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** PUBLIC VERSION

MAXELL, LTD.'S OPPOSITION TO APPLE INC.'S OPPOSED MOTION FOR LEAVE TO CONDUCT TWO DEPOSITIONS AFTER THE FACT DEPOSITION DEADLINE

Apple's motion for leave to conduct two fact depositions after the April 30 deposition deadline is untimely. With respect to Mr. Murphy, the motion comes too late and with respect to Mr. Watrous the motion is premature. While Apple attempts to draw parallels between these two untimely depositions, the two cases are very different and should be denied on different grounds. As to Mr. Murphy, Apple intentionally delayed not only noticing, but taking ***any*** of the necessary steps to secure the deposition testimony within the fact discovery period. Apple's delays in this regard were not COVID-related – Apple could have subpoenaed Mr. Murphy at any time during the fact discovery period and could have taken steps to obtain dates, locations, testimony, etc. Rather, Apple intentionally delayed taking ***any*** steps in order to evaluate how the facts and testimony timely disclosed during fact discovery unfolded. Only after deciding it did not like the facts as developed did Apple issue a subpoena for Mr. Murphy's deposition testimony after the close of fact discovery and at the very end of the ***extended*** discovery period for certain limited depositions. Such tactics and gamesmanship should not be permitted.

Mr. Murphy is a prior Apple employee, and Apple has unquestionably known of Mr. Murphy's role in prior negotiations between Apple and Hitachi/Maxell since the outset of this case. Notwithstanding, Apple took no steps during the fact discovery period to secure Mr. Murphy's deposition testimony. Indeed, Apple did not even include Mr. Murphy in its Initial Disclosures until the end of the fact discovery period when it amended its Initial Disclosures. Apple's tactics in this regard were designed to evaluate how the timely disclosed facts and testimony developed in the case. When Apple decided it did not like those facts, it initiated untimely efforts with respect to Mr. Murphy in hopes of changing those facts. The current motion as to Mr. Murphy, filed long **after** the close of fact discovery, requesting an indefinite extension to take the deposition of a witness known to Apple since the outset of the case, demonstrates that,

as with Apple's prior discovery motions, it is filed for an improper purpose. As explained below, Apple's request should be denied based on its lack of diligence and the prejudice to Maxell.

As to Mr. Watrous, Maxell has informed Apple numerous times, including during the meet and confer for this Motion, that Maxell does not and will not oppose a later deposition of Mr. Watrous once Apple makes a determination that he will be called at trial. More specifically, as a result of COVID responsibilities, Apple substituted Ms. Mewes for Mr. Watrous as a 30(b)(6) witness on certain topics. At that time, Apple indicated that it may still call Mr. Watrous at trial and would make Mr. Watrous available for deposition if and when Apple determined Mr. Watrous would appear at trial. Maxell did not object at that time, nor has it since that time. Rather, Apple has yet to make a determination on whether it will call Mr. Watrous at trial. Therefore, Apple's motion is both unnecessary and premature.

I. STATEMENT OF FACTS

Mr. Murphy is a former Apple employee who participated in the prior negotiations between Hitachi/Maxell and Apple concerning a license to the asserted patents. In fact, the first communication with Apple concerning an offer to license Maxell's smartphone and tablet patent portfolio was directed to Mr. Murphy. Ex. 1, June 25, 2013 Letter to P. Murphy (MAXELL_APPLE0108220-21). Mr. Murphy's role in Apple's prior negotiations was apparent early in this case. For example, Maxell identified the June 25, 2013 letter as a basis for its willfulness claim in the original Complaint filed on March 15, 2019. D.I. 1 at ¶¶ 5, 30, 44, 59, and 160. Maxell produced the June 25, 2013 letter to Mr. Murphy to Apple on July 10, 2019. Ex. 2, July 10, 2019 Maxell Document Production Letter. Apple itself identified Mr. Murphy as having information relevant to this case as early as its August 14, 2019 interrogatory responses. Ex. 3, Excerpt from 8/14/19 Apple's Response to Interrogatory No. 5. Despite this knowledge, Apple did not add Mr. Murphy to its Initial Disclosures until nearly 7 months later on March 5, 2020, just

before fact discovery closed. Although Mr. Murphy currently resides in Japan, Apple did not subpoena or notice Mr. Murphy as a 30(b)(1), 30(b)(6), or third-party witness before the March 31, 2020 fact discovery deadline and has not shown that it took any of the necessary steps to obtain deposition testimony, let alone hold a deposition in Japan, which must begin at least six weeks before the deposition can take place. D.I. 46 and 232.

Apple's only apparent mention of its interest in deposing Mr. Murphy during fact discovery was in a parenthetical in a March 14, 2020 e-mail, just over two weeks before the close of fact discovery. Motion at Ex. G, 3/14/20 Simmons E-mail. The parties' Emergency Joint Motion to Partially Amend the Docket Control Order in view of COVID-19 filed on March 15, 2020 stated that "COVID-19 concerns have resulted in the postponement of the depositions of an Apple engineer and a ***third-party fact witness***." D.I. 231 (emphasis added). Contrary to Apple's assertion (Motion at 3), Maxell understood the "third-party fact witness" to refer to Mr. Alan Loudermilk (a third-party witness subpoenaed by Apple on February 28 and originally scheduled to be deposed on March 24) and/or Mr. Kent Broddle (a third-party witness subpoenaed by Apple on March 6 and originally noticed to be deposed on March 31), not Mr. Murphy. Both Mr. Loudermilk and Mr. Broddle were subpoenaed by Apple prior to the March 31, 2020 close of fact discovery, and the extension requested in the parties' Emergency Joint Motion was to enable the scheduled depositions to be postponed. Mr. Murphy's deposition was never noticed or scheduled during fact discovery, and therefore his deposition could not have been the "***postponed***" third-party deposition identified in the Emergency Joint Motion.

Mr. Watrous is a current Apple employee. On March 5, 2020, Apple identified Mr. Watrous as a 30(b)(6) witness on topics related [redacted]. Motion at Ex. B, 3/5/20 Pensabene E-mail. Thereafter, Apple withdrew Mr. Watrous's designation and assigned his 30(b)(6) topics to another

witness—Heather Mewes. Maxell proceeded with Ms. Mewes' deposition and raised no issue regarding lack of preparedness. At the time, Apple reassigned the topics, stating: "If Apple intends to call Mr. Watrous to testify at trial, we will give Maxell an opportunity to take his deposition after the pandemic subsides." Motion at Ex. H, 4/10/20 Simmons E-mail. Currently, Apple has confirmed that it still has not yet determined whether it intends to call Mr. Watrous to testify at trial. Ex. 4, 5/1/20 Meet and Confer Tr. at 11:13-17. Maxell has indicated that it does not and will not oppose a later deposition for Mr. Watrous if Apple decides to call Mr. Watrous at trial.

II. LEGAL STANDARDS

Federal Rule of Civil Procedure 16(b)(4) provides that "[a] schedule may be modified only for good cause and with the judge's consent." *S&W Enters., L.L.C. v. SouthTrust Bank of Ala., NA*, 315 F.3d 533, 536 (5th Cir. 2003). "To establish 'good cause' a party must show that it 'could not have met the deadline despite its diligence' along with satisfaction of the four-part test." *Todd v. Grayson County*, No. 4:13-cv-574, 2014 WL 3385188, at *1 (E.D. Tex. July 10, 2014).

III. ARGUMENT

A. There is No Good Cause for Mr. Murphy's Untimely Deposition

Apple provides no explanation for its significant delay. As explained above, Mr. Murphy is a former Apple employee. Apple has been aware of Mr. Murphy's role as a representative of Apple in the prior negotiations with Hitachi and Maxell since the outset of this case. Maxell identified a June 25, 2013 letter to Mr. Murphy in the original Complaint filed on March 15, 2019 and produced the letter to Apple on July 10, 2019. Apple itself identified Mr. Murphy as the recipient of the letter in its August 14, 2019 interrogatory responses. But Apple did not add Mr. Murphy to its Initial Disclosures until March 5, 2020, just before the close of fact discovery and took ***no steps*** during the fact discovery period to obtain his testimony. Although Apple characterizes its Amended Initial Disclosures as "identif[ying] Mr. Murphy as a witness,"

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