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

MAXELL, LTD.,

Plaintiff

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

v.

JURY TRIAL DEMANDED

APPLE INC.,

Defendant.

APPLE INC.'S MOTION TO COMPEL LICENSING AND NEGOTIATION DOCUMENTS

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I. INTRODUCTION

Plaintiff Maxell, Ltd. ("Maxell") is trying to monetize patents in the United States without providing full discovery on their encumbrances, claiming that highly relevant licenses and communications are locked away in Japan with the asserted patents' previous owner. Maxell offers specious explanations in claiming that it has no practical ability to get such documents, even though the entity that possesses them—Hitachi Ltd.—completely owned Maxell until very recently, *still partially owns*, and recently loaned a key employee to work for Maxell "on assignment." Maxell claims that it was given only certain files along with the patents assigned to it by Hitachi and that, as a passive recipient of such files, it has no authority to demand anything else—no matter how utterly deficient the transfer was. The result is that Maxell gets the best of both worlds: it can both accuse Apple of infringement and then claim ignorance when it is revealed that many of the very accused components are actually licensed.

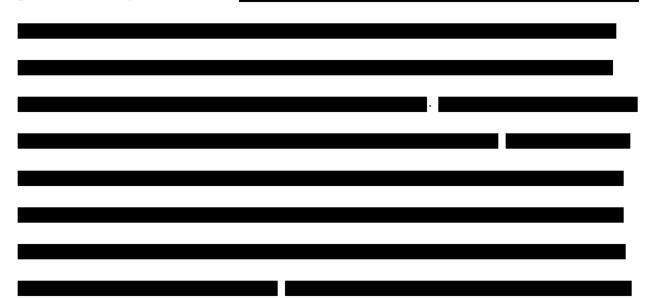
The prejudice to Apple is manifest. Apple should not be forced to engage in international and third-party discovery to determine the full extent to which the patents asserted by Maxell have already been licensed to Apple's suppliers by Hitachi. Maxell should be compelled to fully utilize its obvious practical ability to engage with Hitachi—with which it has a significant and continuing relationship—and provide full discovery.

II. MATERIAL FACTS

Patent and Entity Ownership History: The Plaintiff—Maxell—is the latest assignee of the asserted patents themselves and/or the parent applications from which they stem (the "asserted patents"). All ten asserted patents originated with Hitachi, Ltd. ("Hitachi"). *See* D.I. 111 (Am. Compl.) at ¶ 4. In 2009, Hitachi assigned the asserted patents to its wholly owned

subsidiary, Hitachi Consumer Electronics Co., Ltd. ("HCE").¹ Am. Compl. at ¶ 4. In 2013, HCE assigned them to Hitachi Maxell, Ltd. ("Hitachi Maxell"). *Id.* Hitachi wholly owned Hitachi Maxell until 2017, when Hitachi sold most of its shares but retained a 15% stake.² Later in 2017, Hitachi Maxell assigned the asserted patents to Maxell due to a reorganization/name change. Am. Compl. at ¶ 4. Around the same time, Hitachi reduced its stake in Hitachi Maxell (later renamed Maxell Holdings, Ltd.), to about 3%, where it currently stands.³

Licensing and Potential Sale of Asserted Patents: While Hitachi owned the asserted patents, it actively licensed them.



Maxell lists Mr. Matsuo as a witness with knowledge about "licensing

³ See "Hitachi drawing down Maxell stake,"
(<u>https://asia.nikkei.com/Business/Markets/Stocks/Hitachi-drawing-down-Maxell-stake</u>) (last visited on December 3, 2019); Maxell Holdings, Ltd. Integrated Report 2019, (<u>https://www2.maxell.co.jp/ir/pdf/MHD_IR19_E_interactive.pdf</u>) at 66 (last visited on December 3, 2019).

¹ See "Hitachi Announces Corporate Split and New Company Establishment Plan for Consumer Business Group," (<u>https://www.hitachi.com/New/cnews/f_090526a.pdf</u>) (last visited on December 3, 2019).

² See "Notification of Change in Capital Relationship between Hitachi and Hitachi Maxell," (<u>http://www.hitachi.com/New/cnews/month/2017/03/f 170321a.pdf</u>) (last visited on December 3, 2019) (noting an intention to "keep [a] collaborative relationship").

of Maxell patents" and should be contacted through Maxell's lawyers. Ex. 2.

Discovery Regarding Pre-Suit Communications and Mr. Matsuo's Employment

"Assignment" to Maxell: Maxell filed this lawsuit in March 2019 and produced some pre-suit communications and some licenses.

support Maxell's explanation regarding the nature of Mr. Matsuo's "assignment" to Maxell, and Maxell confirmed that it had no such documents.

Discovery Regarding Licenses:

⁴ Apple has also filed a Motion for Issuance of Letters of Request for International Judicial Assistance (D.I. 146) to try to obtain documents directly from Hitachi, Ltd., notwithstanding the low likelihood that responsive documents will be produced in timely manner. This motion does not, however, absolve Maxell of its duty to produce the documents itself.

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