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 **LEAD CASE** **JURY TRIAL DEMANDED**

MAXELL, LTD.'S SUR-REPLY IN OPPOSITION TO APPLE'S MOTION FOR LEAVE TO SUPPLEMENT INVALIDITY CONTENTIONS

In its Motion for Leave, Apple touted its diligence, noting particularly that it was able to go from "discovering" the Digital Camera Museum website to charting the Casio Camera identified therein in 20 days. Now, however, Apple argues it could not possibly have been expected to have seen the same website in Maxell's production and charted the same product in five **weeks**. Apple also initially argued that its diligence was evidenced by the fact that finding information about old Casio Camera products was difficult. But after Maxell showed such representations to be untrue, Apple now says the availability of such information is irrelevant.

What all this really shows is that Apple was not diligent. Apple did not take its obligations under the Patent Rules seriously, just has it has not taken its obligations under the discovery rules seriously. If it had, Apple would have identified the website within Maxell's production and followed the lead, just as it did when it came across the same website months later. Instead, Apple did the bare minimum to satisfy the P.R. 3-4 deadline and actively continued its prior art search afterward, thinking the rules do not apply to Apple and it would supplement its contentions later. That is not a basis for finding good case. Apple should not be granted a second chance to untimely inject new prior art into the case.

I. Apple's Diligence is Belied By Its Own Recitation of the Facts

In Reply, Apple asserts that it is "not reasonable" to expect that Apple could have gone from finding the "Digital Camera Museum" website printout in Maxell's production to charting the Casio Camera within the 5-week period between Maxell's production and the due date for Apple's invalidity contentions. But by its own admission, Apple (1) located the "Digital Camera Museum" website, (2) researched the hundreds of products listed to identify the Casio Camera as relevant prior art, (3) found the Casio Camera's user manual, and (4) analyzed and charted that

user manual **in less than three weeks**.[1] *See* Mot. (D.I. 130) at 3-4 (identifying the website as being "discovered" on October 16 and claim chart being complete November 4). Thus, Apple's true assertion is that it is "not reasonable" for Apple to have found the website in Maxell's production and located the actual German website from the screenshots in the additional two weeks. Two weeks, however, is ample time to review a production of less than 4,000 documents and identify leads on prior art within that production. This is particularly true since the time it should have taken to "locate[] the actual German website from the [produced] screenshots" is negligible. The bottom of the produced pages contains the following:

Reply at Exhibit 1 (D.I. 159-2). A Google search for "The Digital Camera Museum" brings up the website in question as the first hit. Miller Decl. at ¶2. Moreover, entering "digicammuseum.com" into an internet address bar redirects you to the website in question.[2] *Id.* at ¶3. If Apple had diligently reviewed Maxell's July 10 production, there is no question it would have had ample time to follow through and include the Casio Camera in its Invalidity

[1] Apple claims it was able to perform this analysis more efficiently in October because, by then, "Apple had acquired significant knowledge about the state of the prior art from months of research." (Reply at 3). This just emphasizes Apple's failure to timely begin its work on this case. Apple has been on notice of the '493 Patent since at least June 25, **2013** (D.I. 1 at ¶ 59) and has had the Complaint since March 2019. It has had time for "months of research" well in advance of the P.R. 3-4 deadline. When setting the deadline for invalidity contentions, the Eastern District took into account the time needed by a defendant to prepare such contentions. Apple provided no reason why it should be given more time than all other defendants under the Local Patent Rules, especially when Apple, unlike many other defendants, had the benefit of prior invalidity contentions, arguments, and papers from prior Maxell cases where the same or related patents were asserted.

[2] Apple's argument that the website was produced by Maxell "without any accompanying explanation" is irrelevant. Apple also did not have "any accompanying explanation" when it located the website on its own and deemed it to be something worth following up.

Contentions served on August 14.

In its Motion, Apple asserted that its delay was further justified because "try[ing] 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 stated that the product manual was only found after "diligent searching." Mot. (D.I. 130) at 3. After Maxell demonstrated the ready availability of the Casio Camera manual, however, Apple changed course and now asserts that the ease with which the manual could be found is irrelevant because the right question is whether Apple should have found the reference before serving its initial invalidity contentions. This is nonsensical. Of course the alleged difficulty of finding the information (here it is remarkably easy) is relevant, and Apple itself put the availability of the Casio Camera's user manual squarely at issue when it implied to the Court that such document was difficult to find.

The factual circumstances in *Hearing Components, Inc. v. Shure, Inc.* differ from those here. As an initial matter, the defendant there was seeking leave based on the fact that relevant prior art was produced by the plaintiff three months **after** Invalidity Contentions had been filed.[3] No. 9:07-cv-00104-RHC, 2008 WL 11348009, at *1 (E.D. Tex. June 5, 2008). Maxell, however, produced the relevant website **before** the contentions were due. Moreover, the Court in *Hearing Components* did hold that defendant's delay in seeking amendment weighed against granting leave to amend. *Id* at *2. The Court, however, found the weight to be slight in view of the size of plaintiff's production and time that may be taken to go through it. *Id.* Here, Apple does not assert merely that it should be granted leniency because additional time was needed to work through

[3] Although Apple focused on the prior art that was located in plaintiff's production, that was not the only issue before the Court in *Hearing Components*. The Court also considered the addition of prior art produced by a third party after invalidity contentions were filed and invalidity arguments that arose from inventor depositions that were taken after contentions were filed. *Id.*

Maxell's production. Even though more than four months had passed between Maxell's production and Apple's motion, Apple never pointed to Maxell's production at all. Rather, Apple asserts that it independently discovered the website in October and is now trying to justify, after the fact, why it did not timely review Maxell's production. Also of note, in granting defendant's motion for leave, the Court in *Hearing Components* ultimately gave weight to the fact that the defendant had pointed to several ways in which addition of the prior art references could be important to its case, which were unchallenged by the plaintiff. *Id.* As discussed below, Apple has made no such showing here.

II. Apple Still Has Not Shown the Casio Camera to Be Important

Maxell is not trying to "have it both ways" by arguing that the addition of the Casio Camera reference is both unimportant and prejudicial. Rather, Maxell highlighted the fact that Apple failed to demonstrate the importance of the Casio Camera in view of the invalidity contentions as a whole, including whether the new prior art discloses features not present in the previously identified art, as required under the law. *Tech Pharmacy Servs., LLC v. Alixa Rx LLC*, No. 4:15-CV-766, 2017 WL 2833460, at *5 (E.D. Tex. Jan. 19, 2017), *reconsideration denied*, No. 4:15-CV-766, 2017 WL 1319556 (E.D. Tex. Apr. 10, 2017); *MacroSolve, Inc. v. Antenna Software, Inc.*, No. 6:11-CV-287-MHS-JDL, 2013 WL 3833079, at *3 (E.D. Tex. Jul. 23, 2013). All Apple has stated is that it demonstrated the importance and unique strengths of the Casio Camera in its invalidity chart and that it has chosen the Casio Camera as one of its seven references against the '493 Patent. While the foregoing may show that Apple **believes** the reference to be important, it does not nothing to explain **why** the reference is important when considered against the previously identified art. Even when challenged on the issue, Apple still chose not to identify in its Reply even a single feature allegedly disclosed by the Casio Camera that was not present in the previously asserted references.

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