

1 MATTHEW D. POWERS (Bar No. 104795)
matthew.powers@weil.com
2 EDWARD R. REINES (Bar No. 135960)
edward.reines@weil.com
3 SONAL N. MEHTA (Bar No. 222086)
sonal.mehta@weil.com
4 WEIL, GOTSHAL & MANGES LLP
Silicon Valley Office
5 201 Redwood Shores Parkway
Redwood Shores, CA 94065
6 Telephone: (650) 802-3000
Facsimile: (650) 802-3100

7 Attorneys for Apple, Inc.

8
9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN JOSE DIVISION

12 ELAN MICROELECTRONICS CORPORATION,
13
14 Plaintiff and Counterclaim Defendant,
15 v.
16 APPLE, INC.,
17 Defendant and Counterclaim Plaintiff.

Case No. C-09-01531 RS
APPLE, INC.'S SECOND AMENDED ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS TO ELAN MICROELECTRONICS CORPORATION'S COMPLAINT FOR PATENT INFRINGEMENT

Hon. Richard Seeborg
Demand for Jury Trial

19
20 Defendant Apple, Inc. ("Apple") by and through its undersigned counsel, hereby
21 responds to Plaintiff Elan Microelectronics Corporation's ("Elan") Complaint for Patent
22 Infringement ("Complaint") as follows:

23 I.
24 ANSWER
25 PARTIES

26 1. Apple is without knowledge or information sufficient to form a belief as to
27 the truth of the statements in Paragraph 1 of the Complaint, and, on that basis, denies those
28 allegations.

1 interest, or any other type of recovery from Apple. Elan's prayer should, therefore, be denied in
2 its entirety and with prejudice, and Elan should take nothing.

3 **DEMAND FOR JURY TRIAL**

4 23. Apple does not object to a trial by jury on all issues so triable.

5 **II.**

6 **DEFENSES**

7 As and for its affirmative defenses, Apple alleges as follows:

8 **FIRST DEFENSE – NON-INFRINGEMENT**

9 24. Apple does not infringe and has not directly or indirectly infringed any
10 claims of the '352 and '353 patents, either literally or under the doctrine of equivalents, willfully
11 or otherwise.

12 **SECOND DEFENSE – INVALIDITY**

13 25. Elan's alleged claims for infringement of the '352 and '353 patents are
14 barred because each and every claim of the '352 and '353 patents is invalid for failure to comply
15 with the requirements of Title 35 of the United States Code, including but not limited to
16 Sections 101, 102, 103, and/or 112.

17 **THIRD DEFENSE – LACHES**

18 26. Elan's claims for relief are barred in whole or in part by the doctrine of
19 laches.

20 **FOURTH DEFENSE – ESTOPPEL**

21 27. Elan's claims for relief are barred in whole or in part by the doctrine of
22 equitable estoppel.

23 **FIFTH DEFENSE – STATUTE OF LIMITATIONS**

24 28. To the extent Elan seeks damages for alleged infringement more than six
25 years prior to filing of this action, the relief sought by Elan is barred by 35 U.S.C. § 286.
26
27
28

1 **SIXTH DEFENSE – NOTICE**

2 29. To the extent Elan seeks damages for alleged infringement prior to its
3 giving actual or constructive notice of the '352 and '353 patents to Apple, the relief sought by
4 Elan is barred by 35 U.S.C. § 287.

5 **SEVENTH DEFENSE – NO INJUNCTIVE RELIEF**

6 30. To the extent Elan seeks injunctive relief for alleged infringement, the
7 relief sought by Elan is unavailable because any alleged injury to Elan is not immediate or
8 irreparable and because Elan has an adequate remedy at law for any alleged injury.

9 **III.**

10 **COUNTERCLAIMS**

11 Counterclaim-Plaintiff Apple counterclaims against Counterclaim-Defendant Elan
12 as follows:

13 **PARTIES**

14 31. Apple is a corporation organized under the laws of the State of California
15 and having a principal place of business at 1 Infinite Loop, Cupertino, CA 95014.

16 32. Elan alleges that it is a corporation organized under the laws of Taiwan
17 R.O.C. with a principal place of business at No. 12, Innovation 1st Road, Science Based
18 Industrial Park, Hsinchu Taiwan R.O.C.

19 **JURISDICTION AND VENUE**

20 33. These counterclaims arise under Title 35 of the United States Code. The
21 Court has subject matter jurisdiction over these counterclaims pursuant to 28 U.S.C. §§ 1331,
22 1338(a), 2201, and 2202.

23 34. Elan is subject to personal jurisdiction in this district arising out of its
24 systematic and continuous contacts with this district and its purposeful acts and/or transactions
25 directed toward this district. Such contacts include without limitation Elan's past and ongoing
26 infringing conduct in this district, Elan's bringing of this lawsuit in this district, and, on
27 information and belief, Elan's presence and conduct of business in this district through ELAN
28 Information Technology Group, operating in Cupertino, California 95015.

FIRST COUNTERCLAIM – DECLARATORY JUDGMENT

'352 PATENT

40. Apple incorporates herein by reference the allegations of paragraphs 1 - 39 of this Answer, Affirmative Defenses and Counterclaims (“Answer”).

41. Apple counterclaims against Elan pursuant to the patent laws of the United States, Title 35 of the United States Code, and the Declaratory Judgments Act, 28 U.S.C. §§ 2201 and 2202.

42. In its Complaint, Elan alleges that Apple is now and has been directly and/or indirectly infringing the '352 patent by the sale of at least its iBook, PowerBook, MacBook, iPhone and iPod Touch products.

43. An actual controversy exists between Elan and Apple by virtue of the allegations of Elan’s Complaint and Apple’s Answer as to the validity and infringement of the '352 patent.

44. The '352 patent is invalid and not infringed, as set forth in paragraphs 24 through 30 above.

45. Apple is entitled to judgment that the '352 patent is invalid and not infringed.

SECOND COUNTERCLAIM – DECLARATORY JUDGMENT

'353 PATENT

46. Apple incorporates herein by reference the allegations of paragraphs 1 - 45 of this Answer.

47. Apple counterclaims against Elan pursuant to the patent laws of the United States, Title 35 of the United States Code, and the Declaratory Judgments Act, 28 U.S.C. §§ 2201 and 2202.

48. In its Complaint, Elan alleges that Apple is now and has been directly and/or indirectly infringing the '353 patent by the sale of its iPhone and iPod Touch products.

1 49. An actual controversy exists between Elan and Apple by virtue of the
2 allegations of Elan’s Complaint and Apple’s Answer as to the validity and infringement of the
3 ’353 patent.

4 50. The ’353 patent is invalid and not infringed, as set forth in paragraphs 24
5 through 30 above.

6 51. Apple is entitled to judgment that the ’353 patent is invalid and not
7 infringed.

8 **THIRD COUNTERCLAIM – PATENT INFRINGEMENT**

9 **’218 PATENT**

10 52. Apple incorporates herein by reference the allegations of paragraphs 1 - 51
11 of this Answer.

12 53. Apple is the owner of the entire right, title and interest in and to U.S. Patent
13 No. 5,764,218 (“the ’218 patent”) entitled “Method And Apparatus For Contacting A Touch-
14 Sensitive Cursor-Controlling Input Device To Generate Button Values,” which was duly and
15 legally issued on June 9, 1998 in the name of inventors Mark A. Della Bona, Jonathan Dorfman
16 and Jay F. Hamlin. A copy of the ’218 patent is attached as Exhibit A hereto.

17 54. The ’218 patent claims methods and apparatuses for a touch-sensitive
18 cursor-controlling input device that detects contact intervals when the user contacts the touch-
19 sensitive input device, detects gap intervals between subsequent contact intervals, and moves the
20 cursor on the display screen and enables an operator to perform with a single touch-sensitive
21 input device numerous control operations, such as cursor manipulation, click, multi-click, drag,
22 click-and-drag, and multi-click-and-drag operations based on the duration of the contact and gap
23 intervals.

24 55. Upon information and belief, Elan’s touch-sensitive input devices or
25 touchpads and related components employ the methods and/or apparatuses claimed in the ’218
26 patent, including but not limited to the Smart-Pad product, employ the methods and/or
27 apparatuses claimed in the ’218 patent by detecting contact intervals for touches on the touchpad,
28 detecting gap intervals between such contact intervals, and based on the duration of those

1 intervals, distinguishing between three or more gestures (e.g., “vertical scroll,” “tapping,”
2 “magnifier”) and reporting the gesture that has been identified to the host device (e.g., laptop
3 computer). In addition, driver software for Elan’s touch-sensitive input devices such as the
4 Smart-Pad allows a user to enable one-finger, two-finger, and three-finger tapping and to select
5 which laptop control operations correlate to different gestures.

6 56. Laptop computers employing Elan’s touch-sensitive input devices or
7 touchpads and related components employing the methods and/or apparatuses claimed in the ‘218
8 patent, including but not limited to the Smart-Pad product, are imported into, offered for sale, sold
9 and used in the United States.

10 57. Upon information and belief, Elan has been and is currently directly
11 infringing, in violation of 35 U.S.C. § 271, the ‘218 patent through its use, importation, offer for
12 sale and/or sale of touch-sensitive input devices or touchpads and related components employing
13 the methods and/or apparatuses claimed in the ‘218 patent, including but not limited to the Smart-
14 Pad product, in the United States, including through its agent EITG.

15 58. Elan has had actual knowledge of the ‘218 patent since at least July 1,
16 2009.

17 59. Upon information and belief, Elan has been and is currently indirectly
18 infringing, in violation of 35 U.S.C. § 271, the ‘218 patent. Upon information and belief, the
19 ‘218 patent is directly infringed by, without limitation, manufacturers and others in the
20 distribution channel of laptop computers, using, selling, offering for sale and/or importing in the
21 United States, Elan’s touch-sensitive input devices or touchpads employing the methods and
22 apparatuses claimed in the ‘218 patent through their processing of gestures, including but not
23 limited to the Smart-Pad product. Upon information and belief, Elan induces that infringement
24 through its intentional marketing, sale and/or support, including technical support, of such devices
25 in the United States, including through EITG, and through the intentional design, marketing,
26 manufacture, sale and/or support, including technical support, of such devices abroad to induce
27 direct infringement in the United States. Upon information and belief, Elan’s inducement
28 includes, without limitation, active encouragement of the use, sale, offer for sale and/or

1 importation in the United States, of such devices to enable gestures that infringe the '218 patent
2 on such devices, including through the promotion and provision of software drivers and
3 marketing literature that induces direct infringement. Upon information and belief, Elan has
4 known or should have known that these actions would cause direct infringement of the '218
5 patent and did so with specific intent to encourage direct infringement.

6 60. Apple has suffered, and will continue to suffer, irreparable injury as a
7 result of Elan's infringement. Pursuant to 35 U.S.C. §§ 283 and 284, Apple is entitled to
8 damages for infringement and to a permanent injunction against further infringement.

9 61. This case is exceptional, and therefore, Apple is entitled to attorneys' fees
10 pursuant to 35 U.S.C. § 285.

11 **FOURTH COUNTERCLAIM – PATENT INFRINGEMENT**

12 **'659 PATENT**

13 62. Apple incorporates herein by reference the allegations of paragraphs 1 - 61
14 of this Answer.

15 63. Apple is the owner of the entire right, title and interest in and to U.S. Patent
16 No. 7,495,659 ("the '659 patent") entitled "Touch Pad For Handheld Device," which was duly
17 and legally issued on February 24, 2009 in the name of inventors Greg Marriott, Guy Bar-Nahum,
18 and Steven Bollinger. A copy of the '659 patent is attached as Exhibit B hereto.

19 64. The '659 patent claims methods and apparatuses for a touchpad system that
20 maps the touchpad into native sensor coordinates and produces native values of the native sensor
21 coordinates when events occur on the touchpad. The system further includes filtering the native
22 values of the native sensor coordinates based on the type of events that occur on the touchpad.
23 The system additionally includes generating a control signal based on the native values of the
24 native sensor coordinates when a desired event occurs on the touch pad.

25 65. Upon information and belief, Elan's touch-sensitive input devices or
26 touchpads and related components employ the methods and/or apparatuses claimed in the '659
27 patent, including but not limited to the Smart-Pad product, employ the methods and/or
28 apparatuses claimed in the '659 patent by including a touchpad and controller that defines a

1 logical device unit associated with the surface of a touchpad, receives native values associated
2 with native sensor coordinates based on touches to the touchpad, filters those values, adjusts the
3 native values to a new value associated with the logical device unit, and reports the new, filtered
4 values to the host processor on the laptop such that the amount of data sent based on values
5 associated with the logical device unit is less than the native values associated with sensor
6 coordinates on the touchpad.

7 66. Laptop computers employing Elan's touch-sensitive input devices or
8 touchpads and related components employing the methods and/or apparatuses claimed in the '218
9 patent, including but not limited to the Smart-Pad product, are imported into, offered for sale, sold
10 and used in the United States.

11 67. Upon information and belief, Elan has been and is currently directly
12 infringing, in violation of 35 U.S.C. § 271, the '659 patent through its use, importation, offer for
13 sale and/or sale of touch-sensitive input devices or touchpads employing the methods and/or
14 apparatuses claimed in the '659 patent, including but not limited to the Smart-Pad product, in the
15 United States, including through its agent EITG.

16 68. Elan has had actual knowledge of the '659 patent since at least July 1,
17 2009.

18 69. Upon information and belief, Elan has been and is currently indirectly
19 infringing, in violation of 35 U.S.C. § 271, the '659 patent. Upon information and belief, the
20 '659 patent is directly infringed by, without limitation, manufacturers and others in the
21 distribution channel of laptop computers, using, selling, offering for sale and/or importing in the
22 United States, Elan's touch-sensitive input devices or touchpads employing the methods and
23 apparatuses claimed in the '659 patent through their processing of touches, including but not
24 limited to the Smart-Pad product. Upon information and belief, Elan induces that infringement
25 through its intentional marketing, sale and/or support, including technical support, of such devices
26 in the United States, including through EITG, and through the intentional design, marketing,
27 manufacture, sale and/or support, including technical support, of such devices abroad to induce
28 direct infringement in the United States. Upon information and belief, Elan's inducement

1 includes, without limitation, active encouragement of the use, sale, offer for sale and/or
2 importation in the United States of such devices to enable processing of touches that infringe the
3 '659 patent on such devices, including through the promotion and provision of touchpads and
4 related controllers and marketing literature that induces direct infringement. Upon information
5 and belief, Elan has known or should have known that these actions would cause direct
6 infringement of the '659 patent and did so with specific intent to encourage direct infringement.

7 70. Apple has suffered, and will continue to suffer, irreparable injury as a
8 result of Elan's infringement. Pursuant to 35 U.S.C. §§ 283 and 284, Apple is entitled to
9 damages for infringement and to a permanent injunction against further infringement.

10 71. This case is exceptional, and therefore, Apple is entitled to attorneys' fees
11 pursuant to 35 U.S.C. § 285.

12 **FIFTH COUNTERCLAIM – PATENT INFRINGEMENT**

13 **'929 PATENT**

14 72. Apple incorporates herein by reference the allegations of paragraphs 1 - 71
15 of this Answer.

16 73. Apple is the owner of the entire right, title and interest in and to U.S. Patent
17 No. 6,933,929 ("the '929 patent") entitled "Housing For A Computing Device," which was duly
18 and legally issued on August 23, 2005 in the name of inventor Chris J. Novak. A copy of the
19 '929 patent is attached as Exhibit C hereto.

20 74. The '929 patent claims an improved housing for a computing device,
21 including a touchpad system.

22 75. Upon information and belief, Elan's touch-sensitive input devices or
23 touchpads in touchpad systems and touchpad housing assemblies, including but not limited to the
24 Smart-Pad assembly employed in laptop computers, employ the apparatus claimed in the '929
25 patent because they comprise a touchpad housing with a recess, a touchpad that sits in the recess
26 and a touchpad label (covering) over the touchpad and housing that is substantially permanently
27 attached to the housing to secure the touchpad within the cavity formed by the recess. The recess
28 in the Smart-Pad assembly coincides with the shape of the touchpad and has substantially the

1 same depth as the thickness of the touchpad. The recess also surrounds an opening that allows
2 wires from the touchpad to be provided internal to the touchpad housing.

3 76. Laptop computers employing Elan's touch-sensitive input devices or
4 touchpads and related components employing the methods and/or apparatuses claimed in the '218
5 patent, including but not limited to the Smart-Pad assembly are imported into, offered for sale,
6 sold and used in the United States.

7 77. Elan has had actual knowledge of the '929 patent since at least July 1,
8 2009.

9 78. Upon information and belief, Elan has been and is currently indirectly
10 infringing, in violation of 35 U.S.C. § 271, the '929 patent. Upon information and belief, the
11 '929 patent is directly infringed by, without limitation, manufacturers and others in the
12 distribution channel of laptop computers, using, selling, offering for sale and/or importing in the
13 United States, Elan's touch-sensitive input devices or touchpads in touchpad systems and
14 touchpad housing assemblies claimed in the '929 patent, including but not limited to the Smart-
15 Pad assembly. Pursuant to Rule 11(b)(3), it is likely that reasonable opportunity for further
16 investigation or discovery will confirm that Elan induces that infringement through its intentional
17 marketing, sale and support of such devices in the United States, including through EITG, and
18 through the intentional design, marketing, manufacture, sale and support of such devices abroad
19 to induce direct infringement in the United States. Pursuant to Rule 11(b)(3), it likely that
20 reasonable opportunity for further investigation or discovery will confirm that Elan's inducement
21 includes active encouragement, participation and/or assistance in the design and manufacture of
22 touchpad systems or housing assemblies that infringe the '929 patent as part of its activities in
23 conjunction with the manufacture, marketing, sale and support of touchpads employed in such
24 systems or housing assemblies in laptop computers. Pursuant to Rule 11(b)(3), it likely that
25 reasonable opportunity for further investigation or discovery will confirm that Elan has known or
26 should have known that these actions would cause direct infringement of the '929 patent and did
27 so with specific intent to encourage direct infringement.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- H. That pursuant to 35 U.S.C. § 285 and/or other applicable laws, Elan’s conduct be found to render this an exceptional case and that Apple be awarded its attorneys’ fees incurred in connection with this action;
- I. That Elan be required to pay Apple’s costs of suit;
- J. That Apple be awarded such other and further relief as the court may deem just and proper.

Dated: October 5, 2009

WEIL, GOTSHAL & MANGES LLP

By: /s/ Edward R. Reines
EDWARD R. REINES
edward.reines@weil.com

Attorneys for Defendant and
Counterclaim Plaintiff Apple, Inc.