

UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

Before the Honorable Theodore R. Essex
Administrative Law Judge

In the Matter of

**CERTAIN HANDHELD ELECTRONIC
COMPUTING DEVICES, RELATED
SOFTWARE, AND COMPONENTS
THEREOF**

Investigation No. 337-TA-769

**MOTION FOR LEAVE TO FILE A REPLY IN SUPPORT OF NOKIA, INC.'S MOTION
TO LIMIT OR QUASH BARNES & NOBLE, INC. AND BARNESANDNOBLE.COM'S
SUBPOENA *DUCES TECUM* AND *AD TESTIFICANDUM* TO THIRD PARTY NOKIA
INC.**

Non-party Nokia Inc. requests leave to file a reply in response to the Opposition filed by Respondents Barnes & Noble, Inc. and barnesandnoble.com LLC (collectively, "Barnes & Noble") to Nokia Inc.'s Motion to Limit or Quash Subpoenas *duces tecum* and *ad testificandum* (collectively, "Subpoenas"). Nokia Inc.'s proposed reply is attached. Counsel for Barnes & Noble opposes this motion. The undersigned has not been able discuss the matter with counsel for the Office of Unfair Import Investigations.

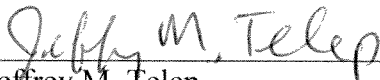
Nokia has good cause to file its motion for leave to file a reply. In its response to Nokia's motion to quash, Barnes & Noble has failed to show that the requested information meets the threshold for reasonable third-party discovery in Section 337 investigations. Specifically, the requested documents, information and testimony do not seek relevant information and are premised on a defense of patent misuse that is sourced in the assertion of "trivial and outmoded [Microsoft] patents" by Barnes & Noble's own admission. In addition, the requested discovery is wholly duplicative of what Barnes & Noble admits it may already have from Microsoft, a

named party in the Investigation. Through its Subpoenas, Barnes & Noble attempts to obtain discovery that is clearly directed to the foreign parent of the served U.S. entity in an effort to shoehorn third-party discovery into the remaining discovery period. Nokia Inc.'s proposed reply explains these facts in greater detail and makes clear that Barnes & Noble's subpoena should be quashed.

For these reasons, the Court should grant Nokia Inc.'s motion for leave to file a reply in support of its motion to quash.

Dated: November 23, 2011

Respectfully submitted,



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**REPLY IN SUPPORT OF MOTION TO LIMIT OR QUASH BARNES & NOBLE, INC.
AND BARNESANDNOBLE.COM'S SUBPOENA *DUCES TECUM* AND *AD
TESTIFICANDUM* TO THIRD PARTY NOKIA INC.**

Non-party Nokia Inc. files this reply in response to the Opposition filed by Respondents Barnes & Noble, Inc. and barnesandnoble.com LLC (collectively, "Barnes & Noble") to Nokia Inc.'s Motion to Limit or Quash Subpoenas *duces tecum* and *ad testificandum* (collectively, "Subpoenas"). Barnes & Noble has failed to show that the requested information meets the threshold for reasonable third-party discovery in Section 337 investigations. Specifically, the requested documents, information and testimony do not seek relevant information and are premised on a defense of patent misuse that is sourced in the assertion of "trivial and outmoded [Microsoft] patents" by Barnes & Noble's own admission. In addition, the requested discovery is wholly duplicative of what Barnes & Noble admits it may already have from Microsoft, a named party in the Investigation. Through these Subpoenas, Barnes & Noble attempts to get discovery that is clearly directed to the foreign parent of the served US entity in an effort to shoehorn the discovery into the remaining discovery period.

Pursuant to the ITC rules, discovery is permissible only to the extent that it is “not unreasonable or unduly burdensome or expensive.” 19 C.F.R. § 210.27(d)(2)(iii). “**Even if relevant**, discovery is not permitted where no need is shown, or compliance would be unduly burdensome, or where harm to the person from whom discovery is sought outweighs the need of the person seeking discovery of the information.” *Micro Motion, Inc. v. Kane Steel Co.*, 894 F.2d 1318, 1323 (Fed. Cir. 1990) (emphasis added).

Contrary to Barnes & Noble’s assertion, non-parties to an Investigation are given special consideration when determining whether a motion to quash a subpoena should be granted. *Certain Set-Top Boxes and Components Thereof*, Inv. No. 337-TA-454, Order No. 16, at 1–2 (July 2, 2001). “Commission rules 210.34(a) and 210.34(a)(7) provide that the administrative law judge may make ‘any order that may appear necessary and appropriate for the protection of the public interest’ and has the authority, ‘when justice requires,’ to protect a party or person from ‘annoyance, embarrassment, oppression, or undue burden or expense.’” *Id.* (citing *Katz v. Batavia Marine & Sporting Supplies, Inc.*, 984 F.2d 422, 424 (Fed. Cir. 1993); 19 C.F.R. §§ 210.34(a), 210.34(a)(7)).

Finally, fact discovery on the issue of patent misuse was originally set to close in this Investigation on November 14, 2011. It was then extended to December 14, 2011. Although Barnes & Noble knew that it needed to support this defense as early as May 11, 2011 when it first raised patent misuse, it did not file an application for issuance of the Subpoenas on Nokia Inc. until October 18, 2011, five months after the defense was first raised in the Investigation and with only one month remaining in the original discovery deadline. Barnes & Noble’s issuance of the Subpoenas on Nokia Inc., rather than Nokia Corp., is nothing more than an attempt to obtain discovery from a US entity rather than the foreign parent because Barnes & Noble failed to

timely serve the Subpoenas on Nokia Corp. through the proper avenues of the Hague Convention in the first place.¹

I. Barnes & Noble Fails to Meet Its Burden of Proving that Nokia Inc. is the Proper Subpoenaed Party

Barnes & Noble's Opposition makes clear that it had the knowledge necessary to direct the Subpoenas to Nokia Corporation, the party which entered into the agreements with Microsoft and MOSAID, but chose instead to improperly define "Nokia" as Nokia Corporation as a way to get around the last minute attempt at discovery.² For example, the Opposition reiterates that the information sought by Barnes & Noble relates to Nokia Corp., not Nokia Inc.:

- "Microsoft and **Nokia Corp.** entered their initial partnership agreements."

(Barnes & Noble Opposition at 2, fn. 1.)

- "Microsoft, **Nokia Corp.** and MOSAID Technologies, Ltd. ('MOSAID') entered into horizontal patent agreements." (Barnes & Noble Opposition at 2.)

- "The agreements between Microsoft and **Nokia Corp.** affect **Nokia Corp.**'s business activities worldwide." (*Id.*)

- "Each request issued by Barnes & Noble, as narrowed during negotiations, is specifically tailored to **Nokia Corp.**'s agreements with Microsoft and MOSAID... ." (*Id.* at 8.)

¹ As noted in Barnes & Noble's Opposition, Barnes & Noble's counsel was informed on November 3, 2011 that Nokia Corp., a separate foreign entity, must be served through the Hague Convention. (Barnes & Noble Opposition at 9, fn. 6.) Even with the imminent discovery deadline of December 14, 2011, Barnes & Noble waited over ten days to file its application to the Hague Convention.

² The Subpoenas define "Nokia" as Nokia Corporation:

"Nokia", "you" and "your" refer to Nokia Corporation, including, without limitation, all of its corporate locations, and all predecessors, predecessors-in-interest, subsidiaries, parents, and affiliates, and all past or present directors, officers, agents, representatives, employees, consultants, attorneys, entities acting in joint venture, licensing agreements, or partnership relationships with Nokia and others acting on behalf of Nokia.

Subpoenas at 7.

In the parent-subsidary context, the party seeking the subpoena bears the burden of establishing that the target entity has control over the requested documents and information. *Certain Optical Disk Controller Chips and Chipsets and Products Containing Same, Including DVD Players & PC Optical Storage Devices*, Inv. No. 337-TA-506, Order No. 38, at 5 (citing *Camden Iron and Metal, Inc. v. Marubeni Amer. Corp.*, 138 F.R.D. 438 (D.N.J. 1991)). When determining whether a US subsidiary has sufficient custody and control of documents created by its foreign parent, “it is the nature of the transactional relationship between the subsidiary and parent that is pivotal.” *Certain Optical Disk Controller Chips* at 5 (quoting *Addamax Corp. v. Open Software Found., Inc.*, 148 F.R.D. 462, 467 (D. Mass. 1993)).

Barnes & Noble tried to take the easy road and serve the Subpoenas on the Nokia US entity and tried to define its way out of the problem it has with serving the correct corporate entity through the Hague Convention. Accordingly, Nokia Inc.’s motion to quash or limit that subpoena should be granted. *See, e.g., Certain HSP Modems, Software and Hardware Components Thereof, and Products Containing Same*, Inv. No. 337-TA-439, Order No. 13, (Feb. 9, 2001). Barnes & Noble points the finger at Nokia and accuses Nokia Inc. of being inconsistent by saying that the company likely has no relevant documents yet also arguing that the Subpoenas would cause a huge burden. In fact, it is Barnes & Noble who created the problem by serving the Subpoenas on Nokia Inc., an entity that Barnes & Noble has not demonstrated to have a substantial role in the agreements at issue, yet defining “Nokia” as Nokia Corp., the entity that entered into the agreements. If the Subpoenas served on Nokia Inc. are permitted to define “Nokia” as “Nokia Corporation” and the requests are not substantially limited to discovery related to Barnes & Noble’s patent misuse defense (i.e., the Microsoft patents at issue in the Investigation), then the burden on Nokia Inc. could include a substantial

effort and expense to identify and, if necessary, collect materials that are not relevant to any issue in the Investigation.

Barnes & Noble makes unsupported allegations that the “agreements between Microsoft and Nokia Corp. affect Nokia Corp.’s business activities worldwide, which **necessarily** impact its U.S. subsidiary, Nokia Inc.” (Barnes & Noble Opposition at 2.) Barnes & Noble presents no evidence to support such allegations and simply states that it “**believes** that Nokia Inc. is in possession or control of relevant, unique, non-privileged documents” which relate to Barnes & Noble’s patent misuse defense. (*Id.*) Barnes & Noble also claims that “relevant information relating to these topics **presumably** will come from individuals who are employed in varied departments and capacities.” (*Id.* at 7.) A simple belief, allegation or presumption is insufficient to meet the burden of establishing the relevance and need for documents and information from a non-party. *Certain Set-Top Boxes and Components Thereof*, Inv. No. 337-TA-454, Order No. 16, at 2. Barnes & Noble baldly asserts that Nokia Inc. should respond to the Subpoenas despite Nokia Inc. not being a party to the relevant agreements and in further view of the fact that Nokia Inc. has not been shown to have owned any of the patents at issue in the Investigation. This attempt at discovery is a blatant attempt to circumvent service on the foreign parent Nokia Corporation.

Nokia Inc., a non-party to the Investigation, is not required to identify the number of relevant documents and information in response to an overbroad, unduly burdensome subpoena, but rather, Barnes & Noble is required to first prove that the subpoenaed non-party has relevant information and bears the burden of establishing the reasonableness of the subpoena. 19 C.F.R. § 210.32(a)(2).

II. The Requested Discovery is Overbroad, Unduly Burdensome and Not Relevant

If Nokia Inc. is required to respond to the Barnes & Noble Subpoenas directed to discovery of Nokia Corp. and that are wholly unrelated to Barnes & Noble's patent misuse defense, then the requested discovery is unreasonable. As Barnes & Noble notes in its Opposition, "a party may obtain discovery regarding any matter, not privileged, **that is relevant to ... [a] claim or defense** of the party seeking discovery." 19 C.F.R. § 210.27(b) (emphasis added). Barnes & Noble has failed to show how Nokia Inc.'s highly confidential internal marketing and business analyses regarding its mobile phone business has any relevance to a claim of patent misuse against Complainant Microsoft for the patents at issue, which are Microsoft patents, not Nokia Inc. patents.

Further, the Barnes & Noble requests that relate to any communications between Microsoft and Nokia Inc. should be stricken on the basis that any such discovery can and should be obtained directly from Microsoft, a party to the Investigation. (Request Nos. 1, 2, 5, 7, 8, 10, and 12; Topic Nos. 2, 3, 4, and 6.) Specifically, the parties to the agreements at issue are Nokia Corporation and Microsoft. Thus, any relevant communication between the entities will be in Microsoft's possession and likely in Nokia Corporation's possession, but not likely in Nokia Inc.'s possession. The Commission has required a requesting party to first seek discovery from parties to the Investigation before seeking the same information from nonparties. *See, e.g., Certain Foam Footwear*, Inv. No. 337-TA-567, Order No. 16, at 1 (Aug. 2, 2006). Barnes & Noble can (and has) requested the discovery from complainant Microsoft. Nokia Inc. is not only the improper party, but also likely does not have responsive information to a properly limited request. To require Nokia Inc. to respond to Subpoenas on behalf of Nokia Corporation significantly expands the scope of the Subpoenas, making the requested discovery over broad

and unduly burdensome. Thus, Request Nos. 1, 2, 5, 7, 8, 10, and 12 and Topic Nos. 2, 3, 4, and 6 should be quashed.

Barnes & Noble categorizes the Requests into two additional categories: “(i) the threat that Android operating systems and Android-based devices pose to Microsoft’s business, see Request Nos. 1, 2, 4, 10, and 11; or (ii) Microsoft and Nokia’s ability to stifle that threat, see Requests Nos. 4, 5, 11-13 and 16.” (Barnes & Noble Opposition at 6.) The first category clearly shows that the information in which Barnes & Noble is interested is “the threat ... pose[d] to **Microsoft’s business.**” Barnes & Noble has not shown how Nokia Inc.’s internal market and business analyses has any direct relevance to any alleged threats to Microsoft’s business in the context of a patent misuse defense. This discovery should be, and may already have been, obtained from Microsoft, not Nokia Inc. (or Nokia Corp. for that matter). Thus, Request Nos. 1, 2, 4, 10, and 11 should be quashed by virtue of Barnes & Noble’s own characterization of the scope of the requests.

The second category relating to **Microsoft’s** “ability to stifle th[e] threat [of Android]” again clearly relates to Microsoft, and not to Nokia Inc. In addition, Barnes & Noble has not shown how “Nokia’s ability to stifle” any alleged threat of Android has any bearing on its patent misuse defense, especially in the fact of what Barnes & Noble calls “trivial and outmoded patents”. Thus, Request Nos. 4, 5, 11-13 and 16 should also be quashed based on Barnes & Noble’s characterization of the scope of the requests.

The breadth of Barnes & Noble’s requests without any limitations on the scope to relate to Barnes & Noble’s patent misuse defense is so over broad that even preliminarily identifying the relevant number of responsive documents is not feasible. For example, Request for Production No. 13 requests “**All documents and things** relating to **any evaluation, assessment**


or analysis of current or projected market share, including **global market share** and U.S. market share, of **mobile devices and/or mobile operating systems.**” (Subpoena *Duces Tecum* at 2-3; *see also* Subpoena *Ad Testificandum* No. 14.) Even with the temporal limitation proposed by Barnes & Noble, this request asks for all documents and things relating to market analyses, including **global market shares**, which have no bearing on Nokia Inc., which sells mobile products in the United States, and without any specific reference or relation to Barnes & Noble’s patent misuse defense, the patents at issue in the Investigation, or even Complainant Microsoft.

III. Conclusion

Serving the Subpoenas on Nokia Inc. for information that Barnes & Noble admits relates specifically to Nokia Corp. is nothing more than an effort by Barnes & Noble to remedy its delay in requesting discovery from the proper party earlier in the Investigation. Barnes & Noble’s attempt to improperly reach Nokia Corp. through Nokia Inc. should be denied and the Subpoenas should be quashed in their entirety. At a minimum, if the Subpoenas are not quashed, Nokia Inc. requests that the Subpoenas be limited to the documents and information that relate specifically to the patents at issue in the Investigation and that are in Nokia Inc.’s custody and control, if any. For these reasons, the Court should grant Nokia Inc.’s motion to quash.

Dated: November 23, 2011

Respectfully submitted,


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UNITED STATES INTERNATIONAL TRADE COMMISSION
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Before the Honorable Theodore R. Essex
Administrative Law Judge

In the Matter of

CERTAIN HANDHELD ELECTRONIC
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SOFTWARE, AND COMPONENTS
THEREOF

Investigation No. 337-TA-769

ORDER

Upon consideration of the Motion of Non-Party Nokia Inc. for Leave to File a Reply in Support of its Motion to Limit or Quash Subpoena *Duces Tecum* and *Ad Testificandum* Directed to Nokia, Inc., it is hereby

ORDERED that the motion is granted, and it is further

ORDERED that the Clerk of Court is directed to accept for filing the Reply in Support of Nokia, Inc.'s Motion to Limit Or Quash Barnes & Noble, Inc. and barnesandnoble.com's Subpoena *Duces Tecum* and *Ad Testificandum* to Third Party Nokia Inc.

Date: _____

Theodore R. Essex
Administrative Law Judge

United States International Trade Commission

Investigation No. 337-TA-769

In the Matter of Certain Handheld Electronic Computing Devices, Related Software, and Components Thereof

CERTIFICATE OF SERVICE

The undersigned certifies that, on November 23, 2011 he caused the foregoing **Motion For Leave To File A Reply In Support Of Nokia, Inc.'S Motion To Limit Or Quash Barnes & Noble, Inc. And Barnesandnoble.Com's Subpoena Duces Tecum And Ad Testificandum To Third Party Nokia Inc.** to be served upon the following parties as indicated below:

<p>The Honorable James R. Holbein Secretary U.S. International Trade Commission 500 E Street S.W., Room 112 Washington, D.C. 20436</p>	<p><input checked="" type="checkbox"/> Via Hand Delivery (Two Copies) <input checked="" type="checkbox"/> Via Electronic Filing</p>
<p>Hon. Theodore R. Essex Administrative Law Judge U.S. International Trade Commission 500 E Street, S.W., Room 317 Washington, DC 20436</p>	<p><input checked="" type="checkbox"/> Via Hand Delivery (Two Copies) <input checked="" type="checkbox"/> Via Electronic Service tamara.foley@usitc.gov</p>
<p>Jeffrey Hsu Office of Unfair Import Investigations U.S. International Trade Commission 500 E Street, S.W. Washington, DC 20436</p>	<p><input checked="" type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Overnight Delivery <input checked="" type="checkbox"/> Via Electronic Service jeffrey.hsu@usitc.gov</p>
<p><i>Counsel for Complainant Microsoft Corporation:</i> V. James Adduci Adduci, Mastriani & Schaumberg LLP 1200 Seventeenth Street, NT 5th Floor Washington, DC 20036</p>	<p><input checked="" type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via First Class Mail <input type="checkbox"/> Via Overnight Delivery <input checked="" type="checkbox"/> Via Electronic Service MSFT-2@adduci.com, MSFT-L14External@woodcock.com, MSTF_BN@orrick.com</p>
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