

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN FLASH MEMORY CHIPS AND
PRODUCTS CONTAINING THE SAME**

Inv. No. 337-TA-664

**ORDER NO. 29: GRANTING-IN-PART AND DENYING-IN-PART COMPLAINANTS'
MOTION TO COMPEL PRODUCTION OF DOCUMENTS**

(January 14, 2010)

On December 22, 2009, Complainants Spansion, Inc. and Spansion LLC (collectively, “Spansion”) moved (664-031) to compel Respondents Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., Samsung International, Inc., Samsung Semiconductor, Inc., and Samsung Telecommunications America, LLC (collectively, “Samsung”) to produce certain documents, witnesses, information, and samples relating to the manufacture and programming of Samsung’s accused flash memory chips. Spansion also moved for an expedited response time, which is hereby denied.¹ On January 4, 2010, Samsung filed an opposition to Spansion’s motion, and on January 5, 2010, the Commission Investigative Staff (“Staff”) filed its response in support of said motion. On January 7, 2010, Spansion filed a motion (664-033) for leave to file a reply in support of its motion to compel, which is hereby denied. On January 11, 2010, Samsung filed a response in opposition to Spansion’s motion for leave. On the same day, Spansion notified the Commission that it was withdrawing its motion as to the 42 nm testing documents. (*See* Ltr.

From J. Telep to M. Abbott, dated Jan. 11, 2010.)

¹ On December 29, 2009, Samsung filed an opposition to Spansion’s request for a shortened response time.

Specifically, Complainants move to compel Samsung to produce the following:

1. Documents and testimony showing the actual voltages applied in programming the accused chips;
- Sample chips or representative samples from the relevant technology nodes, including but not limited to the [] nm technology nodes; and
- Properly noticed witnesses for deposition.

Spansion also seeks to compel Samsung to allow Spansion to conduct an on-site inspection of Samsung's wafer fabrication lines and computer systems related to fabrication and manufacturing. In particular, Spansion requested the following items in its Request for Entry and Inspection:

- On-site inspection of the corresponding wafer fabrication line for each Accused Chip for all stages, including inspection of the wafers, the data and image collection, and the computers that maintain the data;
- On-site inspection of the computer and database systems related to the fabrication, manufacture, design, programming, and testing of each Accused Chip;
- Production of five (5) sets of two (2) wafers each from the corresponding production line for each Accused Chip at an intermediate stage of fabrication, the stage to be chosen by Spansion's counsel during the on-site inspection; and
- Remote access to the computer and database systems related to the fabrication, manufacture, design, programming, and testing of each Accused Chip.

(Spansion Mem. at 24.)

A. Applied Voltage Documents and Testimony

Spansion asserts that despite repeated promises to do so, Samsung has failed to produce information relating to the actual voltages applied to Samsung's flash memory device cores during programming. This information, Spansion claims, is relevant to Spansion's infringement case involving U.S. Patent No. 5,175,194 ("the '194 patent"). The '194 patent relates to a

method of programming a flash memory device involving the application of certain electrical voltages to the wordlines, bitlines, and other control lines of the device to be programmed using a certain formula. Spansion claims that “infringement depends, at least in part, on whether Samsung uses the same formula claimed in the ‘194 Patent to determine the applied voltages. To make that determination, it is necessary to find out what voltages Samsung actually applies when actually programming flash memory devices.” (Spansion Mem. at 7.) Spansion further asserts that Dr. Kang, one of Samsung’s corporate designees on topics relevant to the ’194 patent, including but not limited to information on Samsung’s applied voltage data, was not, in fact, a proper designee as he was unable to identify the actual voltages applied during programming, gave “confusing and conflicting” testimony, and was unable to explain or clarify relevant documents. (Id. at 11-18.)

Samsung argues that Spansion’s motion should be denied because Spansion’s request for “actual” voltage data is moot. Samsung claims that it “has already provided or agreed to provide the so-called ‘actual voltage’ or trimmed target values that Dr. Kang identified in his deposition as well as a deponent on the data.” (Opp. at 4.) Samsung also disputes Spansion’s characterization of Dr. Kang’s testimony. Contrary to Spansion’s assertions, Samsung claims that Dr. Kang “identified voltage ranges, documents related to designed and trimmed values, and even detailed to Spansion how it could externally identify the precise trim levels.” (Id. at 15.)

Staff submits that the information sought by Spansion appears reasonably calculated to lead to the discovery of admissible evidence. For example, “Document Request Nos. 72 and 79 ask for information about the programming method of the accused chips which would reasonably

include the voltage at which the chips are programmed.” (Staff Resp. at 2.) Thus, Staff supports Spansion’s motion with respect to this area of discovery.

Having reviewed the pleadings and exhibits attached thereto, the undersigned agrees with Staff that the information sought by Spansion appears reasonably calculated to lead to the discovery of admissible evidence. It appears, however, that since the filing of Spansion’s motion, Samsung has produced additional responsive documents and samples, as well supplemented its interrogatory responses, which request much of the same information Spansion seeks in its motion to compel. (See Samsung Respondents’ Rule 3.5 Notice of Additional Discovery Served Subsequent to the Filing of Spansion’s Motion to Compel Production of Documents, filed January 11, 2010.) Accordingly, to the extent that Samsung has not yet produced documents responsive to Document Request Nos. 72, 76, and 78-82, Spansion’s motion is hereby granted.

With respect to Spansion’s request for an order compelling Samsung to produce a corporate designee on the topic of “applied voltage data,” it appears that since the filing of Spansion’s motion, Spansion has taken the depositions of two product engineers on topics relating to “applied” or “actual” NAND and OneNAND flash target voltages. (See *id.* at 3.) Thus, Spansion’s motion to compel testimony is hereby denied as moot.

B. Chip Samples

Spansion asserts that Samsung has failed to produce samples of certain accused chips, namely sample chips for its [] nm technology nodes. In particular, Spansion claims that although Samsung agreed to produce samples of chips in its 42 nm and 35 nm technology nodes, as of the filing of this Motion, Samsung had only produced samples for one

chip model in the 35 nm technology node and none for the 42 nm node. Spansion further claims that Samsung has indicated that it will not produce sample chips for its 32 nm technology node

[]

Samsung contends that there is no impasse, that Samsung had agreed to provide samples of chips falling within its 42 nm and 35 design rules, and that Spansion's request for sample chips is therefore moot. Samsung claims that the day before Spansion filed its motion, Samsung produced samples for its 35 nm design rule, and shortly thereafter, Samsung produced samples of its 42 nm chips. [

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From the parties' submissions, it appears that Samsung has produced samples of its 35 nm chips, as well as representative samples of its 42 nm chips. Samsung concedes in its opposition that it has not produced any samples for its 32 nm chips because [

] Samsung states that it "will notify the ALJ when it is able to do so." (Opp. at 17.) The undersigned appreciates that Samsung is working diligently to produce samples; however, given the late stage of discovery, Samsung must provide more than a mere promise to produce samples of the 32 nm. Thus, with respect to the 32 nm technology node, Samsung is hereby ordered to provide by January 25, 2010 a date by which samples will be available. As for the other technology nodes [

] to the extent Samsung has not yet compiled, Spansion's

motion is hereby granted. Samsung must either produce the requested samples or advise Spansion that the samples already produced are representative of specific other products.

C. Depositions of Samsung Employees

Spansion has noticed the depositions of 19 Samsung employees who were identified during 30(b)(6) depositions as persons with relevant knowledge. Spansion asserts that Samsung has refused to make any of these witnesses available. Samsung concedes that it has not made these individuals available, arguing that Spansion has provided no basis for noticing the depositions of these nineteen individuals beyond the mere fact that they are employees of Samsung. While Samsung does not believe Spansion has a “good faith explanation” for its demand, Samsung states that it is “willing to work with Spansion to identify 3-5 witnesses among those that Spansion has noticed.” (Opp. at 30.) The Staff “is of the view that since Dr. Kang and other witnesses were unable or unwilling to discuss the actual duties of these individuals, these witnesses should be produced or information sufficient to show these witnesses are redundant or unnecessary should be produced.” (Staff Resp. at 4.)

The undersigned finds Spansion’s and Staff’s arguments persuasive. Samsung cannot refuse to produce properly noticed witnesses without justification. Spansion is entitled to take depositions of a reasonable number of fact witnesses, and while Samsung may be of the view that the depositions of these 19 additional witnesses is excessive, Samsung has not proffered any evidence to suggest that these witnesses’ testimony would be duplicative of 30(b)(6) testimony, unnecessary or irrelevant. Accordingly, Spansion’s motion to compel with respect to the individually noticed witnesses is hereby granted. The undersigned, however, strongly encourages the parties to work together to narrow down the number of people to be deposed.

D. On-site Inspection

Spansion has requested an on-site inspection of Samsung's wafer fabrication lines and computer systems, as well as production of corresponding wafer samples. Spansion claims that by requesting an on-site inspection, it will be able to obtain, at its own expense, "SEM and TEM images of the devices made in accordance with the process flows identified as relevant to the investigation and for which no images had been produced by Samsung." (Spansion Mem. at 24.)

Samsung argues that Spansion's request for an on-site inspection is unduly burdensome and harassing because it demands nearly unlimited access to all of Samsung's facilities and equipment, production of potentially hundreds of samples of wafers, and remote access to all of its computers that in any way relate to the accused chips. Samsung claims that Spansion has failed to provide a justifiable basis for its request and that an on-site inspection will not produce any information in addition to what Samsung has already produced.

Staff believes that an on-site inspection could potentially "resolve the issue of obtaining the 'actual' voltages ... by providing access to the actual production line." (Staff Resp. at 3.) Staff is also of the view that Samsung should be able to produce representative samples of wafers and thus can avoid having to produce hundreds of samples. As to Spansion's request for remote access to Samsung's computer and database systems, Staff submits that this is an "extraordinarily burdensome and broad request and is not one that is often seen in ITC cases." Staff, therefore, supports Spansion's motion, except with respect to its request for remote computer access. (Id.)

Commission Rule 210.30(a)(2) provides that any party may serve on any other party a request:

To permit entry upon designated land or other property in the

possession or control of the party upon whom the request is served for the purpose of inspecting and measuring, surveying, photographing, testing, or sampling the property or any designated object or operation, within the scope of § 210.27(b).

19 C.F.R. § 210.30(a)(2). Commission Rule § 210.27(b) limits the scope of discovery to information that is reasonably calculated to lead to the discovery of admissible evidence. *See* 19 C.F.R. § 210.27(b). Here, three of the patents-in-suit relate to flash memory fabrication, and as such, the undersigned finds that Spansion's request to inspect the wafer fabrication line, as well as the computer and database systems related to fabrication, reasonable and likely to lead to the discovery of admissible evidence. The undersigned, however, is not convinced that Spansion needs remote access to the computer and database systems related to fabrication, manufacture, design, programming, and testing, finding such access to be unduly burdensome. Accordingly, Spansion's motion to compel with respect to an on-site inspection is hereby granted, but not with respect to Spansion's request for remote access to the computer and database systems.


The undersigned is aware of the disruption that Spansion's request will likely cause to Samsung's normal course of business. Given that Spansion has asserted that were this Court to grant its motion, it would be able to obtain, "**at its own expense**," SEM and TEM images and other information relevant to this Investigation, Spansion is hereby ordered to pay for the costs and expenses incurred by Samsung and its counsel with respect to the inspection, including all costs and expenses incurred in closing Samsung's commercial fabrication facilities for a limited inspection. In order to avoid Samsung having to produce hundreds of samples of wafers, the parties are further ordered to meet and confer in advance of the inspection and to come to an ~~agreement as to the stages from which representative samples from the production line are to be~~

chosen.

Within seven days of the date of this document, each party shall submit to the Office of the Administrative Law Judges a statement as to whether or not it seeks to have any portion of this document deleted from the public version. The parties' submissions may be made by facsimile and/or hard copy by the aforementioned date.

Any party seeking to have any portion of this document deleted from the public version thereof must submit to this office a copy of this document with red brackets indicating any portion asserted to contain confidential business information. The parties' submissions concerning the public version of this document need not be filed with the Commission Secretary.

SO ORDERED.




Charles E. Bullock
Administrative Law Judge

IN THE MATTER OF CERTAIN FLASH MEMORY CHIPS AND PRODUCTS CONTAINING SAME **337-TA-664**

CERTIFICATE OF SERVICE

I, Marilyn R. Abbott, hereby certify that the attached **ORDER NO. 29** has been served upon, **Bryan F. Moore, Esq.**, Commission Investigative Attorney, and the following parties via first class mail and air mail where necessary on January 28, **2010**.


Marilyn R. Abbott, Secretary
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FOR RESPONDENTS SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., SAMSUNG INTERNATIONAL INC., SAMSUNG SEMICONDUCTOR, INC., SAMSUNG TELECOMMUNICATIONS AMERICA, LLC, SHANGHAI LENOVO ELECTRONIC CO. LTD., ASUSTEK COMPUTER INC., ASUS COMPUTER INTERNATIONAL INC., APPLE, INC., TRANSCEND INFORMATION INC., TRANSCEND INFORMATION, INC. (US), TRANSCEND INFORMATION INC. (SHANGHAI FACTORY), KINGSTON TECHNOLOGY COMPANY, INC., KINGSTON TECHNOLOGY (SHANGHAI) CO. LTD, KINGSTON TECHNOLOGY FAR EAST CO., KINGSTON TECHNOLOGY FAR EAST (MALAYSIA), PNY TECHNOLOGIES, INC., SONY CORPORATION, SONY CORPORATION OF AMERICA, SONY ERICSSON MOBILE COMMUNICATIONS AB NYA VATTENTORNET, SONY ERICSSON MOBILE COMMUNICATIONS (USA), INC., BEIJING SE PUTIAN MOBILE COMMUNICATIONS CO., HON HAI PRECISION INDUSTRY CO. LTD, VERBATIM AMERICAS LLC & VERBATIM CORPORATION

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