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
	
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APPLE INC.'S OPPOSED MOTION FOR
LEAVE TO CONDUCT TWO DEPOSITIONS
<u>AFTER THE FACT DEPOSITION DEADLINE</u>

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Apple seeks leave to conduct two fact depositions after the April 30 deposition deadline because neither can proceed under the current pandemic circumstances. Maxell agreed for one, party witness BJ Watrous (although Maxell now contends this motion is not ripe), but not the other, non-party witness and resident of Japan, Patrick Murphy. Apple has worked diligently to make its witnesses available despite shelter-in-place orders covering those witnesses. D.I. 231 at 2. Conducting Mr. Watrous's and Mr. Murphy's depositions before April 30 was not possible.

As to Mr. Watrous, Maxell does not dispute that good cause exists to take his deposition out of time. But Maxell refuses to treat Mr. Murphy the same, even though good cause also plainly exists to do so. Indeed, before the originally-scheduled close of fact discovery, Apple listed him on its initial disclosures and told Maxell that it intended to depose him. Mr. Murphy has personal knowledge of Apple's pre-suit negotiations with Hitachi on which Maxell relies for its willfulness claims and about which Maxell will not present any witness with personal knowledge. Maxell does not dispute any of this. But because Mr. Murphy lives in Japan, it was not possible then and is not possible now to take his deposition. Accordingly, Apple respectfully requests that the Court grant leave to allow Mr. Watrous's and Mr. Murphy's depositions to proceed out of time, as soon as the circumstances allow.

I.   MATERIAL FACTS

Mr. Watrous is a Vice President and Chief Commercial Counsel at Apple, identified by Apple as having knowledge of, *inter alia*, ███████████████████████████████ ██████████████████████ Ex. A, Apple's 3/5/20 Second Amended Disclosures at 26. On March 5, Apple told Maxell that Mr. Watrous would testify as its corporate designee regarding Maxell's 30(b)(6) topics on █████. Ex. B, 3/5/20 M. Pensabene Email. Following the onset of the pandemic, Mr. Watrous took on a central and critical role in coordinating Apple's COVID-19 response and, therefore, became unavailable to participate in deposition preparation

or a deposition. Apple thus withdrew its designation of Mr. Watrous as a Rule 30(b)(6) witness, and the parties agreed that if Apple intends to call Mr. Watrous to testify at trial, Apple will give Maxell an opportunity to take his deposition after the pandemic subsides. D.I. 277 at 2 n.3; *see also* Exs. H and I (agreeing to Apple's proposal for Mr. Watrous).

Mr. Murphy is a former Apple employee who, while at Apple, participated in the June 2013 meeting on which Maxell relies for its willfulness claims. *See* D.I. 111 at ¶ 5; D.I. 57, Ex. T. Mr. Murphy has personal knowledge of Apple's pre-suit communications with Mr. Matsuo, of Maxell's predecessor-in-interest Hitachi, ██████████████████████████████

██ When Apple served a subpoena on Mr. Matsuo through Maxell's counsel—as Maxell had instructed—Maxell refused to accept service. D.I. 254 at 6-7. Shortly thereafter (and before the close of discovery), Apple identified non-party Mr. Murphy as having knowledge of Apple's "[p]re-suit communications with Plaintiff" in its Amended Initial Disclosures. Ex. A, Apple's 3/5/20 Second Amended Initial Disclosures at 14.

Mr. Murphy resides in Japan, which, under the current circumstances and Japanese law, has made it impossible to proceed with Mr. Murphy's deposition. Japan does not permit depositions for U.S. litigation cases, including in-person and video depositions, other than at the U.S. Embassies.[1] *See* Ex. D, U.S. Embassy ("Per the Government of Japan, ordinarily, all depositions must take place on Embassy or Consulate premises"). It also "does not permit the taking of testimony via telephone," and "[v]ideo [c]onferencing is not currently available." *Id.* And the U.S. and Japan imposed COVID-related travel restrictions, including the U.S.'s global

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[1] There are multiple requirements that must be met to conduct depositions at one of the U.S. Embassies, including obtaining deposition visas for U.S. counsel and securing a reservation for one of the available rooms (which are typically booked weeks in advance). *Id.*

advisory to avoid all international travel and Japan's ban on travel from the U.S. Ex. E, State

Department; Ex. F, Ministry of Foreign Affairs.

On March 14 (before fact discovery closed), Apple told Maxell that Mr. Murphy's

deposition would require a schedule exception: "our current view is that we can still proceed

with the depositions according to the current schedule, even in view of COVID-19, with the

three exceptions already being discussed (Frank Casanova, Alexei Kosut, and Patrick Murphy)."

Ex. G, 3/14/20 L. Simmons Email. The very next day, the parties' *joint* request for a schedule

extension referenced Mr. Murphy's postponed deposition: "COVID-19 concerns have resulted

in the postponement of the depositions of an Apple engineer and a third-party fact witness." D.I.

231 at 3. But even though Mr. Murphy was the only third-party fact witness the parties

discussed then, when Apple asked Maxell to consent to Mr. Murphy's deposition after the fact

deposition deadline—as it had for Mr. Watrous's deposition—Maxell refused because it did not

have "formal" notice of Mr. Murphy's deposition. *See* Ex. I, 4/10/20 T. Fussell Email.

II.   LEGAL STANDARD

Good cause and the Court's consent is required to modify a schedule. Fed. R. Civ. P.

16(b)(4). Courts in the Fifth Circuit consider four factors to determine if good cause exists:

(1) the explanation for the failure to comply; (2) the importance of the discovery; (3) potential

prejudice; and (4) availability of a continuance to cure the prejudice. *See, e.g.*, *McGee v.*

Dolgencorp, LLC, No. 5:14-CV-90(DCB)(MTP), 2016 WL 2858888, at *1 (S.D. Miss. May 16,

2016) (citing *Geiserman v. MacDonald*, 893 F.2d 787, 791 (5th Cir. 1990)).

III.   ARGUMENT

A.   The Parties Agreed that Good Cause Exists to Permit the Deposition of Mr. Watrous To Take Place Out of Time

The parties agreed that good cause exists to permit Mr. Watrous's deposition after April

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