

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Case No. 1:10cv023580-Civ-RNS-TEB

MOTOROLA MOBILITY, INC.,

Plaintiff,

v.

APPLE INC.,

Defendant.

JURY TRIAL DEMANDED

APPLE INC.,

Counterclaim Plaintiff,

v.

MOTOROLA, INC. and
MOTOROLA MOBILITY, INC.,

Counterclaim Defendants.

**DEFENDANT AND COUNTERCLAIM PLAINTIFF APPLE INC.'S REPLY IN
SUPPORT OF ITS MOTION TO COMPEL RESPONSES TO INTERROGATORIES
NOS. 7 AND 12 REGARDING PRODUCTS EMBODYING MOTOROLA'S ASSERTED
PATENTS**

I. INTRODUCTION

The theme of Motorola's Opposition is that it may choose to produce only a subset of relevant information. Motorola does not say that relevant information does not exist; on the contrary, it says there is *so much* relevant information that it would be burdensome to produce it all. Motorola argues that it can produce only the information that helps its case, and omit the rest. Not surprisingly, Motorola has cited no authority supporting its position. Motorola chose to accuse Apple of infringing its six patents, and must meet the resulting discovery obligations. Apple requires the information sought by Interrogatories 7 and 12 to test the most basic principles in a patent case: first, the amount of Motorola's damages (Interrogatory 12); and second, whether its patents are valid (Interrogatory 7).

Motorola makes three faulty arguments about why it does not need to respond to these interrogatories. First, Motorola argues that because it admits that it never marked any of its products with its asserted patents, it need not say if its products practiced those patents. This argument is misleading. Apple is entitled to the factual basis for any damages Motorola claims. As explained in Apple's opening brief, Motorola is not entitled to pre-suit damages if it practiced its patents without marking. Thus, Motorola must identify its embodying products to determine whether it may seek pre-suit damages. Second, Motorola takes the position that it is required to identify only the embodying products it will rely on to show commercial success. But evidence of the commercial failure of any embodying products is equally probative of the value of Motorola's patents. Third, Motorola argues that it does not need to produce information about the first sale or public use of its asserted patents, even though this information could invalidate the patents. Apple is entitled to learn if any invalidating embodiments of the patents-in-suit were sold or in public use more than a year before the applications were filed.

II. ARGUMENT

A. Interrogatory 12 Seeks Information Required to Determine if Motorola May Claim Six Years of Pre-Suit Damages

Motorola argues that Apple should not need any discovery beyond its admission that it failed to mark its products with its asserted patents. *See* Opp'n at 4. But Motorola's failure to

mark is only half the story. Information about marking is useless without the identification of products sought by Interrogatory 12. If Motorola practiced its own patents and did not mark them with the patent numbers, it cannot seek damages until it can prove that it gave Apple actual notice of infringement. *See* 35 U.S.C. § 287(a). On the other hand, if Motorola did not practice its own patents during the six years before it brought the claims in this case, it had no obligation to mark, and marking has no impact on damages. Motorola’s Opposition makes clear that Motorola itself has no idea whether it is entitled to have what it asks for—damages during the six years before its complaint—because it has not investigated whether or not it had an obligation to mark during this time. Without a substantive response to Interrogatory 12 identifying what Motorola products embodied its asserted patents during the six years pre-suit,¹ Apple is likewise unable to answer this question. Motorola’s refusal to identify its own embodying products may well be covering up the fact that it is not entitled to claim six years of pre-suit damages for each of its asserted patents. Motorola should not be rewarded for hiding this relevant information.

Motorola argues that because method claims do not trigger the marking requirement, there is no reason for it to produce information regarding “the patents from which Motorola asserted method claims.” This is incorrect. The Federal Circuit has held that when a party has asserted both method and system claims from a given patent (as Motorola has done in this case), failure to mark embodying products limits damages until actual notice of infringement. *See Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 559 F.3d 1308, 1317 (Fed. Cir. 2009) (citing *Am. Med. Sys., Inc. v. Med. Engineering Corp.*, 6 F.3d 1523 (Fed. Cir. 1993), holding that failure to mark barred damages for infringement of method claims when “both apparatus and method claims of the . . . patent were asserted.”). In the case cited by Motorola, the Federal Circuit stated that marking is not required when “[a]ll claims of the . . . patent are drawn to a method.” *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321, 1332 (Fed. Cir. 2010) (emphasis added).

¹ Although Motorola suggests throughout its brief that it has already identified some embodying products, its actual responses to these Interrogatories name no Motorola products.

Motorola likewise misunderstands why identification of its own embodying products is relevant to determining a reasonable royalty under the *Georgia-Pacific* analysis. Motorola admits that the commercial success of its own embodying products is relevant to determination of a reasonable royalty. But Apple is entitled to learn about other Motorola products that may undermine Motorola's arguments. For example, if Motorola has products that practice its patents but failed commercially, Apple is entitled to this information in defending the patent infringement allegations. Therefore, this information is relevant and Motorola must produce it.

Without any testimony or evidence in support, Motorola claims that identification of its own embodying products would be burdensome. There is a simple solution. If Motorola agrees to give up its demand for six years of pre-suit damages, and forgo any claim to commercial success of its asserted patents, Apple's Interrogatory 12 might not be necessary. *See Samsung SDI Co. v. Matsushita Elec. Indus. Co.*, No. 05-1680, 2006 WL 5097356 (W.D. Pa. Oct. 11, 2006). But until then, this information is relevant and cannot be hidden. In *Samsung*, the defendant sought identification of all embodying products that practiced the Patents-in-Suit. *Id.* at *1. The court denied the request because it found it too burdensome "given its remote relevance to the case." *Id.* Specifically, the court stressed that the plaintiff would not "rely[] on the assertion that its own [products] practice[] any of the claimed inventions," that it would "rely only on the date of actual notice for damages in lieu of marking," and that it "would not urge commercial success as a factor in the analysis of a . . . reasonable royalty." *Id.* Unlike the plaintiff in *Samsung*, Motorola wants it both ways: it wants the maximum possible damages recovery without revealing whether it is entitled to claim it, and it wants to rely on its successful products while hiding any less-successful embodying products. This isn't how discovery works. Motorola is obliged to produce *all* relevant information, not just the information that helps its case.

Motorola attempts to identify an inconsistency in Apple's position by citing to Apple's arguments in another case. *See* Opp'n at 6-7 (citing briefing submitted in *Eastman Kodak Co. v. Apple Inc.*, No. 10-cv-06022 (W.D.N.Y)). Motorola has mischaracterized the discovery request

at issue and Apple's opposing arguments. In fact, Apple's arguments here and in *Kodak* are consistent. After Apple had identified its own embodying products, Kodak moved to compel a universe of discovery, including "materials related to any product embodying any of the inventions claimed in the Asserted Apple Patents, and the design, development, and manufacture of any technology or product embodying any of the inventions claimed in the Asserted Apple Patents." See Elihu Decl. ISO Opp'n (Dkt. 230-1), Ex. B at 19. In contrast, here, Apple has simply asked Motorola to identify those of its products that practice its asserted claims. In *Kodak*, Apple acknowledged that the *Facebook* case ordered exactly this discovery, "the names of the products embodying the asserted claims of the patent in suit and an identification of which claims the products practice." *Id.* (citing *Leader Techs. v. Facebook Inc.*, No. 08-862-JJF-LPS, 2009 WL 3021168 (D. Del. Sept. 4, 2009)).

B. Interrogatory 7 Seeks Identification of a Small Number of Motorola Products, Information Which Could Invalidate Motorola's Asserted Patents

Motorola misstates the law when it suggests that it can circumvent the requirements of 35 U.S.C. § 102(b) by relying on a priority date of no more than a year before each of its patent applications was filed. The priority date claimed by Motorola is unrelated to an inquiry of whether its patent is invalid under Section 102. Section 102 sets forth one of the requirements for patentability of an invention. In short, if an invention was in public use or on sale in the United States more than a year before the date of application, then the invention may not be patented. An inventor cannot "undo" a public disclosure or sale by later arguing that his invention did not exist at the time the disclosure or sale was made. Such an exception would swallow the rule. Any patentee would be free to ignore the one-year filing deadline (a "condition of patentability") and then attempt to correct the error through self-serving argument. See *In re Cygnus Telecomms. Tech., LLC, Patent Litig.*, 536 F.3d 1343, 1353 (Fed. Cir. 2008) (affirming invalidation of a patent based on a commercial sale more than one year before the application was filed, and rejecting the inventor's arguments that his invention was not reduced to practice at the time of the sale).

Motorola argues that it “is not *relying in this case* on a conception and reduction to practice date earlier than one year before filing of the patent application.” Opp’n at 9 (emphasis added). Motorola does not say that it couldn’t rely on earlier dates, only that it is choosing not to “in this case.” Motorola is free to make this choice, but the conclusion it draws from this decision—that no embodiment of the patented inventions could have existed before its chosen dates—does not follow. Just because Motorola has elected not to rely on earlier dates of invention does not mean that Motorola did not sell or publicly use the invention more than one year before filing its patent application. In other words, a patent-invalidating disclosure of the inventions may have occurred, and Apple is entitled to know if it did.²

Motorola’s complaints about the burden of conducting this discovery are overstated. For each patent-in-suit, the “first” event (manufacture, use, offer for sale, and sale) can occur only once. Identifying witnesses with knowledge, the date of the event, the price of any sale, and documents on which Motorola relies for its answer may require some effort, but no more than Apple had to do to respond to Motorola’s mirror Interrogatory 11 (which sought all the same categories of supporting information). In fact, Motorola’s request went further, as it asked Apple to identify the first *confidential* disclosures of its first embodiments. *See* DiMuzio Decl. ISO Motion to Compel (Dkt. No. 225-1) Ex. 4. Apple responded completely to this interrogatory.

Motorola’s actions highlight that it views discovery as a one-way street. It can demand any information from Apple while producing only limited information and claiming that any damaging information is overly burdensome. This frustrates discovery and prevents Apple from properly defending against Motorola’s allegations. Apple respectfully asks that the Court order Motorola to provide complete answers to Apple’s Interrogatories 7 and 12.

² Motorola’s argument that Apple did not fulfill its meet-and-confer obligations is simply wrong. As stated in the DiMuzio Declaration ISO Motion to Compel, counsel for Apple and Motorola met on January 18, 2012 to discuss Motorola’s failure to supplement numerous interrogatories, including Nos. 7 and 12, and Motorola stated it would not supplement either response. DiMuzio Decl. (Dkt. No. 225-1) at ¶ 5; *See also* Ho Decl. (Dkt. No. 224-1) at ¶ 19, Ex. T, and ¶ 20.

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CERTIFICATE OF SERVICE

I hereby certify that on February 9, 2012, I filed the foregoing document with the Clerk of the Court. I also certify that the foregoing document is being served this day on all counsel of record identified on the attached Service via CM/ECF.

/s/ Christopher R. J. Pace
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SERVICE LIST
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