

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

INVENSAS CORPORATION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 11-448-GMS-CJB
	)	
RENESAS ELECTRONICS	)	
CORPORATION and RENESAS	)	
ELECTRONICS AMERICA INC.,	)	
	)	
Defendants.	)	

**MEMORANDUM ORDER**

Pending before the Court in this patent infringement action is Plaintiff Invensas Corporation’s (“Invensas” or “Plaintiff”) letter motion seeking to compel certain discovery (the “motion to compel”) regarding damages. (D.I. 88) For the reasons discussed below, the Court GRANTS-IN-PART Invensas’ motion, with the scope of the compelled discovery to be limited as outlined below.

**I. BACKGROUND**

On March 26, 2013, Invensas filed a Joint Motion for Teleconference to Resolve Discovery Disputes. (D.I. 88) In subsequent letter briefs, Invensas and Defendant Renesas Electronics Corporation (“Renesas”)<sup>1</sup> set out their positions regarding the two disputed issues raised by Invensas. (D.I. 89, 93) On April 10, 2013, the Court held a teleconference with the parties during which it resolved one dispute. The remaining dispute involved Invensas’ requests for information relating to three general categories of damages discovery, consisting of the following: (1) marketing, lender, and investor documents concerning the product families within

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<sup>1</sup> Defendant Renesas Electronics America Inc. (“REA”) was added as a Defendant in this action on April 24, 2013. (D.I. 108)

which the accused products are sold; (2) financial data (including sales, fixed and variable costs, and profit information) for product families containing non-accused products that are sold with accused products; and (3) documents, such as supply or purchase agreements (long and short term), purchase orders, and invoices, that relate to actual or contemplated sales of accused products and terms of such sales. (D.I. 89 at 4) The Court granted Invensas' motion as to this third category of information. As to the remaining categories, the Court ordered the parties to meet-and-confer to attempt to reach resolution, and, if they could not, to thereafter file a joint letter informing the Court of the particular category or subcategory of documents that remained in dispute.

On April 16, 2013, pursuant to the Court's order, the parties submitted a joint letter that identified the specific subcategories of documents still in dispute. (D.I. 102) After reviewing that letter, on April 18, 2013, the Court issued an oral order permitting the parties to submit supplemental letter briefs "explain[ing] why Plaintiff is or is not entitled to obtain discovery regarding these disputed categories of documents pursuant to Federal Rules of Civil Procedure 26 and 37."

On April 24, 2013, pursuant to the Court's order, the parties submitted supplemental letter briefs. (D.I. 106, 107) Invensas indicated that, prior to the court-ordered meet and confer, it had identified the following six subcategories of information that were at issue:

- (a) All presentations or literature provided by or on behalf of Renesas (including its wholly owned subsidiary Renesas Electronics America ("REA")) to actual or prospective customers regarding the SuperH, USB, V850, and Automotive product lines, or referring to one or more accused products.
- (b) All English-language communications by Renesas/REA to actual or

potential customers regarding the SuperH, USB, V850, and Automotive product lines, or referring to any of the accused products.

- (c) All English-language communications (internal or external, including with customers and distributors) or other Renesas/REA documents which refer to interoperability, complementariness, breadth of options within a product line, or availability of BGA designs as features or marketing advantages for Renesas's SuperH, USB, V850, and Automotive product lines, or for the MCU or MCU/MPU categories of products.
- (d) All investor or lender communications referring to the SuperH, USB, V850, and Automotive product lines, or to the MCU or MCU/MPU categories of products.
- (e) All Renesas/REA documents relating to the benefit or value of the SuperH, USB, V850, and Automotive product[] lines (or any other sub-category of products by which Renesas may internally classify the accused products) to Renesas's business, including documents reflecting historical performance and projections for those lines.
- (f) Unit sales, revenue, and cost (including all fixed and variable costs, separately stated) information, in English, for the SuperH, USB, V850, and Automotive LSI products lines.

(D.I. 107 at 1-2) The Court understands that Renesas has agreed to produce certain documents falling into the above subcategories, with the exception of the objections set out below. (*Id.* at 2) After setting out general guideposts for the Court's rulings, the Court will analyze and rule upon each objection in turn.

## **II. STANDARD OF REVIEW**

Federal Rule of Civil Procedure 37 applies to motions to compel discovery, providing that “[o]n notice to other parties and all affected persons, a party may move for an order compelling . . . discovery.” Fed. R. Civ. P. 37(a)(1).

Federal Rule of Civil Procedure 26(b)(1) provides that “[u]nless otherwise limited

by court order . . . [p]arties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense." This Rule further states that "[r]elevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence." Fed. R. Civ. P. 26(b)(1). Despite the otherwise broad scope of discoverable information, a court must limit the frequency or extent of discovery if, *inter alia*, it determines that the "burden or expense of the proposed discovery outweighs its likely benefit, considering the needs of the case, the amount in controversy, the parties' resources, the importance of the issues at stake in the action, and the importance of the discovery in resolving the issues." Fed. R. Civ. P. 26(b)(2)(C)(iii). When a party objects to discovery requests, "the burden falls on the party seeking the discovery to show the relevance of the information requested." *Kaiser v. Stewart*, Civ. A. No. 96-6643, 1996 WL 730533, at \*2 (E.D. Pa. Dec. 10, 1996) (citations omitted). "Once relevance is shown, the party opposing discovery may show why discovery, even if relevant, should not be permitted." *Id.*

### III. DISCUSSION

#### A. Request for production of sales, marketing, and investor/lender documents regarding Renesas' alleged Automotive product line

Renesas has objected to the production of sales, marketing, and investor/lender documents regarding its alleged Automotive product line. (D.I. 106 at 1-3; D.I. 107 at 3-4) While Invensas argues that such information is relevant because many of the accused products are marketed by Renesas within "the 'Automotive' product line", (D.I. 107 at 3), Renesas responds that, while "certain Renesas chips are used in cars, it does not maintain an 'Automotive products line' family," (D.I. 106 at 2). Further, Renesas contends that many of its products that

are included in automobile applications belong to irrelevant product families (i.e., product families that do not contain any currently accused products). (*Id.*) Renesas notes that its agreement to produce such documents relating to its actual product families that include the accused products (and also include hundreds of currently unaccused products) should be sufficient. (*Id.* at 2-3)

As an initial matter, Invensas' submissions do not persuade the Court that Renesas does indeed maintain an "Automotive products line" family or category, such that it could be argued that the documents at issue are relevant because certain accused products fall within that family or category. And of course, the Court cannot compel a party to produce documents regarding a "family" or "category" that does not itself exist. *See Rega v. Beard*, Civil Action No. 08-156, 2010 WL 1253531, at \*5 (W.D. Pa. Mar. 24, 2010) ("Plaintiff's disappointment with the Defendant's response does not enable this Court to order Defendants to produce documents that do not exist."); *Woodard v. Gillespie*, No. Civ. A. 94-3547, 1994 WL 530158, at \*1 (E.D. Pa. Sept. 26, 1994) (same).

The Court understands Invensas' request to go further, however, and to seek the applicable sub-categories of documents on grounds other than that the documents relate to product families or categories that contain accused products. Instead, it attempts to make a link between the sale of accused products and Renesas' broader "automotive"-related product sales. (D.I. 107 at 3 ("For example, the accused R8A77700ADA01BGV product is used for car navigation systems, and is combined with many other packages types that Renesas sells."); *id.* at 4 (asserting that such documents would be relevant to a reasonable royalty as they would relate to the "effect of selling the patented specialty in promoting sales of *other products* of the

licensee”)) (quoting *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970)). Courts have granted motions to compel discovery requests extending to unaccused products where the plaintiff had asserted a derivative or convoyed sales theory of damages, and where the plaintiff has sufficiently articulated how the documents at issue are relevant to that theory.<sup>2</sup>

Here, however, Invensas has not provided sufficient information to the Court to demonstrate the relevance of the documents at issue, as the asserted linkage between accused product sales and sales in Renesas’ “automotive” sector (however that is defined at Renesas) is not sufficiently clear to the Court. It is notable that Invensas’ initial letter submission regarding its motion to compel made no identifiable mention of “Automotive” or “Automotive product line” documents, nor their relevance to Invensas’ damages theory. Instead, the letter requested only marketing, lender, and investor documents for “product families within which the accused products are sold,” (D.I. 89 at 4), documents that Renesas has agreed to produce. The Court finds that the few references in Invensas’ supplemental letter to the tie between products bound for automotive applications and accused products are not sufficient to meet Invensas’ burden

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<sup>2</sup> See *Positive Techs., Inc. v. Sony Elecs., Inc.*, No. 11-cv-2226 SI (KAW), 2013 WL 707914, at \*4 (N.D. Cal. Feb. 26, 2013); see also *Get-A-Grip, II, Inc. v. Hornell Brewing Co., Inc.*, No. Civ. A 99-1332, 1999 WL 1285825, at \*3 (E.D. Pa. Dec. 21, 1999) (finding that “plaintiff’s discovery requests seeking information regarding defendant’s use of the Accused Product to sell beverages, and financial information related to those sales, is relevant to the calculation of a reasonable royalty should plaintiff prevail”); *Caterpillar, Inc. v. Detroit Diesel Corp.*, No. 3:95CV489RM, 1997 WL 33165848, at \*3-6 (N.D. Ind. Jan. 24, 1997) (denying motion for protective order limiting discovery to accused product on the basis that discovery requests for sales, marketing, cost and profit information relating to products that could be equipped with the accused feature were relevant and proper); *Haworth, Inc. v. Herman Miller, Inc.*, 162 F.R.D. 286, 287-89 (W.D. Mich. 1995) (granting motion to compel discovery relating to convoyed sales of unaccused products where there was evidence that those products were sold by defendant together with (as well as independently of) the accused system).

here.

For these reasons, the Court DENIES Invensas' motion to compel the production of documents relating to the above sub-categories for Renesas' alleged "Automotive product line."

**B. Request for production of investor/lender documents regarding Renesas' MCU product category**

Renesas has objected to the production of investor/lender documents regarding its MCU (or "microcontroller") and MCU/MPU product categories. (D.I. 106 at 3; D.I. 107 at 3-4) It appears that, as to simply the MCU/MPU "category" of products, this category includes at least fourteen "product families"; as to four of these product families (none of which include any accused product) there are nearly 4,000 unaccused products. (D.I. 106 at 2) Renesas has represented that it will produce the above-referenced subcategories of documents for product families that include accused products, presumably including accused products that are MCUs, but that in light of the broad scope of any larger MCU-related request, the motion should be denied. (*Id.* at 2-3)

Here, Invensas' submissions provide a bit more information as to why this category of documents may be reasonably calculated to lead to the discovery of admissible evidence—in this case, why accused product sales might be said to promote other MCU-product sales. For one, the "MCU Family" was referenced in Invensas' initial letter, along with some evidence that Renesas promotes the compatibility of product families regarding MCUs, including product families containing accused products. (D.I. 89 at 3-4 & ex. E) In its supplemental letter, Invensas also: (1) states that the majority of the accused products are MCUs; and (2) cites to multiple Renesas documents that appear to describe Renesas' strategy of providing a combination of MCUs and

other products to its customers. (D.I. 107 at 3 & ex. B & C ) Invensas again cites to *Georgia-Pacific*, asserting that the broader MCU-related records would be relevant to derivative sales and sales conveyed on the sale of the infringing products. (*Id.* at 4)

Invensas' argument here is clearer, on the record before the Court, than as to the "Automotive products line" category of documents. Though the Court cannot determine whether Invensas will actually be able to prove these asserted links for purposes of its damages case, the Court believes Invensas has made at least a baseline showing of relevance as defined by Rule 26.

The Court is sensitive to Renesas' arguments that the burden or expense of such discovery might at some point outweigh its likely benefit, particularly in line with Renesas' statement that there are very large numbers of unaccused products in the MCU or MCU/MPU product category. But even in its supplemental letter, Renesas has not really explained in any further detail what the scope of that burden might be (i.e., the number of documents it might implicate, or number of hours required to search for and produce such documents, or the practical difficulties in assessing the scope of the documents at issue in a timely fashion). Moreover, beyond the limitation of the request for MCU and MCU/MPU-related documents to certain document subcategories, Invensas has also represented that it is "not seeking marketing documents specific to unaccused products" and that it was willing to work with Renesas to "make this a reasonable search." (D.I. 106, ex. B at 55-56)

In light of this, the Court determines that the most appropriate course is to GRANT Invensas' motion to compel the production of investor/lender documents regarding the MCU and MCU/MPU categories of products. To the extent that Renesas can later articulate with specificity that a particular portion of Invensas' request for these documents would be unduly



burdensome pursuant to Rule 26(b)(2)(c)(iii), and Renesas cannot reach accommodation with Invensas on the issue, Renesas can raise that issue with the Court pursuant to the Court's discovery dispute procedures.

**C. Request for all English-language communications which refer to interoperability, complementariness, breadth of options within a product line, or availability of BGA designs as features or marketing advantages**

Renesas maintains that its search for English-language communications, which refer to interoperability, complementariness, breadth of options within a product line, or availability of BGA designs as features or marketing advantages, regarding the relevant product families should be limited to five relevant custodians. (D.I. 106 at 2-3) Although Invensas' supplemental submission does not specifically address this dispute, (*see* D.I. 107), Renesas explains that it has agreed to provide certain marketing documents and has also agreed to search the hard drives of five relevant custodians for responsive documents (D.I. 106 at 2). According to Renesas, Invensas is not satisfied with this proposal and has demanded additional custodian information, as well as documents regarding the Automotive and the MCU and MCU/MPU product lines.

*(Id.)*

The Court finds Renesas' proposal to search the files of five custodians to be a reasonable one, especially in the absence of argument from Invensas to the contrary. *Cf.* Default Standard for Discovery, Including Discovery of Electronically Stored Information ("ESI") at ¶ 3(a) (requiring parties to disclose the 10 custodians most likely to have discoverable information in their possession, custody or control). As to the issue of which product lines and categories of products should be produced for this sub-category, for the reasons explained above, Renesas shall produce such communications for all product families that include an accused product, and

for its MCU and MCU/MPU categories. Renesas is not required to produce such communications relating to any alleged “Automotive product line.”

**D. Request for Renesas to translate native Japanese financial documents into English prior to production**

Renesas has objected to Invensas’ request that it translate native Japanese financial documents, pertaining to category (f) above, into English prior to production to Invensas. (D.I. 106 at 3; D.I. 107 at 4) Renesas asserts that it is merely producing such documents as they are kept in the ordinary course of business. (D.I. 106 at 3) It was Invensas’ choice to sue a Japanese company, Renesas argues, and therefore Invensas should bear the burden of translating these documents, not Renesas. (*Id.*)

In support of its arguments, Renesas cites to *In re Puerto Rico Elec. Power Auth.*, 687 F.2d 501 (1st Cir. 1982), (D.I. 106 at 3), which found that “[t]here is virtually no authority on the question of a district court’s power to order a party producing documents in discovery to pay—at the pretrial stage—the costs of translating the documents from one language to another for the benefit of the requesting party.” 687 F.2d at 506. The *In re Puerto Rico* Court considered a petition for writ of mandamus that sought relief from, *inter alia*, a district court order that required the producing party to translate documents that had been produced pursuant to Federal Rule of Civil Procedure 34, which governs requests for production of documents. *Id.* at 504-05. The *In re Puerto Rico* Court, in finding that the district court had misread Rule 34 in issuing that order, based its holding on the settled principle that “each party seeking discovery is expected to bear any special attendant costs,” which it found to encompass the cost of translating foreign language documents received in response to document requests. *Id.* at 505-10.

Invensas responds that the Japanese documents in question were not simply pulled from Renesas' business files and turned over in response to certain of Invensas' discovery requests. (D.I. 107 at 4) Rather, Renesas produced the financial data to Invensas in the form of "spreadsheets specifically created by Renesas for this litigation containing specific data for products at issue in this litigation"—spreadsheets that Renesas chose to prepare in Japanese rather than English, despite Renesas' ability to prepare the spreadsheets in English. (*Id.*) Finally, Invensas states that Renesas directed Invensas to the Japanese-language spreadsheets as its only response, purportedly pursuant to Federal Rule of Civil Procedure 33(d), to Invensas' interrogatory requests regarding financial and sales information. (D.I. 107 at 4 & ex. F) This is improper, Invensas argues, because "when a party responds to an interrogatory by producing documents written in a foreign language, Rule 33(d) requires the responding party to provide a translation of those documents." (*Id.* at 4 (quoting *Nature's Plus Nordic A/S v. Natural Organics, Inc.*, 274 F.R.D. 437, 441 (E.D.N.Y. 2011))<sup>3</sup>

The Court notes an important distinction between the cases cited by the parties. While *In re Puerto Rico* reviewed an order that compelled translation of documents produced in response to requests for documents governed by Rule 34, the case cited by Invensas, *Nature's Plus*, considered a motion to compel translation of documents that had been produced in response to *interrogatory requests* (and thus in accordance with Rule 33(d)). As recognized by

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<sup>3</sup> Federal Rule of Civil Procedure 33(d) provides that "[i]f the answer to an interrogatory may be determined by . . . summarizing a party's business records (including electronically stored information), and if the burden of deriving or ascertaining the answer will be substantially the same for either party, the responding party may answer by (1) specifying the records that must be reviewed, in sufficient detail . . . and (2) giving the interrogating party a reasonable opportunity to examine and audit the records and to make copies, compilations, abstracts, or summaries." Fed. R. Civ. P. 33(d).

*Nature's Plus*, there is a clear difference between a party moving to compel translation of foreign-language documents simply produced in response to requests for those specific documents, and a party moving to compel translation of foreign-language documents produced in response to interrogatories, where such production is an alternative “option” to answering the questions under the dictates of Rule 33(d). *Nature's Plus*, 274 F.R.D. at 440-442 (granting defendant's motion to compel translation of documents produced pursuant to Rule 33(d) but denying defendant's motion to compel translation of documents produced pursuant to Rule 34). Here, Invensas represents that Renesas made the choice to produce the Japanese-language spreadsheets, pursuant to Rule 33(d), in response to Invensas' Interrogatory Requests 7-10.

In line with the dictates of the Federal Rules of Civil Procedure and the relevant case law, the Court GRANTS Invensas' motion to compel responsive financial data in English. See *Nature's Plus*, 271 F.R.D. at 441; *Sungjin Fo-Ma, Inc. v. Chainworks, Inc.*, Civil Action No. 08-CV-12393, 2009 WL 2022308, at \*4-5 (E.D. Mich. July 8, 2009) (rejecting argument that requesting party should bear burden of translation, where producing party directed requesting party to foreign-language documents in response to Interrogatories pursuant to Rule 33(d), as that argument “ignore[d] the fact that [the] issue [was] not before the Court on a Request for Production, but by way of Interrogatories”); *E. & J. Gallo Winery v. Canine Rallo, S.p.A.*, No. 1:04cv5153 OWW DLB, 2006 WL 3251830, at \*5 (E.D. Cal. Nov. 8, 2006) (same).

#### **E. Discovery from REA**

Lastly, Invensas argues that Renesas must produce responsive documents from REA, its wholly-owned subsidiary. In the midst of the instant discovery dispute, on April 24, 2013, the Court granted Invensas' Motion for Leave to File First Amended Complaint to name REA as an

additional defendant to this action. (D.I. 105) Renesas has objected to producing documents from REA, contending that Invensas should instead serve discovery on REA for REA documents, to which REA will then respond. (D.I. 106 at 1) For its part, Invensas argues that “settled law” requires parent corporations to produce documents from their wholly owned subsidiaries. (D.I. 107 at 2-3 (citing *E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, 621 F. Supp. 310, 312 n.3 (D. Del. 1985); *Uniden Am. Corp. v. Ericsson Inc.*, 181 F.R.D. 302, 305 (M.D.N.C. 1998))) In light of the case law cited by Invensas, REA’s addition to this case as a Defendant, and in order to facilitate the timely completion of the discovery process, the Court ORDERS REA to produce documents responsive to the instant discovery requests, without the need for Invensas to first serve these requests directly upon REA.

#### IV. CONCLUSION

For the reasons outlined above, it is hereby ORDERED that Invensas’ motion to compel the requested discovery is GRANTED-IN-PART. By no later than **June 8, 2013, absent joint agreement by the parties as to an alternate date**, Renesas and REA shall produce to Invensas the documents discussed above.

If additional disputes arise that the parties cannot resolve regarding compliance with this Order, the parties should resort to the Court’s procedures regarding such discovery disputes. (D.I. 60)

Because this Memorandum Order may contain confidential information, it has been released under seal, pending review by the parties to allow them to submit a single, jointly proposed, redacted version (if necessary) of the Memorandum Order. Any such redacted version shall be submitted no later than **May 15, 2013** for review by the Court. The Court will

subsequently issue a publicly-available version of its Memorandum Order.

Dated: May 8, 2013

  
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Christopher J. Burke  
UNITED STATES MAGISTRATE JUDGE