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UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA **OAKLAND DIVISION** No. 4:20-CV-05640-YGR EPIC GAMES, INC., JOINT STATEMENT Plaintiff and Counter-Defendant, VS. APPLE INC., Defendant and Counterclaim Plaintiff. JOINT STATEMENT

JOINT STATEMENT CASE NO. 4:20-CV-05640-YGR 2
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Pursuant to this Court's Order Setting Compliance Deadline re: Schedule of September 18, 2020 (ECF No. 85, the "Order"), Plaintiff and Counter-Defendant Epic Games, Inc. ("Epic") and Defendant and Counterclaim Plaintiff Apple Inc. ("Apple", and together with Epic, the "Parties"), by and through their respective counsel, hereby submit this Joint Statement.

Pursuant to the Order, the Parties met and conferred on September 22, 2020, and on September 23, 2020, concerning the extent of discovery required prior to a trial on the merits and a schedule. The Parties' respective positions on a schedule through an initial bench trial are laid out below.

| EVENT   | EPIC'S 6-MONTH<br>TO TRIAL<br>SCHEDULE | APPLE'S 10-<br>MONTH TO TRIAL<br>SCHEDULE <sup>1</sup> | EPIC'S COMPROMISE 8- MONTH TO TRIAL SCHEDULE |
|---|--|--|--|
| Last day to meet and confer re: initial disclosures                   | October 5, 2020                        |  | October 5, 2020                              |
| Complete initial disclosures or state objection                       | October 12, 2020                       |  | October 12, 2020                             |
| (Substantial or Full)<br>Completion of<br>Document/Data<br>Production | n/a                                    | January 8, 2021  | January 4, 2021                              |
| Deadline to File<br>Discovery Motions                                 | n/a                                    | February 1, 2021                                       | n/a  |
| Parties' Expert<br>Disclosures  | December 7, 2020                       | n/a  | January 22, 2021                             |
| Close of Fact<br>Discovery  | December 21, 2020                      | March 1, 2021  | February 5, 2021                             |
| Opening Expert<br>Reports   | January 11, 2021                       | March 1, 2021  | February 19, 2021                            |
| Rebuttal Expert<br>Reports  | February 1, 2021                       | April 15, 2021   | March 19, 2021                               |
| Expert Discovery<br>Cutoff  | February 16, 2021                      | May 14, 2021   | April 2, 2021                                |
| Dispositive Motions   | n/a                                    | May 28, 2021   | March 8, 2021                                |

Where Apple has not included an explicit date for an event in Epic's schedule, Apple proposes use of the default deadlines set forth in the Federal Rules of Civil Procedure, the local rules, and Judge Gonzalez Rogers' Standing Orders.

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| EVENT  | EPIC'S 6-MONTH<br>TO TRIAL<br>SCHEDULE                       | APPLE'S 10-<br>MONTH TO TRIAL<br>SCHEDULE <sup>1</sup> | EPIC'S COMPROMISE 8- MONTH TO TRIAL SCHEDULE |
|--|--|--|--|
| Dispositive Motion<br>Opposition Brief   | n/a  | June 14, 2021  | March 22, 2021                               |
| Dispositive Motion<br>Reply Brief  | n/a  | June 21, 2021  | March 29, 2021                               |
| Motions <i>in limine</i> and Trial Exhibits Exchanged  | February 19, 2021  | n/a  | April 9, 2021                                |
| Pretrial Meet and<br>Confer  | February 26, 2021  | n/a  | April 16, 2021                               |
| Court-mandated<br>Compliance Hearing   | n/a  | June 25, 2021  | April 23, 2021                               |
| Joint Pretrial Conference Statement, Motions in limine, and Proposed Findings of Fact and Conclusions of Law | March 5, 2021  | July 2, 2021   | April 23, 2021                               |
| Oppositions to Motions in limine   | March 10, 2021   | n/a  | April 28, 2021                               |
| Motions <i>in limine</i> Binder and Joint Trial Readiness Binder   | March 12, 2021   | n/a  | April 30, 2021                               |
| Pretrial Conference<br>and Hearing on<br>Dispositive Motions   | March 19, 2021   | July 16, 2021  | May 7, 2021                                  |
| Final Set of Exhibits  | March 26, 2021   | n/a  | May 21, 2021                                 |
| Trial Start  | March 29 to<br>April 1, 2021;<br>April 5 to<br>April 8, 2021 | August 2, 2021   | May 24, 2021                                 |

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## Epic's Position:

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Apple has informed Epic that, in the related *Cameron* and *Pepper* actions, Apple has produced approximately three million documents from the files of 15 custodians. Despite Epic's repeated requests to Apple on August 29, 2020 and September 17, 2020 (among other dates), however, neither Apple nor Lead Plaintiffs in the related cases have disclosed to Epic the list of custodians from whose files documents were produced, the document requests pursuant to which

Apple's documents were produced, or other information about the scope of Apple's document production. In this case, Apple has stated that it intends to produce only from six custodians, only two of whom overlap with the custodians from whom Apple collected documents in the related cases, and that the remainder of the 13 custodians from the related class actions are "irrelevant" to this case. Epic remains hopeful that the discovery already conducted in the related cases could be leveraged to conserve the Parties' resources and aid both Parties in achieving an expedited case schedule, and will further assess that possibility if and when Apple provides it with information about that prior discovery.

For its part, Epic is prepared to meet the discovery schedule that Epic proposes. Epic has provided a list of 15 proposed Epic custodians to Apple. Epic already has collected documents for certain of these custodians and is in the process of collecting documents for the others.

With respect to the case schedule, Epic proposed to Apple a schedule with a trial start date (subject to the Court's availability) of March 29, 2021—6 months from the upcoming September 28, 2020, hearing. Apple counter-proposed a schedule with a trial start date of August 2, 2021—10 months from the September 28, 2020 hearing. During the meet and confer between the parties, both Parties agreed these timelines would lead to a bench trial on Epic's claims, with any trial on Apple's counterclaims, if necessary, to take place separately and later in time. Below, it appears Apple may have now changed its position on this.

In an attempt to address Apple's concerns, Epic proposed to Apple that the Parties discuss a modified compromise schedule with a trial start date of May 24, 2021—8 months from the September 28, 2020 hearing, which is approximately the mid-point between Epic's preferred trial date and Apple's proposed trial date. Apple stated that it is unlikely that the Parties could agree on a schedule. Nonetheless, for the Court's benefit, both Epic's proposed 6-month schedule and an 8-month compromise schedule are reflected in the chart above.

Apple's Position:

By any reasonable measure, Apple has proposed an ambitious schedule to litigate the parties' respective claims in this case, particularly in the midst of the current pandemic. Under Apple's proposed schedule, the case will be tried ten months after resolution of Epic's motion for preliminary injunction—less than a year after the filing of Epic's complaint, and a full 18 months faster than the 29.3 month median time to trial for civil cases in this district.<sup>2</sup> Epic's proposal to compress the schedule even more—with fact discovery closing in four months and trial in eight—ignores practical realities of the discovery process.<sup>3</sup> Notably, Apple served a document subpoena on Epic in the *Cameron* matter more than five months ago—longer than the entire time period for fact discovery in Epic's proposed schedule—and Epic has yet to produce a single document. Epic's proposal is unachievable even where the parties are using their best efforts and so will inevitably lead to motions for extension and discovery inefficiencies.

Although Apple has produced a significant number of documents in the *Pepper* and *Cameron* cases—and agreed to work with Epic to identify the overlap and efficiencies between that production and the one in this case—the economies end there. Depositions of Apple witnesses have yet to occur in the other cases, expert witnesses have yet to be designated, and third party discovery is only beginning to trickle in. And, of course, Epic has produced no documents at all. Apple has taken all of these factors into account and nevertheless proposes a very aggressive schedule that contemplates the completion of fact discovery in just five months, completion of expert discovery in the subsequent 2.5 months, and dispositive motions briefed simultaneously with the exchange of motions *in limine* and trial exhibits only weeks later.

U.S. District Court – Judicial Caseload Profile, <a href="https://www.uscourts.gov/sites/default/files/data\_tables/fcms\_na\_distprofile0630.2020.pdf">https://www.uscourts.gov/sites/default/files/data\_tables/fcms\_na\_distprofile0630.2020.pdf</a>.

As Epic notes, it proposed two separate schedules to Apple—an initial one showing a trial in six months and a revised proposal with a trial in eight months. Apple has understood Epic's second, revised proposal to be its operative proposal.

Meeting this compressed schedule will no doubt present challenges for both parties. But Apple believes that the schedule is achievable if Epic stays true to its representation to the Court that it will use discovery from the class action cases "efficiently" and confine any new requests to "inapp payment processing" and "limited targeted additional discovery and some depositions." Aug. 24, 2020 Hr'g Tr. at 5.

Apple's proposed schedule also leaves adequate time for the resolution of Apple's seven counterclaims in parallel with Epic's antitrust causes of action, so long as the parties can agree on the scope of discovery and the issues to be tried to the Court.<sup>5</sup> Given the factual overlap between these two sets of claims, proceeding in parallel could be more efficient than a bifurcated proceeding in which only Epic's antitrust claims are litigated first. But such efficiencies will not be an option with any schedule that proceeds to trial in less than 10 months, given practical limits on what can be achieved in the time allotted.

Meanwhile, Epic's schedule—which proposes that the parties complete fact and expert discovery and proceed to trial in only eight months—would certainly require bifurcation, and is unworkable for a number of other reasons. For starters, Epic has indicated that it expects to produce documents from at least 15 custodians and presumably expects Apple to produce from an equivalent number, having already taken the position that the list of six key custodians Apple has

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Apple remains concerned that even its proposed document discovery deadline of January 8, 2021 may not be achievable despite best efforts if the scope of the requested documents is not contained. To the extent the parties are unable to meet whatever document discovery deadline is ultimately agreed upon, all subsequent dates must be revisited because all of the downstream deadlines and cut-offs depend on a timely document production.

Contrary to Epic's assertion, there was no agreement during the meet and confer on the scope of the initial bench trial. In fact, the parties have not yet taken a position on whether Apple's counterclaims should be tried before the Court or a jury, which is an issue that must be resolved before determining the scope of the initial trial.

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identified to Epic so far is insufficient. In Cameron and Pepper, it took Apple roughly ten months to substantially complete productions from 15 custodians, for a total of more than 3.5 million documents. There is no realistic way in which a similar scale of production could be completed in the span of four months, let alone four months that include the holiday season. Further, Epic has said that it will require a non-trivial (though unspecified) number of depositions—Epic's belief that all of these depositions can be taken in January 2021 defies all experience—and that discovery from third parties will be necessary as well. Third-party discovery is rarely quick even under the best of circumstances. For example, in *Cameron*, Google has been working with Apple in responding to its document subpoena, but even there, it took Google roughly five months to produce its internal documents, and its production remains far from complete. And where the third party is being uncooperative, there is no shortage of delay. As noted above, it has now been *more than five months* and counting since Epic received Apple's document subpoena without producing a single document in response. Similarly, Samsung has been stonewalling since receiving Apple's subpoena, and the parties are currently awaiting a ruling on Apple's motion to compel, *more than six months* after that subpoena was served.

Yet Epic proposes that all fact discovery, including third-party discovery, can be completed in little over four months from today, with no articulation of how this can be achieved. Epic's proposed schedule also includes overlapping deadlines for expert reports and dispositive motions, such that the briefing on the latter will be due and completed before the close of expert discovery. The inevitable result of Epic's proposal will be serial motions for extension and

Contrary to Epic's representations that "Apple has stated that it intends to produce only from six custodians" and that "13 custodians from the related class actions are 'irrelevant' to this case," Apple told Epic during the parties' conferences that it has identified six witnesses *to date* who are most likely to have information relevant to Epic's claims. Apple has never stated that it intends to produce documents only from six custodians or that the other custodians in the class actions are irrelevant.

| 1                             | 1 motions to amend or supplement when Epic's deadlines are not met, create discovery              |        |  |  |  |
|-------------------------------|---|--------|--|--|--|
| 2                             | 2 inefficiencies, or are otherwise unworkable. Epic's schedule will therefore waste judicia       | l and  |  |  |  |
| 3                             | party resources without achieving its intended purpose.   |        |  |  |  |
| 4                             | As the Court recognized in the Order Granting in Part and Denying in Part Epic's                  | Motion |  |  |  |
| 5                             | for Temporary Restraining Order, "[t]he battle between Epic Games and Apple has apparently        |        |  |  |  |
| <ul><li>6</li><li>7</li></ul> | been brewing for some time"—"[i]t is not clear why now became so urgent." Dkt. 48 at 6.           |        |  |  |  |
| 8                             | Nevertheless, Apple has proposed a schedule that is quite aggressive and will provide Epic with a |        |  |  |  |
| 9                             | 9 amply expedited trial, and Apple respectfully requests that the Court enter its schedule.       |        |  |  |  |
| 10                            | 10  |        |  |  |  |
| 11                            | 11  |        |  |  |  |
| 12                            | Dated: September 24, 2020 Respectfully submitted,   |        |  |  |  |
| 13                            | CRAVATH, SWAINE & MOORE LLP   |        |  |  |  |
| 14                            | By: <u>/s/ Katherine B. Forrest</u>   |        |  |  |  |
| 15                            |   | lant   |  |  |  |
| l6<br>l7                      | Epic Games, Inc.  | жин    |  |  |  |
| 18                            |   |        |  |  |  |
| 19                            | Dated: September 24, 2020   |        |  |  |  |
| 20                            | GIBSON, DUNN & CRUTCHER LLP   |        |  |  |  |
| 21                            | By: <u>/s/ Jay P. Srinivasan</u><br>Jay P. Srinivasan   |        |  |  |  |
| 22                            | Attorneys for Defendant and Counterclaim  | ļ,     |  |  |  |
| 23                            |   |        |  |  |  |
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-7-JOINT STATEMENT CASE NO. 4:20-CV-05640-YGR

DECLARATION REGARDING CONCURRENCE I, Katherine B. Forrest, am the ECF user whose identification and password are being used to file this JOINT STATEMENT. In compliance with Civil Local Rule 5-1(i)(3), I hereby attest that all of the signatories listed above have concurred in this filing. **CRAVATH, SWAINE & MOORE LLP** Dated: September 24, 2020 By: /s/ Katherine B. Forrest Katherine B. Forrest 

> -8-JOINT STATEMENT CASE NO. 4:20-CV-05640-YGR