HAROLD J. MCELHINNY (CA SBN 66781)
hmcelhinny@mofo.com
MICHAEL A. JACOBS (CA SBN 111664)
mjacobs@mofo.com
JENNIFER LEE TAYLOR (CA SBN 161368)
jtaylor@mofo.com
ALISON M. TUCHER (CA SBN 171363)
atucher@mofo.com
RICHARD S.J. HUNG (CA SBN 197425)
rhung@mofo.com
JASON R. BARTLETT (CA SBN 214530)
jasonbartlett@mofo.com
MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105-2482
Telephone: (415) 268-7000
Facsimile: (415) 268-7522

WILLIAM F. LEE
william.lee@wilmerhale.com
WILMER CUTLER PICKERING
HALE AND DORR LLP
60 State Street
Boston, MA 02109
Telephone: (617) 526-6000
Facsimile: (617) 526-5000

MARK D. SELWYN (SBN 244180)
mark.selwyn@wilmerhale.com
WILMER CUTLER PICKERING
HALE AND DORR LLP
950 Page Mill Road
Palo Alto, California 94304
Telephone: (650) 858-6000
Facsimile: (650) 858-6100

Attorneys for Plaintiff and
Counterclaim-Defendant APPLE INC.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

APPLE INC., a California corporation,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD., a Korean corporation; SAMSUNG ELECTRONICS AMERICA, INC., a New York corporation; and SAMSUNG TELECOMMUNICATIONS AMERICA LLC, a Delaware limited liability company,

Defendants.

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

APPLE'S OPPOSITION TO SAMSUNG'S MOTION TO COMPEL PRODUCTION OF DOCUMENTS RELATING TO APPLE'S EFFORTS TO OBTAIN DESIGN PATENTS RELATED TO THE PATENTS-IN-SUIT

Date: April 10, 2012
Time: 3:00 p.m.
Courtroom: 5, 4th Floor
Honorable Paul S. Grewal

Samsung's motion to compel formally requests "all documents relating to any efforts by Apple to obtain design patents relating to the inventions of the patents-in-suit, including any related to products Apple claims embody the patents-in-suit, including the iPad2." (Mot. at 9.) The body of the motion itself reveals what Samsung is really after, however: ***unpublished*** design patent applications relating to the patents-in-suit (*e.g.*, applications in family trees of the asserted patents), the iPad 2, and other products embodying the patents-in-suit.

Samsung's motion should be denied. First, Samsung's requests for production do not cover patent applications relating to products embodying the patents-in-suit. Second, Samsung's sole justification for its request is the vague and unsupported hope that Apple's pending applications have admissions Samsung can use against Apple. This hope is insufficient to meet the "heightened relevancy" standard that applies when a competitor seeks production of unpublished patent applications. Samsung's motion should be denied.

I. SAMSUNG DID NOT REQUEST APPLE'S PATENT APPLICATIONS RELATING TO PRODUCTS OTHER THAN IPAD 2.

Apple has already produced thousands of patents and published applications for patents in the family trees of the patents-in-suit, foreign counterpart patents, and cited prior art, despite the significant burden of production and the fact that this material was publicly available. (Declaration of Jason R. Bartlett in Support of Apple's Opposition ("Bartlett Decl.") ¶ 2.) Samsung did not timely request production of patent applications relating to Apple ***products*** other than iPad 2. The discovery requests at issue are Samsung RFPs 81, 82, 97, 98, and 362. These request:

- Patents and applications related to Apple patents-in-suit (RFPs 81 and 82);
- Documents concerning patentability and enforceability (RFP 97);
- Documents that may disclose prior art to Apple patents-in-suit (RFP 98); and
- Documents relating to attempts to obtain a design patent registration for the iPad 2 (RFP 362).

Samsung served Requests 81-98 in August 2011. Request 362 was served at the end of December. Requests 81, 82, 97 and 98 do not add up to a broad request for all Apple patents and

patent applications, published or unpublished, relating to iPhone, iPad and iPod touch. Nor could Samsung have reasonably made such a request. As construed by Samsung, its requests would require Apple to analyze every patent in its portfolio to determine which are embodied by iPhone, iPad and iPod touch and which are not. Even if Apple could timely complete such a burdensome analysis, the result would be an absurdly overbroad production covering patents having nothing to do with the issues in dispute.

None of the cases Samsung cites supports its broad interpretation of its requests, and none supports the broad production that Samsung demands. *Caliper Technologies Corp. v. Molecular Devices Corp.*, 213 F.R.D. 555, 561 (N.D. Cal. 2003) deals with a very specific request for production: patents and applications relating to "inventions involving any fluorescence polarization assay method, system or apparatus." *Tristrata Technology, Inc. v. Neoteric Cosmetics, Inc.*, 35 F. Supp. 2d 370, 371 (D. Del. 1998) also deals with a highly specific request for production: "all abandoned or pending domestic and foreign applications claiming the priority to United States Patent Application Serial No. 06/946,680 filed December 23, 1986." *Zest IP Holdings, LLC v. Implant Direct MFG., LLC*, No. 10-0541-LAB (WVG), 2011 U.S. Dist. LEXIS 130941 (S.D. Cal. Nov. 14, 2011) does not involve a request for production at all (it arose out of a discussion at a discovery conference) and addresses only the potential production of *two* specific patent applications. Here Samsung in essence demands production of "all patent applications that relate to products that relate to the patents-in-suit." Such a request is unprecedented.

II. SAMSUNG HAS NOT MADE THE "HEIGHTENED RELEVANCY" SHOWING REQUIRED TO VITIATE STATORY PROTECTIONS AGAINST DISCLOSURE OF UNPUBLISHED PATENT APPLICATIONS.

Samsung's Requests 81 and 82 call for "applications to the [APPLE IP or APPLE PATENTS-IN-SUIT] or patents related to the APPLE PATENTS-IN-SUIT" and Samsung's Request 362 calls for documents relating to "attempts to obtain a design patent registration" for the iPad 2. Through these requests, Samsung seeks to penetrate the veil of secrecy that the Patent Act affords pending patent applications. Samsung contends that "there is no valid distinction for relevance purposes between published and unpublished applications." (Mot. at 5.) On the

contrary, it is "well established that materials relating to a pending patent application are confidential, and therefore enjoy a degree of protection against disclosure." *ICU Medical, Inc. v. B. Braun Med., Inc.*, 224 F.R.D. 461, 462 (N.D. Cal. 2002). This is based in part on a Congressional directive that the PTO must keep patent applications confidential unless disclosure is permitted by the applicant. 35 U.S.C. § 122.

"[C]ourts have ***uniformly recognized that a heightened relevancy standard must be applied***" to discovery of pending patent applications and related materials. *ICU Medical*, 224 F.R.D. at 462 (emphasis added). The concern is particularly acute in the case of design patent applications which, unlike utility patents, *never* publish before issuance. 35 U.S.C. § 122 (b)(2)(A)(iv) (excepting design patent applications from publication). To meet this standard, Samsung must demonstrate that its need to examine the unpublished applications outweighs Apple's interest in preserving secrecy. *Microsoft Corp. v. Multi-Tech Systems, Inc.*, No. 00-1412 (ADM/RLE), 2001 U.S. Dist. LEXIS 23155 (D. Minn. Dec. 14, 2001) (denying motion to compel production of pending patent applications); *Vibrosaun USA, Inc. v. Saunamassage Int'l, Inc.*, No. 87-0656-CV-W-6, 1988 U.S. Dist. LEXIS 10574, at *8-9 (W.D. Mo. Sept. 19, 1988) (denying motion because "the party seeking disclosure must make a convincing showing of necessity before being permitted access to the requested patent application files"); *Ideal Toy Corp. v. Tyco Indus.*, 478 F. Supp. 1191, 1194-95 (D. Del. 1979) (denying motion to compel because "Tyco has not made a convincing showing of the necessity that it obtain the requested patent application files").

Citing the wrong legal standard, Samsung does not even attempt to show "heightened relevancy" or any real *need* for the unpublished applications at issue. Instead, Samsung argues without factual or legal support that (1) unpublished patent applications may show that Apple's certifications that the designs are "new" and "original" may be false;[1] and (2) the documents may

[1] Moreover, design patent applicants do not even make any such certification. The only paper that is provided is a declaration signed by the inventor or inventors, which merely states, "I believe I am the original and first inventor of the subject matter which is claimed." (Bartlett Decl. Ex. 1.) No one "certifies" the application.

"contain admissions by Apple regarding what distinguishes the patent from prior art." (Mot. at 6.) Samsung's arguments are insufficient to justify disclosure.

Samsung's bald proclamation of relevance and its vague and generalized statements regarding possible "admissions" cannot tip the scales in favor of disclosure. Courts that have considered arguments identical to Samsung's have denied motions to compel. *See, e.g.*, *Microsoft Corp.*, 2001 U.S. Dist. LEXIS 23155, at *21. The *Microsoft* court held that the mere presence of possible admissions was a "meager showing" of relevance, and that if this were sufficient, "the balancing test would be unavailing, as pending and abandoned applications for related patents would always be relevant for, as a theoretical proposition, *they could always contain admissions*." *Id.* at *21 (emphasis added). As an example of a "specific showing of relevance," the court stated that a party could cite instances in which "previous [published] patent applications have contained significant admissions." *Id.* Samsung has made no such showing here.

An even higher showing of relevancy is required when the parties are competitors: "The fact that the parties are competitors is a matter that weighs strongly against disclosure." *ICU Medical*, 224 F.R.D. at 462; *see also Microsoft Corp.*, 2001 U.S. Dist. LEXIS 23155, at *19 (denying motion to compel pending patent applications, noting "direct competition in the relevant marketplace by the parties weighs on secrecy's side"). There is no dispute here that Apple and Samsung are direct competitors. Apple and Samsung are competing in at least the smartphone and tablet computer markets.

There is a significant risk of competitive harm to Apple if Samsung's counsel is given access to Apple's unpublished iPad 2 design patent applications. Apple has explained its concern that litigation counsel is advising Samsung in connection with efforts to design-around Apple's patents-in-suit. In response, Samsung's motion recites the protective order while at the same time suggesting that using protected information to assist with design-around efforts is proper, and perhaps should be encouraged. What Samsung does *not* do in its motion is actually deny that its litigation counsel has, just as Apple feared, assisted Samsung in its design-around efforts.

Giving Samsung an advanced look at Apple's unpublished patent applications would give Samsung a substantial competitive edge. Samsung has no information about what aspects of Apple's designs, if any, Apple is currently attempting to patent. If Samsung gained access to that information, it could fine-tune its product development efforts to avoid Apple's future patents. Apple would be at a disadvantage because it does not have reciprocal information about Samsung's unpublished applications. In a business where time-to-market is critical—Samsung's counsel once quipped that the products have the shelf-life of "cabbage" (Bartlett Decl. Ex. 2 at 32:13.)—the importance of that lead time cannot be understated. The cases cited above establish that Samsung's mere hope that Apple might have said something contradictory in its unpublished patent applications is not enough to justify such a risk of competitive harm to Apple.

III. CONCLUSION

For the foregoing reasons, Apple respectfully requests the Court to deny Samsung's Motion to Compel in its entirety.

Dated: March 21, 2012

MORRISON & FOERSTER LLP

By: */s/ Michael A. Jacobs*
Michael A. Jacobs

Attorneys for Plaintiff
APPLE INC.