

PUBLIC VERSION

**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

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**MAXELL, LTD.'S OPPOSITION TO APPLE INC.'S RENEWED MOTION TO
COMPEL LICENSING AND NEGOTIATION DOCUMENTS AND FOR SANCTIONS**

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Hitachi, Ltd. is not Maxell, Ltd., it is not an affiliate of Maxell, Maxell does not have control over Hitachi, and Hitachi materials are outside of the possession, custody, or control of Maxell. *See* D.I. 202. Apple’s renewed motion does not change any of these facts. The “new” evidence Apple offers is universally mischaracterized, taken out of the context, and/or irrelevant. And nothing changes the fact that Maxell already requested the materials sought by Apple to no avail. As this Court recognized, it is unclear “what more Maxell could do to obtain the documents requested.” *Id.* at 12. Apple provides no basis to revisit this Court’s prior holding.

A. The MOU Does Not Provide Maxell The Ability to Obtain Documents

This Court considered the MOU between Hitachi, HCE, and Maxell and rejected the notion that the MOU grants Maxell the present ability to control Hitachi documents. D.I. 202 at 7. The renewed motion addresses none of the reasons the Court provided in its prior finding on this issue.

Apple asserts that Maxell’s witness testified that [REDACTED]. It is not. The fact, though, is irrelevant. The Court did not reject that the MOU established control based on the fact [REDACTED] it did so based on the terms of the MOU being insufficient to establish control.

As the Court itself noted, the MOU provided for [REDACTED]
[REDACTED]
[REDACTED] Ex. A. Maxell’s licensing activities regarding **Maxell’s own patents** (such as this litigation), [REDACTED]
[REDACTED] This provision thus provides Maxell with no ability to demand [REDACTED] here. Moreover, Apple does not address the fact that “the MOU states that [REDACTED]” D.I. 202 at 10. And, while Apple points to testimony that Maxell could request that [REDACTED], there is no testimony that Maxell has a right to **obtain** such documents. Finally, while Apple

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complains that Maxell did not “invoke the MOU”—whatever that may mean—Apple does not deny that Maxell did request the materials from Hitachi, and Hitachi ignored the request.

B. Maxell’s Business Relationships Do Not Establish Control

Apple asserts the relationship between Hitachi and Maxell has not disintegrated because Maxell recently met with Hitachi personnel to discuss IP issues. Apple mischaracterizes this testimony. The discussions were about [REDACTED]

[REDACTED]

[REDACTED] Ex. B, Kitagata Tr. at 118:8-11. Mr. Kitagata made clear [REDACTED]

[REDACTED]

[REDACTED] *Id.* at 118:2-5, 119:25-120:7. He also confirmed there was [REDACTED]

[REDACTED] *Id.* at 118:17-25. [REDACTED] do not establish Maxell’s control over Hitachi

any more than they give Maxell control over [REDACTED]. Using this logic, one could argue

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]. That is obviously not the case but underscores the disconnect.

Moreover, the Court rejected the argument that a business partnership with a Hitachi subsidiary establishes control, noting in part that “Apple has not demonstrated that the...partnership has any relationship to the asserted patents in this case or the licensing/communication documents sought here.” D.I. 202 at 8. The same conclusion applies to the business relationship Apple raises in the renewed motion. Mot. at 3. The inventor that Apple states works with Maxell, Mr. Takizawa, is not an employee of Hitachi. He works for a subsidiary “Hitachi Industry & Control Solutions Ltd.,” or “Hi-ICS.” Ex. E, Takizawa Tr. at 10:3-10. He is not “loaned” or “seconded” to Maxell. As he testified, he is “[REDACTED]

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██████████.” *Id.* at 14:9-11. And Apple offers no argument or evidence that the subcontract work bears any relationship to the asserted patents or the requested documents. There is no such relationship. *See, e.g., id.* at 37:8-10 (“██████████
██████████”). Subcontracted work by an employee of a Hitachi subsidiary, unrelated to this litigation or the asserted patents, does not demonstrate an “ongoing exchange of documents” or establish Maxell’s control over Hitachi.

C. The Inventor Depositions Do Not Establish Control

In its original motion, Apple argued that it “expects Hitachi to be involved in this litigation through at least making inventors of the asserted patents available for deposition.” *See* D.I. 202 at 11. This Court held that, to the extent Maxell intends to rely on Hitachi employees to support its case, such reliance supports a finding of control, but noted there was no evidence that Hitachi assisted in making such witnesses available or would assist Maxell in any other manner. *Id.* at 11-12. In its renewed motion, Apple still provides no such evidence.

Hitachi has not cooperated in this case or “offer[ed] its own employees for depositions.” The only inventor currently employed by Hitachi who appeared for deposition is Mr. Maeoka.¹ But Apple did not cite Mr. Maeoka on this issue because he testified clearly that he was **not** required by Hitachi to attend the deposition, but “made the decision to participate of my own volition.” Ex. F, Maeoka Tr. at 21:24-22:3; *see also* 22:17-21 (Q: Are you testifying today as part of your work for Hitachi? A. No. As I said earlier, this was a request to me personally, so I am participating on a personal basis. Hitachi Limited is not involved.”). Instead, Apple cites Msrs. Takizawa and Nakano, both of whom work for subsidiary Hi-ICS. Ex. E, Takizawa Tr. at 10:3-10; Ex. G, Nakano Tr. at 9:21-24. Both made clear they did **not** feel obligated to attend the

¹ Mr. Katagishi is employed by Hitachi but is seconded to a subsidiary. He confirmed he did not speak to anybody from Hitachi about attending the deposition. Ex. H, Katagishi Tr. at 35:22-24, 37:23-38:3.

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deposition as part of their employment. Ex. E, Takizawa Tr. at 142:3-15; Ex. G, Nakano Tr. at 29:3-7. Mr. Takizawa explicitly confirmed that nobody at Hitachi asked him attend the deposition. Ex. E, Takizawa Tr. at 16:18-20. And the business relationship underlying Hi-ICS's decision to permit Mr. Nakano to attend deposition was the relationship between Maxell and Hi-ICS (not Hitachi). Ex. G at 37:9-20. That Maxell agreed to reimburse them for travel to the United States for depositions does not establish Hitachi involvement in the litigation or any arrangement with Hitachi related to the case.² Not a single piece of testimony Apple cited even mentions Hitachi.

Ultimately, Maxell relied on a single current Hitachi employee, with no evidence that Hitachi assisted in making him available for deposition or otherwise assisted in the case. Whereas the Court originally held that Hitachi's anticipated involvement weighed slightly in favor of finding control, Hitachi's actual involvement (*i.e.*, none) weighs against such a finding.

D. Potential Payment of Inventor Bonuses Does Not Establish Control

Hitachi has no financial interest in this case. Pursuant to Japanese law and Maxell corporate regulations (implementing the law), inventors are compensated for filing patent applications and having inventions that contribute to product sales or royalty income. *See* Ex. A at Art. 4; Ex. B. Kitagata Tr. at 57:11-17, 66:23-67:5, 71:9-19. The compensation applies to all Japanese inventors regardless of their employer, not just "Hitachi employees" as Apple implies. Mot. at 4-5; Ex. B Kitagata Tr. at 63:14-23. This is confirmed by the testimony of Messrs. Oeda and Nakano, cited by Apple. Mot. at 5. While both inventors may potentially receive compensation for their inventions, neither is an employee of Hitachi. *See supra* at Section C. Most importantly, Apple has

² Maxell did not allege the inventors appeared for deposition on vacation. When asked whether Hitachi was permitting inventors to take time off work, Maxell's counsel responded "I don't know...[Y]ou can ask them if they are taking vacation days or if they've cleared this with their bosses." Mot. at Ex. B6 (2/19/20 M&C Tr. at 31:2-8).

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