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Re: Recent Intellectual Property Developments in Delaware

In the last few months, the United States District Court for the District of Delaware has issued a number of decisions of note in the intellectual property area. These decisions are discussed below. First, however, a recent change to case assignments is discussed.

CASES ASSIGNED TO VACANT JUDGESHIP ARE REASSIGNED

At the end of 2006, a judicial vacancy was created in the Delaware District Court as a result of the elevation of the Honorable Kent A. Jordan to the Court of Appeals for the Third Circuit. Thereafter, and consistent with past practice, the judges of the Court determined that cases assigned to the vacant judgeship would remain intact and that new cases would continue to be assigned to the vacant position. Initially, Magistrate Judge Thyng assisted with the pretrial management of certain of these cases, and upon his appointment, Magistrate Judge Stark assisted as well. On January 23, 2008, the District Court judges executed an order reassigning all cases pending before the vacant judgeship to the three District Court judges and providing that all future cases be assigned to one of the three sitting judges. This decision was made “because the vacancy in the fourth judgeship has existed for over one year and because it appears that the vacancy will continue for some time.” On February 26, 2008, U.S. Attorney Colm F. Connolly was nominated to fill the vacant judgeship.

I. PLEADINGS AND MOTIONS TO DISMISS

A. Magistrate Judge Thyng Denies Motion To Dismiss For Lack Of Actual Case Or Controversy.

In Concordance Corp. v. Amazon.com, Inc., C.A. No. 06-491-MPT (D. Del. Nov. 20, 2007), Magistrate Judge Thyng denied plaintiff’s motion to dismiss defendant’s counterclaim for a declaratory judgment of infringement. Plaintiff argued that defendant failed to show an actual controversy in that defendant failed to demonstrate that infringing acts were immediate and real, which placed one in reasonable apprehension of suit by the patentee. Also, plaintiff maintained that the counterclaim was vague and failed to state a claim upon which relief could be granted. Defendant argued that its counterclaim met the controversy requirement and eliminated future uncertainty. It noted that the counterclaim complied with Fed. R. Civ. P. 8(a), sufficiently identified products accused of infringement, and adequately stated a claim of indirect patent infringement. Magistrate Judge Thyng held that plaintiff’s activities created a reasonable

apprehension of suit. The Court further held that defendant was not required to identify specific products if the products were adequately described. For these reasons, plaintiff's motion to dismiss the counterclaim was denied.

B. Magistrate Judge Thyng Dismisses Plaintiff's Complaint In Favor Of A First-Filed Action.

In Time Warner Cable, Inc. v. USA Video Technology Corp., C.A. No. 06-387-MPT (D. Del. Oct. 31, 2007), Magistrate Judge Thyng granted defendant's motion to dismiss based upon the first-filed rule. Defendant argued that the first-filed action was a patent infringement claim filed in the Eastern District of Texas in June 2006. Defendant asserted that plaintiff's declaratory judgment action was filed in the District of Delaware two days after the Texas claim was filed, and therefore it was the second-filed action. Defendant further maintained that even though the Texas litigation did not initially name the Delaware plaintiff as a party, "the two cases are exactly alike, as they involve the same patent, the same parties, and the same technology." Defendant argued, in the alternative, that the case should be transferred to Texas. Plaintiff asserted that the Texas case was not the first-filed action because plaintiff was not listed as a party at the time defendant's complaint was filed in Texas. Additionally, plaintiff asserted that relation-back does not apply because the failure to name plaintiff was not attributed to a reasonable mistake. Finally, plaintiff argued that the case should not be dismissed or stayed because the District of Delaware was the most convenient and appropriate forum, and that a transfer to the Texas court is not appropriate because its choice of forum is entitled to substantial deference. The Court determined that the Eastern District of Texas was the first-filed action because it was the first court to have jurisdiction over the alleged infringement of the patent. The Court determined that both cases involve the same patent and technology, and that trying the latter in two different courts would defeat the reasoning behind the first-filed rule. Ultimately, the Court held that since the Eastern District of Texas first exercised jurisdiction over the subject matter of the Delaware action, defendant's choice of forum should be shown deference and the Delaware case should be dismissed.

C. Judge Farnan Grants Defendant's Motion To Dismiss For Lack Of Standing.

In Fairchild Semiconductor Corp. and Intersil Corp. v. Power Integrations, Inc., C.A. No. 07-187-JJF (D. Del. Dec. 20, 2007), Judge Farnan dismissed a patent infringement suit for lack of standing. Power Integrations argued that Fairchild lacked standing to sue because it was no more than a nonexclusive licensee under the terms of a patent license agreement ("PLA") it entered into with Intersil. Power Integrations argued that, as a nonexclusive licensee, Fairchild could not cure the defect in standing merely by joining Intersil, the patent title's holder, to the action. The Court considered what rights Fairchild had obtained from Intersil and what rights Intersil retained under the PLA. The PLA provided Fairchild with the sole and exclusive right to enforce patents against Power Integrations; however, the right to sue remained with Intersil. The Court recognized that a right to sue provision within a license cannot confer standing on a bare licensee. Judge Farnan held that (i) Fairchild was the only party with the right to sue Power Integrations; (ii) Intersil contracted away its right to sue to Fairchild; and (iii) Fairchild lacked standing as a bare, nonexclusive licensee. Accordingly, Judge Farnan granted Power Integration's motion to dismiss.

D. Judge Robinson Denies Motion For Leave To Supplement Complaint.

In Abbott Laboratories, et al. v. Johnson and Johnson, Inc., et al., C.A. No. 06-613-SLR and 07-259-SLR (D. Del. Nov. 28, 2007), Judge Robinson denied plaintiffs' motion for leave to supplement the complaints in both actions. The Court determined that plaintiffs' motion for leave to supplement was an attempt to consolidate their declaratory judgment action with an earlier-filed action. By way of background, defendants filed an infringement action at 12:01 a.m. in New Jersey. At the same time, plaintiffs, unable to file their declaratory judgment action in Delaware because of the requirement that complaints be filed in paper form, filed a motion to consolidate the declaratory judgment action with an earlier-filed action at 8:30 a.m. the same day. Three days later, plaintiffs filed motions to enjoin the prosecution of the first New Jersey action initiated by defendants. Judge Robinson concluded that defendants were the first to file suit regarding the particular patent. According to the Court, the infringement plaintiffs' choice of forum should prevail. The Court noted that "the winner of this race to the court house is the true plaintiff, not the declaratory judgment plaintiff, as this court respects the choices made by plaintiffs in choosing this state as a forum and must, therefore, respect their choice of a different forum." The Court also denied plaintiffs' motion to enjoin defendants from prosecuting the New Jersey litigation.

II. PRETRIAL EVIDENTIARY MOTIONS

A. Judge Robinson Rules On Pretrial Evidentiary Issues, Finding Greg Norman And Phil Mickelson Were Not Appropriate Fact Witnesses, And Bifurcates Damages.

In Callaway Golf Co. v. Acushnet Co., C.A. No. 06-091-SLR (D. Del. Nov. 30, 2007), Judge Robinson ruled on several pretrial evidentiary issues. By way of background, the patents-in-suit involve golf ball technology. Specifically, the patents-in-suit relate to designing a golf ball capable of traveling long distances while also achieving a desired spin. Judge Robinson first ruled that evidence relating to defendant's testing of golf balls would be admitted, but only under very specific circumstances. Second, Judge Robinson decided that the issue of willfulness should be bifurcated and tried with the issue of damages. Third, Judge Robinson ruled that injunctive relief, if implicated by the verdict, would be resolved through post-trial briefing. Finally, Judge Robinson was faced with the identification by plaintiff of certain professional golfers as fact witnesses in the case, including Greg Norman and Phil Mickelson. Although Judge Robinson found that they had been timely identified as fact witnesses by plaintiff, the kind of testimony they would provide was more appropriate as expert testimony. Therefore, none of the professional golfers could testify generally, from their experience, as to the characteristics of the patented golf balls or the golf ball market. However, because Mr. Mickelson had certain personal knowledge about defendant, Judge Robinson would entertain a proffer at the end of defendant's case to determine if Mr. Mickelson would be an appropriate fact witness.

B. Judge Robinson Rules on Daubert Motions.

In Callaway Golf Co. v. Acushnet Co., C.A. No. 06-091-SLR (D. Del. Nov. 20, 2007), Judge Robinson issued her rulings on three motions filed under Daubert v. Merrell Dow Pharms., Inc. On the first of the three Daubert motions, Judge Robinson denied as moot defendant's

motion to exclude the testimony and report of plaintiff's expert on damages because Judge Robinson decided to bifurcate the damages issue. Next, plaintiff had moved to exclude the testimony of one of defendant's experts due to inconsistencies between the expert's report and the expert's deposition testimony. Specifically, in the report the expert had stated that he personally had directed testing of the golf balls, whereas Judge Robinson found it "apparent" from the expert's deposition that such representations were not accurate, and "aside from giving [defendant] the benefit of his impressive resume," Judge Robinson "was hard pressed to identify what [the expert] did in connection with this testing." Therefore, to the extent the reliability of the test results derived from the expert's claim of personal involvement in the testing, the evidence was excluded. Finally, Judge Robinson denied in part and granted in part defendant's motion to exclude the testimony and report of plaintiff's infringement expert. Judge Robinson noted that plaintiff's expert had included no written analysis in his report and performed no testing, relying instead on record evidence and on testing documents created by defendant in the ordinary course of business. However, because it was not disputed that these documents supported plaintiff's expert's conclusion that some of defendant's balls infringe the asserted claims when manufactured according to defendant's specifications, Judge Robinson found the expert's analysis was based on reliable data and could be presented to the jury. However, Judge Robinson noted that she was making certain assumptions about the expert's analysis and if those assumptions turned out to be incorrect, the report and testimony would be excluded.

C. Judge Robinson Holds That Testimony Of Legal Experts Is Not Necessary.

In Vanderbilt University v. ICOS Corporation, C.A. No. 05-506-SLR (Dec. 20, 2007), Judge Robinson held that the testimony of legal experts at trial was neither needed nor appropriate to explain or explain away the law. The Court declined to award the costs associated with the expert discovery.

D. Judge Robinson Makes Four Rulings On The Eve Of Trial.

In Callaway Golf Company v. Acushnet Company, C.A. No. 06-091-SLR (Dec. 4, 2007), Judge Robinson made four rulings on the eve of the trial. First, she denied defendant's motion for reconsideration. As a result, the summary judgment ruling that defendant was precluded from trying its anticipation defense remained the law of the case. Second, Judge Robinson ruled that since the parties stipulated that the accused products infringed the asserted claims, news articles containing defendant's praise of the accused products were admissible. However, no other articles relating to the accused products were permitted. Third, given plaintiff's representation that it would not assert claims 1 and 2 of the '130 patent against any of the products at issue, the Court no longer had jurisdiction and defendant was not permitted to address the validity of such claims. Finally, Judge Robinson ruled that one of defendant's exhibits was not admissible pursuant to Federal Rules of Civil Procedure 402, 403 and 408.

III. SUMMARY JUDGMENT

A. Magistrate Judge Thyng Denies Defendant's Motion For Summary Judgment.

In Commissariat A L'Energie Atomique v. Samsung Electronics Co., et al., C.A. No. 03-484-MPT (D. Del. Nov. 2, 2007), Magistrate Judge Thyng denied defendant's motion for summary judgment that certain claims of the patent-in-suit were invalid as anticipated under 35 U.S.C. § 102(b). Defendant argued that a 1972 publication, Soref et al. ("Soref"), is invalidating prior art that discloses each of the elements of the patent's claims. Plaintiff argued that Soref did not disclose all of the elements of the claims. Further, plaintiff maintained that testimony relied upon by defendant regarding an element disclosed in Soref raises questions of fact that preclude summary judgment. The Court held summary judgment should not be granted because a prior art reference must disclose each and every claim limitation to anticipate and Soref did not. Further, the Court determined that there was at least a question of fact as to which element was disclosed in the Soref reference. Thus, defendant failed to establish by clear and convincing evidence that the claims were invalid under 35 U.S.C. § 102 as anticipated by Soref.

B. Magistrate Judge Thyng Rules On The Parties' Cross-Motions For Summary Judgment Regarding Infringement And Non-infringement.

In Commissariat A L'Energie Atomique v. Samsung Electronics Co., et al., C.A. No. 03-484-MPT (D. Del. Nov. 2, 2007), Magistrate Judge Thyng denied plaintiff's motions for summary judgment of infringement under 35 U.S.C. §§ 271(a) and (b) and granted in part defendant's motion for summary judgment on its non-infringement claims. Plaintiff maintained that its expert's analysis was reliable and proved infringement. As a result, plaintiff concluded that defendant's modules contained the required elements to infringe on plaintiff's claims. Defendant urged the Court to reject plaintiff's expert's analysis and classification because he did not comply with the standards for proving infringement; namely, an element-by-element analysis of each of the modules. The Court found genuine issues of material fact as to whether defendant's accused modules infringed each and every element of the claims and denied plaintiff's motion for summary judgment. Similarly, the Court determined that the evidence was insufficient to grant summary judgment on literal infringement in favor of defendant. The Court determined that plaintiff's conclusory statements that defendant infringed under the doctrine of equivalents was insufficient as a matter of law because the doctrine of equivalents could not be applied to the claim term at issue. Therefore, it granted defendant's motion for non-infringement of the claims under the doctrine of equivalents. Finally, the Court determined that there was insufficient evidence that defendant knew that it was infringing or knew that promotion and sale of its products was inducing others to infringe. As such, plaintiff's motion for summary judgment of direct infringement and inducement of infringement was denied.

C. Magistrate Judge Thyng Grants Defendant's Motion For Summary Judgment Due To Plaintiff's Failure To Disclose The Best Mode.

In Commissariat A L'Energie Atomique v. Samsung Electronics Co., et al., 03-484-MPT (D. Del. Oct. 31, 2007), Magistrate Judge Thyng granted defendant Samsung's motion for summary judgment on invalidity, finding that plaintiff failed to disclose the best mode of

practicing the invention. According to the Court, one of skill in the art would not have been able to practice the preferred embodiment set forth in the patent-in-suit because the inventors concealed their best mode. Defendant argued that the inventors concealed the best mode by not disclosing the production details in the patent even though the inventors subjectively knew that this particular production detail was the best mode for practicing the claimed invention. Defendant also argued that plaintiff concealed this production detail by not mentioning it in the specification of the patent. According to un rebutted testimony provided by defendant's expert, this disclosure was necessary in order for a skilled artisan to practice the best mode of the claimed invention. Plaintiff argued this production detail did not have to be disclosed so long as the means for carrying out the invention were disclosed. The Court granted defendant's motion for summary judgment because the best mode was not disclosed and because one of skill in the art would not have been able to practice the preferred embodiment set forth in the patent.

D. Magistrate Judge Thyngre Grants In Part And Denies In Part Defendant's Motion For Summary Judgment On Anticipation.

In Commissariat A L'Energie Atomique v. Samsung Electronics Co., et al., 03-484-MPT (D. Del. Oct. 31, 2007), Magistrate Judge Thyngre granted defendant's motion for summary judgment concerning two out of three claims of the patent-in-suit on the grounds that the claims were anticipated by prior art. Defendant argued that a European patent described the inventions claimed in plaintiff's patent more than a year prior to the filing of plaintiff's patent application. Therefore, according to defendant, the European patent was a 35 U.S.C. § 102(b) invalidating prior art reference. Plaintiff made several general arguments as to why the European patent did not anticipate its patent and also argued that the particular elements of the claims at issue were not disclosed in the European patent. With respect to the first and second claims in the patent-in-suit, the Court determined that the claims were invalid as anticipated under 35 U.S.C. § 102(b) because defendant presented clear and convincing evidence that each of the elements of the claims was disclosed in the European patent. Thus, defendant's motion for summary judgment on these claims was granted. Concerning the final claim, the Court found that defendant failed to show by clear and convincing *prima facie* evidence that the European patent disclosed one of the elements of the claim. Thus, the Court did not need to examine the parties' arguments with regard to the other two elements of that claim. Consequently, defendant's motion for summary judgment of anticipation of this claim by the European patent was denied.

E. Magistrate Judge Thyngre Denies Plaintiff's Motion For Summary Judgment On Defendant's Counterclaims.

In Crown, et al. v. Rexam Beverage Can Co., 05-608-MPT (D. Del. Oct. 5, 2007), Magistrate Judge Thyngre denied plaintiff's motion for summary judgment on defendant's counterclaims of patent invalidity and non-infringement. Plaintiff argued that the Ball Corporation's ("Ball") bottom reforming process employs all of the elements of the asserted claims of defendant's reforming process and was reduced to practice prior to the application date of defendant's patent. According to plaintiff, the Ball bottom reforming process was not abandoned, suppressed or concealed and therefore is invalidating prior art. Defendant argued that the Ball reforming process was not prior art under 35 U.S.C. § 102(g) because defendant constructively reduced to practice the inventions in its patents prior to the alleged reduction to practice of the Ball bottom reforming process. In the alternative, defendant maintained that,

even if the Court disagrees with its argument as to its constructive reduction to practice, there are nevertheless questions of fact concerning the Ball bottom reforming process that preclude summary judgment. The Court determined that genuine issues of material fact remained as a result of the disagreement in opinion between the parties' respective experts as to whether defendant's patents were constructively reduced to practice with the filing of the 1990 Patent Cooperation Treaty application. Therefore, plaintiff's motion for summary judgment was denied.

IV. POST-TRIAL

A. Judge Robinson Rejects Defendants' Claims Of Invalidity Due To Inequitable Conduct, Obviousness And Double Patenting.

In Bayer AG, et al. v. Dr. Reddy's Laboratories, Ltd., et al., C.A. No. 04-179-SLR (D. Del. Oct. 25, 2007), Judge Robinson found that defendants had not met their burden of proving by clear and convincing evidence that the patents-in-suit, the '517 and '942 patents, were unenforceable due to inequitable conduct, obviousness or double patenting. Judge Robinson entered an order providing injunctive relief and preventing the effective date of defendants' ANDA from being any earlier than the latest expiration date of the patents-in-suit. The patents-in-suit relate to antibacterial compounds called quinolones, and the claims of the patents-in-suit claimed millions of quinolones through a formula. Defendants conceded that their generic product infringed the patents-in-suit, but argued that the patents-in-suit were invalid and/or unenforceable due to obviousness, double patenting and inequitable conduct. As to obviousness, Judge Robinson found that defendants had failed to demonstrate by clear and convincing evidence that a person skilled in the art would have been motivated to perform the modifications to the quinolones suggested by defendants. Therefore the patents-in-suit did not fail for obviousness.

Defendants next argued that the patents were unenforceable for inequitable conduct for failing to properly disclose two types of references to the PTO during the prosecution of the patents-in-suit. The first of these types of references was disclosed to the PTO, but not until after prosecution was closed. Judge Robinson found that these references were not properly disclosed to the PTO because the reference did not include the required explanation bringing the references to the attention of the examiner. However, Judge Robinson concluded that the references were not material to the examiner and therefore the failure to properly disclose did not constitute inequitable conduct. As to the second type of reference, Judge Robinson found that the threshold level of materiality was met because the references may have influenced the examiner and could have formed the basis of an obviousness rejection. However, Judge Robinson did not find the evidence sufficient to support a finding of intent. Because each of the individuals involved took steps to disclose the reference once they became aware of it, Judge Robinson did not find an intent to deceive the PTO. Therefore, Judge Robinson did not find evidence to support a finding of inequitable conduct as to either of the patents-in-suit.

In response to defendants' double-patenting argument, Judge Robinson declined to find a new test for double patenting that included requirements beyond a comparison of the claims. Judge Robinson noted that defendants' proposed test was "unrecognized by any court." Because Judge Robinson found that defendants had failed to show that the claims of the '942 patent were

obvious variants of the '517 patent, Judge Robinson found that defendants had not met their burden of proving double patenting. Having concluded that defendants had failed to meet their burden on inequitable conduct, obviousness or double patenting, Judge Robinson ruled that the effective date of approval of defendants' ANDA would be no earlier than the later of the expiration dates of the patents-in-suit and granted injunctive relief.

B. Chief Judge Sleet Decides Parties' Motions For JMOL And Grants Plaintiff's Motion For Injunctive Relief.

In Martek Biosciences Corporation v. Nutrinova, C.A. No. 03-896-GMS (D. Del. Oct. 30, 2007), Chief Judge Sleet granted plaintiff Martek Biosciences Corporation's ("Martek") motion for JMOL and granted in part and denied in part plaintiff's motion for a permanent injunction. Chief Judge Sleet also denied defendant Lonza, Ltd.'s ("Lonza") renewed motions for JMOL regarding the '281 and '594 patents and granted in part and denied in part Lonza's motion for JMOL regarding the '567 patent. At the conclusion of trial, the jury returned a unanimous verdict in favor of plaintiff on its claims that Lonza had willfully infringed the asserted claims of the patents-in-suit. The jury also upheld the validity of the '567 and '594 patents. Following the jury's verdict, defendant Lonza renewed its pre-verdict motions for JMOL on the issues of non-infringement and invalidity. Plaintiff also filed a motion for JMOL that Lonza literally infringed the claims of the '281 patent, rather than infringement under the doctrine of equivalents which the jury found, and a motion for a permanent injunction. With respect to plaintiff's motion for JMOL, Chief Judge Sleet found that the evidence was sufficient to support the jury's findings that Lonza had literally infringed the '281 patent. In addressing infringement, Chief Judge Sleet found that plaintiff's expert testimony was uncontroverted and unchallenged by Lonza, and that Lonza had read the Court's claim construction too narrowly in support of its argument.

With respect to the denial of defendant Lonza's renewed motion for JMOL on the '281 patent, Chief Judge Sleet concluded that the evidence was sufficient to support the jury's finding of willful infringement. Lonza argued that plaintiff did not offer sufficient evidence regarding infringement under the doctrine of equivalents because it did not produce comparison tests and because it was barred by prosecution history estoppel. Chief Judge Sleet found that the jury could reasonably find infringement based on the expert testimony and no comparison tests were necessary. Chief Judge Sleet also found that plaintiff should not be estopped from asserting infringement under the doctrine of equivalents because its arguments in the prosecution history did not amount to an unequivocal surrender of the subject matter. In addressing willful infringement, Chief Judge Sleet also concluded that the evidence was sufficient to support the jury's finding that Lonza failed to meet the standard of prudent and ethical legal and commercial actions because it continued to use the product after notice of plaintiff's patent rights and its potential infringing conduct.

With respect to the denial of defendant Lonza's renewed motion for JMOL on the '594 and '567 patents on the issue of anticipation, Chief Judge Sleet concluded that the record supported the jury's conclusion that the '594 patent was not invalid as anticipated. Lonza contended that an earlier patent application did not support two elements of the '567 patent. Chief Judge Sleet first concluded that Lonza had not properly preserved its argument regarding one element of the '567 patent because its pre-verdict Rule 50(a) JMOL motion included little

mention of that element. Chief Judge Sleet next addressed the second element of the ‘567 patent and concluded that substantial evidence supported the jury’s finding that it was not invalid as anticipated and the patent was entitled to an earlier priority date because the earlier patent application fully disclosed the second disputed element.

Defendant Lonza also renewed its motion for JMOL regarding lack of enablement of the ‘567 patent. In granting the motion, Chief Judge Sleet concluded that the evidence was not sufficient to support the jury’s finding in favor of plaintiff. Lonza presented two experts on the issue of enablement, and plaintiff presented none. The Court disagreed with plaintiff that Lonza’s expert contradicted himself on cross-examination.

Finally, Chief Judge Sleet granted plaintiff Martek’s motion for permanent injunction to enjoin Lonza from further infringement of the patents-in-suit. In doing so, Chief Judge Sleet analyzed the four factors for injunctive relief set forth in eBay, Inc. v. MercExchange, L.L.C., 126 S.Ct. 1827, 1839 (2006), and concluded that an injunction was warranted.

V. DISCOVERY

A. **Magistrate Judge Thyng Affirms The Special Master’s Report And Recommendation And Orders Plaintiff To Produce Documents That Had Been Withheld.**

In Commissariat A L’Energie Atomique v. Samsung Electronics Co., et al., C.A. No. 03-484-MPT (D. Del. Oct. 16, 2007), Magistrate Judge Thyng affirmed the Special Master’s Report and Recommendation and ordered plaintiff to produce prosecution-related documents withheld on the basis that they contained communications with in-house counsel and/or in-house patent engineers. Defendant moved to compel the production of certain communications relating to the prosecution of French patents, the production of which plaintiff opposed on the basis that the communications between plaintiff and a French firm of patent agents was privileged. The Special Master found that communications between plaintiff and its patent agent did not enjoy the privilege of absolute professional secrecy under French law. Plaintiff objected to the Report and Recommendation of the Special Master. Pursuant to Fed. R. Civ. P. 53(g), the Court’s review of the Special Master’s Report and Recommendation was *de novo*. Plaintiff argued that the report was “directly contrary” to French law adopted to address the holding in Bristol-Myers Squibb Co. v. Rhone Poulenc Rorer, Inc., 188 F.R.D. 189 (S.D.N.Y. 1999), that French patent agents and similar counsel, although owing a duty of secrecy to their clients, do not enjoy evidentiary privilege in that regard. Plaintiff maintained that the 2004, Art. L. 422-11 French statute created an absolute privilege for industrial property attorneys and therefore for patent agents who are on a special list. The Court determined that plaintiff failed to meet its burden to establish that the 2004 statute granted evidentiary privilege to members of the special list. Further, plaintiff failed to prove that the participants, plaintiff and its patent agent and their employees, involved in the communication between the two entities possessed the required independence to assert evidentiary privilege. According to the Court, plaintiff’s argument that, under the French Intellectual Property Code (“IPC”), the duties and obligations of the industrial property attorneys and the special list are the same, which makes evidentiary privilege apply to both, was not supported by a reading of the IPC. As a result, the conclusions of the Special Master on those issues were affirmed.

B. Judge Farnan Grants Plaintiff's Request To Compel Defendant To Reproduce Witness For Deposition And Orders Defendant To Pay Attorneys' Fees For Deposition.

In Promos Technologies, Inc. v. Freescale Semiconductor, Inc., C.A. No. 06-788-JJF (D. Del. Dec. 20, 2007), Judge Farnan ordered defendant to reproduce an employee and required him to respond to questions plaintiff asked during a November 30, 2007 deposition. The Court found that defendant's counsel had obstructed questioning of the employee by an improper assertion of work product privilege and numerous objections unsupported by the Rules of Evidence. Accordingly, Judge Farnan ordered defendant's counsel to pay for all costs and attorneys' fees related to the November deposition and the redeposition, which would be scheduled for a time and place designated by plaintiff.

VI. TIMING OF CLAIM CONSTRUCTION RULINGS

A. Judge Robinson Construes Claims Seven Weeks After The *Markman* Hearing And Two Weeks Before Trial.

In Callaway Golf Co. v. Acushnet Co., C.A. No. 06-091-SLR (D. Del. Nov. 20, 2007), Judge Robinson issued her claim construction seven weeks after the Markman hearing was held and approximately two weeks before trial. Judge Robinson construed two claim terms of the patents-in-suit, which related to golf ball technology. Judge Robinson also noted that although the parties had reached agreement on the construction for a third claim term, the construction would not be helpful to a jury and the parties should work together towards agreement on clearer language.

B. Magistrate Judge Thyng Issues Claim Construction Approximately Two Months Before The Scheduled Trial.

In Commissariat A L'Energie Atomique v. Samsung Electronics Co., et al., 03-484-MPT (D. Del. Oct. 3, 2007), Magistrate Judge Thyng issued her claim construction approximately four and a half months after the Markman hearing and eight weeks before the trial was scheduled to commence.

C. Judge Farnan Construes Claim Six Months After The *Markman* Hearing And One Month Before Trial.

In Nice Systems, Inc. and Nice Systems Ltd v. Witness Systems, Inc., C.A. No. 06-311-JJF (D. Del. Dec. 14, 2007), Judge Farnan issued his claim construction approximately six months after the Markman hearing was held and one month before trial. Judge Farnan construed 24 of the claims of the patent-in-suit.

D. Judge Farnan Construes Claim Six Months After The *Markman* Hearing And One Month Before Pre-Trial Conference.

In Wyeth v. Impax Laboratories, Inc., C.A. No. 06-311-JJF (D. Del. Dec. 13, 2007), Judge Farnan issued his claim construction approximately six months after the Markman hearing

was held and approximately one month before the pre-trial conference. Judge Farnan construed three claims of the patent-in-suit.

VII. DISQUALIFICATION

A. Judge Robinson Finds That Attorneys Violated Rule 4.2 Of The Model Rules Of Professional Conduct Rule 4.2.

In Microsoft Corp. v. Alcatel Business Systems et al., C.A. No. 07-090-SLR (Dec. 18, 2007), Judge Robinson granted in part and denied in part defendants' motion to disqualify two of plaintiff's counsel. This action was filed in February 2007. In June 2007, plaintiff's counsel purchased, on the open market, the communication system that is accused of infringing the patents-in-suit. Plaintiff's counsel arranged for the installation, received training on the administration from an Alcatel employee, and engaged in ongoing conversations with the employee about the use and configuration of the system. The Court found that the attorneys violated Model Rule 4.2 because of the employee's position and level of responsibility with respect to the system, and because the employee was directed to engage in conduct directly relevant to the subject matter of the litigation by the attorneys. Therefore, the Court concluded that, as a sanction for counsel's conduct, the law firm was ordered to pay the costs of the motion. Further, plaintiff was not permitted to use the fruits of the attorneys' conduct. The Court noted that the employee was one of only a limited number of engineers at Alcatel with the experience and training to install the system.