IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

MAXELL, LTD., *Plaintiff*, v. APPLE INC., *Defendant*.	Case No. 5:19-cv-00036-RWS **JURY TRIAL DEMANDED**

MAXELL, LTD.'s OPPOSITION TO APPLE'S MOTION FOR LEAVE TO SUPPLEMENT INVALIDITY CONTENTIONS

On July 10, 2019, Maxell produced a document from the Digital Camera Museum website regarding old models of digital cameras, including the Casio QV-8000SX ("Casio Camera"). Decl. of Tiffany Miller ("Miller Decl.") at ¶¶ 2-4 (showing excerpt of produced Digital Camera Museum screenshots). Four months later, Apple asserts good cause exists to supplement its invalidity contentions because someone discovered **the same website** on October 16, 2019. Mot at 3, Gibson Decl. at ¶ 3. Good cause does not exist. Apple cannot claim it has been diligent, and the website was difficult to locate, when it was produced by Maxell **months** earlier. Apple's motion demonstrates that Apple has treated the Patent Rule deadlines the same way it treated the discovery deadlines in this case—it looks at them as a starting point for compliance. Apple has serially avoided its obligations before this Court, likely in hope that the case would be transferred and it would be given a second chance to prepare its case. Such games should not be rewarded and Apple should not be permitted to untimely add readily-discoverable products to the case.

I. LEGAL STANDARD

Under the Local Rules, leave to amend invalidity contentions "may be made only by order of the Court, which shall be entered only upon a showing of good cause." P.R. 3-6(b). Good cause "requires a showing of diligence." *O2 micro Int'l Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1366 (Fed. Cir. 2006). For this analysis, the Court weighs multiple factors, which include (1) the length of and reason for the delay, including whether the moving party has been diligent, (2) the importance of the amendment, (3) the potential prejudice in allowing the amendment, and 4) the availability of a continuance to cure such prejudice. *See e.g.*, *Allure Energy, Inc. v. Nest Labs, Inc.*, 84 F.Supp.3d 538, 540-41 (E.D. Tex. 2015) (quoting *Computer Acceleration Corp. v. Microsoft Corp.*, 481 F.Supp.2d 620, 625 (E.D. Tex. 2007)); *Arbitron, Inc. v. Int'l Demographics Inc.*, 2008 WL 4755761, at *1 (E.D. Tex. Oct. 29, 2008) (citing *S & W Enters., L.L.C. v. Southtrust Bank of Ala., NA*, 315 F.3d 533, 535 (5th Cir. 2003)).

II. ARGUMENT

Apple's motion is nothing more than an effort to correct for its own lack of diligence. Maxell produced the website in question over a month before Apple's invalidity contentions were due. If Apple had simply reviewed the production—as any diligent defendant would—and followed up on the information therein, it could have easily met its deadline. A party must show good cause to supplement its contentions. Given the foregoing, Apple cannot.

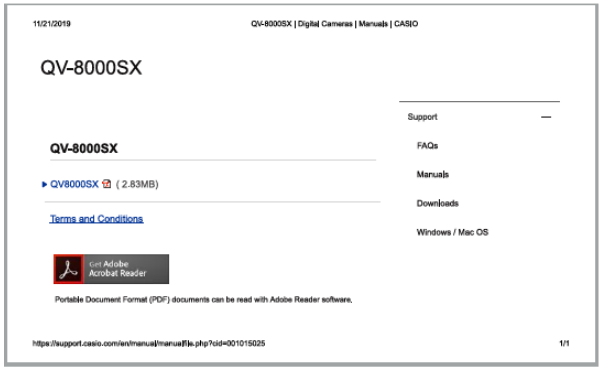
A. Apple's explanation for its delay in identifying the Casio Camera is misleading.

The first factor in evaluating a defendant's motion for leave to amend invalidity contentions—the length of and reason for the delay, including whether the moving party has been diligent—weighs heavily against Apple.

Apple's statement that it has been diligent in developing its invalidity defenses is belied by the facts. Apple asserts that it, a law firm working on its behalf, and a prior art search firm all performed prior art searches prior to the deadline for Apple's invalidity contentions. Mot. at 2. Yet, according to Apple, Apple was not aware of—and apparently could not discover—the Casio Camera until Erise IP "discovered a German website published by an individual camera enthusiast that contained information relating to old models of digital cameras." Mot. at 3. That website was http://digitalkameramuseum.de. Mot. at Gibson Decl. ¶ 3. Screenshots of this exact website, however, had been produced by Maxell on July 10, 2019. Miller Decl. at ¶¶ 2-3. Maxell provides in the accompanying Declaration screenshots from http://digitalkameramuseum.de taken on November 21, 2019 and as produced by Maxell on July 10, 2019. Miller Decl. at ¶¶ 3-4 (produced screenshot), ¶ 5 (screenshot taken November 21, 2019). Both specifically contain the identification of the Casio QV-8000SX, which establishes conclusively that Apple had the information about this alleged prior art product as early as July 10, 2019, more than a month before its Invalidity

Contentions were first due. *Id.* Apple cannot rely on a website it has had in its possession for over four months as a basis for adding new prior art to the case now.

Apple's claims that information regarding the Casio Camera was difficult to locate—setting aside the fact it was already in Apple's possession by July 10—are similarly misleading. Apple asserts that "[f]ollowing the leads from camera enthusiasts' websites to try to locate product information was time consuming because manufacturers like Casio stopped selling these products nearly twenty years ago, literature and specifications were not always archived from so long ago…." Mot. at 3. But in its proposed supplementation, the primary Casio Camera document on which Apple relies is the product User's Guide. *See* Mot. at Ex. B. Casio itself provides a copy on its website, under "Manuals," as shown below:



Miller Decl., at ¶¶ 6-7. All Apple had to do was check the Casio website, or run a simple Google search, hardly the difficult, time consuming process Apple claims.

Even assuming it took several days for Apple to locate information regarding the Casio Camera once identified, had Apple actually been diligent, it still would have had time to determine the alleged relevance of the Camera prior to the deadline for its invalidity contentions. Specifically, Apple asserts it discovered the German website on October 16 and the relevance of the camera became apparent nine days later, on October 25. Mot. at 3-4. Given Maxell's production of the website on July 10, Apple should have reached its conclusion as early as July 19, a month before its contentions were due on August 14. Miller Decl. at ¶ 2; D.I. 46 (DCO).

This Court has regularly denied requests to supplement invalidity contentions where a defendant could not establish why it did not include the reference in the contentions in the first instance. *See, e.g.*, *Imperium IP Holdings (Cayman), Ltd. v. Samsung Elecs. Co.*, No. 4:14-CV-371, 2016 WL 3854700, at *2 (E.D. Tex. Mar. 28, 2016) ("The Court finds that Defendants have not demonstrated diligence or shown good cause to amend. Defendants do not provide an adequate explanation for why they did not include the proposed references and combinations in the original invalidity contentions."); *Innovative Display Techs. LLC v. Acer Inc.*, No. 2:13-CV-00522-JRG, 2014 WL 2796555, at *1-2 (E.D. Tex. Jun. 19, 2014) (denying motion to supplement, stating in part, "While Defendants have acted promptly in bringing these new arts to the attention of Plaintiff and the Court, they have failed to explain why, with reasonable diligence, they could not have discovered such arts prior to the deadline for filing Invalidity Contentions."); *MacroSolve, Inc. v. Antenna Software, Inc.*, No. 6:11-CV-287-MHS-JDL, 2013 WL 3833079, at *3 (E.D. Tex. Jul. 23, 2013) ("Defendants were not diligent in their investigation, discovery, and presentation of prior art references, and further, lack an adequate explanation for failing to present these references at an earlier date. With respect to GEICO, it cannot account for its activities between the date it filed its invalidity contentions on September 24, 2012, and the date it finally sought to amend the

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