

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

MAXELL, LTD.,

Plaintiff

v.

APPLE INC.,

Defendant.

Civil Action NO. 5:19-cv-00036-RWS

JURY TRIAL DEMANDED

APPLE'S MOTION FOR LEAVE TO SUPPLEMENT INVALIDITY CONTENTIONS

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I. INTRODUCTION

Apple hereby moves under Patent Rule 3-6(b) for leave to supplement its invalidity contentions to add the Casio QV-8000SX Digital Camera (“the Casio Camera”) as a prior art product that invalidates the asserted claims of U.S. Patent No. 8,339,493 (the “’493 Patent”).

Although Apple diligently searched for relevant prior art before serving its initial invalidity contentions, Apple only discovered the Casio Camera prior art after it served its contentions. Upon discovering this prior art around October 25, Apple notified Maxell and provided an invalidity claim chart on November 4 to allow Maxell to fully examine this newly-discovered prior art and Apple’s mapping of this prior art to the ’493 patent claims. Indeed, Apple did this before Maxell’s deadline to make its preliminary selection of asserted patent claims and offered to stipulate to an extension of that deadline to ensure that Maxell had sufficient opportunity to review the prior art to make an informed selection of asserted patent claims (Maxell declined). Apple has been diligent, the prior art reference is important to this case, and the supplement will not prejudice Maxell or impact the case schedule. Accordingly, there is good cause to grant Apple’s request to supplement.

II. ARGUMENT

Apple has good cause, as required under P.R. 3-6(b), to supplement its invalidity contentions to add this newly-discovered prior art. The Court has “broad discretion” to determine whether good cause exists. *S & E Enters., LLC v. SouthTrust Bank of Ala., NA*, 315 F.3d 533, 535 (5th Cir. 2003). Courts in this District consider four factors to determine whether good cause exists: “(1) the explanation for failure to meet the deadline; (2) the importance of the thing that would be excluded; (3) potential prejudice in allowing the thing that would be excluded; and (4) the availability of a continuance to cure such prejudice.” *Alt v. Medtronic, Inc.*, No. 2:04-CV-370, 2006 WL 278868, at *2 (E.D. Tex. Feb. 1, 2006) (citing

STMicroelectronics, Inc. v. Motorola, Inc., 307 F. Supp. 2d 845, 850 (E.D. Tex. 2004)). All factors weigh in favor of allowing Apple to supplement its invalidity contentions.

A. Factor 1: The Delay In Finding The Casio Camera Was Excusable

Apple has been diligent in searching for prior art, and its discovery of the Casio Camera prior art after service of its initial invalidity contentions was excusable. Apple’s diligence—both in searching for prior art and in disclosing the new prior art to Maxell—supports a finding of good cause. *See Uniloc 2017, LLC v. Google LLC*, No. 2:18-00497-JDG-RSP, Dkt. No. 98, at *3 (E.D. Tex. Oct. 9, 2019) (granting motion for leave to supplement invalidity contentions because defendant showed that it “exercised diligence in discovering the prior art”); *Seven Networks, LLC v. Google LLC*, No. 2:17-cv-00442-JRG, Dkt. No. 218, at *4 (E.D. Tex. July 6, 2018) (finding “relative speed with which [Defendant] passed along the [new prior art] to [Plaintiff] once it was received” demonstrated diligence).

First, Apple was diligent in searching for prior art before the August 14, 2019, deadline to serve its invalidity contentions. Apple’s litigation counsel conducted numerous prior art searches of publicly-available information. *See* Declaration of Luann Simmons (“Simmons Decl.”), ¶ 2. Apple also retained an intellectual property law firm that specializes in patent matters (Erise IP) and a prior art search firm (and theWise IP) to search for prior art relevant to the ’439 patent. *Id.* at ¶¶ 3-4. Apple specifically investigated product prior art and, in fact, located five prior art products that it included in its initial invalidity contentions. *Id.* at ¶ 5. However, none of the firms discovered information relating to the Casio Camera before the deadline for Apple’s invalidity contentions. *Id.* at ¶¶ 5-6.

Second, Apple’s discovery of the Casio Camera prior art after service of its invalidity contentions was excusable because of the significant difficulty associated with locating technical information about prior art products sold twenty years ago. The Casio Camera was a digital

camera product sold by Casio in the late 1990s. *See* Simmons Decl., Ex. B at 1. Unlike patents and technical publications, physical prior art products, such as the Casio Camera, are difficult to find. There is no centralized database cataloging such products and their characteristics, and there were already hundreds of digital camera models (if not more) on the market by the priority date of the '439 patent. *See, e.g.*, Declaration of John Gibson (“Gibson Decl.”), ¶¶ 3-5. Thus, searching for prior art products is a time-consuming and resource-intensive process that involves manual searches, investigation, and follow-up. Although Apple did not find the Casio Camera before the initial invalidity contentions deadline, it continued its diligent efforts to identify relevant prior art as part of its on-going investigation of Maxell’s claims. *Id.*, ¶¶ 2-3.

On or about October 16, a technical analyst working under the direction of Apple’s counsel at Erise IP discovered a German website published by an individual camera enthusiast that contained information relating to old models of digital cameras. *See* Gibson Decl., ¶ 3. Based on his review of the website from October 16 to October 22, that analyst identified several dozen early camera models, including the Casio Camera, that potentially included both video recording and still image capturing modes—features relevant to the '493 Patent. *See id.*, ¶ 4. The analyst immediately began searching for available technical information and product literature for the Casio Camera. *Id.*, ¶ 5. Following 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 and, even if found, frequently did not contain sufficient technical detail. *Id.*

As a result of diligent searching, the analyst found a copy of the Casio Camera’s product manual. *Id.*, ¶¶ 5-6. The product manual described the Casio Camera’s technical features in

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