

**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

ORDER

On March 10, 2021, the Court held a pretrial conference in this matter and heard argument on the parties' outstanding disputes. The Court **ORDERS** as follows:

I. Agreed Motions in Limine (Docket No. 637)

The Court **GRANTS-AS-AGREED** the following motions *in limine* contained within the parties' proposed final pretrial order:

- **Agreed MIL #1:** Preclude references to discovery disputes, suggestions of discovery deficiencies or alleged litigation misconduct.
- **Agreed MIL #2:** Preclude references, suggestion or argument disparaging Japanese companies, people or products due to nationality or ethnicity, and preclude evidence or argument regarding choice to testify in native language.
- **Agreed MIL #3:** Preclude evidence or argument regarding choice to testify remotely.
- **Agreed MIL #4:** Preclude evidence or argument relating to any pretrial motion practice, and the Court's ruling on any motions, or the fact that any party has attempted to exclude evidence on a particular matter.
- **Agreed MIL #5:** Preclude evidence or argument regarding dropped claims of infringement and invalidity.
- **Agreed MIL #6:** Preclude any reference to IPRs or EPRs filed against the asserted patents or IPRs or EPRs filed against any patents owned by Maxell or Apple, including any

decisions to institute or not institute IPR or EPR proceedings, as well as any reasons provided by the PTAB for such denials or institutions.

- **Agreed MIL #7:** Preclude references to the expert report drafting process and communications between experts and trial teams.
- **Agreed MIL #8:** Preclude evidence or argument regarding witness compensation for expert witnesses.
- **Agreed MIL #9:** Preclude any comment, argument, testimony or evidence stating, suggesting or implying that the conduct of the other is responsible or the cause for (1) the timing of the trial as it relates to the specific date of the trial; (2) jurors having to come to the courthouse and/or serve on the jury during the pandemic; (3) any risk to health or safety of the jurors, their families, members of the community or anyone else; or (4) any burden or inconvenience to the jurors as it relates to the pandemic or the specific date of the trial.

II. Remaining MIL Issues (Docket No. 648)

- **Maxell's MIL #3: GRANTED AS AGREED.**
- **Maxell's MIL #4: GRANTED AS AGREED.**
- **Maxell's MIL #5: GRANTED AS AGREED.**
- **Maxell's MIL #8: GRANTED AS AGREED.**
- **Apple's MIL #1: GRANTED AS AGREED** via stipulation. *See* Docket No. 653.
- **Apple's MIL #6: GRANTED AS AGREED.**
- **Apple's MIL #8: GRANTED-IN-PART AS AGREED**, but Maxell may ask Apple's employee witnesses if they own Apple stock.

III. Exhibit Objections (Docket No. 651)

Maxell's Objections to Apple's Proposed Trial Exhibits (Docket No. 639, Ex. A)

- **DX 67, 69, 70: OVERRULED.** Maxell may object at trial if Apple does not lay a proper foundation.
- **DX 130, 131, 134, 135, 470:** Objections **WITHDRAWN**.
- **DX 311–316: OVERRULED.** Apple may present the exhibits at trial as demonstratives. The Court will determine whether to admit them into evidence upon Apple's motion at trial.

- **DX 472:** Exhibit **WITHDRAWN**.

Apple's Objections to Maxell's Proposed Trial Exhibits (Docket No. 639, Ex. C)

- **PX 56:** Redacted; objections **WITHDRAWN**.
- **PX 63–65, 67–68, 70:** Objections **WITHDRAWN** except objections pursuant to FRE 602 (lack of personal knowledge of sponsoring witness). Objections **CARRIED** to trial.
- **PX 78:** **WITHDRAWN** by agreement of the parties.
- **PX 57, 58, 59:** Objections **WITHDRAWN** except objections pursuant to FRE 602 (lack of personal knowledge of sponsoring witness). Objections **CARRIED** to trial.
- **PX 73, 74:** Objections **WITHDRAWN**.
- **PX 80, 81, 83, 84, 86:** **SUSTAINED**. Maxell argues that the Court should admit these licenses as evidence rebutting Mr. Gunderson's reliance on Apple's preference for lump sum payments as opposed to running royalties in rendering his damages opinion. *Rembrandt Wireless Techs., LP v. Samsung Elecs. Co.*, Case No. 2:13-cv-213-JRG-RSP, 2015 WL 627430, at *5 (E.D. Tex. Jan. 31, 2015). But evidence of non-comparable licenses that will not be considered in the jury's damages assessment carries a high risk of prejudice and juror confusion. FED. R. EVID. 403. Maxell may not present evidence of these licenses unless Apple opens the door by arguing its preference for lump sum payments. *See Rembrandt*, 2015 WL 627430, at *5. In that event, the license amount shall be redacted, and Maxell may rely on the licenses only as rebuttal evidence of Apple's lump-sum preference. *Id.*
- **PX 87–89, 90, 97–102:** Maxell is **ORDERED** to submit briefing (no more than **five (5) pages**) on the relevance of the disputed exhibits by **3 p.m. on Friday, March 19, 2021**, including whether the patents-in-suit are covered by the disputed license clauses contained within PX 88. Apple may respond by **3 p.m. on Sunday, March 21, 2021**.
- **PX 226:** Objection **OVERRULED**.
- **PX 794:** The parties indicated that they would meet and confer on this objection on alternative methods for entering the relevant information that does not include use of the trial transcript.

IV. Additional Issues (Docket No. 637, Section N)

Exclusion of Dr. Erdem's Testimony (Maxell ¶ 8, Apple ¶ 5). Apple argues that Dr. Erdem's "relative importance" survey opinions are no longer relevant to any issue that remains for trial because Maxell's damages expert, Carla Mulhern, only uses Dr. Erdem's results in

conjunction with valuation opinions based on “estimated selling price” that the Court struck. *See* Docket No. 586 at 30–31. Maxell argues that Dr. Erdem’s relative importance results provide qualitative evidence relevant to Ms. Mulhern’s damages analysis.


The Court has reviewed the reports of both Dr. Erdem and Ms. Mulhern. Ms. Mulhern discusses Dr. Erdem’s survey results in tandem with her now-stricken quantitative analysis. Mulhern Rpt. ¶¶ 215–223. Dr. Erdem’s “relative importance” survey results, in the absence of Ms. Mulhern’s quantitative analysis, are only peripherally relevant to Maxell’s damages model. The Court therefore **GRANTS-AS-MODIFIED** Apple’s request to exclude the testimony of Dr. Erdem as irrelevant and confusing to the jury. FED. R. EVID. 403. Maxell may call Dr. Erdem during its rebuttal case if Apple opens the door by arguing that the accused features are not valuable.

Apple’s Request for Relief from Maxell’s MIL #10 (Maxell ¶ 10, Apple ¶ 7). In its order on the parties’ motions *in limine* (Docket No. 634), the Court prohibited Apple from using patents or patent applications to show the state of the art for its § 101 challenges. *Id.* at 12–13. Apple now asks for limited relief from that order for two patents: Ikeda and Akiyama. “Depending on the nature of the prior art reference and the specific purpose for which it will be used, [the] risk [of jury confusion] may be mitigated.” *Allergan, Inc. v. Teva Pharm. USA, Inc., et al.*, No. 2:15-cv-1455-WCB, Docket No. 395 at 12–13 (E.D. Tex. Aug. 3, 2017). The Court has reviewed the two prior art patents, as well as the expert report, and finds that the references are sufficiently limited in scope as to allow their admissibility for the purpose of demonstrating state of the art under § 101.

The Court therefore **GRANTS** Apple limited relief from its order prohibiting Apple’s experts from referring to patents or patent applications in demonstrating the state of the art for

Apple's § 101 challenges. Dr. Paradiso may testify regarding Ikeda and Akiyama to show the state of the art as to the walking navigation patents (the '317, '999 and '498 patents), but may not refer to Ikeda or Akiyama as evidence of invalidity.

SIGNED this 17th day of March, 2021.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE