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11 Attorneys for Plaintiff and  
 12 Counterclaim-Defendant APPLE INC.

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

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

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

**APPLE'S OPPOSITION TO  
 SAMSUNG'S MOTION FOR A  
 PROTECTIVE ORDER**

Date: January 19, 2012  
 Time: 10:00 a.m.  
 Place: Courtroom 5, 4th Floor  
 Judge: Hon. Paul S. Grewal

1 **I. INTRODUCTION**

2 Samsung's motion is a ploy to avoid the Court's December 22, 2011 Order ("Sherman  
3 Order") precluding Samsung's design expert, Itay Sherman, from reviewing certain confidential  
4 material produced by Apple. Samsung feigns concern that a single-tier protective order would  
5 allow Apple to "overdesignate" confidential material, but Samsung agreed to such an order and  
6 was prepared to submit it to the Court until the Sherman Order prompted Samsung to renege.  
7 Then Samsung agreed to essentially the same protective order just days ago, on the condition that  
8 Apple waive enforcement of the Sherman Order. Clearly, Samsung's interest in a two-tier  
9 protective order has nothing to do with whether such orders are "commonplace" or whether they  
10 "eliminate frivolous objections to disclosure of lower-level confidential materials," and  
11 everything to do with circumventing the Sherman Order.

12 If entered, Samsung's protective order will cause the parties to squander resources on  
13 revisiting the confidentiality designations of the hundreds of thousands of pages produced by the  
14 parties, and likely spawn needless motion practice regarding disputed designations. At this stage  
15 of the litigation, with the close of discovery less than 2 months away, this would be a counter-  
16 productive distraction. The Court should deny Samsung's motion.<sup>1</sup>

17 **II. ARGUMENT**

18 **A. There is No Genuine Dispute That a Single-Tier Protective Order is**  
19 **Appropriate for this Case.**

20 Samsung's primary argument is that a two-tier protective order is necessary to prevent  
21 Apple from objecting to Samsung's experts having access to "documents at the low-end of  
22 confidentiality." (Samsung Mot. at 7.) Such objections will, in Samsung's view, "hinder and  
23 frustrate Samsung's efforts to prepare its defenses." (*Id.*)

24 Samsung argues as if it had been pushing all along, over Apple's objections, for a two-tier  
25 protective order allowing unfettered expert access to "low-end" confidential documents. Nothing

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27 <sup>1</sup> Apple has filed a competing Motion for Entry of Protective Order Governing Use and  
28 Disclosure of Discovery. (Dkt. No. 599.)

1 could be further from the truth. Apple originally proposed a two-tier confidentiality structure.  
2 (Bartlett Decl. ¶ 2 & Ex. A.) On August 16, 2011, Samsung sent a red-lined version of Apple’s  
3 proposed two-tier confidentiality order. Samsung’s revised order deleted the provision allowing  
4 in-house counsel for the parties to access documents marked with the lower confidentiality  
5 designation. (*Id.* ¶ 3 & Ex. A at § 8(b).) Apple pointed out that if in-house counsel would not  
6 have access to documents marked with the lower confidentiality designation, there did not seem  
7 to be a compelling reason to have a two-tier protective order. (*Id.* ¶ 4.) Apple therefore  
8 suggested that the parties implement a single-tier confidentiality structure. Samsung agreed. (*Id.*)  
9 Significantly, the draft of the protective order proposed by Samsung in August 2011 contained the  
10 same disclosure and objection provisions that Samsung now attacks as “unnecessary and  
11 inappropriate.” (Bartlett Decl. Ex. A at § 12.)

12 The parties’ consensus on a single-tier confidentiality system was reflected in a single-tier  
13 protective order on which the parties appeared to reach agreement on December 20, 2011. (Dkt.  
14 No. 599-6 ¶ 3.) That order contemplated only one confidentiality designation—“Confidential –  
15 Attorneys’ Eyes Only.”<sup>2</sup> (*Id.* Ex. A.) Specifically, the agreed protective order allows the parties  
16 to stamp documents with a “Confidential – AEO” designation when:

17 [the document] contains or reflects information that is confidential  
18 and/or proprietary, trade secret, and/or commercially sensitive,”  
19 and “at least the following information, if non-public, shall be  
20 presumed to merit the ‘Confidential—Attorneys’ Eyes Only’  
21 designation: trade secrets, pricing information, financial data,  
22 sales information, sales or marketing forecasts or plans, business  
23 plans, sales or marketing strategy, cost information, licensing of  
24 the Producing Party’s intellectual property, product development  
25 information, engineering documents, testing documents, employee  
26 information, and other non-public information of similar  
27 competitive and business sensitivity.

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28 <sup>2</sup> The agreed protective order also creates a separate designation for confidential source code—“Confidential – Attorneys’ Eyes Only – Source Code”—which is not at issue in Samsung’s motion.

1 (*Id.* Ex. A at § 9.) The agreed protective order also places reasonable restrictions on each party’s  
2 ability to disclose that information to its outside experts. Specifically, an expert may not access  
3 “Confidential – AEO” materials unless his or her identity, resume, current employer, and various  
4 other information are disclosed to the producing party, and the producing party is provided an  
5 opportunity to object to the expert’s review of the “Confidential – AEO” material. (*Id.* Ex. A at §  
6 12.) On December 22, 2011, the parties prepared to submit the stipulated protective order to the  
7 Court. (*Id.* ¶ 3 & Ex. B.)

8 Then the Court issued the December 22 Sherman Order, causing Samsung to abruptly  
9 reverse its position for reasons that clearly have nothing to do with purported concerns of “over-  
10 designation” or expert access to “low level” confidential documents. (Dkt. No. 607.) In the  
11 Sherman Order, the Court determined that Samsung cannot show Mr. Sherman certain  
12 “presentations and other internal documents showing that design features are functional,” which  
13 had been designated “Attorneys’ Eyes Only.” On December 27, 2011, Samsung reacted to the  
14 Sherman Order by advising Apple that unidentified “recent events” had caused Samsung to  
15 reconsider the agreed-upon protective order, and proposing—for the first time—a two-tier order  
16 allowing unfettered expert access to confidential material. (Dkt. No. 599-6 Ex. D.)<sup>3</sup>

17 This chronology refutes Samsung’s assertion that a two-tier protective order is necessary  
18 to prevent “over-designation” of “low-end” confidential material. Until December 22, it was  
19 perfectly content with a single-tier order that required “Attorneys’ Eyes Only” treatment for all  
20 confidential material, and required disclosure of (and opportunity to object to) experts seeking  
21 access to any such material, without any distinction between “lower” and “higher” confidentiality  
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23  
24 <sup>3</sup> The protective order proposed by Samsung on December 27, 2011, defined  
25 “Confidential” material as “information that qualifies for protection under Federal Rule of Civil  
26 Procedure 27(c),” but retained the definition of “Confidential – Attorneys’ Eyes Only” material  
27 set forth above. Thus, as noted in Apple’s related motion, there was no difference in the scope of  
28 the two categories. (Dkt. No. 599 at 9.) Any document that could conceivably qualify as  
“Confidential” would also qualify under the higher category, providing another basis for rejecting  
Samsung’s proposal. Samsung has submitted a different proposed protective order with its  
motion which revises the definition of the higher category. (Dkt. No. 607-2 at 11.) Samsung  
never met and conferred regarding this new language.

1 levels. It began urging a two-tier order only after the Court refused to allow Mr. Sherman to  
2 review certain “Attorneys’ Eyes Only” documents produced by Apple.

3 Samsung’s real objective is clear: it seeks to do an end-run around the Court’s Sherman  
4 Order by creating a new “Confidential” category of documents to which Mr. Sherman would have  
5 unrestricted access. Samsung confirmed as much on January 8, 2012, when it offered to accept  
6 what was essentially the parties’ previously agreed protective order (it included the new  
7 “Confidential” category, but imposed the same expert disclosure requirements on that category as  
8 the “Confidential – Attorneys’ Eyes Only” category)—*if and only if* Mr. Sherman could access  
9 materials falling within the “Confidential” category. (Dkt. No. 599-4 Ex. A.) In other words,  
10 Samsung was more than willing to shrug off Apple’s alleged “overdesignation” of “Attorneys’  
11 Eyes Only” documents if Apple waived enforcement of the Sherman Order.<sup>4</sup>

12 Samsung’s assertion that two-tier protective orders are “commonplace” (Samsung Mot. at  
13 7) does not support the relief it seeks here. Two-tier orders are implemented primarily to permit  
14 the parties’ in-house counsel to review some, but not all, confidential material. As Samsung  
15 admits, its proposed protective order excludes in-house counsel from access to *all* documents  
16 produced under *both* levels of confidentiality. The only remaining difference between the lower  
17 and higher level of confidentiality, apart from differences in mock juror access, is unrestricted  
18 expert access to lower level confidential material. As discussed above, Samsung’s interest in that  
19 provision stems entirely from its desire to skirt the Sherman Order. That is not an acceptable  
20 basis for imposing a new two-tier regime at this stage of the case.

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25 <sup>4</sup> Samsung’s own document production confirms that Samsung’s purported concerns  
26 regarding “overdesignation” are merely a pretext for avoiding the Court’s Sherman Order. Like  
27 Apple, Samsung has designated nearly all of its confidential documents as “Attorneys’ Eyes  
28 Only.” This practice, which is consistent with the parties’ pre-Sherman Order agreement on a  
single-tier system, belies Samsung’s assertion that the “Attorneys’ Eyes Only” designation should  
be used only for “highly sensitive” material.

1           **B.     It is Far Too Late to Impose a New Confidentiality System on the Parties.**

2           As noted above, the parties agreed long ago that a single-tier confidentiality structure,  
3 providing for “Attorneys’ Eyes Only” treatment of *all* confidential material, was appropriate for  
4 this case. Pursuant to that agreement, both parties have produced hundreds of thousands of pages  
5 of documents with the “Attorneys’ Eyes Only” designation. The parties have used that  
6 designation for virtually all of the confidential material produced in this action. Thus, Apple has  
7 not “overdesignated” its documents. Rather, it has complied with the confidentiality structure  
8 that was implemented by agreement of both sides. It is too late for Samsung to change its mind.

9           Moreover, introducing Samsung’s proposed two-tier regime at this juncture would not  
10 shut the door on “endless, time-consuming motion practice,” as Samsung argues (Samsung Mot.  
11 at 7), but instead do just the opposite. Samsung would inevitably seek to re-designate or de-  
12 designate substantial portions of Apple’s existing document production, and would doubtlessly  
13 object to (and move on) future productions that included “Attorneys’ Eyes Only” material. These  
14 battles would drain the parties’ and the Court’s resources, at a time when the parties should be  
15 focusing on their production obligations, given the close of fact discovery in less than two  
16 months. There is no reason for such counter-productive practices.

17           Further problems would arise from documents produced in the two pending ITC matters  
18 involving Apple and Samsung. The parties have agreed that such documents may be “cross-  
19 used” in this action. But discovery in the ITC matters is governed by a single-tier protective  
20 order which requires “Attorneys’ Eyes Only” treatment for all confidential material.  
21 Accordingly, all confidential documents produced in those matters reflect that designation  
22 scheme. (Bartlett Decl. ¶ 5.) As a practical matter, the use and disclosure of those materials in  
23 this action should be governed by the same single-tier structure, to avoid confusion and the need  
24 to reassess the confidentiality level of every cross-used document.<sup>5</sup>

25  
26           <sup>5</sup> Samsung’s proposed confidentiality order provides that ITC documents “may be re-  
27 designated” if cross-used in this action. This provision (which, of course, was not in the  
28 protective order that the parties agreed to on December 20, 2011) does nothing more than invite  
the parties to waste resources in debating the potential re-designation of those documents.

1           **C.     Apple’s Proposed Protective Order Does Not Impose Unfair Requirements on**  
2           **Samsung’s Use of Non-Testifying Consultants.**

3           Samsung argues that it “has a right to not disclose to Apple the identities of its non-  
4           testifying expert consultants.” (Samsung Mot. at 8.) Apple has never argued otherwise. The  
5           single-tier protective order proposed by Apple—and agreed to by Samsung before the Sherman  
6           Order—does not hinder Samsung’s ability to exercise that right. Rather, Apple’s proposed order  
7           requires disclosure of expert identities only where Samsung seeks to show the expert Apple’s  
8           confidential information. Apple would be bound by the same restrictions which, if truly offensive  
9           to Samsung, would never have been agreed to by Samsung before the Sherman Order, and would  
10          never have been accepted a *second* time by Samsung on January 8, 2012. (Dkt. No. 599-6 ¶ 3 &  
11          Ex. A at § 12; Dkt. No. 599-4 Ex. A.)

12          Mr. Sherman’s background illustrates the importance of such restrictions. As Apple  
13          explained in its opposition to Samsung’s prior motion with respect to Mr. Sherman, he:

- 14           (1)     is the owner and CEO of DoubleTouch, Ltd., a company that is  
15           developing touch screen technology designed to compete with  
              Apple’s touch screen technology;
- 16           (2)     is a named inventor on numerous pending patent applications  
17           claiming multi-touch technology; and
- 18           (3)     has ongoing consulting relationships with companies that design  
19           technologies and products that have been, or may be, offered to  
              handset manufacturers that are Apple’s competitors.

20          (Dkt. No. 599-4 ¶ 2.)

21          Even though Mr. Sherman may not intend to disclose confidential information, it may be  
22          impossible for him to “lock up trade secrets in [his] mind.” *Brown Bag Software v. Symantec*  
23          *Corp.*, 960 F.2d 1465, 1471 (9th Cir. 1992); *Intel Corp. v. VIA Techs.*, 198 F.R.D. 525, 528 (N.D.  
24          Cal. 2000). “It is very difficult for the human mind to compartmentalize and selectively suppress  
25          information once learned, no matter how well-intentioned the effort may be to do so.” *BASF*  
26          *Corp. v. U.S.*, 321 F. Supp. 2d 1373, 1380 (Ct. Int’l Trade Mar. 23, 2004). And once experts like  
27          Mr. Sherman are granted access to Apple’s sensitive confidential materials, this information  
28          would unavoidably become a part of their general knowledge and could be used to the advantage

1 of Apple's competitors. No amount of drafting could "un-ring" this bell. *See Intel Corp.* at 529  
2 ("An unacceptable risk of disclosure that cannot be adequately mitigated by a protective order is a  
3 factor in limiting access to confidential information").

4 **D. Samsung's Request for an Order De-Designating Apple's Documents is**  
5 **Premature.**

6 Samsung requests the Court to de-designate 10 documents marked as "Attorneys' Eyes  
7 Only" by Apple. The Court should reject that request for two reasons. First, the parties never  
8 met and conferred on this issue. (Mazza Decl. ¶ 2.) Samsung does not allege or certify  
9 otherwise. The request should be denied on this basis alone. *See* Civ. L.R. 37-1. Second, the  
10 issue is premature. The Court is entertaining rival protective order motions, and neither party  
11 knows which confidentiality regime will govern the case going forward. Any motion to de-  
12 designate documents should be brought after a regime is in place, and after the parties have had  
13 an opportunity to assess appropriate confidentiality designations under that regime and determine  
14 whether re-designation or de-designation is warranted.

15 **III. CONCLUSION**

16 For the reasons discussed above and in Apple's Motion for Entry of Protective Order  
17 Regarding Disclosure and Use of Discovery Materials (Dkt. No. 599), the Court should deny  
18 Samsung's motion.

19 Dated: January 17, 2012

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