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3 UNITED STATES DISTRICT COURT
4 SOUTHERN DISTRICT OF CALIFORNIA
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6 In re Ex Parte Application of
7 APPLE INC.; APPLE
8 DISTRIBUTION
9 INTERNATIONAL; AND APPLE
10 RETAIL GERMANY B.V. & Co. KG

Case No.: 18cv1055-DMS-MDD

**ORDER GRANTING IN PART AND
DENYING IN PART
APPLICATION FOR AN ORDER
PURSUANT TO 28 U.S.C. § 1782**

[ECF Nos. 1, 2]

11
12 On May 29, 2018, Petitioners Apple Inc.; Apple Distribution
13 International; and Apple Retail Germany B.V. & Co. KG (“Apple”) filed an ex
14 parte application requesting leave to obtain targeted discovery from
15 Qualcomm Incorporated (“Qualcomm”) for use in foreign proceeding pending
16 in Germany. (ECF Nos. 1, 2). The matter was referred to this Court on July
17 27, 2018. Qualcomm responded in opposition on August 13, 2018. (ECF No.
18 10). As provided below, Apple’s application is **GRANTED IN PART AND**
19 **DENIED IN PART.**

20 LEGAL STANDARD

21 A district court may grant an application under 28 U.S.C. § 1782, and
22 order the production of non-privileged documents or testimony for use in a
23 foreign legal proceeding, when: 1) the person from whom the discovery is
24 sought resides in the district to which the application is made; 2) the
25 discovery is for use in a proceeding before a foreign tribunal; and, 3) the
26 applicant is a foreign or international tribunal or “interested person.” 28
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1 U.S.C. § 1782(a); *Intel Corp. v. Advanced Micro Devices*, 542 U.S. 241, 246-47
2 (2004).

3 Even if the statutory criteria is met, the district court is not required to
4 grant the application, instead retaining the discretion to determine what
5 discovery, if any, should be granted. *Intel*, 542 U.S. at 246. There are several
6 factors identified in *Intel* that the court should consider in exercising its
7 discretion:

- 8 “(1) whether the material sought is within the foreign tribunal's
9 jurisdictional reach and thus accessible absent Section 1782 aid;
10 (2) the nature of the foreign tribunal, the character of the proceedings
11 underway abroad, and the receptivity of the foreign government or the
12 court or agency abroad to U.S. federal-court jurisdictional assistance;
13 (3) whether the Section 1782 request conceals an attempt to circumvent
14 foreign proof-gathering restrictions or other policies of a foreign country
15 or the United States; and,
16 (4) whether the subpoena contains unduly intrusive or burdensome
17 requests.”

18 542 U.S. at 264-65.

19 DISCUSSION

20 A. Statutory Requirements

21 Regarding the statutory requirements, there is no dispute that
22 Qualcomm resides in this district and that Apple, as a party to the
23 proceedings in Germany is an “interested person.” Qualcomm disputes the
24 claim by Apple that the discovery sought is “for use” in the German
25 proceedings because Apple cannot demonstrate relevance, relying upon *In re*
26 *Schlich*, 893 F.3d 40, 52 (1st Cir. 2018).

27 Apple has begged the question by failing to support its application with

1 a copy of the subpoena it wishes to serve upon Qualcomm. Instead, Apple
2 asserts that it is seeking three narrowly tailored categories of discovery: 1)
3 discovery regarding the existence of a premium baseband chip market; 2)
4 discovery regarding Qualcomm’s testing to determine whether Apple’s
5 products incorporate the alleged invention(s); and, 3) discovery regarding
6 Qualcomm’s licensing agreements with Apple’s iPhone manufacturers. (ECF
7 No. 2 at 2).¹ Apple asserts also that the information sought is “critical.” (*Id.*
8 at 8). Yet, Apple provides no context for these assertions and their relevance
9 to the pending foreign proceedings is not patent.

10 Category 1, discovery regarding the existence of a premium baseband
11 market is unlimited in time or scope. Category 2 referenced the patents-in-
12 suit and may, if the requests properly were limited, may be relevant.
13 Category 3, regarding Qualcomm’s licensing agreements with Apple’s iPhone
14 manufacturers, may be relevant if limited to the patents-in-suit.

15 To the extent that the “for use” requirement of § 1742(a) includes a
16 showing of relevance, Apple mostly has failed to meet it. Rather than end it
17 here, the Court will err on the side of discovery and proceed to consider the
18 *Intel* factors.

19 B. Intel Factors

20 1. Is the material obtainable through the foreign proceeding?

21 Apple is the defendant in the German proceedings. “The need for §
22 1782 aid generally is not as apparent as it ordinarily is when evidence is
23 sought from a nonparticipant in the matter arising abroad” because “[the]
24 foreign tribunal has jurisdiction over those appearing before it, and can itself
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27 ¹ The Court will use the pagination supplied by CM/ECF, rather than original pagination,
throughout.

1 order them to produce evidence.” *Intel*, 542 U.S. at 264. Apple has proffered
2 nothing on the topic of whether this evidence can be obtained through the
3 German proceedings. Apple relies on cases finding this factor to be neutral
4 when considering the German courts. Qualcomm, for its part, asserts that
5 this factor supports denial or, at a minimum, is neutral.

6 Apple and Qualcomm have a history of using § 1742 to obtain discovery
7 from each other for use in Germany. *See In re Ex Parte Application of*
8 *Qualcomm Incorporated*, No. 18-mc-80104-VKD, 2018 WL 38445882 *3 (N.D.
9 Ca. Aug. 13, 2018). As noted in that case, both parties argued in their own
10 previous applications that this factor is neutral. Qualcomm’s assertion in
11 this case, that this factor supports denial, considering that it argued to the
12 contrary in its own application in the Northern District of California, is
13 disingenuous at best. The Court will find the factor to be neutral, under the
14 circumstances.

15 2. Receptivity of the Foreign Tribunal to US evidence

16 Apple states only that it is unaware of any reason to believe that the
17 German court would not be receptive to this evidence. Qualcomm asserts
18 that Apple failed in its burden of showing that the German courts would be
19 receptive. This, again, flies in the face of the position Qualcomm took before
20 the Northern District in its application. This factor is neutral inasmuch as
21 neither party has provided any useful information.

22 3. Circumvention of Proof-Gathering Restrictions

23 Apple asserts that it is unaware of any restrictions on proof-gathering
24 procedures that would prohibit obtaining this discovery. Qualcomm asserts
25 that because Apple is seeking irrelevant information, the German courts
26 would not countenance this discovery. As discussed above and will be
27 discussed below, the Court has concerns regarding relevance. Nonetheless,

1 the Court finds this factor neutral inasmuch as neither party has provided
2 any useful information other than other courts seem to allow it.

3 4. Unduly Burdensome or Intrusive

4 Here, Apple has a problem. It did not provide its proposed subpoena to
5 the Court. It stated that it was seeking discovery in three “narrowly tailored”
6 categories, yet provided no context for the categories in relation to the
7 litigation, described only as patent infringement. Qualcomm supplied the
8 Court with the subpoena. The pertinent part appears at ECF No. 10-2 at 13-
9 14. In reviewing the Requests for Production, the Court finds that RFPs 1, 2,
10 3, 4, 5 and 7 are unduly burdensome and unenforceable. There is no relation
11 to any particular market or the patents-in-suit or the accused products. Only
12 RFP 6 may survive but it, too, is overbroad and hence unduly burdensome.
13 RFP 6 calls for any documents relating to Qualcomm’s analysis of whether
14 any Apple product infringes any claim of the patents-in-suit, their US
15 counterparts or any other related patent or any document reflecting any test
16 of any Apple product by Qualcomm.

17 The Court will limit RFP 6 to non-privileged documents reflecting
18 Qualcomm’s analysis of whether the accused products infringe the asserted
19 patents.

20 The Topics for Testimony, listed at ECF No. 10-2 at 14, similarly are
21 limited.

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1 CONCLUSION

2 The Court finds that the statutory requirements are met, albeit barely.
3 The Court finds that in considering the *Intel* factors, three are neutral and
4 one favors denial. The Court will allow Apple to serve a subpoena consistent
5 with this Order.

6 **IT IS SO ORDERED.**

7 Dated: October 16, 2018

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9 Hon. Mitchell D. Dembin
10 United States Magistrate Judge
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