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

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

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

Case No. 11-cv-01846-LHK

**APPLE'S RULE 37(b)(2) MOTION  
 BASED ON SAMSUNG'S  
 VIOLATION OF THE COURT'S  
 DECEMBER 22, 2011 ORDER  
 REGARDING SOURCE CODE**

Date: April 24, 2012  
 Time: 10:00 a.m.  
 Place: Courtroom 5, 4th Floor  
 Judge: Hon. Paul S. Grewal

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1 **NOTICE OF MOTION AND MOTION**

2 TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

3 PLEASE TAKE NOTICE that on April 24, 2012, at 10:00 a.m., or as soon as the matter  
4 may be heard by the Honorable Paul S. Grewal in Courtroom 5, United States District Court for  
5 the Northern District of California, Robert F. Peckham Federal Building, 280 South 1st Street,  
6 San Jose, CA 95113, Apple Inc. (“Apple”) shall and hereby does move the Court pursuant to  
7 Federal Rule of Civil Procedure 37(b)(2) for remedial action arising from the violations by  
8 Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung  
9 Telecommunications America, LLC (collectively, “Samsung”) and its counsel of this Court’s  
10 December 22, 2011 Order regarding source code.

11 This motion is based on this notice of motion and supporting memorandum of points and  
12 authorities; the Declaration of Marc J. Pernick In Support of Apple’s Rule 37(b)(2) Motion Based  
13 on Samsung’s Violation of the Court’s December 22, 2011 Order Regarding Source Code  
14 (“Pernick Decl.”) and exhibits attached thereto; and such other written or oral argument as may  
15 be presented at or before the time this motion is taken under submission by the Court.

16 **RELIEF REQUESTED**

17 Pursuant to Federal Rule of Civil Procedure 37(b)(2), Apple seeks: (1) an order finding  
18 that Samsung violated this Court’s December 22, 2011 Order by failing to produce source code  
19 implementing the accused functionalities for all versions of the accused products by the deadline  
20 specified in that Order; (2) an order precluding Samsung or any of its experts from presenting,  
21 using, or relying on any source code that was not timely produced under the December 22 Order;  
22 and (3) an order deeming that, for purposes of assessing infringement by any version of a  
23 Samsung accused product, the product version for which Samsung timely produced source code  
24 is representative of all versions of that product.

25 **STATEMENT OF ISSUES TO BE DECIDED**

26 1. Whether Samsung violated the Court’s December 22, 2011 Order (Dkt. No. 537),  
27 which required Samsung to produce certain source code by December 31, 2011.  
28



1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Apple asserts that certain functionalities in numerous Samsung products—each of which  
4 has been sold in multiple versions—infringe Apple’s patents. The Patent Local Rules required  
5 Samsung to produce all source code relating to these functionalities at the time it served its  
6 Invalidity Contentions. That was over five months ago. However, as of early December,  
7 Samsung had produced no source code whatsoever. Apple thus moved to compel.

8 In its December 22, 2011 ruling on that motion, the Court ordered Samsung to produce the  
9 source code requested by Apple *by December 31, 2011*. Samsung only partially complied with  
10 that Order: as of December 31<sup>st</sup>—and as of today—Samsung produced source code for just *one*  
11 *version* of each of the accused products. Samsung withheld the source code for all other versions  
12 of each accused product. Apple repeatedly asked Samsung to produce the remaining source code,  
13 but Samsung did nothing.

14 At this point in the case, it is too late for Apple to make meaningful use of any late  
15 produced source code. Expert reports are due in less than two weeks, which would leave  
16 insufficient time for Apple’s experts to analyze any new code and address it in their reports. To  
17 avoid prejudice to Apple, the Court should preclude Samsung from relying on or in any way  
18 using the source code it failed to timely produce under the December 22, 2011 Order.

19 Additional relief is needed as well. To establish its *prima facie* case against each version  
20 of the accused products, Apple needs to demonstrate how the accused functionalities operate in  
21 those versions. But Samsung’s failure to abide by the Court’s order and produce all of the  
22 required source code has deprived Apple of evidence that is critical to those efforts. Accordingly,  
23 for purposes of assessing infringement of Apple’s utility patents, the Court should deem the one  
24 version of each accused product for which Samsung timely produced source code to be  
25 representative of all versions of that product. That is the narrowest measure that will prevent  
26 Samsung from profiting by its misconduct, and yet allow this case to get decided on the merits.  
27 This relief will put the parties on a level playing field.

1 **II. BACKGROUND**

2 Apple’s Infringement Contentions allege that features of 27 Samsung products infringe  
3 eight of Apple’s utility patents. Samsung served its Invalidity Contentions on October 7, 2011,  
4 but did not produce any source code for the accused products. Samsung thus violated Patent  
5 Local Rule 3-4(a). (Pernick Decl. ¶ 2.) As of early December 2011, Samsung had still not  
6 produced any source code. (*Id.*)

7 Samsung’s recalcitrance forced Apple to move to compel Samsung to produce the code  
8 for the accused functionalities. Specifically, Apple requested source code for the following  
9 functionalities “in any Samsung product at issue”:

- 10 • the display and operation of a user interface status bar or a notification in a status  
11 bar;
- 12 • “rubber-banding” or “bounce” functionality;
- 13 • pop-up windows;
- 14 • scrolling and scaling;
- 15 • scroll lock;
- 16 • touch sensor controllers
- 17 • the generation or display of windows (or views);
- 18 • interprocess communication; and
- 19 • processing, at any level of the software stack, of single- or multi-point touch  
screen contacts.

20 (*See* Dkt. No. 467-1 at ii (requesting production of, “[a]t [a] minimum, . . . the items listed in the  
21 Proposed Order filed herewith”); Dkt. No. 467-21 at 2-3 (listing categories of requested code).)

22 On December 22, 2011, the Court ruled on Apple’s motion. The Court unambiguously  
23 ordered Samsung to produce “the source code and technical documents requested by Apple’s  
24 motion,” and set a December 31, 2011 deadline for that production. (Dkt. No. 537  
25 (“December 22 Order”) at 3.) Nothing in the December 22 Order suggested that Samsung could  
26 produce source code for only one version of its accused products.

27 Samsung produced *some* source code shortly after the December 22 Order. To Apple’s  
28 disappointment, however, that production was limited to code for only a single version of each

1 accused product. (Pernick Decl. ¶ 3.) Apple asked Samsung in early February to immediately  
2 produce the source code for the remaining versions of the accused products, and repeated its  
3 request at the lead trial counsel meetings on February 14 and 15. (*Id.* ¶ 4, Ex. B.)

4 In response to Apple’s requests, Samsung still produced none of the missing source code.  
5 But Samsung did represent that, for 20 of the accused products—except with respect to the  
6 accused “bounce” functionality—the produced source code did not materially differ from the  
7 code in the versions of the accused products for which Samsung had not produced source code.  
8 (*Id.* ¶ 5, Ex. C.) Samsung also promised, at the February 14 and 15 meetings, to continue  
9 investigating the issue and to report by February 22 whether it would make the same  
10 representation for additional accused products. (*Id.* ¶ 6.) Samsung further stated that it would  
11 seek to produce source code not covered by that representation by February 22. (*Id.*)

12 February 22 came and went with no word from Samsung regarding its investigation, and  
13 with no production of code. (*Id.* ¶7.) On February 26, Apple tried again to resolve this issue.  
14 Even though Samsung’s limited representation for 20 of the accused products did not adequately  
15 address Apple’s concerns, Apple sought to at least narrow the source code dispute by proposing a  
16 stipulation based on that representation. (*Id.* ¶ 8, Ex. D.) Samsung did not respond. (*Id.* ¶ 11)

### 17 **III. LEGAL STANDARD**

18 Federal Rule of Civil Procedure 37(b)(2) authorizes a court to issue further orders “when a  
19 party fails to comply with the rules of discovery or with court orders enforcing those rules.”  
20 *Wyle v. R.J. Reynolds Indus., Inc.*, 709 F.2d 585, 589 (9th Cir. 1983). “Failure to produce  
21 documents as ordered is considered sufficient prejudice” to establish sanctionable conduct.  
22 *Computer Task Grp., Inc. v. Brotby*, 364 F.3d 1112, 1116 (9th Cir. 1993). The Federal Rules  
23 permit a wide range of sanctions against a party that fails to comply with a discovery order,  
24 including the preclusion of the disobedient party from introducing certain evidence, and the  
25 deeming of certain facts to be established for purposes of the litigation. Fed. R. Civ.  
26 P. 37(b)(2)(A). Such measures are intended to “ensure that a party will not be able to profit from  
27 its own failure to comply,” and to serve as a “general deterrent” against further misconduct in the  
28

1 instant case and other litigation. *United States v. Sumitomo Marine & Fire Ins. Co*, 617 F.2d  
2 1365, 1369 (9th Cir. 1980).

#### 3 **IV. ARGUMENT**

##### 4 **A. Samsung Violated the Court's December 22 Order.**

5 Apple's motion sought source code for nine accused functionalities to the extent they are  
6 featured in *any* accused product. The resulting December 22 Order was crystal clear. It directed  
7 Samsung to produce "the source code and technical documents requested by Apple's motion."  
8 (Dkt. No. 537 at 2.) Although the Court carved out certain categories from its command, none of  
9 the carve-outs applied to source code. Samsung's production of source code for just one version  
10 of each accused product hence falls far short of the production that the Court ordered.

11 Apple gave Samsung every opportunity to cure its breach. Apple repeatedly asked  
12 Samsung to produce all of the source code it had withheld, but Samsung still did not comply.  
13 Samsung even spurned Apple's offer to enter into a limited stipulation based on Samsung's own  
14 representation for 20 of the accused products. Throughout these discussions, Samsung never  
15 provided any plausible explanation for its violations of the Court's Order. Samsung's lament that  
16 "[t]his is a lengthy process" which "represents a significant burden on Samsung" (Pernick Decl.  
17 Ex. C at 2) is simply no excuse. The Court's Order required Samsung to complete that process  
18 months ago. The Court should accordingly find that Samsung violated the December 22 Order.

##### 19 **B. The Orders Requested by Apple are the Narrowest Measures That Will** 20 **Ensure a Level Playing Field.**

21 As noted, a primary purpose of Rule 37 sanctions is to prevent a party that flouts its  
22 discovery obligations from benefitting by its misconduct. *See Sumitomo Marine*, 617 F.2d  
23 at 1369. Here, with respect to the versions of products for which Samsung has not produced  
24 source code, Samsung has deprived Apple of evidence that would be critical for showing  
25 infringement. To restore a level playing field, the Court should now preclude Samsung and its  
26 experts from presenting, using, or relying on the source code that Samsung did not timely  
27 produce. In fact, given the late stage of these proceedings, the Court should impose this sanction  
28 even if Samsung produces additional source code now.



1           In *Hewlett-Packard Co. v. Mustek Sys., Inc.*, No. 99-CV-351-RHW, 2001 WL 36166855  
2 (S.D. Cal. June 11, 2001), the court in a patent action excluded source code that the defendant had  
3 untimely produced, noting that the late production was “highly improper” and lacked “strong  
4 justification.” *Id.* at \*3. Samsung’s actions here call for the same result. Having deprived Apple  
5 of a meaningful opportunity to review or analyze the unproduced source code versions, Samsung  
6 should not be allowed to use that evidence to its advantage. *See Sumitomo Marine*, 617 F.2d  
7 at 1369-70 (precluding party from presenting damages evidence that party had withheld in  
8 violation of court order); *Volumetrics Med. Imaging, L.L.C. v. Toshiba Am. Med. Sys., Inc.*,  
9 No. 1:05CV955, 2011 WL 2600718, at \*9 (M.D.N.C. June 29, 2011) (precluding party from  
10 presenting evidence regarding embodiment of asserted patent claims where it failed to comply  
11 with order requiring production of evidence on that subject).

12           The Court should not stop there, however. Samsung has deprived Apple of evidence that  
13 would be central to showing infringement by all but one version of the accused products. Short  
14 of an outright finding of infringement by the other versions (which would be legally justified), the  
15 appropriate remedy for this conduct is an order deeming that—for purposes of assessing  
16 infringement—the version of each accused product for which Samsung did produce source code  
17 is representative of all versions of that accused product. This would allow Apple to press its  
18 claims as to all versions of the accused products without being hamstrung by the absence of the  
19 discovery that the Court ordered ten weeks ago, but that Samsung has withheld. The parties  
20 would be on the closest approximation to an equal footing possible under the circumstances.

21           This relief is appropriate under the Ninth Circuit’s standard for evaluating preclusion  
22 sanctions. There are five factors under that standard: (1) the public’s interest in expeditious  
23 resolution of litigation; (2) the court’s need to manage its dockets; (3) the risk of prejudice to the  
24 party seeking sanctions; (4) the public policy favoring disposition of cases on their merits; and  
25 (5) the availability of less drastic sanctions. *See Valley Eng’rs, Inc. v. Electrical Eng’g Co.*,  
26 158 F.3d 1051, 1057 (9th Cir. 1998). Where, as here, the sanctions stem from violations of court  
27 orders, “prejudice and availability of less drastic sanction[s] are decisive.” *Id.*

1           There can be no doubt that Apple would be severely prejudiced in the absence of the  
2 requested sanctions. “A [party] suffers prejudice if [other party’s] actions impair the [] ability to  
3 go to trial or threaten to interfere with the rightful decision of the case.” *Adriana Int’l Corp. v.*  
4 *Thoeren*, 913 F.2d 1406, 1412 (9th Cir. 1990). Apple bears the burden to show that the accused  
5 products infringe its utility patents. But Samsung has withheld evidence that would be central to  
6 Apple’s effort to carry that burden as to all but one version of those products. Under these  
7 circumstances, Samsung’s conduct has unquestionably impaired Apple’s ability to prove  
8 infringement by any remaining versions of the accused products.

9           For similar reasons, less drastic relief would do nothing to cure the harm caused by  
10 Samsung’s misconduct. For example, issuing yet another order compelling Samsung to produce  
11 source code would be pointless. With the deadline for expert reports less than two weeks away, it  
12 is far too late for Apple to review, analyze, and build an infringement case based on source code  
13 produced now or in the near future. Apple’s proposed relief represents the absolute minimum  
14 steps necessary to allow the Court to decide Apple’s infringement claims on the merits rather than  
15 by the concealment of evidence that the Court long ago ordered Samsung to produce.

16 **V. CONCLUSION**

17           For the reasons discussed above, the Court should grant Apple’s Motion and impose the  
18 requested sanctions on Samsung.

19 Dated: March 9, 2012

MORRISON & FOERSTER LLP

21 By:           /s/ Michael A. Jacobs            
22           Michael A. Jacobs

23           Attorneys for Plaintiff  
24           APPLE INC.