

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

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

MOTOROLA MOBILITY, INC.,

Plaintiff,

v.

APPLE INC.,

Defendant.

**JURY TRIAL DEMANDED**

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APPLE INC.,

Counterclaim Plaintiff,

v.

MOTOROLA, INC. and  
MOTOROLA MOBILITY, INC.,

Counterclaim Defendants.

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**MOTOROLA'S RESPONSE TO APPLE, INC.'S  
MOTION FOR LEAVE TO FILE AMENDED ANSWER**

**I. PRELIMINARY STATEMENT**

Apple cannot have it both ways. Apple's motion for leave to amend directly contradicts its successful argument that the parties should not be allowed to update their infringement theories in this case. In October 2011, Apple convinced this Court to strike Motorola's supplemental infringement contentions, urging that Motorola's preliminary infringement contentions served early in the case were final and could not be supplemented to add additional accused products under the same patents-in-suit after May 2011. As a result, instead of including all of the infringement contentions under the patents-in-suit in one litigation, Motorola was forced to file a second litigation asserting those same patents, which is pending before this Court.

Now, Apple seeks to add its own new infringement theory to this case, nearly five months further into the litigation and shortly before the close of fact discovery. Simple fairness demands that Apple should not be allowed to benefit from its contradictory positions. To the contrary, both parties should be permitted to update their infringement theories on equal footing.

Accordingly, while Motorola objects to Apple's proposed amendment as being both late and prejudicial to Motorola, it is willing to withdraw its objection if Motorola is likewise allowed to supplement its infringement contentions in this action. That arrangement would not only be fair—it would make much more efficient use of the Court's limited resources by resolving the issues between the parties relating to the patents-in-suit in one litigation. Motorola offered this compromise after Apple stated it would seek leave to amend, but Apple—without meeting and conferring—filed this motion instead. Thus, Motorola requests that the Court grant Apple leave to file its amended Answer only if the Court also grants Motorola leave to submit supplemental

infringement contentions, or, in the alternative, that the Court deny Apple's motion for leave to file its amended Answer.

## **II. BACKGROUND**

The Schedule for Amendments. Apple filed its Answer, Affirmative Defenses, and Counterclaims in this case on November 18, 2010. (D.E. 17.) According to the schedule entered by the Court, the deadline for amending the pleadings, including Apple's Answer, was March 18, 2011. (D.E. 45.) Apple filed an Amended Answer, Affirmative Defenses, and Counterclaims on March 18, 2011, and neither party has amended the pleadings since that date. (D.E. 68.)

Furthermore, pursuant to the Court's original scheduling order, the parties were required to exchange infringement contentions by June 1, 2011, and invalidity contentions by June 20, 2011. (D.E. 88)

Apple's Successful Motion to Strike. On May 18, 2011, the parties exchanged infringement contentions in this case. Ex. A.<sup>1</sup> Apple designated its contentions as "preliminary" infringement contentions, as did Motorola. *Id.* at 3. Nonetheless, when Motorola served supplemental infringement contentions on Apple on October 28, 2011, Apple moved to strike them, even though Motorola's supplement sought only to add additional accused products accused of infringing the same asserted patents. (D.E. 178; D.E. 185, Motorola's Opp. to Mot. to Strike, at 9.)

In support of that motion, Apple argued that "the scheduling order unambiguously set a deadline for infringement contentions without providing for supplementation or amendment of those contentions," and that Motorola's supplement should be stricken because it came after that deadline. (D.E. 178 at 5.) On December 6, 2011, Apple's motion was granted. (D.E. 198.)

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<sup>1</sup> "Ex. \_\_\_" refers to the exhibits accompanying the declaration of Cathleen Garrigan filed concurrently with this response.

Thus, Apple successfully forced Motorola to file a second lawsuit on the same patents-in-suit simply to ensure that Motorola's additional infringement contentions could be presented to a jury. On January 24, 2012, Motorola filed its second complaint against Apple in the Southern District of Florida in order to assert the infringement contentions it was not able to assert in the first case. *See Motorola, Inc. v. Apple Inc.*, Case No. 12-cv-20271-RNS (S.D. Fla.). That second litigation was the direct result of Apple's successful motion to strike Motorola's supplemental infringement contentions.

Apple's Service of Supplemental Invalidity Contentions After Arguing That Such Contentions Would Be Prejudicial. Apple also opposed Motorola's supplement to its invalidity contentions. (D.E. 217.) On December 28, 2011, Motorola filed a motion for leave to file supplemental invalidity contentions. (D.E. 211.) Apple again argued that Motorola was too late because it sought leave after the date in the case schedule for invalidity contentions. At the March 9, 2012, hearing before the Court, Apple contended that "at some point a line has to be drawn" and that "we can't keep throwing things [i.e. new contentions] over the transom at the very end of the case." (Hearing Tr. (03/09/12) at p. 19, ll. 11-15.) This Court granted Motorola's motion. (D.E. 259)

But, once the Court ruled that Motorola could supplement its invalidity contentions, Apple changed tack. On March 30, 2012, without giving Motorola any prior notice of its intentions, Apple served its own supplemental invalidity contentions. Garrigan Decl. ¶ 1.

Apple's Proposed Amended Answer. On March 7, 2012, during a meet and confer, counsel for Apple informed counsel for Motorola that Apple contemplated amending its Answer to "provide more specific details regarding its indirect infringement theories" and asked whether Motorola would oppose an amendment. Garrigan Decl. ¶ 2, and Ex. B at 3. On March 12, 2012,

Apple provided Motorola with a redline of its proposed amended answer. Ex. B at 2. Apple's proposed amended answer went well beyond adding clarifying language and instead, raised brand new infringement theories. Ex. B at 2. In particular, Apple's amended answer adds a claim that Motorola infringes Apple's patents asserted against set-top boxes ("STB's") under 35 U.S.C. § 271(f) based on activities outside the United States. Apple now alleges for, the first time, that Motorola ships software to foreign countries for installation on STB's.

Motorola explained in correspondence with Apple that Apple's amendment is inconsistent with Apple's motion to strike Motorola's supplemental infringement contentions. Ex. B at 1. Thus, in an effort to reach a fair result for both parties, Motorola indicated it would not oppose Apple's amendment if Apple agreed not to oppose a motion by Motorola to supplement its infringement contentions. *Id.* But on March 19, 2012, Apple rejected Motorola's proposal and on March 23, without meeting and conferring, Apple filed its motion for leave to amend its answer. *Id.*; (D.E. 276).

The Close of Discovery in May. The parties have now substantially completed fact discovery in this case. Since January of 2012, the parties already have deposed more than 20 witnesses and are nearing the deadline for any further depositions or document production. Following a joint motion by Motorola and Apple to extend fact discovery by 30 days, and fact discovery now ends on May 4, 2012. (D.E. 283.)

### **III. ARGUMENT**

#### **A. Allowing Apple's Untimely New Infringement Theory Without Allowing Motorola To Supplement Its Infringement Contentions Would Unfairly Prejudice Motorola**

Apple does not dispute that its amendment to its Answer is late, filed 12 months after the deadline in the Court's Scheduling Order for amending the pleadings. Apple can modify the Court's schedule and file its amendment only "for good cause and with the judge's consent."

Fed. R. Civ. P. 16(b)(4). Above and beyond the requirement to show good cause, courts deny motions to amend the pleadings for numerous reasons, including “undue delay” and “undue prejudice” to the other party. *Brewer-Giorgio v. Producers Video, Inc.*, 216 F.3d 1281, 1284 (11th Cir. 2000). Apple’s proposed amendment in this case is unduly late and would prejudice Motorola. In particular, Apple’s amendment would allow Apple to add new infringement theories to the case after Apple previously blocked Motorola from doing the same months earlier. Fairness dictates that the rules apply to both parties equally. While Motorola is willing to withdraw its objections to Apple filing its belated amended answer, Apple should be given leave only if Motorola is also allowed to supplement its infringement contentions.

**B. Apple’s New Claims Would Add A New Infringement Theory Even As Discovery Closes In This Case**

Apple’s amendment would introduce a new issue into the case at the eleventh hour. Currently, Apple’s infringement claims in this case are limited to activity occurring in the United States. Apple now seeks to expand its infringement theory under 35 U.S.C. § 271(f) to include activity conducted outside the United States. Expanding the case in such a way shortly before the close of fact discovery would prejudice Motorola, and Apple’s motion for leave to amend its Answer should be denied unless Motorola is also permitted to amend its infringement contentions.

**1. Apple’s Amendment Would Contradict Its Own Prior Argument That No New Claims Should Be Added To This Case**

With its successful motion to strike Motorola’s supplemental infringement contentions, Apple convinced the Court that the parties should not be allowed to rely on or come forward with new infringement theories after May 2011. Under the doctrine of judicial estoppel, Apple cannot now contend that its motion for leave to amend should be held to a different standard. *New Hampshire v. Maine*, 532 U.S. 742, 749 (2001) (“[A]bsent any good explanation, a party

should not be allowed to gain an advantage by litigation on one theory, and then seek an inconsistent advantage by pursuing an incompatible theory”) (quoting 18 C. Wright, A. Miller, & E. Cooper, *Federal Practice and Procedure* § 4477, p. 782 (1981)); *Pegram v. Herdrich*, 530 U.S. 211, 227, n. 8, 120 S. Ct. 2143, 147 L.Ed.2d 164 (2000) (the doctrine of judicial estoppel “generally prevents a party from prevailing in one phase of a case on an argument and then relying on a contradictory argument to prevail in another phase”); *United States v. McCaskey*, 9 F.3d 368, 378 (5th Cir. 1993) (judicial estoppel “prohibit[s] parties from deliberately changing positions according to the exigencies of the moment”).

In its motion to strike, Apple contended that Motorola’s supplemental infringement contentions were too late and would prejudice Apple. Motorola’s supplement would have simply added additional accused products while keeping the asserted patents-in-suit the same. Nonetheless, Apple claimed that “Motorola’s supplementation of infringement contentions would only further complicate this case, would undermine the purpose behind having a deadline for infringement contentions in the first place, would violate the good cause requirement of Rule 16 of the Federal Rules, and would be contrary to the entire spirit of the Federal Rules, which are designed to ‘secure the just, speedy, and inexpensive determination of every action and proceeding.’” (D.E. 178, Apple Motion to Strike at 2 (quoting Fed. R. Civ. P. 16).) Apple argued that if the Court’s deadline for infringement contentions was not treated as “final,” none of the Court’s deadlines would be meaningful. (D.E. 197, Apple Reply in Support of Motion to Strike at 1-2 (“[A]ccording to Motorola’s interpretation, the parties need only serve placeholder opening expert reports by the Court-ordered deadline, but are free to serve their ‘final’ opening reports later.”).) Rather, Apple insisted, the Court’s schedule “sets a deadline, to which the parties must adhere.” (*Id.* at 2.)

The same standard that Apple successfully argued for in its motion to strike dictates that Apple should not be allowed to expand its infringement theories in this case. If anything, Apple's amendment would be far more objectionable than Motorola's supplemental contentions. There can be no dispute that amendments to pleadings are final after the Court's deadline passes; that is explicit in Rule 16 of the Federal Rules. Yet, here, Apple seeks to amend its answer nearly five months after Motorola submitted its supplemental infringement contentions. Indeed, Apple *still* has not provided Motorola with updated infringement contentions setting forth its new argument. Thus, the rationale for striking Motorola's contentions as too late would apply with even greater force to Apple's new infringement theory.

**2. Apple's Assertion That It Is Not Adding New Claims Is Belied By Its Amended Answer**

Apple has no support for its contention that it is "not attempting to amend its infringement contentions" and that "its proposed amendment will not require any additional discovery." (D.E. 278, 279, Apple Motion for Leave, at 4.) Apple is introducing a brand new theory of infringement seeking relief under a whole new statutory provision, 35 U.S.C. § 271(f). Section 271(f) requires an entirely new analysis that has not been a part of this case. In particular, Section 271(f) would expand Apple's infringement contentions to include the following categories of activities covered by that section of the statute:

(1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use,



where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

35 U.S.C. § 271(f).

To exacerbate matters, Apple has not even explained the basis for its new infringement theory. According to Apple, it now alleges infringement based on “Motorola’s foreign infringing activities,” but it does not provide evidence of that claim or explain how these alleged activities would constitute infringement under Section 271(f). Apple contends that a Motorola witness, Evan Groat, testified “that Motorola, in some circumstances, installs IPG and other software by transmitting the software outside of the United States for installation on the accused STBs.” (D.E. 278, 279, Apple Motion for Leave, at 7.) But the testimony Apple cites actually has nothing to do with Motorola installing IPGs outside the United States. Thus, at a minimum, Apple’s new infringement theory would require additional discovery just for Motorola to ascertain the basis of Apple’s contention. After Motorola ascertains the basis of Apple’s contention, Motorola likely will require further discovery to defend against Apple’s new allegations.

**C. Absent Allowing Motorola To Update Its Own Infringement Theories, The Prejudice To Motorola Requires Denial Of Apple’s Motion**

Motorola should not have to contend with a new infringement theory at this late stage in discovery when it was denied the chance to supplement its own contentions much earlier. Fact discovery closes in less than a month. By comparison, Motorola’s supplemental infringement contentions that Apple had stricken as late were submitted in October 2011, and included extensive detail on the bases for Motorola’s contentions. If Apple would have been prejudiced by those supplemental infringement contentions, certainly Motorola would be prejudiced here.

*Brewer-Giorgio v. Producers Video, Inc.*, 216 F.3d 1281, 1284 (11th Cir. 2000) (confirming that courts deny leave to amend pleadings to prevent “undue prejudice”); *Bryson v. City of Waycross*, 888 F.2d 1562, 1567 (11th Cir. 1989) (“Leave to amend may be denied where the opposing party would be unduly prejudiced by allowance of the amendment.”).

Notwithstanding the prejudice Motorola would suffer as a result of Apple’s proposed amendment, Motorola advised Apple that it is willing to reach a compromise. Motorola will withdraw its objections to Apple’s new amended Answer if Motorola is permitted to re-submit its supplemental infringement contentions, which it originally submitted in October 2011 and which Apple successfully moved to strike. That compromise would ameliorate the prejudice to Motorola by placing both parties in the same position with respect to each other’s infringement theories.

More importantly, allowing both Apple and Motorola simultaneously to update their infringement theories for the patents in suit would increase judicial efficiency. Resolving all the infringement claims relating to the patents-in-suit in one litigation rather than have two separate litigations on the same patents, would be far more efficient and would avoid the possibility of inconsistent rulings between the litigations.

#### **IV. CONCLUSION**

For the foregoing reasons, Motorola respectfully requests that the Court either grant Motorola leave to submit supplemental infringement contentions or, in the alternative, deny Apple’s Motion for Leave to File Amended Answer.

Dated: April 9, 2012

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on April 9, 2012, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF filing system. I also certify that the foregoing document is being served this date on all counsel of record or pro se parties on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by the CM/ECF system or; in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

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**SERVICE LIST**

*Motorola Mobility, Inc. v. Apple, Inc.*

Case No.: 1:10-23580-Civ-UU

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