July 19, 2022

Honorable Magistrate Judge Nathaniel M. Cousins
United States District Court Northern District of California
San Jose Courthouse, Courtroom 7, 4th Floor
280 South 1st Street, San Jose, CA 95113

Re: *Applied Materials, Inc. v. Demaray LLC*, 20-cv-09341-EJD (N.D. Cal.)

Dear Judge Cousins,

Applied Materials, Inc. ("Applied") and Demaray LLC ("Demaray") submit this joint letter in response to Your Honor's July 12, 2022 order (ECF 154) to submit a joint status update on the Dr. Demaray deposition. For brevity, the parties agree to incorporate by reference their joint discovery letter on the issue filed on January 24, 2022. ECF 120.

Applied's Statement

As Applied explained in the January 24, 2022 discovery letter, days before Dr. Demaray's deposition was scheduled to occur ***in this case***, Demaray sought to impose additional limitations on Applied and non-parties Intel and Samsung (who have their own respective cases against Demaray in the Western District of Texas) by demanding a single, coordinated deposition.

While Demaray has offered to make Dr. Demaray available for deposition since that time, it has maintained its unreasonable demand for coordination while continuing its efforts to impose additional limitations. On February 7, 2022, Demaray filed a letter brief with Your Honor seeking leave to amend its answer to add infringement claims. On February 11, 2022, Demaray offered Dr. Demaray for deposition in March, but stated that "Dr. Demaray will not be offered for a second deposition in the NDCA matter." Counsel then confirmed in a meet and confer that if Applied moved forward with an "early deposition" of Dr. Demaray, Applied must examine Dr. Demaray on all topics, including those that would only become relevant if Demaray's request to add infringement claims was granted (*e.g.,* topics related to alleged damages, such as Demaray's acquisition of the patents, valuation, and prior attempts to license or monetize the patents). If Applied opted not to, it would risk foregoing its opportunity to obtain that discovery because Dr. Demaray would not be made available for deposition again.

With its demand, Demaray yet again uses its delay and purported indecision on whether to sue Applied to prejudice Applied's ability to move this case forward. *See* ECF 142 at 11:19-15:23; ECF 139; ECF 143. Due to Demaray's preclusion positions, Demaray foreclosed Applied's ability to move forward with Dr. Demaray's deposition until after resolution of the January 24, 2022 discovery letter brief and Demaray's motion to amend its answer to add infringement claims. As a result, Dr. Demaray's deposition has been delayed by more than six months. Moreover, Demaray deprived Applied of the opportunity to cite to testimony from Dr. Demaray, a named inventor, in claim construction briefing. And while Demaray suggests that further delay will be minimal because Judge Davila will hear its motion to amend next month, it is unclear on what basis Demaray believes the motion will be decided at or shortly after the hearing.

Applied's Proposal

For the reasons explained in the January 24, 2022 discovery letter brief, Applied respectfully

requests the Court issue an order expressly denying Demaray's prior proposal that Dr. Demaray's deposition in this case be a single, coordinate deposition with non-parties Intel and Samsung. Applied is not asking for an advisory opinion, as Demaray now contends. Indeed, Demaray has repeatedly asked this Court to address whether Applied must coordinate Dr. Demaray's deposition with the Texas cases, including in the original discovery letter last December and in the most recent CMC statement. ECF 86 at 3 ("[T]he issue of whether duplicative depositions of Dr. Demaray are warranted should be resolved as part of the CMC process..."); *id*. at 4 ("Applied presents no reason why it cannot take a joint deposition… in the WDTX cases"); ECF 151 at 11-12.

Applied further requests the Court order Dr. Demaray to appear for deposition on the limited topics presently at issue in this case and which were contemplated when the Court originally ordered Dr. Demaray's deposition to occur six months ago (claim construction and Applied's license defense). The deposition should be without prejudice to Applied's right to seek testimony from Dr. Demaray on ***other (and currently irrelevant) topics*** at a later time if the Court allows Demaray's infringement claims to be added and the scope of relevant discovery in this case changes.

Demaray's Statement

Demaray has repeatedly offered Dr. Demaray for deposition in this matter alone, in accordance with the Court's prior order. As explained in the January 24, 2022 discovery letter, the parties scheduled his deposition for January 21. Before the deposition, Demaray properly put Applied on notice that given Applied's insistence on an early deposition, Demaray would (1) oppose any later efforts to take a second deposition here (*e.g.,* if affirmative infringement claims are brought or he is designated on 30(b)(6) topics), and (2) "Demaray will oppose any request in the Texas cases for an additional, duplicative deposition of Dr. Demaray," given the overlap of issues on which Dr. Demaray will be offering testimony in the Texas cases and the present case, the fact that the same attorneys represent the Texas defendants and Applied, and that their interests are completely aligned. Demaray confirmed exactly this at the meet and confer prior to the January 24 submission. Applied then unilaterally cancelled the January 21 deposition.

Demaray offered Dr. Demaray again for deposition on February 11, but Applied did not respond. In February, Applied informed Demaray that it would like to proceed with the deposition despite the pending motion and Demaray offered him on March 2 or March 3. When Applied raised conflicts, Demaray offered him on March 11. When Applied raised further conflicts, Deamray he offered him on March 24. Applied declined all of these dates and in April decided not to proceed with the deposition after all, despite ongoing claim construction briefing, until the Court ruled on the January 24 submission and dropped the issue. Indeed, until the Court asked for an update, the parties had not spoken on the issue for months.

Applied now, ***for the first time***, admits its goal has always been to subject Dr. Demaray to repeated depositions in this matter. There are numerous reasons this is improper. First, the Federal Rules contemplate a presumptive limit of one, sever-hour deposition for individual fact witnesses. Second, Applied falsely claims that this Court contemplated Dr. Demaray being deposed repeatedly in this case (first on "claim construction and Applied's license defense" and later on other topics). But the Court's order makes no mention of multiple depositions. Third, Applied claims that issues relating to damages are "currently irrelevant," but ignores that the Court will resolve the pending dispute regarding affirmative claims within a month.

Applied also repeats its request for an advisory opinion on how the Texas court should address any later-sought deposition of Dr. Demaray in the Texas cases. Put simply, Judge Albright in Texas will rule on whether the Texas defendants get a further deposition(s) of Dr. Demaray and the bounds thereof. Applied's counsel acknowledged the same at the last hearing: "***[a]s to what Judge Albright decides over there with respect to Samsung and Intel's cases, that's a separate issue. If they want to raise a dispute or protective order issue with respect to those cases, they're more than likely happy to do so.***" Tr. at 12:14-20. The propriety of duplicative depositions in Texas is not an issue properly before this Court.

Demaray's Proposal

Given the Court will address whether to allow Demaray's affirmative infringement claims in less than a month clarifying the scope of this matter and the applicable case schedule, if Applied still wants an early deposition of Dr. Demaray, the Court should order the deposition to occur a reasonable amount of time after Judge Davila issues an order. But Applied should only get one bite at the apple in this case as contemplated under the Federal Rules. Regarding potential depositions in the Texas cases, that is not an issue properly before this Court and Applied's request for an advisory order is improper.

Respectfully submitted,

/s/ Philip Ou

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Respectfully submitted,

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