

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

IN RE: QUALCOMM LITIGATION

Case No.: 17-cv-0108-GPC-MDD

**ORDER ON JOINT MOTION FOR
DETERMINATION OF
DISCOVERY DISPUTE
PRESENTING PLAINTIFFS'
MOTION TO STRIKE PORTIONS
OF EXPERT REPORTS**

[ECF NO. 553]

This Joint Motion was filed on July 10, 2018. The joint motion presents Apple, Inc., and the Contract Manufacturers' (referred to collectively, for convenience, as Apple) motion to strike portions of 12 expert reports served by Qualcomm. Apple asserts that the experts improperly opined regarding infringement and introduced new patents into this litigation. Apple's portion of the motion, along with its supporting documents, is 7,951 pages. Qualcomm's response, with its supporting documents, is 3,143 pages. The Court could have managed with much less. As provided below, Plaintiffs' motion to strike, as presented in this joint motion, is **GRANTED IN PART**

1 **AND DENIED IN PART.**

2 **RELEVANT FACTS AND PROCEDURAL HISTORY**

3 The operative First Amended Complaint alleges breach of contract,
4 breach of implied covenant of good faith, declaratory relief regarding the
5 obligations of the parties under a contract between the parties and
6 declaratory relief seeking an order of invalidity, non-infringement and
7 improper royalties (non-FRAND) regarding nine Qualcomm patents. For the
8 most part, Apple challenges Qualcomm's licensing business model as unfair.
9 Regarding the nine patents, Qualcomm opted not to assert infringement and
10 repeatedly affirmed that position. As provided in the Court's Local Patent
11 Rules, by not claiming infringement, Qualcomm was relieved of serving Apple
12 with infringement contentions and related documents. *See* Patent L.R. 3.5.
13 Qualcomm's decision not to assert infringement of these patents is at the
14 heart of this dispute.

15 Rule 26(a)(2), Fed. R. Civ. P., requires parties to disclose the identity of
16 any expert witness it may use at trial. Rule 26(a)(2)(A). Unless otherwise
17 stipulated or ordered by the court, the disclosure of the identity of the expert
18 witness must be accompanied by the expert's report, if the witness in
19 retained or specially employed to provide expert testimony or one whose
20 duties as an employee of a party regularly involves giving expert testimony.
21 Rule 26(a)(2)(B). Among other things, the report must contain a complete
22 statement of all opinions the witness will express. Rule 26(a)(2)(B)(i).
23 Supplementation of expert disclosures must be made as required under Rule
24 26(e). Rule 26(b)(2)(E). Rule 26(e) requires supplementation if a party learns
25 that a disclosure is incomplete or incorrect and has not otherwise become
26 known to the other party during discovery or in writing and extends to
27 information contained in an expert's report and deposition testimony.

1 In this case, the parties agreed to a different procedure, embodied in the
2 first Scheduling Order issued by the Court. The parties agreed, and the
3 Court ordered that the parties first would designate their expert witnesses,
4 whether retained or not, to be followed by service of expert reports for
5 witnesses retained, specially employed or whose duties regularly require the
6 giving of expert testimony. (ECF No. 116, ¶¶ 2-3). The expert designations
7 required the party to provide, among other things, “a reasonable summary of
8 the testimony the expert is required to provide.” (*Id.* at ¶ 2). The Scheduling
9 Order also provides that a party that fails to make the required disclosures
10 shall not, absent, substantial justification, be permitted to use evidence or
11 testimony not disclosed at any hearing or at trial. (*Id.* at ¶ 3). The Court
12 construes this provision as applying both to designations and expert reports.

13 Qualcomm timely provided their expert designations to Apple on
14 January 12, 2018. (Currently filed under seal at ECF No. 555-4).¹ For the 12
15 experts at issue, Qualcomm supplied identical summaries of the anticipated
16 expert testimony as follows:

17 [The witness] is expected to provide testimony on issues related to
18 various Qualcomm innovations and related Patent rights, including the
19 significance, validity, essentiality, and scope of those innovations and
20 rights both technically and in the marketplace and their adoption and
use.

21 On June 29, 2018, Qualcomm served its expert reports leading to this
22 motion.

23
24
25
26 ¹ In a separate Order, the Court has denied the motion to seal the designations in their
27 entirety, allowing only for the redaction of the addresses and telephone numbers of the
identified experts.

DISCUSSION

1
2 Qualcomm's counsel know that in a declaratory judgment action by a
3 licensee against a patentee seeking an order of non-infringement, the
4 patentee, Qualcomm, bears the burden of persuasion of infringement.
5 *Medtronic, Inc. v. Mirowski Family Ventures*, 571 U.S. 191, 198 (2014).
6 Qualcomm made the tactical decision not to assert infringement and thus
7 avoid certain discovery obligations as mentioned above. In its expert
8 designations, Qualcomm chose not to disclose that certain experts expressly
9 would opine on infringement and assert that Plaintiffs are infringing patents-
10 in-suit. Qualcomm will be held accountable for the consequences of its
11 tactical decisions.

12 Therefore, the following express opinions on infringement are struck:

13 1) Expert Report of Dr. Laneman: ECF No. 555-8 at 31:3-17, 88:19-
14 128:28, and 129-130:20.

15 2) Expert Report of Dr. Villasenor: ECF No. 555-7 at 8:7-9:28, 10:13-
16 12:16, 14:10-21, and 104:20-140:16.

17 3) Expert Report of Dr. Mitra: ECF No. 555-10 at 18:8-17, 32:9-37:25,
18 and 42:10-44:19.

19 4) Expert Report of Dr. Min: ECF No. 555-9 at 8:13-10:18, 11:10-13:4,
20 13:25-14:5, 40:1-63:17, and 83:1-96:18.

21 Qualcomm may not use the information contained within these specific
22 portions of the expert reports as evidence in a motion, at a hearing, or at trial
23 pursuant to FRCP 37.

24 Apple alleges that additional expert reports make inexplicit allegations
25 of infringement. The Court has reviewed these portions of the reports and
26 finds that there are no opinions that must be struck. The Court finds that
27 these opinions relate to issues of essentiality and valuation, rather than

1 suggesting infringement.

2 To the extent that Qualcomm claims they have disclosed in discovery
3 their views regarding infringement and, consequently, there is no surprise
4 and no prejudice, is unavailing. Rules are rules and tactical decisions have
5 consequences

6 **CONCLUSION**

7 As a result, Apple's motion to strike is **GRANTED IN PART AND**
8 **DENIED IN PART.**

9 **IT IS SO ORDERED.**

10 Dated: September 4, 2018



11 Hon. Mitchell D. Dembin
12 United States Magistrate Judge
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27