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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

J.T. COLBY & COMPANY, INC. d/b/a BRICK  
TOWER PRESS, J. BOYLSTON & COMPANY,  
PUBLISHERS LLC and IPICTUREBOOKS LLC,

Plaintiffs,

- against -

APPLE INC.,

Defendant.

Case No. 11-CIV-4060 (DLC)

ECF Case

**REPLY MEMORANDUM IN SUPPORT OF DEFENDANT’S MOTION TO  
EXCLUDE ANY TESTIMONY, ARGUMENT OR EVIDENCE REGARDING  
THE EXPERT REPORTS AND OPINIONS OF ROBERT T. SCHERER**

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## PRELIMINARY STATEMENT

Plaintiffs effectively confirmed the merits of Apple’s motion to exclude Robert Scherer’s so-called “expert” reports when they submitted, along with their opposition brief, proposed “redacted” versions of those reports, removing certain of his conclusions regarding the ultimate issues of the case. Plaintiffs suggest the Court should strike, among other things, the section summarizing the opinions Mr. Scherer intends to present to the jury. While Apple certainly agrees that Mr. Scherer’s ultimate opinions—and the other passages that Plaintiffs suggest the Court strike—are inadmissible, the problems with his reports extend far beyond those opinions.

Indeed, as a threshold issue, Mr. Scherer is not qualified to testify as an expert regarding *any* of the subjects on which he opines. Plaintiffs try to mask Mr. Scherer’s lack of *current* trademark expertise by exaggerating both his past experience and his recent litigation consulting work. Most notably, Plaintiffs repeatedly reference Mr. Scherer’s work in the Patent and Trademark Office, when he only worked there for two years as an entry-level attorney *forty years ago*. They also claim he is currently practicing trademark law, when all he has done in the last *seven years* is prepare a draft expert report in another case and conduct a series of convoluted searches to support his reports in this case. In this rapidly evolving area of law, a seven-year practical experience gap cannot be ignored.

Mr. Scherer’s outdated experience in his purported field of expertise is highlighted by the numerous misstatements and omissions of key legal principles and the various factual errors made in his reports. Plaintiffs’ Opposition attempts to downplay or explain away these misstatements, omissions and errors, going so far as to claim that at least one such misstatement was Mr. Scherer’s “attempt at humor,” when the report at issue and his testimony indicate otherwise. This Court should reject Plaintiffs’ failed explanations for Mr. Scherer’s mistakes and exclude his purported “expert” testimony in its entirety.

## ARGUMENT

### I. **MR. SCHERER IS NOT AN EXPERT IN CURRENT TRADEMARK LAW OR TRADEMARK SEARCHING OR CLEARANCE PRACTICES.**

Plaintiffs' argument for Mr. Scherer's admission starts with a curious cite to a twenty-year-old out-of-circuit opinion for the proposition that courts have, in general, allowed intellectual property attorneys to offer expert testimony in trademark cases. (Opp. at 3.<sup>1</sup>) Of course, the narrow threshold question is not whether an intellectual property attorney may be theoretically eligible to offer expert testimony about some hypothetical topic in a trademark case. Rather, the question here is whether Mr. Scherer, a long-retired former in-house trademark attorney, is qualified to testify as an expert in *this* case regarding *current* trademark law or trademark clearance practices. Plaintiffs' Opposition falls far short of satisfying Plaintiffs' burden on this question. *See, e.g., United States v. Williams*, 506 F.3d 151, 160 (2d Cir. 2007).

*First*, Plaintiffs proudly trumpet Mr. Scherer's "years" of experience at the PTO as evidence that he is "eminently qualified" to testify in this matter. (Opp. at 3-4.) Plaintiffs fail to mention, however, that Mr. Scherer spent just *two* years working in an entry-level position at the PTO approximately *forty years ago*. (Barry Reply Decl., Ex. 13 ("Scherer Dep.") at 22:2-5; *id.* at 25:18-24.) While Mr. Scherer may have gotten his feet wet in the trademark area in his brief stint at the PTO immediately following his law school graduation in the early 1970s, such work does not indicate expertise with respect to *current* trademark law or clearance practices.

*Second*, Mr. Scherer's post-PTO experience is similarly irrelevant to his offered opinions, particularly in light of his unambiguous testimony that it has been *seven years* since he

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<sup>1</sup> Contrary to Plaintiffs' suggestion that *Sam's Wines & Liquors, Inc. v. Wal-Mart Stores, Inc.*, 32 U.S.P.Q.2d 1906 (N.D. Ill. 1994), supports Mr. Scherer's proposed testimony in this case simply because he was formerly an "intellectual property lawyer," that case expressly recognized that "courts have rejected expert testimony by a lawyer" where, as is the case here, "the testimony is only intended to instruct as to the applicable trademark law" or offer conclusions regarding "ultimate issues." *See id.* at 1912-13.

last engaged in the very practice on which he purports to be a contemporary expert: “[Q:] Can you tell me the year in which you last cleared a trademark? [A:] 2005.” (Scherer Dep. at 38:13-17.) Courts have excluded purported “experts” in similar situations, where the allegedly relevant experience is outdated<sup>2</sup> and/or where the practices and procedures about which the purported expert seeks to testify have changed since his relevant experience.<sup>3</sup>

*Third*, Plaintiffs’ attempts to fill Mr. Scherer’s admitted seven-year experience gap are unavailing, as they consist entirely of (1) Mr. Scherer’s work in this case, (2) his “expert” work in a prior case in which he did not even submit a report, and (3) his self-serving assurance that he has “continued to stay abreast of developments in the trademark field” since his 2005 retirement. (Opp. at 5-6.) Plaintiffs’ circular reliance on Mr. Scherer’s litigation consulting work is particularly illogical; Mr. Scherer cannot be qualified to testify as an expert in litigation based essentially on his work in preparing to provide such testimony.<sup>4</sup>

Setting aside Mr. Scherer’s litigation consulting work (as the Court should), Plaintiffs are left only with Mr. Scherer’s own vague, self-serving assurance that he has stayed “abreast of developments in the trademark field” since his retirement. (Opp. at 5.) Such a generalized assurance is woefully inadequate to meet the applicable requirements to qualify an expert.<sup>5</sup>

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<sup>2</sup> See, e.g., *Rosado v. Deters*, 5 F.3d 119 (5th Cir. 1993) (affirming exclusion based on lack of specialized knowledge where expert had not had refresher course in many years); *Richmond Steel Inc. v. Puerto Rican Amer. Ins. Co.*, 954 F.2d 19, 21-22 (1st Cir. 1992) (affirming decision to strike expert testimony where 10 years had elapsed since expert had work experience with facts similar to those at issue).

<sup>3</sup> See, e.g., *Cerbelli v. City of N.Y.*, No. 99-CV-6846, 2006 U.S. Dist. LEXIS 69902, \*33 (E.D.N.Y. Sept. 27, 2006) (finding proposed expert unqualified to testify regarding practices developed after he retired from the relevant field).

<sup>4</sup> Plaintiffs cite *Medisim Ltd. v. BestMed LLC*, 861 F. Supp. 2d 158 (S.D.N.Y. 2012), to support the proposition that post-retirement “professional expert witness” activities can, on their own, render a proposed expert’s experience sufficiently up-to-date. (Opp. at 6.) *Medisim* does not, however, stand for that proposition. In *Medisim*, the court noted that, in addition to the litigation-based expert work related to the subject of his proposed testimony (*i.e.* digital conductive thermometry) the expert-at-issue had, since his retirement, “continued to work with medical device manufacturers in a variety of fields and ha[d] consulted on several projects directly related to digital conductive thermometry.” *Medisim*, 861 F.Supp.2d at 168. Mr. Scherer has not performed any such work since his retirement.

<sup>5</sup> And, as Apple has already noted, Mr. Scherer has never taught classes, published articles, given public speeches,

*Fourth*, in any event, Mr. Scherer’s generalized assurance that he has stayed abreast of recent developments in trademark law is belied by the content of his reports, which include several glaring misstatements or omissions regarding such law. (*See* Moving Br. at 8-9, 15.) Plaintiffs go to incredible lengths to explain away or downplay his misstatements or omissions, but those efforts are not persuasive. For example, Mr. Scherer’s report clearly indicates his intent to testify that Apple had a duty to perform a comprehensive trademark search. (*See id.* at 15; Opp. at 8-9 (quoting Mr. Scherer’s claim that “Apple has a duty to properly search and clear new marks or new uses of existing marks”).) Confronted with the fact that the law imposes no such duty, Plaintiffs now seek to explain away Mr. Scherer’s admitted misstatement by claiming that he only used the word “duty” once in his report and, in doing so, he was referring to Apple’s “ethical” duty rather than any legal duty. (Opp. at 9.) Putting aside the fact that Mr. Scherer is now apparently claiming to be an expert on business ethics, Plaintiffs’ reimagining of Mr. Scherer’s written position on this issue is flatly at odds with the plain language of his report and the inescapable implications of that language. (*See, e.g.*, Scherer Report at 7 (“[I]t is *imperative* that the trademark attorney conduct the necessary searches . . .”) (emphasis added).)

By way of further example, Mr. Scherer’s report states that “the PTO has created arbitrary classes of goods and services numbered from 1 – 45” and that “the primary purpose of this classification system is to allow the PTO to charge separate filing fees per class.” (Scherer Report at 9 n.2.) When questioned about this statement in his deposition, Mr. Scherer

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or been admitted as an expert regarding the subject matter of his alleged expertise. (Moving Br. at 7.) Because Plaintiffs cannot dispute those facts, they instead misrepresent Apple’s arguments regarding them. (Opp. at 6.) Apple does not, as the Plaintiffs claim, argue that each of these facts independently require Mr. Scherer’s exclusion. Rather, Apple has noted how the absence of such experience viewed in the context of Mr. Scherer’s other deficient “qualifications,” require his exclusion. *See Arista Records LLC v. Lime Group LLC*, No. 06-CV-5936, 2011 WL 1674796, \*5-6 (S.D.N.Y. May 2, 2011) (excluding alleged expert from testifying regarding statistics because, *inter alia*, he “does not teach statistics” and “has never published articles on statistics”); *Fernandez v. Central Mine Equip. Co.*, 670 F. Supp. 2d 178, 183-84 (E.D.N.Y. 2009).



unequivocally confirmed that it remained his opinion that the primary purpose of the PTO's classification system "is to allow the PTO to charge separate filing fees per class." (Scherer Dep. at 215:14-217:6.) In truth, the PTO's classification system was implemented pursuant to the United States' adoption of the Nice Agreement. (Moving Br. at 8.) Despite Mr. Scherer's clear testimony under oath at his deposition that his report reflected his sincere belief on this issue, Plaintiffs now take the incredible position that this aspect of Mr. Scherer's report was "Mr. Scherer's attempt at humor" and that, since this position was "intended to be humorous," it should be discounted accordingly. (Opp. at 9 n.4.<sup>6</sup>) Perhaps most troublingly, Mr. Scherer himself now claims "under penalty of perjury" that this aspect of his report was "intended as humor." (Scherer Decl., ¶ 25.) Plaintiffs' Opposition and Mr. Scherer's declaration are directly at odds with Mr. Scherer's sworn testimony on this subject, and evidence the lengths to which Plaintiffs will go to qualify Mr. Scherer as an expert.

As another example of Mr. Scherer's failure to "stay abreast" of current trademark law, "Mr. Scherer admittedly did not take account of a statement in the PTO Trademark Manual of Examining Procedures regarding 'i-formative' marks" when preparing his written report. (Opp. at 11.) Plaintiffs scramble to downplay the significance of this omission, characterizing it as a "minor flaw" in Mr. Scherer's work. (*Id.* at 12.) Given that this issue is critically relevant to Mr. Scherer's analysis of the descriptive nature of Plaintiffs' purported trademark, this is far more than a minor flaw. To the contrary, this omission persuasively demonstrates Mr. Scherer's lack of expertise on the *current* state of trademark law and practice, particularly as that law and practice applies to the specific facts of this case.

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<sup>6</sup> Curiously, Plaintiffs claim that if Apple "truly believed" that Mr. Scherer's understanding of the purposes of the PTO's classification system was erroneous, "its counsel could have asked him about the footnote at his deposition." (Opp. at 9 n.4.) As indicated above, Apple did, in fact, question Mr. Scherer about this issue in his deposition and Mr. Scherer embraced the assertion in his report without expressing any purported intention for "humor."

## II. MR. SCHERER SHOULD BE PRECLUDED FROM OFFERING ADMITTEDLY NON-EXPERT OPINIONS ON COMPUTER SOFTWARE OR PATENTS.

Mr. Scherer's proposed testimony includes opinions regarding (1) alleged differences between Apple's iBooks software and Family Systems' IBOOK software, and (2) the scope of a patent owned by Family Systems. (Moving Br. at 9-11.) Plaintiffs' Opposition confirms that Mr. Scherer has no expertise related to such matters. (Opp. at 13 (recounting "Mr. Scherer's candid admissions that he is not an expert in patent law or in computer software").)

Notwithstanding his lack of expertise, Plaintiffs claim that Mr. Scherer still should be permitted to offer these opinions to the jury because he "need not be qualified as an expert in patent law or computer software" to offer them. (*Id.* at 12; *see also* Scherer Decl., ¶ 13 ("tying this patent to Family Systems' IBOOK product does not require patent expertise").) According to Plaintiffs, there is nothing to suggest "that Mr. Scherer needed to be an expert on computer software coding, or on construction of the claims in the underlying patent, in order to read the patent abstracts, web pages, and other data underlying his expert opinion" on these issues. (Opp. at 14.) In other words, Plaintiffs argue that it does not take an expert to understand these issues. This argument presents a "Catch 22" for Plaintiffs. If Plaintiffs are *correct* and one need not be an expert to understand these issues, then Mr. Scherer's patent-related and software-related opinions must be excluded.<sup>7</sup> If Plaintiffs are *incorrect* and expert testimony on these topics would be appropriate, then Mr. Scherer's opinions must be excluded on the separate grounds of his admitted lack of expertise on those topics. Either way, Plaintiffs lose and Mr. Scherer's opinions on these topics should be excluded.

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<sup>7</sup> *See, e.g., Arista*, 2011 WL 1674796 at \*6 ("[T]o the extent that [the proposed expert's] opinions do not depend upon any . . . expertise, they are not appropriate matters for expert testimony."); *405 Condo Assocs. LLC v. Greenwich Ins. Co.*, No. 11-CV-9662, 2012 U.S. Dist. LEXIS 181922, \*10-11 n.34 (S.D.N.Y. Dec. 26, 2012) ("Expert testimony is also inadmissible when it addresses lay matters which the trier of fact is capable of understanding and deciding without the expert's help.").

### III. PLAINTIFFS EFFECTIVELY CONCEDE THAT ALL OF MR. SCHERER'S LEGAL CONCLUSIONS MUST BE EXCLUDED.

Mr. Scherer begins the concluding section of his report by summarizing the six “opinions” that he intends to present to the jury as an “expert.” (Scherer Report at 44-45.) These six “opinions”—*i.e.* a distillation of Mr. Scherer’s intended testimony—can only be described as pure legal conclusions. Plaintiffs effectively admit as much, submitting to the Court a proposed “redacted” version of Mr. Scherer’s report removing those opinions, in case “the Court holds that Mr. Scherer is not permitted to offer conclusory opinions concerning ultimate issues.” (Opp. at 2, 17, 18 n.11; *see also* Chatteraj Decl. Ex. C.) Plaintiffs thus essentially concede the outcome necessitated by Second Circuit law—namely, the exclusion of all proposed testimony by Mr. Scherer stating legal conclusions, including the entire “Opinions” section of his report: “***In evaluating the admissibility of expert testimony, the Second Circuit requires the exclusion of testimony which states a legal conclusion.***” *Bank of N.Y. Mellon Trust Co. v. Solstice ABS CBO II, Ltd.*, No. 09-CV-9415, 2012 U.S. Dist. LEXIS 180291, \*25 (S.D.N.Y. Dec. 20, 2012) (quoting *United States v. Duncan*, 42 F.3d 97, 101 (2d. Cir. 1994)) (emphasis added).

Plaintiffs’ proposed redactions identify the most egregious examples of when Mr. Scherer overstepped the bounds of admissible expert testimony (and the absolute minimum that should be excluded), but those examples are merely the tip of the iceberg. Indeed, his reports are so infected with improper legal conclusions, the Court should strike them in their entirety. *See Snyder v. Wells Fargo Bank, N.A.*, No. 11-CV-4496, 2012 WL 4876938, \*5 (S.D.N.Y. Oct. 15, 2012).<sup>8</sup>

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<sup>8</sup> In the event the Court declines to exclude Mr. Scherer’s proposed testimony in its entirety, then Apple respectfully requests that at least Sections 4, 8, 9, 10, and 16 of his Report and Sections 1 and 3 of his Rebuttal Report be excluded on the grounds that they present inadmissible legal conclusions or instruction. (Moving Br. at 11-14; Chatteraj Decl. Ex. C; Chatteraj Decl. Ex. D.)

**IV. MR. SCHERER'S PROPOSED TESTIMONY REGARDING PRIOR LAWSUITS SHOULD BE EXCLUDED UNDER BOTH FED. R. EVID. ("FRE") 403 AND 702.**

Plaintiffs claim that Mr. Scherer should be permitted to present "expert" testimony regarding prior disputes between Apple and third parties involving other trademarks. (Opp. at 23.) Plaintiffs effectively concede in their proposed redactions that Mr. Scherer's ultimate conclusion as to these disputes is inadmissible (Chattoraj Decl. Ex. C at 44), but argue that he still should be allowed to recount to the jury information that he learned about these disputes from perusing various blogs and other online sources (Opp. at 23; *see also* Scherer Report at 44). Plaintiffs' position is contrary to FRE 403, FRE 702, and a prior discovery ruling in this case.

*First*, Mr. Scherer's proposed testimony is irrelevant, unfairly prejudicial, and risks wasting time, and thus should be excluded pursuant to FRE 403. (Moving Br. at 22-23.) The need for exclusion of this testimony is heightened where, as here, the potentially prejudicial evidence would be presented to the jury under the guise of "expert" testimony. *See, e.g., Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 595 (1993) ("Expert evidence can be both powerful and quite misleading . . . . Because of this risk, the judge in weighing possible prejudice against probative force under Rule 403 . . . exercises more control over experts than over lay witnesses."); *Arista*, 2011 WL 1674796 at \*4 ("The Rule 403 inquiry is particularly important in the context of expert testimony, 'given the unique weight such evidence may have in a jury's deliberations.'") (quoting *Nimely v. City of New York*, 414 F.3d 381, 397 (2d Cir. 2005)).<sup>9</sup>

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<sup>9</sup> Plaintiffs cite three cases purportedly evidencing that Mr. Scherer's proposed expert testimony regarding prior, unrelated trademark disputes is relevant and admissible. (Opp. at 23.) All of those cases are inapposite to the present dispute because *none* of them deal with either a FRE 403 challenge in general or, more specifically, a challenge to proposed *expert* testimony regarding the prior disputes. Indeed, the prior disputes discussed in at least one of those cases had progressed much further than mere *unproven allegations* of infringement (such as in the prior disputes listed in Mr. Scherer's report)—rather, the court referenced in connection with its bad faith finding a prior *final judgment* and order of nearly \$400,000 in damages against the defendant in a prior action. *See Telebrands Corp. v. HM Import USA Corp.*, No. 09-CV-3492, 2012 WL 3930405, \*5 (E.D.N.Y. July 26, 2012).

*Second*, Mr. Scherer possesses no specialized knowledge or expertise with respect to this proposed line of testimony. Indeed, he admits that he had no involvement whatsoever with Apple’s prior, unrelated trademark disputes, did not review any of the pleadings or materials from those disputes, and is simply “stating what the news media has reported” with respect to those disputes. (Barry Reply Decl., Ex. 13 (Scherer Dep.) at 217:20-223:2.) When asked if he felt he was qualified to opine on those prior disputes, the most Mr. Scherer could muster was that he feels he is “qualified to *report what the news reports were.*” (*Id.* at 222:7-13 (emphasis added).) Plaintiffs should not be permitted to parade an expert in front of the jury simply to regurgitate unsubstantiated news reports. Aside from being highly prejudicial, such testimony is not even remotely “expert” and must be excluded. *See Arista*, 2011 WL 1674796 at \*6.

*Third*, Judge Forrest already indicated that trademarks not asserted in the Complaint are outside the permissible scope of this case. (Barry Decl. Ex. 11 (“[T]his Court notes that it will limit discovery strictly to those trademark claims actually asserted in the Complaint.”).) Plaintiffs’ characterization of the Court’s Order as not “expressly den[ying]” a discovery request encompassing other trademarks is misleading and unavailing. (Opp. at 24 n.13.)

**V. MR. SCHERER SHOULD NOT BE PERMITTED TO OFFER HIS UNTIMELY AND IMPERMISSIBLE OPINION THAT APPLE ACTED IN “BAD FAITH.”**

The words “bad faith” do not appear anywhere in the 50-plus pages of Mr. Scherer’s reports. (*See generally* Barry Decl., Exs. 1, 2.) Those words also do not appear anywhere in the first 300-plus pages of his deposition transcript, during which he was repeatedly asked to state all of the opinions he intended to offer. Those words first appeared in the context of Mr. Scherer’s “expert” opinions when they were uttered by Plaintiffs’ counsel in a leading question at the end of Mr. Scherer’s deposition. (Scherer Dep. at 332:23-333:2.) Only then did Mr. Scherer finally disclose that he apparently intended to opine that Apple acted in “bad faith.” (*Id.* at 332:23-

333:10.) This improper and untimely disclosure violates Fed. R. Civ. Proc. 26 and renders Mr. Scherer's proposed "bad faith" opinion "presumptively inadmissible." *R.F.M.A.S., Inc. v. Mimi So*, 748 F.Supp.2d 244, 254 (S.D.N.Y. 2010). Plaintiffs have failed to rebut that presumption, mustering only (1) the counterfactual claim that the opinion was disclosed in Mr. Scherer's reports (in code, apparently, given the complete absence of the words "bad faith" in either one), and (2) the incredible assertion that providing Apple's counsel with only a few mid-deposition minutes to conduct a re-cross examination cured the prejudicial impact of the late disclosure.

## **VI. THE PERVASIVE FACTUAL ERRORS UNDERLYING MR. SCHERER'S OPINIONS FURTHER WARRANT EXCLUSION.**

Plaintiffs concede that Mr. Scherer made numerous factual errors in his reports,<sup>10</sup> but claim that he should still be allowed to testify as an expert notwithstanding these errors. Plaintiffs' claims, when viewed in the context of Mr. Scherer's inexperience in recent trademark law, his misstatements and omissions of trademark law and his admitted factual mistakes, should be rejected. In sum, Mr. Scherer's reports include a fatal combination of deficiencies that overwhelmingly require its exclusion. *See* FRE 702(b), (d); *Berk v. St. Vincent's Hosp. & Med. Ctr.*, 380 F. Supp. 2d 334, 352-56 (S.D.N.Y. 2005).

### **CONCLUSION**

For the reasons set forth herein, Apple's motion to exclude should be granted.

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<sup>10</sup> For example, Mr. Scherer relies on an incorrect date of assignment to conclude that Family Systems' assignment to Apple was invalid. Plaintiffs make excuses for this incorrect reliance, but do not deny it. (Opp. at 19-20 (explaining that Mr. Scherer had relied on the date of an assignment document filed with the PTO); Scherer Decl., ¶ 15(b) ("I focused on the . . . document dated January 29, 2010, rather than the assignment agreement, which I understand is dated January 27, 2010.")) As another example, Mr. Scherer admitted that he mistakenly concluded that Apple "made no attempt to purchase Family Systems' IBOOK mark in [Japan and the EU]." (Scherer Decl. ¶ 15(c); Moving Br. at 16-17.) Again, Plaintiffs' only response to this admission is to parrot back to the Court his conclusory assertion that the correct facts do not "materially change" his opinion. (Opp. at 20; Scherer Decl. ¶ 15(c).) Mr. Scherer's reports contained further factual (as well as legal) misstatements on which he built his opinions. (Moving Br. at 14-22.) Plaintiffs' responses to these errors are variations on the themes set forth above, seeking to minimize the import of such errors or confusing the issues set forth in the moving brief in order to construct and defeat their own straw man arguments. (Opp. at 18-23.)

Date: February 5, 2013

Respectfully submitted,

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