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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

APPLE INC.,	)	Case No.: C 11-1846 LHK (PSG)
	)	
Plaintiff,	)	<b>ORDER GRANTING-IN-PART</b>
v.	)	<b>DEFENDANT’S MOTION TO</b>
	)	<b>PERMIT DEFENDANT’S EXPERT</b>
SAMSUNG ELECTRONICS CO., LTD, a	)	<b>TO REVIEW DESIGN MATERIALS</b>
Korean corporation; SAMSUNG	)	<b>DESIGNATED UNDER THE</b>
ELECTRONICS AMERICA, INC., a New York	)	<b>PROTECTIVE ORDER</b>
corporation; and SAMSUNG	)	
TELECOMMUNICATIONS AMERICA, LLC,	)	<b>(Re: Docket No. 482)</b>
a Delaware limited liability company,	)	
	)	
Defendants.	)	

In this patent infringement suit, Defendants Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC (collectively "Samsung") move to permit Samsung’s expert Itay Sherman (“Sherman”) to review certain materials that Plaintiff Apple Inc. (“Apple”) has designated confidential or highly confidential under the interim protective order. Sherman is Samsung’s design expert, having been retained to testify on the design – as opposed to utility – patents-in-issue. Samsung argues that Apple is misusing the protective order to prevent Samsung from being able to share relevant documents with an expert who is able to meet the rigorous standards of Fed. R. Evid. 702 and *Daubert*. Apple

1 has refused to allow the disclosure of any of Apple's confidential information to Sherman because  
2 of what it deems an undue risk of commercial harm posed by Sherman's work in the smart phone  
3 market.

4 Apple takes issue with Sherman's status as CEO and founder of DoubleTouch, a company  
5 that licenses multi-touch technology invented by Sherman. According to Apple, this places  
6 Sherman in (too) close proximity to Apple's competitors in the handheld devices market. Apple  
7 points out that (1) Sherman is the named inventor on patents and patent applications practiced by  
8 devices that compete directly with Apple's products, and (2) Sherman's business includes recent  
9 and ongoing consulting arrangements with several of Apple's competitors in the smart phone  
10 market. According to Apple, "the damage to Apple from disclosing Apple's confidential  
11 information to Sherman, whose business and commercial activities compete with Apple, would  
12 greatly outweigh any possible prejudice to Samsung from denying this motion."  
13

14 Samsung responds that, as a licensing company, DoubleTouch does not compete with  
15 Apple and is not involved in the design or sale of consumer electronics.<sup>1</sup> Samsung nevertheless has  
16 offered to limit Sherman to the review of only design-related materials that it argues reveal nothing  
17 about Apple's utility patents or multi-touch technology. Because Sherman will review materials  
18 and testify only on design functionality, not multi-touch technology, Samsung argues that Apple  
19 has no legitimate basis to interfere. Samsung insists that Sherman be permitted to review four  
20 categories of design-related material: (1) CAD files; (2) design patent inventor sketchbooks;  
21 (3) design patent inventor deposition transcripts; and (4) Apple's presentations and other internal  
22 documents showing that design features are functional.  
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25 Apple disputes that Samsung can effectively segregate design-related information, arguing  
26 that the heart of Sherman's previous testimony was that design and functionality are inextricably

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28 <sup>1</sup> See Docket No. 481-1 ¶ 19 (Sherman Decl.).

1 intertwined. Apple argues that Sherman will inevitably gain insights from reviewing Apple's  
2 sensitive design documents that will benefit Sherman's own patent strategy, as well as his ongoing  
3 consulting work with Apple's competitors.

4 The parties appeared for hearing on December 16, 2011. Having considered the arguments  
5 and evidence presented by both sides, the court finds that Sherman may appropriately review those  
6 categories of confidential, design-related materials that bear insufficient risk of revealing utility-  
7 side details that would benefit Sherman's work with DoubleTouch.

8  
9 Under the parties' stipulated interim protective order, Apple bears the burden of proving  
10 that the risk of harm posed by disclosure outweighs Samsung's interest in disclosing the material –  
11 under the suggested safeguards – to Sherman.<sup>2</sup> The court agrees that Apple's interest in preventing  
12 disclosure of its highly confidential design files and processes to competitors is substantial. But the  
13 court does not find that the risks presented by the limited disclosure agreed to by Samsung  
14 outweighs Samsung's substantial interest in retaining and preparing an expert with relevant  
15 industry experience and availability.<sup>3</sup> This is especially true given that many other potentially  
16 qualified experts may be conflicted out of testifying in this high-profile dispute between two global  
17 companies, that Apple itself has placed its design patents in issue, and that Samsung's counsel has  
18 agreed to limit the nature of confidential materials to be disclosed.  
19

20 In weighing the risks and interests at issue, the court notes that of the four categories of  
21 information identified by Samsung, the CAD files, designer sketchbooks, and design patent  
22

23  
24 <sup>2</sup> See Docket No. 76 ¶ 7(c) (Stipulation to Modification of Patent L.R. 2-2 Interim Protective Order  
for Purposes of Expedited Discovery).

25 <sup>3</sup> See *Advanced Semiconductor Materials Am. Inc. v. Applied Materials Inc.*, No. 95-20169 RMW  
26 (EAI), 1996 WL 908654 (N.D. Cal. Oct. 28, 1996) (finding defendant's concern that plaintiff's  
27 expert would consult in the relevant industry in the future and misuse confidential information  
insufficient to deny the expert access under the terms of the protective order); *Telular Corp. v.*  
*VOX2, Inc.*, No. 00 C 6144, 2001 WL 641188, at \*1 (N.D. Ill. June 4, 2001) (same).

1 inventor deposition transcripts are not subject to any ambiguity in their identification, and further  
2 present an insufficient likelihood of containing technical information pertaining to multi-touch or  
3 other utility functions. In contrast, the category of “presentations and other internal documents  
4 [purportedly] showing that design features are functional” is more ambiguous and suggests  
5 material of a nature that is not strictly design-oriented and that may contain input from a broader  
6 range of Apple’s people and processes. Accordingly,

7  
8 The court hereby GRANTS Samsung’s motion as it pertains to the disclosure only of (1)  
9 CAD files, (2) design patent inventor sketchbooks, and (3) design patent inventor deposition  
10 transcripts. The court DENIES all other requested relief. Samsung’s disclosure of Apple’s  
11 confidential and highly confidential materials to Sherman – as limited by this order – is further  
12 contingent upon Sherman’s agreement to be bound by the provisions of the interim protective order  
13 and any subsequent protective order in this case.

14 **IT IS SO ORDERED.**

15 Dated: December 22, 2011

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18 PAUL S. GREWAL  
19 United States Magistrate Judge  
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