited by prosecution history); *see also Phillips v. AWH Corp.*, 415 F.3d 1305, 1317 (Fed. Cir. 2005) (en banc) (prosecution history relevant because it demonstrates “how the inventor understood his invention”). The Examiner did not strike reference to the 035 model because it did not embody the D’889 patent. Rather, the Examiner struck the reference pursuant to 37 C.F.R. § 1.153, which pertains to the proper method of describing and claiming a design.

1 First, newly produced Apple patent applications demonstrate that the iPad2 is not an
2 embodiment of the D'889 patent. Apple recently produced, again after being compelled to do so,
3 new applications it filed for design patents [REDACTED]
4 [REDACTED] Each of these applications claims [REDACTED]
5 [REDACTED] see 35 U.S.C. § 171 (limiting design patents to
6 new and original designs)), meaning the iPad2 design was *not* patented before and that the iPad2
7 does *not* embody the preexisting D'889 patent. [REDACTED]

8 [REDACTED]
9 [REDACTED]
10 [REDACTED] Apple's witnesses
11 admit the same design cannot be patented multiple times (Watson Decl., Ex. 5 (Hoellwarth Dep.
12 Tr.) at 237:11-16), so these iPad2 design patents necessarily are for a design that *differs* from the
13 D'889 patent. See *Application of Thorington*, 418 F.2d 528, 535 (Cust. & Pat. App. 1969) (only
14 one patent per design).⁵

15 Second, in 2008 and 2009, long after the D'889 patent issued, Apple submitted applications
16 for the D'677 and D'678 patents for an electronic device, each of which was claimed to be “new,
17 original and ornamental.” In each application, Apple identified the D'889 patent as prior art. The
18 Patent Office initially rejected both designs as obvious in light of prior art. To overcome this

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20 ⁴ Apple refused to produce these applications until the Court ordered it to do so on April 12,
21 2012. (Dkt. No. 867 at 6-7.)

22 ⁵ Relying on a vacated and unpublished district court decision, *Tone Brothers, Inc. v. Sysco*
23 *Corp.*, No. 09-cv-60011, 1992 WL 200128, at *5 (S.D. Iowa Mar. 17, 1992), *vacated* 28 F.3d 1192
24 (Fed. Cir. 1994), Apple argues that its statements before the PTO are irrelevant to the construction
25 of the D'889 patent. (Dkt. No. 1033 at 9-10.) Apple, however, ignores the fact that both the D'889
26 patent and its later patent applications name the same inventors. Statements by inventors that are
27 adverse to the patentee's case may be considered in interpreting a patent. See, e.g., *Toshiba Corp.*
28 *v. Juniper Networks, Inc.*, 248 Fed. Appx. 170 (Fed. Cir. 2007) (unpublished) (relying in part on
inventor's statements to narrowly construe claim); *Gentex Corp. v. Donnelly Corp.*, 69 F.3d 527,
530 (Fed. Cir. 1995) (same). The inventors all declared under oath that they reviewed the
specifications of the subsequent applications, each of which states that they claim a “new” design.
See, e.g., Watson Decl. Ex. 12 at APLNDC-Y00003085 – 3091 & APLNDC-Y0000309319.

1 objection, Apple asserted that the prior art cited by the Patent Office did not disclose “a
2 substantially continuous transparent surface on an electronic device and the substantially smooth or
3 flush transition between the display screen and the rest of the front face of the device[.]” (Watson
4 Decl., Ex. 17 at APLPROS0000011937, Ex. 18 at APL-ITC7960000003884.) Because the D’889
5 patent preceded (and was cited as prior art to) the D’677 and D’678 patents, the D’889 patent
6 necessarily must *exclude* the features Apple claimed had not previously been disclosed – viz., the
7 “substantially continuous transparent surface” and a “substantially smooth or flush transition
8 between the display screen and the rest of the front face of the device.” The relevance of this
9 evidence became apparent only after the initial preliminary injunction hearing once Apple produced
10 the 035 mock up and Apple inventors provided testimony demonstrating that the D’889 patent has a
11 discernible gap between the screen edge and rim.

12 (b) **The Federal Circuit’s Decision Contradicts Apple’s Broad**
13 **Construction**

14 As the Court has recognized, it is “necessary” to analyze “the scope of the claimed designs”
15 before considering infringement. (Dkt. No. 452 at 15.) In its December 2011 ruling, this Court
16 accepted Apple’s broad proposed construction of the D’889 patent and found the patent likely
17 invalid. (Dkt. No. 452 at 40.) In assessing the novelty of the D’889 patent, however, the Federal
18 Circuit held that this Court erred by viewing the D’889 patent from “too high a level of abstraction”
19 and construing the “claimed design too broadly.” *Apple*, 678 F.3d at 1332. Indeed, as the Federal
20 Circuit has previously recognized, “[d]esign patents have almost no scope.” *In re Mann*, 861
21 F.2d 1581, 1582 (Fed. Cir. 1988); *see also Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1294
22 (Fed. Cir. 2010) (“A claim to a design containing numerous functional elements ... necessarily
23 mandates a narrow construction.”).

24 This Court’s prior finding of a likelihood of infringement should be reassessed in light of the
25 Federal Circuit’s narrow construction. Otherwise, the D’889 patent would be construed narrowly
26 for purposes of obviousness analysis (under the Federal Circuit’s recent decision), but broadly for
27 purposes of noninfringement (under this Court’s December 2011 ruling)—a result contrary to the
28 well-established principle that “[a] patent may not, like a ‘nose of wax,’ be twisted one way to avoid

1 [invalidity] and another to find infringement.” *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239
2 F.3d 1343, 1351 (Fed. Cir. 2001) (quoting *Sterner Lighting, Inc. v. Allied Elec. Supply, Inc.*, 431
3 F.2d 539, 544 (5th Cir. 1970)). The Court of Appeals’ narrowed claim construction thus alters the
4 infringement analysis this Court should conduct in considering which party has a likelihood of
5 success on the merits.

6 (c) **The Galaxy Tab 10.1 Is Not Likely Infringing Under A Proper**
7 **Claim Construction**

8 Under a proper construction, considering both the 035 model and the Federal Circuit’s
9 narrowed construction of the ‘889 for validity purposes, Apple cannot demonstrate a substantial
10 likelihood that the Galaxy Tab 10.1 infringes. The Court’s prior infringement conclusion was
11 influenced by its comparison between the D’889 patent and the iPad2. (Dkt. No. 452 at 47.) The
12 Court stated that when “the patented design and the design of the article sold by the patentee are
13 substantially the same, it is not error to compare the patentee’s and the accused articles directly.”
14 (*Id.* at 47 n.28 (citing *L.A. Gear v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1125 (Fed. Cir. 1993)).
15 Such reasoning no longer holds true, however, since the 035 model proves that the iPad2 is not
16 substantially the same as the D’889 patent.

17 The relevant embodiment for comparison purposes is not the iPad2 but the 035 mockup, and
18 the 035 plainly is not substantially similar to the Galaxy Tab 10.1, as shown below:



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Comparisons of the Galaxy Tab 10.1 to the D'889 patent itself likewise show noticeable differences that raise substantial questions of noninfringement and thus defeat any likelihood of success on the merits:

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| 'D889 patent | '035 Mockup | Galaxy Tab 10.1 |
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27 This Court recognized some differences between the Galaxy Tab 10.1 and the D'889 patent
28 previously. (Dkt. No. 452 at 45-46.) This series of comparisons shows there are more. The Tab

1 10.1 (1) is approximately half as thick as the D’889 patent; (2) has a display screen with a 5:3
2 aspect ratio that is significantly different from the D’889 patent’s screen’s 4:3 aspect ratio; (3) has
3 an outer casing made of three parts (not two); (4) has noticeably more softly rounded corners;
4 (5) has differently-shaped edges and bezel; (6) has a metallic lip and substantial ornamentation on
5 the back; and (7) has no gap between the flat front surface and the device’s edge. The 035 model
6 shows, in a way that could not previously be demonstrated, the dramatic extent and impact of these
7 differences.

8 Such distinctions matter, given a design patent’s inherently limited scope. *See In re Mann*,
9 861 F.2d at 1582 (“Design patents have almost no scope.”). Such differences preclude a finding of
10 infringement, as they would not cause an “ordinary observer, giving such attention as a purchaser
11 usually gives,” to find the “two designs are substantially the same . . . such as to deceive such an
12 observer, inducing him to purchase one supposing it to be the other.” *Egyptian Goddess, Inc. v.*
13 *Swisa, Inc.*, 543 F.3d 665, 670 (Fed. Cir. 2008).

14 **2. Newly Discovered Prior Art Shows That The D’889 Patent Is Likely**
15 **Invalid**

16 An asserted design patent is anticipated by prior art, and therefore invalid, if a single prior
17 art reference discloses the design. 35 U.S.C. § 102. An asserted design patent is obvious in the
18 light of prior art, and therefore invalid, if a number of prior art references would have been
19 combined by a designer of ordinary skill in the art to disclose the design. 35 U.S.C. § 103(a);
20 *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996). Whether a design is
21 disclosed by prior art, and thus invalid as obvious, is determined by the same “ordinary observer”
22 test as infringement. *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1240-41,
23 1243-44 (Fed. Cir. 2009). Minor differences do not prevent a finding of obviousness because
24 “minor or trivial differences [will] necessarily exist between any two designs that are not exact
25 copies of one another.” *Id.* at 1243.

26 Samsung has discovered two critical prior art references that have never been considered by
27 *either* this Court or the Federal Circuit. These establish that the D’889 patent likely is invalid.

1 Second, the “Brain Box” display below,⁷ whose display portion can be removed from its
2 base, is an Apple design made public at least as early as 1997:



12 As Apple witnesses acknowledged, [REDACTED]

13 [REDACTED] A named inventor of the D’889 patent testified [REDACTED]
14 [REDACTED]
15 [REDACTED]

16 The D’037 patent has design characteristics that are basically the same as the D’889 patent,
17 and either anticipates the D’889 patent on its own or constitutes a proper primary reference for
18 purposes of obviousness. The “Brain Box” display in combination with the D’037 patent creates
19 the same overall visual appearance as the D’889 patent, with either serving as the primary or
20 secondary reference to the other, such that the ordinary observer test would be satisfied.⁸ “[T]he
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23 ⁷ The image is from *AppleDesign* by Paul Kunkel (1997). (Dkt. No. 943, Ex. 25 at 144.)

24 ⁸ Both of these display devices are appropriate obviousness references because the D’889
25 patent claims broadly that it is an “electronic device,” and the file history shows that the design
26 corresponded to both a tablet device and a display or screen that could be coupled to a computing
27 device. (Dkt. No. 943, Ex. 26 at APLPROS0000010190.) Other prior art references also taught
28 flat, uninterrupted front and back surfaces on a rectangular shape with rounded corners and a thin
profile. (Dkt. No. 943, Ex. 27 (JP1178470), Ex. 28 (KR 30-0304213), and Ex. 24.) In addition,
inventor Roger Fidler testified that in 1981 he created a tablet design that was rectangular with four
evenly rounded corners, a flat clear surface running from edge to edge, no physical buttons, and a
(footnote continued)

1 scope and content of the prior art” demonstrate that “the level of ordinary skill in the art” was
2 sufficient, and likely, to result in the design of the D’889 patent at the time of its alleged invention.
3 *Crocs, Inc. v. Int’l Trade Comm’n*, 598 F.3d 1294, 1308 (Fed. Cir. 2010); *see also KSR Int’l Co. v.*
4 *Teleflex Inc.*, 550 U.S. 398, 417 (2007).

5 **3. New Evidence Shows Changes In The Market For Tablets That Negate**
6 **Any Likelihood of Irreparable Harm**

7 This Court predicated its prior finding of likely irreparable harm principally upon the view
8 that Apple and Samsung were the “two major competitors in the tablet market” and that a two-
9 player market renders irreparable harm more likely. (Dkt. No. 452 at 49.) The Federal Circuit, in
10 finding this conclusion within this Court’s discretion, similarly relied upon “the relative market
11 share of Apple and Samsung and the absence of other competitors in the relevant market.” 678 F.3d
12 at 1328. But the tablet market is no longer a two-player market, and thus this crucial basis for the
13 prior irreparable harm finding no longer holds. New entrants to the tablet market emerge with
14 increasing frequency, with Microsoft just the latest entrant to the tablet competition. *See, e.g.*,
15 <http://www.microsoft.com/en-us/news/press/2012/jun12/06-18announce.aspx> (last accessed June
16 25, 2012). Nor does Samsung enjoy the relative market share the Court suggested in finding that,
17 after the introduction of Samsung’s Galaxy Tab 7.0 (a product not accused here), “Apple’s market
18 share of the table market decreased 20 percentage points, while Samsung’s newly introduced tablet
19 gained approximately 17% of the market,” (Dkt. No. 452 at 49 & n.29.) Finally, there is no longer
20 any basis for the Court’s prior assumption that Apple is likely to be harmed by loss of iPad2 sales
21 (Dkt. No. 452 at 48-49), since new evidence discussed above shows that the iPad2 is not an
22 embodiment of the D’889 patent.

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27 thin form factor. (Dkt. No. 943, Ex. 29 at 290:22-299:10.). These features were obvious prior to
28 the alleged conception of the D’889 patent.

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(a) New Evidence Shows That The Tablet Market Has Become Dramatically More Competitive

Other major changes in tablet market undermine the Court’s prior finding of likely irreparable harm. The parties have now seen the market share evidence for **2011**, including for the Galaxy Tab 10.1. According to Apple’s own expert, [REDACTED]

[REDACTED]

These major changes in the economics of the tablet market render the Court’s previous irreparable harm ruling, and the record on which it was based, entirely obsolete. Apple cannot establish *prospective* irreparable harm based on the premise that it is Apple’s sole major competitor in a two-player market when that assumption bears no relation to economic reality. Where the evidence shows that Apple has successfully competed against the accused Galaxy Tab 10.1 and **gained** market share, no preliminary relief can possibly be appropriate. *See Display Techs., LLC v. Display Indus., LLC*, No. 11 Civ. 6390, 2011 WL 6188742, at *3 (S.D.N.Y. Dec. 5, 2011) (denying preliminary injunction where patentee had successfully competed against accused product); *see also Automated Merch. Sys., Inc. v. Crane Co.*, 357 Fed. Appx. 297, 301 (Fed. Cir. 2009) (unpublished) (reversing preliminary injunction where proof of claimed lost market share was insufficient); *Nutrition 21 v. United States*, 930 F.2d 867, 871 (Fed. Cir. 1991) (“Neither the difficulty of calculating losses in market share, nor speculation that such losses might occur, amount to proof of

1 special circumstances justifying the extraordinary relief of an injunction prior to trial.”) (citation
2 omitted). This is all the more true here, where the accused product is near the end of its lifecycle.⁹

3 (b) **New Evidence Shows that Apple Does Not Practice the Patent**

4 As described above, new evidence withheld by Apple shows that, contrary to the Court’s
5 prior assumption, the iPad2 is not an embodiment of the D’889 patent. The Court’s irreparable
6 harm analysis focused on potential lost sales of the iPad products (Dkt. No. 452 at 48-49)—lost
7 sales that are immaterial here if the D’889 patent is not embodied in the iPads now on the market—
8 namely the iPad2. *High Tech Med. Instr., Inc. v. New Image Indus., Inc.*, 49 F.3d 1551, 1556 (Fed.
9 Cir. 1995) (“lack of commercial activity by the patentee is a significant factor in the [irreparable
10 harm] calculus”) (reversing preliminary injunction); *Quad/Tech, Inc. v. Q.I. Press Controls B.V.*,
11 701 F. Supp. 2d 644, 656 (E.D. Pa. 2010) (plaintiffs’ failure to implement patent in any product it
12 currently sells “is an important consideration against a finding of irreparable harm”); *see Apple*, 678
13 F.3d at 1324 (“[T]he district court was correct to require a showing of some causal nexus between
14 Samsung’s infringement and the alleged harm to Apple as part of the showing of irreparable
15 harm.”). The absence of such evidence weighs heavily against a finding of irreparable harm.
16 *Apple*, 678 F.3d at 1324 (requiring a nexus between the infringement and harm); *High Tech*
17 *Medical*, 49 F.3d at 1556.

18 **V. CONCLUSION**

19 New evidence developed since the Court previously addressed Apple’s motion makes clear
20 that Apple cannot show likelihood of success on infringement or validity or any prospective
21 likelihood of irreparable harm warranting a preliminary injunction on the D’889 patent.
22 Accordingly, the Court should grant leave to Samsung to file its motion to reconsider the Court’s
23 June 25 Order.

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26 ⁹ Apple argues that, as the dominant seller of tablets, it may still lose *sales* to the Galaxy Tab
27 10.1. There is no presumption, however, that lost *sales*—as opposed to lost *market share*—is
28 irreparable. *Automated Merch.*, 357 Fed. Appx. at 300-01; *Abbott Labs. v. Andrx Pharms., Inc.*,
452 F.3d 1331, 1347-48 (Fed. Cir. 2006).

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Respectfully submitted,

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