

NEUMAN, WILLIAMS, ANDERSON & OLSON

77 WEST WASHINGTON STREET

CHICAGO, ILLINOIS 60602

COPY



May 3, 1984

Algy Tamoshunas, Esquire
North American Philips Corporation
580 White Plains Road
Tarrytown, New York 10591

Re: Magnavox v. Activision

Dear Algy:

Further to my letter of April 27, enclosed are copies of the MEMORANDUM IN OPPOSITION TO MOTION FOR ORDER COMPELLING DISCOVERY, PROPOSED ORDER and my DECLARATION.

Very truly yours,

NEUMAN, WILLIAMS, ANDERSON & OLSON

By


James T. Williams

JTW:de
Enclosures

cc: Thomas A. Briody, Esq. - w/o encls.
Louis Etlinger, Esq. - w/encls.
Theodore W. Anderson, Esq. - w/o encls.

1 PILLSBURY, MADISON & SUTRO
2 ROBERT P. TAYLOR
3 225 Bush Street
4 Mailing Address P. O. Box 7880
5 San Francisco, CA 94120
6 Telephone: (415) 983-1000

7 NEUMAN, WILLIAMS, ANDERSON & OLSON
8 THEODORE W. ANDERSON
9 JAMES T. WILLIAMS
10 77 West Washington Street
11 Chicago, IL 60602
12 Telephone: (312) 346-1200

13 Attorneys for Plaintiffs
14 The Magnavox Company and
15 Sanders Associates, Inc.

16 United States District Court for the
17 Northern District of California

18 THE MAGNAVOX COMPANY, a Corpora-)
19 tion, and SANDERS ASSOCIATES,)
20 INC., a Corporation,)

21 Plaintiffs,)

22 vs.)

23 ACTIVISION, INC., a Corporation,)

24 Defendant.)

No. C 82 5270 JPV

MEMORANDUM IN OPPOSITION
TO MOTION FOR ORDER
COMPELLING DISCOVERY

Hearing Date: May 11, 1984

Time: 1:30 p.m.

**ORIGINAL
FILED**

APR 30 1984

WILLIAM L. WHITTAKER
CLERK, U. S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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1 MEMORANDUM IN OPPOSITION TO
2 MOTION FOR ORDER COMPELLING DISCOVERY

3 The defendant's motion to compel discovery points
4 out the abuses which may be practiced through discovery by
5 interrogatory. Defendant's first and second sets of
6 interrogatories contain one hundred and eighty-two
7 interrogatories, many of which contain multiple paragraphs.
8 Counting each paragraph as a separate interrogatory, these two
9 sets of interrogatories include approximately seven hundred
10 and eighty-three interrogatories, and defendant's third set of
11 interrogatories numbered 183-192 (not the subject of this
12 motion) include approximately eighty-one additional
13 paragraphs for a grand total of over eight hundred
14 interrogatories. Such discovery is clearly burdensome and
15 oppressive and not to be condoned or advanced by the Court
16 absent some showing of necessity in a particular case.

17 Further, defendant has had the interrogatory
18 responses and supplemental responses it now complains about
19 since at least September 1, 1983. Defendant did not utter a
20 single word of complaint about any insufficiency of those
21 responses for over six months when, on March 22, 1984 it's
22 counsel wrote a letter received by plaintiffs' counsel on March
23 26 demanding further responses by April 4, i.e., in nine days,
24 to over one hundred of the numbered interrogatories.
25 Plaintiffs' counsel in telephone conversations with
26 defendant's counsel agreed to further respond to many of the
27 interrogatories but explained the substantial impossibility of
28

1 even commencing work on further responses until the week of
2 April 23 because of preexisting family vacation and business
3 commitments, including depositions in this very action. There
4 was never a personal conference as contemplated by Local Rule
5 230-4(a) with respect to plaintiffs' supplemental responses to
6 the first set of interrogatories 1-125, and never any
7 conference at all or even a letter of complaint as to the second
8 set of interrogatories 183-192 prior to the late March flurry
9 of activity. Defendant elected to proceed with its motion
10 despite plaintiffs' commitment to supply defendant with
11 further information as soon as possible.

12 The supplemental interrogatory responses are in the
13 process of being prepared and executed, and will be served and
14 filed prior to the hearing on defendant's motion. This process
15 is complicated by the distances between the Chicago location of
16 plaintiffs' principal counsel and the Tennessee and New
17 Hampshire locations of the two plaintiffs. Plaintiffs
18 requested defendant to agree to postpone the hearing on this
19 motion sufficiently to permit defendant to receive and review
20 the further responses and identify any issues which still
21 existed, if any, so that the partys' memoranda could squarely
22 address those issues and be of real aid to the Court. Defendant
23 refused to agree to such a postponement.

24
25 BACKGROUND

26 This action is principally one for infringement of
27 U. S. Patent Re. 28,507 owned by plaintiff Sanders Associates,
28

1 Inc. ("Sanders") and exclusively licensed to plaintiff The
2 Magnavox Company ("Maganavox"). The patent relates to
3 television games. The defendant, Activision, Inc.
4 ("Activision"), is accused of infringement by reason of its
5 manufacture and sale of various television game cartridges.
6 The Re. 28,507 patent has been widely licensed to television
7 game manufacturers. It has been the subject matter of
8 approximately thirteen previous civil actions. Two of those
9 actions were tried and the patent found to be valid and/or
10 infringed. The Magnavox Co. v. Mattel Inc., 216 U.S.P.Q. 28
11 (N.D.Ill. 1982) and The Magnavox Co. v. Chicago Dynamic
12 Industries, 201 U.S.P.Q. (N.D.Ill. 1977). Of particular note
13 here is that Activision's patent counsel in this action, Flehr,
14 Hohback, Test, Albritton & Herbert, represented Atari, Inc. in
15 a previous action on the same patents and were deeply involved
16 in discovery in that action and preparing it for trial on
17 behalf of Atari. Plaintiffs and Atari settled the action
18 between them with Atari taking a paid-up license under the
19 patent.

20 Two matters raised in defendat's statement of the
21 background of this motion need to be specifically addressed.
22 Defendant appears to complain that it was served with unsigned
23 and unverified copies of plaintiffs' interrogatory responses.
24 That is true. Approximately a week is minimally required to
25 obtain proper signatures on interrogatory answers, since they
26 must be executed by plaintiffs' principal counsel in Chicago,
27 Magnavox in Tennessee, and Sanders in New Hampshire. To

28

1 expedite supplying Activision with the responses, plaintiffs
2 did provide Activision with unexecuted copies prior to fully
3 executed copies being available, and subsequently served
4 copies showing execution. Defendant has long had fully
5 executed responses.

6 Defendant also appears to complain about the volume
7 of documentation that has been produced for its inspection.
8 Large amounts of documents were produced. But large amounts of
9 documents were called for by defendant's discovery requests,
10 and large amounts of documents were required to be reviewed to
11 obtain the information defendant sought. Activision can
12 hardly complain when plaintiffs only produced what it asked
13 for. Activision does not make, and cannot make, any claim that
14 plaintiffs buried the documents Activision needed in a mass of
15 irrelevant or unrequested documents in an effort to swamp its
16 counsel in documents. That simply did not happen. Indeed, in
17 letters dated March 9 and September 1, 1983 to Activision's
18 counsel (Exhibits C, pp. 2-3 and D, p. 1, to defendant's
19 supporting memorandum), plaintiff offered to be more specific
20 in pointing out the correlation of documents to
21 interrogatories if necessary, but Activision never replied to
22 that offer. More importantly, Activision makes no contention
23 with respect to any interrogatory which is the subject of this
24 motion that it was unable to locate the documents plaintiffs
25 produced to derive the information it seeks.

26 Plaintiffs will deal with the interrogatories as
27 grouped by Activision.
28

1 Interrogatories 32-37 and 76-78

2 Interrogatories 32-37 as originally phrased sought
3 information as to each and every patent of either plaintiff
4 relating to television games. Plaintiff's own approximately
5 twenty-seven U.S. patents relating to television games, and
6 approximately one hundred and eight such patents in other
7 countries. Activision has made no effort whatever to show that
8 all the information it sought as to each of those one hundred
9 and thirty-five patents is likely to have any relevancy at all
10 with respect to the two of those patents that are here in suit.
11 Plaintiff has recently limited these interrogatories to the
12 patents in suit, and, as so limited, plaintiffs will provide
13 substantially all the information requested.

14 Plaintiffs will also supply additional information
15 in response to interrogatories 76 and 77. Interrogatory 78
16 seeks identification of all plaintiffs' employees having
17 knowledge of purported items of prior art. The interrogatory
18 is completely unlimited as to time. Moreover, the list
19 includes three U.S. patents and a periodical. Are plaintiffs
20 to poll each of their employees to find which of them have ever
21 seen those publications? And even if this were done, of what
22 possible relevance is their present knowledge of those
23 publications?

24 Interrogatories 39, 40-41, 53, 65 and 126-134

25 Plaintiffs will supplement their responses to each
26 of these interrogatories to the extent they are presently able
27 to do so in light of discovery depositions recently taken by
28 plaintiffs.

1 Interrogatories 84-87 and 159-162

2 Plaintiffs will additionally respond to each of
3 these interrogatories, and those responses will be full and
4 complete. To the extent Activision might assert that any
5 further response is necessary, the interrogatories seek
6 information that is neither relevant nor likely to lead to
7 admissible evidence. Activision states that these
8 interrogatories relate to infringement. But the only
9 infringement issue in this action is whether Activision's
10 games fall within the Re. 28,507 patent claims. Whether the
11 claims might also cover other vaguely defined situations, or
12 whether plaintiffs might contend that various ones of the claim
13 elements are broad enough to include games other than
14 defendant's, is hardly relevant to the infringement issue in
15 this action. It is only relevant that plaintiffs do contend the
16 claims cover the accused Activision games.

17 It is well established that "the concept of
18 relevance [must] adjust and conform to the nature of the
19 litigation," Midland Investment Co. v. Van Alstyne, Noel & Co.,
20 59 F.R.D. 134, 141 (S.D.N.Y. 1973). "Practical considerations
21 dictate that the parties should not be permitted to roam in
22 shadow zones of relevancy and to explore matter which does not
23 presently appear germane on the theory that it might
24 conceivably become so." Coastal States Marketing, Inc. v. New
25 England Petroleum Corp., 471 F.Supp. 131 (S.D.N.Y. 1979),
26 quoting Broadway & Ninety-Sixth St., Realty Co. v. Loew's, Inc.
27 F.R.D. 347, 352 (S.D.N.Y. 1958). Any contentions of plaintiff
28

1 as to claim coverage beyond Activision's games is surely, at
2 best, within the "shadow zone of relevancy" where exploration
3 should not be permitted at least in the circumstances of this
4 case.

5 Interrogatories 138-139 and 140-152

6 Activision has in its April 6 letter now limited
7 interrogatories 138 and 139 as plaintiffs have asked it to do
8 in the past. As so limited, plaintiffs will further respond to
9 them.

10 Interrogatories 140-152 are filled with patent
11 lawyer's jargon using such terms as "invention", "conception",
12 "reduction to practice", and "diligence toward reduction to
13 practice". These terms are terms of art and are used in the
14 patent statute (35 U.S.C. §102(g)). It is well established that
15 they relate only to a complete invention, and that the
16 invention is the totality of all the elements that make up a
17 patent claim. See, for example, Hummer v. N.A.S.A., 500 F.2d
18 1383, 1387 (C.C.P.A. 1974. Activision is clearly attempting to
19 misapply these terms to the separate, individual, and
20 incomplete portions of a patent claim. This is more than a
21 semantic quibble. It is a clear misuse of technical terms, a
22 misuse which Activision apparently hopes to turn to its own
23 advantage at trial.

24 Moreover, there can be no claim that plaintiffs are
25 attempting to withhold any information from Activision.
26 During the previous Atari action, the deposition of Ralph H.
27 Baer (the inventor of U.S. Patent 3,728,480) was taken over
28

1 thirteen days, that of William T. Rusch (the inventor of U.S.
2 Patent Re. 28,507) over eight days, and that of William
3 Harrison (Baer and Rusch's coworker) over five days.
4 Activision's counsel in this action attended those very
5 depositions in the course of its previous representation of
6 Atari. If any possible question of those witnesses and their
7 activities remained, Baer's deposition was taken over an
8 additional four days and Rusch's over an additional nine days
9 in the later Mattel case. Copies of those transcripts have
10 been supplied to Activision. How can Activision in good faith
11 claim that it can't identify the depositions where the
12 information it seeks can be found when its counsel attended
13 some of those very depositions and has been supplied with
14 copies of others?

15 Finally, the information sought in interrogatories
16 140-152 will be essentially supplied by plaintiff's further
17 response to interrogatories 138 and 139.

18 Interrogatories 101-116 and 154

19 Activision's last two groups of interrogatories may
20 be treated together. Both are said to relate to disclosure to
21 the patent examiner of certain prior art. First, the relevant
22 witnesses have already been deposed on the very issue of
23 disclosure to the Patent Office. Those witnesses, i.e., Louis
24 Etlinger, Richard I. Seligman, and James T. Williams, were each
25 deposed over two days a piece in the earlier Atari litigation
26 in 1976. Activision's counsel attended those very
27 depositions, except for one day of the Williams deposition.

28

1 The issues were exhaustively covered. The events of interest
2 occurred in 1974 and 1975. The interrogatories can only be
3 answered by those witnesses; surely those witnesses
4 recollections of the events were much better when they were
5 deposed than they would be now, practically ten years after the
6 fact. Activision has not pointed to any of its interrogatories
7 and stated that the information requested cannot be found in
8 the deposition transcripts.

9 While the use of deposition discovery does not
10 automatically foreclose subsequent interrogatories on related
11 matters, this is not the case where the interrogatories are so
12 excessive and overly particularized as to be unnecessarily
13 burdensome and oppressive. Activision's interrogatories in
14 this case fall into that category. Activision has made no
15 contention that the information it seeks is not included in the
16 deposition transcripts specifically identified by plaintiffs
17 in their interrogatory responses. Under the facts presented
18 here, plaintiffs should not be further required to respond to
19 these interrogatories. Breeland v. Yale and Towne
20 Manufacturing Co., 26 F.R.D. 119 (E.D.N.Y. 1960). Plaintiffs
21 have not generally objected to all of Activision's
22 interrogatories on the grounds of prior depositions, but only
23 to those which actually duplicate the prior deposition
24 inquiry, and objection in such circumstances is proper.
25 Schotthofer v. Hagstrom Construction Co., 23 F.R.D. 666
26 (N.D.Ill. 1958).

1 Of equal importance, there can be no real issue of
2 withholding information from the Patent Examiner. Two courts
3 have considered the Re. 28,507 patent in light of the '480
4 patent and the Spacewar game prior art. They concluded that
5 the '507 patent is valid over that art, and that the art neither
6 shows nor suggests its subject matter. The Magnavox Company v.
7 Chicago Dynamic Industries, 201 U.S.P.Q. 25, 26-28 (N.D.Ill.
8 1977); The Magnavox Company v. Mattel, Inc., 216 U.S.P.Q. 28,
9 51-52 (N.D.Ill. 1982). To establish that any violation of a
10 patentee's duty of disclosure occurred, it must be shown at the
11 minimum that the undisclosed reference was "material" to the
12 issued patent, among other things. American Hoist & Derrick
13 Co. v. Sowa & Sons, Inc., 220 U.S.P.Q. 763, 772-774 (Fed.Cir.
14 1984). The two prior judicial findings could hardly be more
15 convincing that the prior art references Activision refers to
16 are not material.

17
18 ATTORNEY'S FEES

19 The principal cause for this motion was Activision's
20 extended delay in seeking further responses to its
21 interrogatories, and its following impatience and demanding
22 that unrealistically short deadlines be met. As to any
23 interrogatories on which Activision presses its motion after
24 receiving plaintiffs' further responses, the overly burdensome
25 nature of its interrogatory inquisition and the irrelevant
26 nature of the information sought combine to require that the
27 motion be denied. Thus, Activision is not entitled to any
28 attorney's fees on its motion.

CERTIFICATE OF SERVICE BY HAND

United States District Court for the
Northern District of California

WILLIAM E. MUSSMAN III certifies as follows:

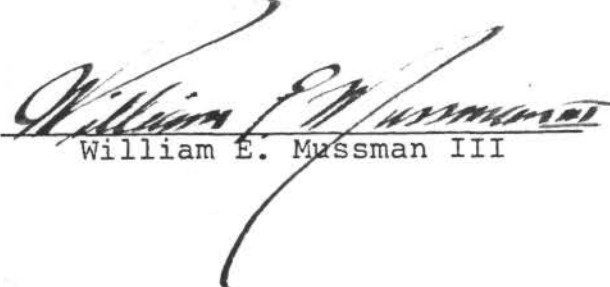
I am an active member of the State Bar of California and am not a party to this action. My business address is 225 Bush Street, P.O. Box 7880, San Francisco, CA 94120.

On April 30, 1984, true copies of the attached (1) Notice Of Memorandum in Opposition to Motion for Order Compelling Discovery, (2) Declaration of James T. Williams, and (3) Proposed Order were placed in an envelope addressed to:

Flehr, Hohbach, Test, Albritton & Herbert
Aldo J. Test
Thomas O. Herbert
Edward S. Wright
Suite 3400, Four Embarcadero Center
San Francisco, CA 94111

which envelope was sealed and hand-delivered to the above addressee.

Dated at San Francisco, California, April 30, 1984.


William E. Mussman III
William E. Mussman III

wem8/Q

CERTIFICATE OF SERVICE BY MAIL

I, WILLIAM E. MUSSMAN, III, certify:

I am an active member of the bar of this Court and
am not a party to the within cause:

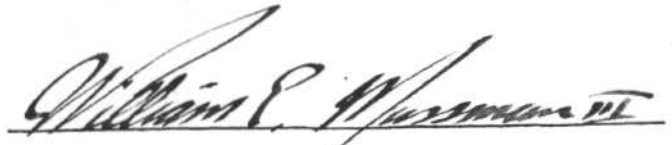
My business address is 225 Bush Street, San Francisco,
California. My mailing address is P.O. Box 7880, San Francisco,
CA 94120.

On April 30, 1984, ~~(a)~~ true ~~(copy)~~ (copies)
of the attached Memorandum in Opposition to Motion For
Order Compelling Discovery, Declaration of James T. Williams
and Proposed Order

~~(was)~~ (were) placed in (an) envelope~~s~~ addressed to:

Wilson, Sonsini, Goodrich & Rosati
Harry B. Bremond
Michael A. Ladra
Two Palo Alto Square
Palo Alto, California 94304

which envelope~~s~~, with postage thereon fully prepaid, (was)
~~(were)~~ then sealed and deposited in the United States Mail in
the City and County of San Francisco, State of California.


William E. Mussman, III