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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

SPH AMERICA, LLC, a Virginia company,	)	Civil No.09cv2535 JAH (AJB)
	)	
Plaintiff,	)	
v.	)	Order Ruling on Joint Statement and
	)	Granting Motion to Compel Production
ACER, INC., a Taiwanese company, et al.,	)	of Licensing Agreements
	)	
Defendants.	)	[Doc. No. 434]
	)	
_____	)	

The Plaintiff SPH America LLC’s (“SPH”) and Defendant Nokia filed a joint statement on a discovery dispute regarding Plaintiff’s request that the Court compel Nokia to produce all licensing agreements covering wireless products that comply with third generation (“3G”) telecommunication standards known as CDMA and WCDMA. This dispute involves SPH’s requests<sup>1</sup> for Nokia’s agreements in which it has licensed its CDMA or WCDMA technology to others and all of its cross-license agreements concerning CDMA or WCDMA technology.<sup>2</sup>

SPH argues that these license agreements, whether licenses-in, licenses-out or cross-licenses of CDMA or WCDMA technology, are all relevant and reasonably calculated to lead to the discovery of

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<sup>1</sup> REQUEST NO. 95: All license agreements that refer or relate to intellectual property licensing of any of Defendant’s, or another’s, 3G products, processes, or technology.

REQUEST NO. 96: All Documents that refer or relate to intellectual property licensing of any of Defendant’s, or another’s, 3G products, processes, or technology.

<sup>2</sup> Nokia has produced three (3) licenses to date, but states in the moving papers that it has notified SPH that it intends to produce more than ten licenses. *See* Joint Statement at p. 7, lines 5-6.

1 admissible evidence because Nokia grants portfolio licenses<sup>3</sup> and Nokia's patent portfolio includes at  
2 least two patents<sup>4</sup> that implement the WCDMA standards (3GPP TS 25.211, 3GPP TS 25.213, and  
3 3GPP TS 25.214) that SPH listed in its preliminary infringement contentions. SPH contends that the  
4 licenses are all relevant because they 1) demonstrate rates paid by licensees for the use of patents  
5 comparable to SPH's patents-in-suit (Georgia-Pacific factor 2); show customary rates in the industry for  
6 the use of analogous inventions (Georgia-Pacific factor 12); and show rates upon which a licensor and a  
7 licensee would have reasonably and voluntarily agreed (Georgia-Pacific factor 15). *See Georgia-Pacific*  
8 *v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970) *affs*, 446 F.2d 295 (2nd Cir. 1971).  
9 SPH argues that because the licenses covering CDMA and WCDMA technology are relevant, there is  
10 little, if any, burden on Nokia to produce these agreements.

11         Alternatively, Nokia argues that the CDMA and WCDMA are a vast collection of  
12 telecommunications standards that relate to a wide variety of technologies involving thousands of  
13 patents and the five patents-in-suit read only on isolated portions of these standards. Nokia contends  
14 that the requests for the licenses-out and cross-licenses are overly broad because: 1) they relate to the  
15 CDMA or WCDMA standards; 2) they involve an exchange of patent rights between parties as opposed  
16 to the licensing of one party's patent rights; and 3) they are not relevant to a Georgia-Pacific analysis of  
17 a reasonable royalty because they are not sufficiently comparable to the hypothetical licenses at issue.  
18 Nokia argues that because the requested licenses-out and cross-licenses cover hundreds and potentially  
19 thousands of patents without listing the patents or separately valuing individual patents or technologies,  
20 they involve multiple parties and cellular standards that are not at issue in this case and therefore could  
21 not be utilized in calculating reasonable royalty damages thereby eliminating any possible relevance.

22         The Court, however, is not moved by Nokia's argument that there is no possible relevance with  
23 regard to the licenses-out and cross-licenses. First, Nokia's licenses-out and cross-licenses provide  
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26         <sup>3</sup> Licensing an entire portfolio of patents is "common practice" in the "telecommunications  
27 industry in general." *Broadcom Corp. v. Qualcomm Inc.*, No. 3:08-cv-01607-WQH-LSP, Dkt. 154, Ex.  
28 E, Expert Report of Eric Stasik, at 7, ¶42 (S.D. CA filed Apr. 11, 2008) (Nokia's damages expert report,  
hereinafter, "Stasik Rpt.").

<sup>4</sup> U.S. Patent No. 6,697,347 and U.S. Patent No. 7,321,576.

1 information about how the telecommunications industry values CDMA and WCDMA technology and  
2 the licensing customs of the industry.<sup>5</sup> While these licenses may be extensive, involve multiple parties  
3 and hundreds of patents that make it difficult for an expert to attribute value to the small number of  
4 patents-in-suit, that is an argument that goes to the weight that a damages expert may give to a particular  
5 license agreement, not whether or not a license agreement is relevant or should be produced. The  
6 license agreements are relevant, even if only for the purposes of impeachment as cited by Nokia.<sup>6</sup> Fed.  
7 R. Civ. P. 26(b)(1). Based upon the foregoing, the Court finds the potential probative value of these  
8 licenses to outweigh the minimal burden of production.<sup>7</sup> As such, Nokia is ORDERED to produced the  
9 license agreements at issue to SPH *on or before December 15, 2010*.

10 IT IS SO ORDERED.

11  
12 DATED: December 3, 2010

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14 Hon. Anthony J. Battaglia  
15 U.S. Magistrate Judge  
16 United States District Court  
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24 <sup>5</sup> *Proctor & Gamble Co.*, 989 F. Supp. at 607-608 (citing *Mobil Oil Corp. v Amoco Chem. Corp.*,  
914 F. Supp. 1333, 1354 (D. Del. 1994) and 7 Chisum, Patents, § 20.03[3][b][ii], at 20-182 to 184).

25 <sup>6</sup> Nokia cites a case with a similar request for these licenses, which were ultimately ordered to be  
26 produced, where the trial Court stated that the licenses were “to be used, if at all, for impeachment  
27 purposes only.” See *WiAV Solutions, LLC v. Motorola, Inc., et al.*, Civ. No. 3:09cv447 (E.D. Va. filed  
28 July 14, 2009) at Dkt. 304, Order (May 25, 2010).

<sup>7</sup> The only indication or claim of burden on behalf on Nokia is one sentence on page 10 of the  
joint statement [Doc. No. 434] where Nokia states, “. . . SPH’s motion appears intended simply to  
unduly burden Nokia . . .”

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