

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

MAXELL LTD.,

Plaintiff,

v.

APPLE INC,

Defendant.

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CIVIL ACTION NO. 5:19-CV-00036-RWS

ORDER

Before the Court is Plaintiff Maxell, Ltd.’s Opposed Motion to Compel Apple Inc. to Produce Timely Discovery (Docket No. 56). Maxell moves to compel document production and responses to Interrogatory Nos. 2–9. For the reasons set forth below, Maxell’s motion is **GRANTED-IN-PART** and **DENIED-IN-PART**.

I. Legal Standard

Under Rule 26(b)(1) of the Federal Rules of Civil Procedure, “[p]arties may obtain discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense” FED. R. CIV. P. 26(b)(1). Federal Rule of Evidence 401 defines relevant evidence “as evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence.” “Relevancy is broadly construed, and a request for discovery should be considered relevant if there is ‘any possibility’ that the information sought may be relevant to the claim or defense of any party.” *Merrill v. Waffle House, Inc.*, 227 F.R.D. 467, 470 (N.D. Tex. 2005) (citations omitted).

The discovery rules are given broad and liberal treatment to achieve their purpose of adequately informing litigants in civil trials. *Herbert v. Lando*, 441 U.S. 153, 176 (1979). “It hardly bears repeating that control of discovery is committed to the sound discretion of the trial

court” *Williamson v. U.S. Dep’t of Agric.*, 815 F.2d 368, 382 (5th Cir. 1987). Nevertheless, discovery does have “ultimate and necessary boundaries.” *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 351 (1978) (quoting *Hickman v. Taylor*, 329 U.S. 495, 507 (1947)).

“The party resisting discovery bears the burden to clarify and explain its objections and to provide support for those objections.” *Fed. Trade Comm’n v. Liberty Supply Co.*, No. 4:15-cv-829, 2016 WL 4272706, at *4 (E.D. Tex. Aug. 15, 2016) (quoting *Enron Corp. Savings Plan v. Hewitt Assocs., L.L.C.*, 258 F.R.D. 149, 159 (S.D. Tex. 2009)). Additionally, “the party resisting discovery must show specifically how . . . each [request] is not relevant or how each question is overly broad, burdensome or oppressive:”

In order to satisfy its burden, the objecting party must make a specific, [detailed showing of how a request is burdensome. A mere] statement by a party that a request is overly broad and unduly burdensome is not adequate to voice a successful objection. Broad-based, non-specific objections are almost impossible to assess on their merits, and fall woefully short of the burden that must be borne by a party making an objection to an interrogatory or document request. A party asserting undue burden typically must present an affidavit or other evidentiary proof of the time or expense involved in responding to the discovery request.

Id. (quotations and citations omitted). Because the Defendants seek to limit the world of discoverable material, they bear burden of justifying their proposed limitation. *Id.*

II. Motion to Compel Documents

Maxell asks the Court to compel Apple to “substantially complete its document production.” Maxell argues that this action’s Docket Control Order (Docket No. 46) and Discovery Order (Docket No. 42) required both parties to produce “all documents . . . that are relevant to the pleaded claims or defenses involved in this action, except to the extent these disclosures are affected by the time limits set forth in the Patent Rules . . .” by July 10, 2019. Yet, according to Maxell, Apple only produced 190 documents on July 10 and is trying to “slow-roll production at least until the close of fact discovery.”

Apple accuses Maxell of seeking to impose an arbitrary document production deadline. Apple contends that “no court in this district has ever interpreted the Paragraph 3(b) date as a deadline to complete document production.” Apple also points out that Maxell did not comply with its interpretation of the order by producing additional documents on July 29. Apple assures the Court that it is complying with the Discovery Order, having produced documents on July 18, July 26, August 2 and August 14.

Maxell is correct that the date to “Comply with Paragraphs 1 & 3 of the Discovery Order (Initial and Additional Disclosures)” provided in the parties’ Docket Control Order was not merely the date that discovery begins. *Cf.* FED. R. CIV. P. 26(d)(1) (explaining that discovery may commence after the parties comply with Rule 26(f)). However, in this case, it was unreasonable to expect Apple to produce *all* relevant documents, apart from those provided for in the Local Patent Rules, by July 10.¹

Maxell accused various functions and technologies in numerous Apple iOS devices, including several generations of iPhone and iPad products, of infringing 10 patents. Such broad allegations necessarily contemplate extensive discovery and document production. *Cf.* FED. R. CIV. P. 26(b)(1) (Discovery should be “proportional to the needs of the case, considering the importance of the issues at stake in the action [and] the amount in controversy . . .”). As is typical, the parties agreed to an “Additional Disclosures” deadline that fell less than two months after Apple answered the complaint and less than one month after the Court’s scheduling conference. But it is clear by the present dispute that the parties did not agree what this deadline meant. Though

¹ Maxell’s motion to compel was filed before the August 14, 2019 deadline to comply with P.R. 3-4. At the hearing on the present motion, Maxell suggested that Apple had not produced “documentation sufficient to show the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its P. R. 3-1(c) chart” as required by P.R. 3-4. Apple contends it complied with the Patent Rules. As this issue was not briefed, and is not properly before the Court, the Court will not address this allegation.

Apple should have begun collecting and producing documents before the Additional Disclosures deadline, its inability to complete document production by that deadline is understandable.

Based on the present pleadings and arguments, however, the Court cannot determine whether Apple has met its discovery obligations to date. The parties agree document production is ongoing, and Apple represented that it does not have some of the categories of documents Maxell seeks. Moreover, Apple has not taken the position that there is any category of document that it will not produce, other than those addressed in Interrogatory No. 9. Without some evidence, other than attorney argument, the Court cannot weigh the truth of these assertions. *See Fed. Trade Comm'n v. Liberty Supply Co.*, 2016 WL 4272706, at *4.

Apple agreed to substantially complete all discovery by November 27, 2019, Docket No. 100 at 69:16–19, and the Court expects it to meet this deadline. Accordingly, Maxell's motion to compel document production is **DENIED**. However, this order does not reduce or eliminate Apple's obligation to “produce or permit the inspection of all documents, electronically stored information, and tangible things in [its] possession, custody, or control that are relevant to the pleaded claims or defenses involved in this action.”

III. Interrogatory No. 2

Interrogatory No. 2 requests Apple's non-infringement contentions:

To the extent You contend that any Accused Product does not infringe any Asserted Claim of any Patent-in-Suit, state, with particularity for each such claim, limitation-by- limitation, Your full basis for any such contention

This district's local patent rules do not require non-infringement contentions. *Huawei Techs. Co. v. T-Mobile US, Inc.*, No. 2:16-cv-00052-JRG-RSP, 2017 WL 9988630, at *1 (E.D. Tex. Aug. 25, 2017). Instead, those contentions are left for expert opinions and expert discovery.

“A party is not entitled to obtain early disclosure of expert opinions via interrogatory.”

Promethean Insulation Tech. LLC v. Sealed Air Corp., No. 2:13-CV-1113-JRG-RSP, 2015 WL

11027038, at *2 (E.D. Tex. Oct. 13, 2015). Maxell's Interrogatory No. 2 seeks expert discovery that is not appropriate at this phase of litigation. Accordingly, Maxell's motion to compel is **DENIED** with respect to Interrogatory No. 2.

IV. Interrogatory No. 3

Maxell requests that Apple identify all intellectual property agreements that relate to the Accused Products:

Identify all patent licenses, covenants-not-to-sue, or other agreements Concerning patents or intellectual property (collectively, "Agreements") to which You are a party that relate to the Accused Products or products that are reasonably similar to the Accused Products, and, for each such Agreement, identify the parties, the date it was entered into, the termination date (if any), the royalty rate and/or consideration paid, and identify how the parties arrived at such royalty rate and/or consideration.

In general, licenses and other agreements are discoverable. *See, e.g., Charles E. Hill & Assocs., Inc. v. ABT Elecs., Inc.*, 854 F. Supp. 2d 427, 428 (E.D. Tex. 2012) (noting, in analyzing whether settlement negotiations are privileged, that license agreements are generally discoverable). Apple has not established why it should not be required to produce and identify the Agreements Maxell asks for. Nor has Apple carried its burden to explain why it waited so long to begin seeking third-party consent for certain Agreements.

However, Maxell's demand that Apple "identify how the parties arrived at such royalty rate and/or consideration" for each Agreement is overbroad and unduly burdensome. This demand seeks a narrative response with respect to each Agreement related to every Accused Product and every similar product. The burden of this discovery outweighs its likely benefit. Accordingly, Maxell's motion to compel is **GRANTED-IN-PART** with respect to Interrogatory No. 3's

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