

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

MAXELL, LTD.,

Plaintiff,

v.

APPLE INC.,

Defendant.

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CIVIL ACTION NO. 5:19-CV-00036-RWS

**ORDER**

Before the Court is Plaintiff Maxell, Ltd.’s Motion to Amend the Protective Order and for an Order of Discovery under 28 U.S.C. § 1782 (Docket No. 536). For the reasons set forth below, Maxell’s motion is **GRANTED-IN-PART** and **DENIED-IN-PART**.

**BACKGROUND**

Maxell filed its initial complaint in this action on March 15, 2019, alleging that Apple’s products infringed ten smartphone-related patents.<sup>1</sup> Docket No. 11. In August 2019 and January 2020, Maxell initiated patent litigation against Apple in Germany involving seven patents (“the German Proceedings”).<sup>2</sup> Docket No. 536 at 1. The German Proceedings include allegations by Maxell “that the same Apple products at issue [in this case] infringe Maxell’s German patents

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<sup>1</sup> U.S. Patent Nos. 6,748,317; 6,580,999; 8,339,493; 7,116,438; 6,408,193; 10,084,991; 6,928,306; 6,329,794; 10,212,586; and 6,430,498.

<sup>2</sup> The German Proceedings pending between the parties in the District Court of Düsseldorf, Civil Chamber 4c, are: In the matter of Maxell Ltd., 4c O 14/20 (EP 1 286 174 B1); In the matter of Maxell Ltd., 4c O 11/20 (EP 2 061 230); In the matter of Maxell Ltd., 4c O 12/20 (EP 2 403 266 B1); In the matter of Maxell Ltd., 4c O 10/20 (EP 1 482 508 B1); In the matter of Maxell Ltd., 4c O 15/20 (EP 2 579 587 B1); In the matter of Maxell Ltd., 4c O 13/20 (EP 1 936 974 B1); and In the matter of Maxell Ltd., 4c O 45/19 (EP 1 324 539 B1). Docket No. 536 at 1, n.1; Docket No. 536-3 (Crützen Decl.) ¶ 1.

covering the same technology.” *Id.* Maxell therefore seeks to introduce documents produced in this action by Apple and Intel Corporation (“Intel”) into the German Proceedings. *Id.*

In furtherance of this goal, Maxell requested that Apple and Intel agree to amend the controlling Protective Order in this action “to allow for Maxell to review and identify relevant documents for use in the German Proceedings.” *Id.* at 2; Docket No. 536-2. Specifically, Maxell sought documents describing several functionalities accused in both this action and the German Proceedings, such as FaceTime, position calculation, AirDrop, WiFi and Bluetooth communications of iPhones. Docket No. 536 at 1–2. Once the relevant documents were identified, Maxell agreed to meet and confer to “identify and remove any documents that may be subject to export restriction and file a requisite Addendum to the Protective Order.” *Id.* at 2. Intel did not oppose Maxell’s request to seek leave for the limited purpose of identifying relevant documents; however, Apple opposed Maxell’s request in full, including opposing the review and identification of Intel-produced documents that “are now owned by Apple.” Docket No. 536-2.

Because the parties could not agree, Maxell now seeks an order from the Court allowing discovery of certain Apple- and Intel-produced documents concerning the accused functionalities under 28 U.S.C. § 1782 and an amendment to the Protective Order allowing Maxell to identify and use any such relevant technical documents in the German Proceedings. Docket No. 536 at 1. Apple has filed a response opposing the request (Docket No. 543), and Maxell has filed a reply (Docket No. 556). The Court heard argument on the motion on January 21, 2021. Docket No. 617.

### LEGAL STANDARD

“Section 1782 is the product of congressional efforts, over the span of nearly 150 years, to provide federal-court assistance in gathering evidence for use in foreign tribunals.” *Intel Corp. v.*

*Advanced Micro Devices, Inc.*, 542 U.S. 241, 247 (2004). Over time, Congress has “substantially broadened the scope of assistance federal courts could provide for foreign proceedings.” *Id.*

Section 1782 provides:

The district court of the district in which a person resides or is found may order him to give his testimony or statement or to produce a document or other thing for use in a proceeding in a foreign or international tribunal . . . The order may be made . . . upon the application of any interested person and may direct that the testimony or statement be given, or the document or other thing be produced, before a person appointed by the court.

28 U.S.C. § 1782(a). The statutory requirements of Section 1782 are satisfied where: “(1) the person from whom discovery is sought is found or resides within the district; (2) the discovery is for use in a foreign tribunal; and (3) the application[, if not made by a foreign or international tribunal,] is made by an interested person.” *In re Application of Chevron Corp.*, No. H-10-134, 2010 WL 2038826, at \*1 (S.D. Tex. May 20, 2010).

However, Section 1782 does not impose “a blanket foreign-discoverability rule.” *Intel*, 542 U.S. at 260. The issuance of orders under Section 1782 is left to the discretion of the court, which may “refuse to issue an order or may impose conditions it deems desirable.” *Id.* at 260–261. The Supreme Court has set forth several non-exclusive factors to aid district courts in determining how to exercise their discretion in granting Section 1782 applications. *Id.* The four discretionary factors are (1) whether “the person from whom discovery is sought is a participant in the foreign proceeding”; (2) “the nature of the foreign tribunal, the character of the proceedings underway abroad, and the receptivity of the foreign government or the court or agency abroad to U.S. federal-court judicial assistance”; (3) whether the request is “an attempt to circumvent foreign proof-gathering restrictions or other policies of a foreign country or the United States”; and (4) whether the discovery request is otherwise “unduly intrusive or burdensome.” *Id.* at 264–65 (citations omitted).

Federal Rule of Civil Procedure 26 allows the court to enter a protective order to protect a party's confidential information. FED. R. CIV. P. 26(c)(1). "The court enjoys broad discretion in entering and modifying any such order." *Raytheon Co. v. Indigo Sys. Corp.*, No. 4:07-CV-109, 2008 WL 4371679, at \*2 (E.D. Tex. Sept. 18, 2008) (internal citations omitted). In deciding whether to modify a stipulated protective order, courts generally consider four factors: "(1) the nature of the protective order, (2) the foreseeability, at the time of issuance of the order, of the modification requested, (3) the parties' reliance on the order; and most significantly (4) whether good cause exists for the modification." *Id.* (internal citations and quotation marks omitted).

### DISCUSSION

Maxell contends that the Court should grant its Section 1782 request because all statutory requirements are satisfied and each of the four discretionary factors weighs in favor of granting its motion. Docket No. 536 at 3–4. Apple responds that Maxell has not met two of the three threshold requirements for relief under Section 1782 and, should the Court reach the discretionary portion of its analysis, all four factors weigh against Maxell's request. Docket No. 543 at 3.

Section 1782(a) provides that "the district court of the district in which a person resides or is found may order him to give his testimony or statement or to produce a document or other thing for use in a proceeding in a foreign or international tribunal." 28 U.S.C. § 1782(a). Here, where the discovery Maxell wishes to use in the German Proceedings has already been produced by Apple and Intel, the procedural mechanism of Section 1782 is not necessary. Maxell's request can be accomplished through modification of the protective order. *See In re Posco*, 794 F.3d 1372, 1375 (Fed. Cir. 2015) (finding that § 1782 does not directly govern requests to modify a protective order to make material available in a foreign proceeding). But because the use of previously discovered documents in a foreign proceeding implicates "the very 'comity and parity' concerns

addressed by § 1782,” the Court must still consider the *Intel* factors in deciding whether to grant amendment to the protective order. *Id.* at 1377 (quoting *Intel*, 542 U.S. at 261) (internal citation omitted). Accordingly, the question before the Court is whether good cause exists, in light of the *Intel* factors, to amend the protective order to allow Maxell to use Apple and Intel’s previously disclosed discovery materials in the German Proceedings. *See id.*

Apple argues that because both it and Maxell are participants in the German Proceedings, the first factor weighs against granting the motion because both parties are subject to the German courts’ jurisdiction, and thus can utilize the German courts to obtain discovery. Docket No. 543 at 8. Maxell contends that where no discovery mechanism is available to produce the requested materials, as is the case here, courts have granted requests under Section 1872 even where both parties were also parties to the foreign proceeding. Docket No. 556 at 5. “The issue of whether an entity is a participant, however, is not dispositive; *Intel* puts it in the context of whether the foreign tribunal has the authority to order an entity to produce the disputed evidence.” *In re Ex Parte Application of Qualcomm Inc.*, 162 F.Supp.3d 1029, 1039 (N.D. Cal. 2016). Here, where no avenues are available in the German courts through which Maxell may compel Apple to produce the requested materials, this factor weighs in favor of amending the protective order to allow Maxell to use materials already in its possession in the German Proceedings. *See* Docket No. 536-3, Ex. C; *see also Matter of Lufthansa Technick AG*, No. C17-1453-JCC, 2019 WL 331839, at \*2 (W.D. Wash. Jan. 25, 2019).

Apple contends that the second factor weighs against granting the motion because Maxell has offered no indication that the German courts will be receptive to the requested evidence. Docket No. 543 at 10. Maxell responds that “prior cases have recognized the receptiveness of German courts to the use of discovery obtained through Section 1782”—a position that Apple has

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