

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

BEFORE THE HONORABLE MARILYN HALL PATEL, JUDGE

E.I. DU PONT DE NEMOURS & CO.,)

PLAINTIFF,)

VS.)

NO. C 89-2860 MHP

CETUS CORPORATION, A DELAWARE)
CORPORATION,)

DEFENDANT.)

SAN FRANCISCO, CALIFORNIA
WEDNESDAY, JANUARY 9, 1991

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LEGAL DEPARTMENT
WILMINGTON, DELAWARE 19898

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The attorney, whose initials
appear below, has reviewed
the applicable court rules
and has verified that
the dates are correct.

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I N D E X

	<u>PAGE</u>	<u>VOL.</u>	
<u>PLAINTIFF'S WITNESSES</u>			
<u>DI GRANDI, JOSEPH A.</u>			
DIRECT EXAMINATION BY MR. FIGG	255	3	
CROSS-EXAMINATION BY MR. LEWIS	335	3	
REDIRECT EXAMINATION BY MR. FIGG	367	3	
RE-CROSS-EXAMINATION BY MR. LEWIS	377	3	
<u>KORNBERG, ARTHUR</u>			
DIRECT EXAMINATION BY MR. FIGG	386	3	
<u>PLAINTIFF'S EXHIBITS</u>			
	<u>IDEN</u>	<u>EVID</u>	<u>VOL.</u>
A-1		253	3
THROUGH			
A-7			
A-18		253	3
THROUGH			
A-22			
A-25		253	3
THROUGH			
A-27			
A-31		253	3
A-33		253	3
A-35		253	3
THROUGH			
A-39			
A-47		253	3
A-49		253	3
A-52		253	3
A-56		253	3
A-73		253	3
THROUGH			
A-76			
A-77		407	3
A-78		253	3
A-80		253	3
THROUGH			
A-99			
A-101		253	3
THROUGH			
A-126			
A-136		407	3
A-138		407	3
A-139		405	3
A-141		407	3

I N D E X (CONT'D)

<u>PLAINTIFF'S EXHIBITS (CONT'D)</u>	<u>IDEN</u>	<u>EVID</u>	<u>VOL.</u>
A-144		408	3
A-145		407	3
THROUGH			
A-147			
A-153A		407	3
A-153B		407	3
A-155		407	3
<u>DEFENDANT'S EXHIBITS</u>	<u>IDEN</u>	<u>EVID</u>	<u>VOL.</u>
B-1		253	3
THROUGH			
B-3			
B-8		253	3
THROUGH			
B-29			
B-31		253	3
THROUGH			
B-39			
B-41		253	3
THROUGH			
B-44			
B-47		253	3
B-54		253	3
THROUGH			
B-56			
B-58		253	3
B-59		253	3
B-76		253	3
THROUGH			
B-78			
B-85		253	3
B-86		253	3
B-89		253	3
THROUGH			
B-91			
B-101		254	3
B-112			
B-115		254	3
THROUGH			
B-117			
B-120		254	3
THROUGH			
B-122			
B-125		254	3

I N D E X (CONT'D)

<u>DEFENDANT'S EXHIBITS (CONT'D)</u>	<u>IDEN</u>	<u>EVID</u>	<u>VOL.</u>
B-126			
B-130		254	3
THROUGH		254	3
B-132			
B-135			
THROUGH		254	3
B-157			
B-159		254	3

1 WEDNESDAY, JANUARY 9, 1991

8:14 A.M.

2
3 (OPEN COURT, JURY PRESENT:)

4 THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

5 IT'S IMPORTANT THAT WE ALL TRY TO GET HERE AT 8:00
6 O'CLOCK BECAUSE WE CAN'T START WITHOUT YOU, AND WE HAVE TO MAKE
7 SURE THAT YOU'RE ALL HERE BEFORE WE CAN, IN FACT, START.

8 AND SO WE'RE READY TO BEGIN.

9 GOOD MORNING, COUNSEL.

10 MR. FIGG: GOOD MORNING, YOUR HONOR.

11 WE HAD A COUPLE OF ITEMS TO TAKE UP. WE DIDN'T REALIZE
12 THE JURY WAS COMING IN AT THIS STAGE.

13 THE COURT: OH, WE START RIGHT AWAY, AS SOON AS THEY
14 GET HERE. YOU HAVE -- DID YOU HAVE SOME EXHIBITS THAT --

15 MR. FIGG: WE HAD SOME EXHIBITS TO MOVE IN; TWO OTHER
16 ITEMS THAT I WOULD LIKE TO TAKE UP WITH THE COURT BEFORE WE
17 BEGIN THE TESTIMONY THIS MORNING.

18 THE COURT: WELL, IF THEY REQUIRE SIDE BARS, THEY'LL
19 HAVE TO WAIT UNTIL THE RECESS; OKAY?

20 MR. FIGG: I THINK THEY'RE IMPORTANT MATTERS.

21 THE COURT: THOSE ARE THE THINGS WE TAKE UP WHEN THE
22 JURY'S NOT HERE, SO --

23 MR. FIGG: I MISUNDERSTOOD.

24 THE COURT: YEAH. OKAY.

25 MR. FIGG: I'M SORRY.

1 THE COURT: IF THERE ARE EXHIBITS YOU STIPULATED TO,
2 AND I UNDERSTAND THERE ARE A NUMBER OF THEM, WE CAN GO AHEAD AND
3 JUST HAVE YOU SUBMIT THAT LIST, AND THAT WILL BECOME A PART OF
4 THE RECORD, AND I THINK THAT'S THE BEST WAY TO DEAL WITH IT SO
5 WE DON'T HAVE TO HAVE MS. MORIYAMA READ THROUGH THE LIST OF
6 EVERY EXHIBIT.

7 MR. LEWIS: YOUR HONOR, WE HAVE PROVIDED MS. MORIYAMA
8 WITH THE LIST AND WE JOINTLY MOVE THEIR ADMISSION.

9 THE COURT: OKAY.

10 MR. FIGG: YES. THAT'S FINE.

11 THE COURT: FINE. FINE.

12 (PLAINTIFF'S EXHIBITS A-1 THROUGH
13 A-4, A-6, A-7, A-17 THROUGH
14 A-22, A-25 THROUGH A-27, A-31,
15 A-33, A-35 THROUGH A-39, A-47,
16 A-49, A-52, A-56, A-72 THROUGH
17 A-76, A-78, A-80 THROUGH A-99,
18 A-101 THROUGH A-126
19 RECEIVED IN EVIDENCE)

20 (DEFENDANT'S EXHIBITS B-1 THROUGH
21 B-3, B-8 THROUGH B-29, B-31
22 THROUGH B-39, B-41 THROUGH B-44,
23 B-47, B-54 THROUGH B-56, B-58,
24 B-59, B-76 THROUGH B-78, B-85,
25 B-86, B-89 THROUGH B-91,

1

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2
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9
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14
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23
24
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B-101 THROUGH B-112, B-115
THROUGH B-117, B-120 THROUGH
B-122, B-125, B-126, B-130
THROUGH B-132, B-135 THROUGH
B-157 & B-159
RECEIVED IN EVIDENCE)

MR. FIGG: YOUR HONOR, MIGHT I ASK: DURING THE FIRST
BREAK --

THE COURT: UH-HUH.

MR. FIGG: -- PRIOR TO THE RESUMPTION OF THE EVIDENCE
AND THE JURY COMING BACK IN, IF WE COULD TAKE UP THE MATTERS
THAT --

THE COURT: SURELY.

MR. FIGG: THANK YOU.

THE COURT: FINE. FINE. OKAY. BUT AT 8:00 O'CLOCK IN
THE MORNING, I PLAN TO START. IF YOU HAVE MATTERS THAT NEED TO
BE TAKEN UP OUTSIDE THE PRESENCE OF THE JURY, COME BACK IN THE
AFTERNOON OR --

MR. FIGG: YES.

THE COURT: -- GET HERE AT 7:30 OR SOMETHING.
PREFERABLY THE FORMER. OKAY.

MR. FIGG: YOUR HONOR, WE CALL AS OUR FIRST WITNESS MR.
JOSEPH DE GRANDI.

THE COURT: FINE.

THE CLERK: PLEASE RAISE YOUR RIGHT HAND.

1 1 JOSEPH A. DE GRANDI, PLAINTIFF'S WITNESS, SWORN

2 THE CLERK: PLEASE TAKE THE STAND.

3 PLEASE STATE YOUR FULL NAME AND SPELL YOUR LAST NAME
4 FOR THE COURT.

5 THE WITNESS: JOSEPH A. DE GRANDI, D-E CAPITAL
6 G-R-A-N-D-I.

7 THE COURT: YOU MAY PROCEED.

8 MR. FIGG: THANK YOU, YOUR HONOR.

9 DIRECT EXAMINATION

10 BY MR. FIGG:

11 Q. GOOD MORNING, MR. DE GRANDI.

12 A. GOOD MORNING, MR. FIGG.

13 Q. COULD YOU TELL THE JURY WHAT YOUR PROFESSION IS.

14 A. I'M A PATENT LAWYER IN WASHINGTON, D.C.

15 Q. I WOULD LIKE TO HAND YOU A COPY OF A DOCUMENT THAT HAS BEEN
16 MARKED AS EXHIBIT NUMBER A-126 AND ASK IF YOU COULD IDENTIFY
17 THAT.

18 A. YES. THIS IS A BIOGRAPHICAL SKETCH OR CURRICULUM VITAE THAT
19 I HAVE PREPARED.

20 Q. DOES THAT DOCUMENT ACCURATELY SET FORTH YOUR PROFESSIONAL
21 BACKGROUND AND EDUCATIONAL EXPERIENCES AND SO FORTH?

22 A. YES, IT DOES.

23 Q. MR. DE GRANDI, COULD YOU JUST BRIEFLY DESCRIBE FOR THE JURY
24 WHAT YOUR EDUCATIONAL BACKGROUND IS.

25 A. YES. I RECEIVED A BACHELOR OF SCIENCE DEGREE IN 1949 FROM

1 TRINITY COLLEGE IN HARTFORD, CONNECTICUT; AND IN 1950, I GOT A
2 MASTER OF SCIENCE DEGREE FROM GEORGE WASHINGTON UNIVERSITY IN
3 WASHINGTON, D.C.; THEN IN 1952, I RECEIVED A LAW DEGREE FROM
4 GEORGE WASHINGTON UNIVERSITY ALSO.

5 Q. WHAT DID YOU DO AFTER LAW SCHOOL?

6 A. AFTER LAW SCHOOL, I GOT A JOB WITH A PATENT FIRM IN
7 WASHINGTON, D.C., AND I HAVE BEEN WITH THAT PATENT FIRM EVER
8 SINCE.

9 I STARTED OFF WITH THE FIRM DOING PATENTABILITY
10 SEARCHES AND THEN EVENTUALLY, AS I GOT MORE EXPERIENCE, I
11 STARTED DOING SOME PROSECUTION OF PATENT APPLICATIONS ON BEHALF
12 OF THE FIRM. THESE ARE APPLICATIONS THAT CAME IN THAT WERE
13 PREPARED BY OTHER PEOPLE AND EVENTUALLY I PREPARED APPLICATIONS
14 MYSELF. I HAD EXPERIENCE DOING THAT.

15 I DID PATENTABILITY SEARCHES, AS I DID BEFORE, AND I
16 DID ALSO WHAT WE CALL VALIDITY SEARCHES, INFRINGEMENT SEARCHES;
17 WENT INTO PROSECUTION; HAD INTERVIEWS WITH THE EXAMINERS; TOOK
18 APPEALS TO THE BOARD OF APPEALS IN THE PATENT OFFICE; TRAVELED
19 TO MEET THE CLIENTS, SEE WHAT THEIR INVENTIONS WERE, GO THROUGH
20 THEIR NOTEBOOKS; COME BACK AND PREPARE AND FILE APPLICATIONS;
21 AND ACTUALLY I'VE GIVEN A NUMBER OF OPINIONS OVER THE YEARS ON
22 VALIDITY AND INFRINGEMENT QUESTIONS ON BEHALF OF CLIENTS.

23 SO FROM 1952 TO THE PRESENT TIME, I'VE BEEN VERY ACTIVE
24 IN THE PROSECUTION OF PATENT APPLICATIONS BEFORE THE UNITED
25 STATES PATENT & TRADEMARK OFFICE.

1 1 Q. MR. DE GRANDI, HAVE YOU BEEN INVOLVED IN ANY PROFESSIONAL
2 ASSOCIATIONS?

3 A. YES. WHEN I JOINED THE FIRM IN 1952, THE THREE PARTNERS IN
4 THE FIRM WERE VERY ACTIVE IN VARIOUS ASSOCIATIONS AND ENCOURAGED
5 ME TO BECOME ACTIVE ALSO. I JOINED A NUMBER OF ASSOCIATIONS. I
6 WORK WITH THESE ASSOCIATIONS.

7 AND THEN OVER THE YEARS, FOR EXAMPLE, I HAVE BEEN
8 CHAIRMAN OF THE SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW
9 OF THE AMERICAN BAR ASSOCIATION. THIS IS THE LARGEST
10 ORGANIZATION OF PATENT, TRADEMARK AND COPYRIGHT LAWYERS ACTUALLY
11 IN THE WORLD. PRESENTLY THEY HAVE SOMETHING LIKE 11,000
12 MEMBERS.

13 I ALSO HAVE BEEN PRESIDENT OF WHAT USED TO BE THE
14 AMERICAN PATENT LAW ASSOCIATION -- IT'S NOW CALLED THE AMERICAN
15 INTELLECTUAL PROPERTY LAW ASSOCIATION -- AND THIS IS THE SECOND
16 LARGEST ORGANIZATION IN THE WORLD OF PATENT, TRADEMARK AND
17 COPYRIGHT LAWYERS. THEY PRESENTLY HAVE SOMETHING LIKE 6600
18 MEMBERS.

19 I WAS SECRETARY OF THE NATIONAL COUNCIL OF PATENT LAW
20 ASSOCIATIONS, AND THESE MEMBERS ARE ACTUALLY PATENT LAW
21 ASSOCIATIONS FROM AROUND THE COUNTRY FROM VARIOUS STATES AND
22 CITIES.

23 I WAS ALSO CHAIRMAN OF THE PATENT SECTION OF THE TWO
24 D.C. BAR ASSOCIATIONS THAT WE HAVE IN WASHINGTON, D.C.

25 WITH THE NATIONAL COUNCIL OF PATENT LAW ASSOCIATIONS,

2 1 I'M STILL ACTIVE AS A COMMITTEE CHAIRMAN, AND I REPORT TO THE
2 ORGANIZATION EVERY TIME IT MEETS IN WASHINGTON OR IN OTHER
3 CITIES.

4 PRESENTLY, I AM THE TREASURER GENERAL OF AN
5 INTERNATIONAL ORGANIZATION CALLED THE INTERNATIONAL ASSOCIATION
6 FOR PROTECTION OF INDUSTRIAL PROPERTY, AND THIS IS AN
7 ORGANIZATION WITH MEMBERS IN ALMOST EVERY COUNTRY IN THE WORLD.

8 AND FOR MANY YEARS, I HAVE BEEN CHAIRMAN OF WHAT IS
9 INFORMALLY KNOWN AS AN AD HOC COMMITTEE. THIS IS A COMMITTEE
10 THAT MEETS THREE OR FOUR TIMES A YEAR WITH THE VARIOUS PATENT
11 OFFICE OFFICIALS, WITH THE COMMISSIONER AND DEPUTY COMMISSIONER
12 AND THE ASSISTANT COMMISSIONERS, WITH THE GROUP DIRECTORS AND
13 STAFF OF THE PTO, AND THE AD HOC COMMITTEE CONSISTS OF MEMBERS
14 FROM VARIOUS NATIONAL ORGANIZATIONS AND LOCAL ORGANIZATIONS.
15 FOR EXAMPLE, THE AMERICAN BAR ASSOCIATION PATENT SECTION HAS A
16 MEMBER; AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION HAS A
17 MEMBER ON THE AD HOC COMMITTEE; NEW YORK PATENT, TRADEMARK &
18 COPYRIGHT ASSOCIATION HAS A MEMBER; THE PATENT LAW ASSOCIATION
19 OF CHICAGO HAS A MEMBER; THERE ARE TWO ASSOCIATIONS IN
20 WASHINGTON, D.C., EACH OF WHOM HAVE A MEMBER; AND THE MARYLAND
21 LAW PATENT ASSOCIATION OF THE VIRGINIA STATE BAR ASSOCIATION.

22 AND THIS COMMITTEE ACTS AS A SOUNDING BOARD FOR THE
23 PATENT & TRADEMARK OFFICE. IF THE OFFICE IS GOING TO CHANGE ANY
24 OF THE PRACTICES OR PROCEDURES, ANY OF THE RULES, THEY WILL PASS
25 THAT THROUGH THE COMMITTEE FIRST.

2
1 THE COMMITTEE CONSIDERS IT. SOMETIMES THE COMMITTEE
2 GOES BACK TO ITS ORGANIZATIONS AND ASKS ITS MEMBERS WHETHER OR
3 NOT THEY APPROVE OF WHAT THE OFFICE PROPOSES TO DO, AND THEN WE
4 REPORT BACK TO THE PATENT & TRADEMARK OFFICE.

5 AND ALSO WE COLLECT INFORMATION FROM MEMBERS OF THE BAR
6 AROUND THE COUNTRY AS TO PROBLEMS THAT THEY SEE IN THE PATENT &
7 TRADEMARK OFFICE. THEY TELL US WHAT THE PROBLEMS ARE.

8 AND THEN TWO OR THREE WEEKS BEFORE THE MEETING IS
9 CALLED, I WILL CALL THE ASSISTANT COMMISSIONER OF PATENTS AT THE
10 PATENT & TRADEMARK OFFICE TO TRY TO SET UP A DATE WITH HIM WHEN
11 WE CAN HAVE THE COMMITTEE MEETING. HE CHECKS THE CALENDAR OF
12 THE COMMISSIONER TO MAKE SURE THE COMMISSIONER'S GOING TO BE
13 THERE, AND THEN HE PROVIDES ME WITH ITEMS FOR THE AGENDA THAT
14 THE PTO WOULD LIKE TO HAVE CONSIDERED BY THE COMMITTEE. TO
15 THAT, I ADD THE ITEMS I HAVE COLLECTED OVER A PERIOD OF WEEKS OR
16 MONTHS. I FORM THE AGENDA AND I MAIL IT OUT TO THE MEMBERS OF
17 THE COMMITTEE, AND THEN WE HOLD OUR MEETING AT THE PTO.

18 Q. AND THE PTO YOU'RE TALKING ABOUT IS THE PATENT & TRADEMARK
19 OFFICE?

20 A. PATENT & TRADEMARK OFFICE, THAT'S RIGHT. IT'S DIFFICULT --
21 IT'S SUCH A LONG-TERM THAT WE ALL SAY "PTO."

22 Q. IT SORT OF ROLLS OFF THE TONGUE.

23 A. IT DOES.

24 Q. MR. DE GRANDI, THIS CASE IS ABOUT A PATENT. CAN YOU -- OR
25 TWO PATENTS. CAN YOU EXPLAIN TO THE JURY WHAT A PATENT IS.

2 1 A. ACTUALLY, A PATENT IS NOTHING BUT A CONTRACT BETWEEN THE
2 INVENTOR AND THE GOVERNMENT. THE INVENTOR GIVES THE GOVERNMENT
3 OR THE PUBLIC HIS INVENTION, SOMETHING THAT'S NEW AND IT'S NEVER
4 BEEN KNOWN BEFORE. IN RETURN, THE GOVERNMENT GIVES THE INVENTOR
5 THE PATENT.

6 AND A PATENT GIVES THE INVENTOR THE RIGHT TO EXCLUDE
7 OTHERS FOR A PERIOD OF 17 YEARS FROM MAKING, SELLING OR USING
8 HIS INVENTION. SO IT'S NOTHING MORE THAN REALLY A CONTRACT
9 BETWEEN THE INVENTOR AND THE GOVERNMENT.

10 Q. WHY DOES THE GOVERNMENT GIVE THE INVENTOR THIS RIGHT TO
11 EXCLUDE OTHERS FROM PRACTICING THE INVENTION?

12 A. THIS IS THE REWARD THAT THE INVENTOR GETS. IT'S A VERY
13 VALUABLE RIGHT, BECAUSE YOU DO HAVE THE RIGHT TO EXCLUDE PEOPLE
14 FROM MAKING, USING OR SELLING THE INVENTION FOR 17 YEARS. AND
15 HERE, AGAIN, AS I SAID, IT'S AN EXTREMELY VALUABLE RIGHT
16 AND . . . WELL, THAT ANSWERS THE QUESTION.

17 Q. OKAY. AND IT'S THE UNITED STATES PATENT & TRADEMARK OFFICE,
18 OR THE PTO, THAT ISSUES PATENTS IN THE UNITED STATES.

19 A. THAT'S RIGHT. THAT'S A GOVERNMENT AGENCY AND, AS I SAY,
20 IT'S A CONTRACT BETWEEN THE INVENTOR AND THE GOVERNMENT, BUT
21 IT'S -- THE GOVERNMENT'S REPRESENTED BY THE PTO.

22 Q. OKAY. CAN YOU EXPLAIN FOR THE JURY HOW THE PTO IS
23 ORGANIZED?

24 A. YES. AT THE TOP, THEY HAVE WHAT THEY CALL THE COMMISSIONER
25 OF PATENTS AND TRADEMARKS, AND HE ALSO HOLDS THE TITLE OF

3 1 ASSISTANT SECRETARY OF COMMERCE. THERE IS A DEPUTY COMMISSIONER
2 BELOW HIM. THERE ARE A NUMBER OF ASSISTANT COMMISSIONERS IN THE
3 PTO AND, ACTUALLY, THE PTO IS BROKEN DOWN INTO THREE BASIC
4 CATEGORIES: MECHANICAL, ELECTRICAL, AND CHEMICAL AREAS.

5 THERE ARE, I BELIEVE, 16 GROUPS REPRESENTING THESE
6 THREE AREAS, FIVE OR SIX GROUPS IN EACH OF THESE THREE AREAS.
7 EACH OF THE GROUPS HAS A GROUP DIRECTOR THAT HEADS THE GROUP.
8 EACH OF THE GROUPS IS BROKEN DOWN INTO ART UNITS, FIVE TO NINE
9 ART UNITS PER GROUP, AND THERE IS A PERSON THAT HEADS EACH OF
10 THE ART UNITS.

11 AND AS OF THE END OF 1990, THE OFFICE HAD ABOUT 1700
12 EXAMINERS, BOTH MEN AND WOMEN EXAMINERS, WORKING AT THE PTO, AND
13 THESE EXAMINERS ARE ASSIGNED TO THE PARTICULAR GROUPS.
14 DEPENDING ON THE BACKGROUND AND SPECIALTY OF THE EXAMINER, THE
15 EXAMINER CAN BE ASSIGNED TO AN ELECTRICAL GROUP, A MECHANICAL
16 GROUP OR A CHEMICAL GROUP.

17 Q. WHAT KIND OF EDUCATION AND TRAINING DO THE EXAMINERS HAVE?

18 A. MOST OF THE EXAMINERS -- IN FACT, I'D SAY ALMOST ALL OF THE
19 EXAMINERS -- HAVE TO HAVE A SCIENCE BACKGROUND, AND THEY ARE
20 HIRED BASED ON THE FACT THAT THEY DO HAVE THE SCIENCE
21 BACKGROUND. THEY ARE HIRED USUALLY BY THE PTO DIRECTLY FROM
22 GRADUATION FROM THE UNIVERSITIES OR THE COLLEGES.

23 VERY FEW OF THE EXAMINERS HAVE ACTUAL LAW BACKGROUNDS
24 OR LEGAL BACKGROUNDS. AND, IN FACT, THE PTO SORT OF DISCOURAGES
25 EXAMINERS FROM GOING TO LAW SCHOOL TO BECOME PATENT LAWYERS.

3

1 THEY WOULD LIKE TO SEE THE EXAMINERS MAKE A CAREER OUT OF
2 STAYING IN THE OFFICE AND WORKING AS EXAMINERS.

3 Q. DO YOU HAVE AN ESTIMATE OF ABOUT HOW MANY PATENTS HAVE
4 ISSUED IN THE UNITED STATES BY THE PATENT & TRADEMARK OFFICE?

5 A. IT'S GETTING CLOSE TO THE 5 MILLIONTH PATENT. IN FACT, I
6 BELIEVE THAT THE 5 MILLIONTH WILL PROBABLY ISSUE SOMETIME THIS
7 YEAR.

8 Q. ARE PATENTS CLASSIFIED IN ANY PARTICULAR WAY?

9 A. THEY'RE CLASSIFIED BY SUBJECT MATTER, AND I BELIEVE THERE'S
10 SOMETHING LIKE 386 CLASSES WHICH THE PATENTS ARE BROKEN INTO,
11 AND EACH OF THESE CLASSES THEN HAVE A NUMBER OF SUBCLASSES. I
12 BELIEVE THERE'S SOMETHING LIKE A TOTAL OF 77,000 SUBCLASSES FOR
13 THESE PARTICULAR PATENTS.

14 Q. CAN YOU EXPLAIN FOR THE JURY HOW A PERSON GOES ABOUT GETTING
15 A PATENT.

16 A. YES. BASED ON MY EXPERIENCE, SOMEBODY WITH AN INVENTION,
17 WHETHER IT'S AN INDIVIDUAL INVENTOR OR A CORPORATION, COMES TO
18 US AND SAYS, "THIS IS THE INVENTION THAT WE HAVE. WHAT DO WE DO
19 WITH IT?" AND THE FIRST THING THAT WE SUGGEST IS TO HAVE A
20 SEARCH MADE OF THE RECORDS AT THE PTO TO SEE IF ANYONE ELSE HAS
21 COME UP WITH THE SAME INVENTION BEFORE, BECAUSE IF THEY HAVE,
22 THEN THERE'S NO SENSE IN GOING ANY FURTHER BECAUSE THE INVENTION
23 HAS BEEN ANTICIPATED BY SOMEBODY ELSE.

24 SO WE RECOMMEND THAT A PATENTABILITY SEARCH BE MADE OF
25 THE RECORDS AT THE PTO. BUT THE SEARCH IS LIMITED JUST TO WHAT

3 1 WE CALL THE PERTINENT ART. IN OTHER WORDS, YOU WANT TO -- THE
2 APPLICANT TO SPEND NO MORE THAN \$700 FOR THE SEARCH. YOU HAVE
3 THE SEARCH MADE. YOU REPORT TO THE CLIENT IF YOU HAVE NOT
4 ANTICIPATED THE PATENT AND YOU RECOMMEND THAT A PATENT
5 APPLICATION BE PREPARED AND FILED.

6 IF YOU RUN -- MAKE THE SEARCH SO EXTENSIVE, THEN THE
7 COST OF THE SEARCH SOMETIMES WILL EXCEED THE COST OF THE PATENT
8 APPLICATION. SO WE GO AHEAD.

9 IF IT'S PATENTABLE, IN OUR OPINION, BASED ON THE ART
10 THAT WE HAVE FOUND DURING THE SEARCH, THEN WE SAY TO THE CLIENT,
11 "LET'S GO AHEAD AND PREPARE AND FILE A PATENT APPLICATION," AND
12 WE DO THAT.

13 Q. NOW, WHEN YOU SAY "THE ART THAT WE FIND IN THE SEARCH," ARE
14 YOU TALKING ABOUT THE MONA LISA, OR WHAT KIND OF ART ARE YOU
15 TALKING ABOUT?

16 A. NO. WHEN YOU DO A PATENTABILITY SEARCH, WHAT YOU DO IS, THE
17 SEARCHER GOES OVER TO THE PATENT & TRADEMARK OFFICE. THEY HAVE
18 A HUGE PUBLIC SEARCH ROOM WHERE ALL OF THE PATENTS CAN BE FOUND
19 IN THE SEARCH ROOM, BOTH IN THE WAY THEY ARE CLASSIFIED BY CLASS
20 AND SUBCLASS, AND MANY OF THE PATENTS WHEN THEY ISSUE ARE ALSO
21 CROSS-REFERENCED INTO OTHER RELATED CLASSES AND SUBCLASSES.

22 SO IT'S UP TO THE SEARCHER TO READ WHAT THE INVENTION
23 IS TO TRY TO LOCATE THE PARTICULAR CLASS AND SUBCLASS, AND THEN
24 SEARCH ALL OF THE U.S. PATENTS IN THAT CLASS AND SUBCLASS, MAKE
25 NOTES AS TO THE PATENTS THAT HE OR SHE THINKS ARE PERTINENT, AND

3 1 THEN MAKE -- OBTAIN COPIES OF THE PATENTS AND BRING THEM BACK TO
2 THE OFFICE SO I OR OTHER ATTORNEYS IN THE OFFICE CAN LOOK AT
3 THEM AND MAKE A DECISION AS TO WHETHER OR NOT THE INVENTION IS
4 PATENTABLE OVER THE U.S. PATENTS THAT WERE LOCATED IN THE
5 SEARCH.

4 6 Q. AFTER THE SEARCH IS COMPLETED, THEN, AND IF THERE'S A
7 CONCLUSION IT'S PATENTABLE, WHAT HAPPENS NEXT?

8 A. WE PROCEED TO PREPARE AND FILE THE PATENT APPLICATION IN THE
9 PATENT OFFICE. AND WHEN I SAY "PATENT APPLICATION," MANY
10 INVENTORS HAVE THE IDEA THAT THIS IS A FORM THAT THE PATENT
11 OFFICE PROVIDES WHERE YOU FILL IN THE BLANKS EXPLAINING YOUR
12 INVENTION AND SUBMIT IT TO THE OFFICE. AND IT IS NOT A FORM.

13 A PATENT APPLICATION IS REALLY A WRITTEN SPECIFICATION
14 THAT THE ATTORNEY PREPARES, TOGETHER WITH THE FORMAL DRAWING
15 THAT THE DRAFTSMAN PREPARES, SO THAT A PERSON READING THE
16 APPLICATION, LOOKING AT THE DRAWING, HAS A COMPLETE
17 UNDERSTANDING OF WHAT THE INVENTION IS, KEEPING IN MIND THAT A
18 PATENT SPECIFICATION, A PATENT DISCLOSURE, IS DIRECTED PRIMARILY
19 TO ONE HAVING ORDINARY SKILL IN THE ART; IN OTHER WORDS, THERE
20 ARE A NUMBER OF PATENTS THAT HAVE ISSUED THAT MEMBERS OF THE
21 PUBLIC AND EVEN PATENT ATTORNEYS CAN READ AND WILL NEVER
22 UNDERSTAND, BUT THOSE PATENTS ARE DIRECTED TO THOSE PEOPLE
23 HAVING ORDINARY SKILL IN THE PARTICULAR ART TO WHICH THE
24 INVENTION PERTAINS.

25 Q. AFTER THE PATENT APPLICATION IS FILED, WHAT -- WHAT HAPPENS

4 1 IN THE PATENT OFFICE?

2 A. THE OFFICE THEN TRANSMITS THE APPLICATION TO THE PARTICULAR
3 GROUP AND ART UNIT THAT HANDLES THE PARTICULAR SUBJECT MATTER OF
4 THE APPLICATION, OR THAT CATEGORY OF APPLICATIONS, AND THEN IT'S
5 ASSIGNED TO AN EXAMINER. AND THE EXAMINER EXAMINES THESE
6 APPLICATIONS IN TURN, IN CHRONOLOGICAL ORDER, AND EVENTUALLY
7 HE'LL GET TO THIS PARTICULAR APPLICATION.

8 HE READS IT; HE LOOKS AT THE CLAIMS, UNDERSTANDS WHAT
9 THE INVENTION IS. THEN HE CONDUCTS HIS OWN SEARCH OF THE
10 RECORDS IN THE PATENT & TRADEMARK OFFICE.

11 HIS SEARCH IS MORE EXTENSIVE THAN THE SEARCH THAT THE
12 ATTORNEY HAS PREPARED. HIS SEARCH COVERS NOT ONLY THE U.S.
13 PATENTS BUT IT ALSO COVERS THE FOREIGN PATENTS THAT THE EXAMINER
14 HAS IN HIS OWN PARTICULAR LIBRARY. AND IT ALSO MAY INCLUDE
15 SEARCHES IN THE LITERATURE THAT THE EXAMINER PERFORMS, EITHER AT
16 THE SCIENTIFIC LIBRARY, OR SOME OF THESE EXAMINERS HAVE
17 TERMINALS WHERE THEY CAN ACTUALLY HOOK INTO A DATABASE AND TRY
18 AND FIND OUT WHAT ART IS OUT THERE.

19 Q. WHEN YOU SAY SEARCHING THE LITERATURE, WHAT KIND OF
20 LITERATURE ARE YOU TALKING ABOUT?

21 A. THE TRADE JOURNALS, THE PUBLICATIONS, THE SCIENCE MAGAZINES.
22 THE OFFICE HAS SUBSCRIPTIONS TO A LARGE NUMBER OF THESE. THEY
23 MAINTAIN THEM IN THE SCIENTIFIC LIBRARY.

24 Q. AND YOU -- WHEN YOU SAY A TERMINAL AND A DATABASE, WHAT DOES
25 THAT REFER TO?

4
1 A. IT'S A -- A TERMINAL THAT'S IN THE EXAMINING GROUP. AND,
2 FOR EXAMPLE, THE TERMINAL CAN BE HOOKED UP TO THE DATABASE
3 THAT'S KEPT AT MATELL (PHONETIC) MEMORIAL INSTITUTE, WHERE THEY
4 KEEP THE CHEMICAL ABSTRACTS IN THEIR DATABASE, AND OUR EXAMINERS
5 CAN HOOK IN AND SEARCH IN THE CHEMICAL ABSTRACTS DATABASE TO SEE
6 IF THEY CAN LOCATE ANY REFERENCES PERTINENT TO WHATEVER THE
7 EXAMINER IS SEARCHING.

8 Q. SO THESE TERMINALS ARE COMPUTER TERMINALS THAT --

9 A. THAT'S RIGHT.

10 Q. -- JUST ASSIST IN THE SEARCH?

11 A. THAT'S RIGHT.

12 Q. AFTER THE EXAMINER DOES HIS SEARCH, WHAT DOES HE DO WITH THE
13 RESULTS OF THE SEARCH?

14 A. WELL, WHEN THE EXAMINER SEARCHES, HE LOOKS AT THE CLAIMS OF
15 THE PATENT, AND THEN HE TRIES TO SEE IF HE CAN FIND ANY PRIOR
16 ART, ANY REFERENCES OF PATENTS, U.S. PATENTS, FOREIGN PATENTS OR
17 LITERATURE WHICH DISCLOSE WHATEVER IS SET FORTH IN THE CLAIM.

18 FOR EXAMPLE, IF THE CLAIM CALLS FOR A COMPOUND OR A
19 PROCESS CONTAINING A, B AND C, EITHER THE INGREDIENTS OR STEPS,
20 WHEN THE EXAMINER DOES THE SEARCH, HE LOOKS FOR PATENTS OR
21 LITERATURE REFERENCES THAT DISCLOSE A, B AND C, AND THEN HE GOES
22 AHEAD AND CITES THOSE REFERENCES IN A LETTER TO THE ATTORNEY.

23 THE LETTER IS CALLED AN OFFICE ACTION, AND ALL IT IS
24 IS, THE EXAMINER LISTS ALL OF THE REFERENCES THAT HE HAS FOUND,
25 THE U.S. PATENTS, THE FOREIGN PATENTS, THE LITERATURE

4
1 REFERENCES, AND THEN HE SETS FORTH HIS REASONS WHY HE'S
2 REJECTING ONE OR MORE OF THE CLAIMS.

3 HE'LL SAY, "CLAIM 1 IS REJECTED AS BEING FULLY MET BY
4 THE FOLLOWING U.S. PATENT." AND ALL THAT MEANS IS THAT IF CLAIM
5 1 CALLS FOR A, B AND C, IN THE EXAMINER'S OPINION THE U.S.
6 PATENT SHOWS A, B AND C, AND, THEREFORE, IT FULLY ANTICIPATES
7 IT.

8 HE MAY SOMETIMES REJECT SOME OF THE CLAIMS AS BEING
9 UNPATENTABLE OVER A COMBINATION OF TWO REFERENCES, SAYING THAT
10 CLAIM 2 IS UNPATENTABLE OVER THE FIRST PATENT IN VIEW OF THE
11 TEACHING OF THE SECOND PATENT, AND -- IN OTHER WORDS, IT'S
12 OBVIOUS. THE INVENTION WOULD BE OBVIOUS OVER A COMBINATION OF
13 THESE TWO REFERENCES.

14 AND A CLASSICAL -- A GOOD EXAMPLE, I GUESS, WOULD BE
15 WHERE THE CLAIM CALLS FOR TWO MEMBERS SECURED ALONG THEIR EDGES
5
16 BY A PARALLITY (PHONETIC) OF NAILS. IF HE FINDS A REFERENCE
17 THAT SHOWS THOSE TWO MEMBERS SECURED TOGETHER BY NAILS, THEN
18 THAT IS IN FULL ANTICIPATION BECAUSE ALL OF THE ELEMENTS IN THE
19 CLAIM A, B AND C ARE SET FORTH IN THE REFERENCE.

20 NOW, IF THE REFERENCE THAT HE FINDS HAS THE TWO MEMBERS
21 SECURED ALONG THEIR EDGES BY A PARALLITY OF SCREWS, THEN HE HAS
22 TO CITE A REFERENCE SHOWING THE -- THE MEMBERS SECURED BY
23 SCREWS. THEN HE CITES ANOTHER REFERENCE SHOWING THAT THE NAILS
24 AND SCREWS HAVE BEEN USED BEFORE TO SECURE MEMBERS TOGETHER.
25 AND THEN HE REJECTS THE CLAIM AS BEING OBVIOUS OVER THE PATENT

5

1 SHOWING THAT THE MEMBERS SECURED BY SCREWS IN VIEW OF THE SECOND
2 REFERENCE THAT SHOWS THE MEMBERS -- THAT SCREWS AND NAILS ARE
3 THE SAME, AND SO IT WOULD BE OBVIOUS FOR A PERSON SKILLED IN THE
4 ART TO SUBSTITUTE NAILS FOR SCREWS AND HAVE THE INVENTION THAT
5 YOU'RE CLAIMING.

6 SO THE -- AFTER THE EXAMINER SETS FORTH ALL OF THE
7 REASONS WHY HE'S REJECTING THE CLAIMS, AND HE MAY ALLOW SOME OF
8 THE CLAIMS, THEN HE MAILES THAT OFFICE ACTION, THAT LETTER, TO
9 THE ATTORNEY, TOGETHER WITH COPIES OF ALL OF THE REFERENCES THAT
10 WERE CITED.

11 Q. NOW, WHEN THE EXAMINER MAKES THIS JUDGMENT ON WHETHER
12 SOMETHING IS OBVIOUS OR NOT OBVIOUS, TO WHOM IS HE ASKING
13 WHETHER IT'S OBVIOUS? IN OTHER WORDS, WHO IS --

14 A. WELL, HERE AGAIN --

15 Q. -- THE POINT OF COMPARISON THERE?

16 A. YEAH. HERE AGAIN, HE IS DIRECTING THIS TO A PERSON HAVING
17 ORDINARY SKILL IN THE ART.

18 (PAUSE IN PROCEEDINGS)

19 Q. (BY MR. FIGG) IF THE EXAMINER REJECTS THE CLAIMS, HOW DOES
20 HE EXPRESS THAT TO THE PATENT APPLICANT?

21 A. WELL, HE EXPRESSES THAT IN AN OFFICE ACTION OR A LETTER THAT
22 GOES TO THE ATTORNEY. THEN THE ATTORNEY WHO READS THE OFFICE
23 ACTION LOOKS AT THE REFERENCES, AND THEN IF HE AGREES THAT THE
24 EXAMINER HAS MADE A GOOD REJECTION OR THAT THE REFERENCES REALLY
25 DO ANTICIPATE SOME OF THE CLAIMS, THEN IT'S UP TO THE ATTORNEY

5 1 TO CANCEL THOSE CLAIMS OR AMEND THE CLAIMS TO PUT IN FURTHER
2 LIMITATIONS IN ORDER TO DISTINGUISH THE INVENTION OF THE
3 APPLICANT FROM THE REFERENCES THAT WERE ITEMIZED BY THE
4 EXAMINER.

5 FOR EXAMPLE, IF THE CLAIM SAYS A, B AND C AND THE
6 REFERENCE DISCLOSES A, B AND C, BUT THE INVENTION ITSELF HAS
7 OTHER COMPONENTS OR OTHER ELEMENTS, SUCH AS D, E AND F, YOU
8 AMEND THE CLAIM TO CALL FOR THE COMPOSITION CONSISTING OF A, B,
9 C, D, E AND F, OR THE STEPS OF A, B, C, D, E AND F, AND THEN YOU
10 ARGUE TO THE EXAMINER THAT THESE COMPONENTS, D, E AND F, WHICH
11 REALLY MAKE THE INVENTION WORK, ARE NOT SHOWN IN THE REFERENCE.
12 IF THE EXAMINER THEN ACCEPTS THE ARGUMENT, THEN THAT CLAIM WILL
13 BE ALLOWED.

14 Q. WHAT IF THE EXAMINER DOESN'T ACCEPT THE ARGUMENT? WHAT DOES
15 THE ATTORNEY DO?

16 A. WELL, IF HE DOESN'T ACCEPT THE ARGUMENT, THE ATTORNEY CAN
17 PREPARE AND FILE A RESPONSE TO THE EXAMINER. OR VERY OFTEN WE
18 GO IN AND HAVE AN INTERVIEW WITH THE EXAMINER WHERE WE SIT DOWN
19 WITH HIM AND TRY TO FIND OUT WHAT IT IS THAT IS REALLY BOTHERING
20 HIM. MANY TIMES, YOU CAN WORK OUT SOME ADDITIONAL LANGUAGE THAT
21 YOU PUT IN THE CLAIM, FURTHER LIMITATIONS IN THE CLAIM, WHERE
22 THE EXAMINER'S CONVINCED THAT THE CLAIM DISTINGUISHES OVER THE
23 ART.

24 IF HE'S NOT PERSUADED AND GIVES YOU WHAT WE CALL A
25 FINAL REJECTION, THEN YOU HAVE TO FILE AN APPEAL TO THE BOARD OF

5

1 PATENT APPEALS AND INTERFERENCES.

2 IF HE AGREES WITH WHAT YOU SAY, THEN HE WILL ALLOW ALL
3 OF THE CLAIMS.

4 Q. AND IF HE ALLOWS THE CLAIMS, THE PATENT ISSUES?

5 A. IF HE ALLOWS THE CLAIMS, THE OFFICE SENDS YOU WHAT IS CALLED
6 A NOTICE OF ALLOWANCE, SAYING THAT ALL THE CLAIMS HAVE BEEN
7 ALLOWED. YOU PAY THE ISSUE FEE, AND THEN THE PATENT ISSUES
8 SHORTLY AFTER YOU'VE PAID THE FEE.

9 BUT YOU HAVE TO KEEP IN MIND THAT WHEN A PATENT ISSUES,
10 ALL IT MEANS IS THAT THE OFFICE HAS TAKEN THE POSITION THAT THE
11 CLAIMS ARE PATENTABLE OVER THE ART THAT THE EXAMINER FOUND
12 DURING THE SEARCH.

13 EACH PATENT AT ISSUE ALWAYS HAS AN IMPLIED PROVISIO THAT
14 IF, LATER ON, OTHER ART IS LOCATED WHICH ANTICIPATES THAT THE
15 CLAIMED INVENTION OR MAKES THE CLAIMED INVENTION OBVIOUS, THEN
16 THE APPLICANT HAS NOT FULFILLED HIS SHARE OF THE CONTRACT WITH
17 THE GOVERNMENT. HE HAS NOT DISCLOSED A NEW INVENTION NEVER
18 BEFORE KNOWN. SINCE HE HASN'T FULFILLED HIS SHARE OF THE
19 CONTRACT, THEN THAT PATENT MAY HAVE THE CLAIMS DECLARED INVALID.

20 Q. MR. DE GRANDI, CAN YOU EXPLAIN TO THE JURY HOW TO READ A
21 PATENT OR WHAT A PATENT LOOKS LIKE?

22 A. SURELY.

23 Q. AND I THINK WE HAVE A POSTER HERE.

24 MR. FIGG: YOUR HONOR, WOULD IT BE OKAY IF MR.
25 DE GRANDI CAME DOWN --

5 1 THE COURT: SURELY.

2 MR. FIGG: -- TO THE POSTER?

3 THE COURT: AS LONG AS YOU KEEP YOUR VOICE UP SO THE
4 REPORTER CAN GET EVERYTHING.

5 THE WITNESS: YES.

6 (PAUSE IN PROCEEDINGS)

7 THE WITNESS: THE PATENT ITSELF CONSISTS OF A
8 SPECIFICATION, THE DRAWING AND THE CLAIMS.

9 THE SPECIFICATION IS THE WRITTEN DESCRIPTION OF THE
10 INVENTION. THIS IS WHAT'S DIRECTED TO THE PERSON HAVING
6 11 ORDINARY SKILL IN THE ART, SO WHEN A PERSON READS THAT
12 SPECIFICATION, AND IF THERE'S A DRAWING -- FOR EXAMPLE, IT'S A
13 MECHANICAL CASE OR A CHEMICAL CASE WHERE YOU HAVE TO HAVE
14 DRAWINGS -- THE SPECIFICATION THEN DESCRIBES WHAT'S IN THE
15 DRAWINGS. SO WHEN A PERSON READS THE ACTUAL SPECIFICATION,
16 LOOKS AT THE DRAWINGS, UNDERSTANDS IT, THAT PERSON IS IN
17 POSSESSION OF THE INVENTION.

18 THIS IS WHAT THE INVENTOR MUST GIVE TO THE PUBLIC, A
19 COMPLETE WRITTEN DESCRIPTION OF HIS INVENTION.

20 THEN THE CLAIMS ARE REALLY NUMBERED PARAGRAPHS AT THE
21 VERY END OF THE PATENT, AND IT'S THE CLAIMS THAT DETERMINE THE
22 SCOPE OF PROTECTION THAT IS GIVEN TO THE INVENTION.

23 IN OTHER WORDS, YOU CAN HAVE A VERY BROAD DISCLOSURE IN
24 THE APPLICATION, BUT YOU HAVE TO LOOK AT THE CLAIMS THEMSELVES
25 TO SEE WHAT IT IS THAT COVERS THE INVENTION ITSELF. THE

6 1 PROTECTION AFFORDED THE INVENTION IS DETERMINED BY THE CLAIMS IN
2 THE PATENT.

3 MR. FIGG: INCIDENTALLY, FOR THE RECORD, THE POSTER
4 THAT WE PUT UP THERE IS EXHIBIT A-145.

5 Q. MR. DE GRANDI, DO THE CLAIMS OF THE PATENT HAVE ANY
6 ANALOGIES IN OTHER KINDS OF LEGAL DOCUMENTS THAT THE JURY MIGHT
7 BE FAMILIAR WITH?

8 A. WELL, AS I SAID, THE CLAIM DEFINES THE SCOPE AND PROTECTION
9 THAT THE INVENTOR HAS BEEN GIVEN BY THE GOVERNMENT, AND THE
10 CLOSEST ANALOGY I CAN COME TO THAT IS A DEED. WHEN YOU BUY
11 PROPERTY AND THEY GIVE YOU A DEED FOR THE PROPERTY, THE DEED
12 TELLS YOU THE AREA COVERED BY YOUR PARTICULAR PROPERTY. SO IF
13 SOMEBODY COMES ON TO YOUR PROPERTY, THEN HE'S TRESPASSING ON
14 YOUR LAND.

15 THE CLAIMS DEFINE THE MEETS AND BOUNDS OF THE
16 INVENTION, AND YOU LOOK AT THE CLAIM TO SEE WHETHER OR NOT A
17 PERSON INFRINGES THE PATENT, OR WHETHER THE CLAIM IS MET BY SOME
18 OTHER PRIOR ART.

19 Q. WELL, WHAT EFFECT DOES THE PRIOR ART HAVE ON THE SCOPE OF
20 THE CLAIMS WHEN THE EXAMINER IS DECIDING WHETHER TO ALLOW OR NOT
21 TO ALLOW A PATENT APPLICATION?

22 A. WELL --

23 Q. ACTUALLY, I THINK WE HAVE ANOTHER POSTER HERE THAT CAN
24 ASSIST YOU WITH THAT.

25 (PAUSE IN PROCEEDINGS)

6 1 Q. (BY MR. FIGG) THIS IS POSTER -- THIS IS EXHIBIT A-146.

2 A. ACTUALLY, THE EXAMINER, WHEN HE DOES A SEARCH, LOOKS AT THE
3 CLAIM. IF THE CLAIM DEFINES A, B AND C, HE DOES THE SEARCH OF
4 THE PRIOR ART AND HE FINDS THAT THERE IS NO PRIOR ART SHOWING A,
5 B AND C, THERE IS NO OVERLAP, SO THE CLAIM IS THEN PATENTABLE
6 OVER THE ART THAT THE EXAMINER HAS FOUND.

7 IF THE CLAIM CALLS FOR A, B AND C, AND THERE'S SOME
8 OVERLAP IN THE PRIOR ART THAT WAS FOUND BY THE EXAMINER DURING
9 THE SEARCH, AND IN THIS AREA HERE (INDICATING) YOU CAN FIND A, B
10 AND C, THEN THAT CLAIM IS HELD UNPATENTABLE OVER THAT PRIOR ART.

11 AND EVEN IF THE OVERLAP IS VERY, VERY NARROW, THE FACT
12 THAT THERE IS OVERLAP MEANS THAT THE CLAIMED SUBJECT MATTER, THE
13 INVENTION SET FORTH IN THAT CLAIM, IS MET BY THE PRIOR ART;
14 THEREFORE, THAT PARTICULAR CLAIM IS UNPATENTABLE.

15 THIS IS WHERE IT'S UP TO THE ATTORNEY, WHEN HE GETS THE
16 REJECTION WHERE THE EXAMINER ALLOWS SOME OF THE CLAIMS BECAUSE
17 THEY'RE NOT MET, REJECTS OTHER CLAIMS BECAUSE THEY'RE
18 ANTICIPATED, THEN IT'S UP TO THE ATTORNEY TO REVIEW THE ART AND
19 TRY TO ADD LIMITATIONS IN THE CLAIM WHICH PUSHES THE CLAIM AWAY
20 FROM THE PRIOR ART. THE PATENTABILITY DISTINGUISHES THE CLAIM
21 FROM THE PRIOR ART.

22 Q. WHAT IS THE RELATIONSHIP BETWEEN THE BREADTH OF THE CLAIM
23 AND THE SCOPE OF PROTECTION THAT THE PATENTEE GETS?

24 A. THE GREATER THE SCOPE OF THE CLAIM, THE BREADTH OF THE
25 CLAIM, THE GREATER THE AREA THAT IT COVERS, THE MORE PROTECTION

6

1 IS AFFORDED THE PATENTEE; IN OTHER WORDS, IT COVERS AN AWFUL LOT
2 OF GROUND.

3 AS ALL PATENT LAWYERS KNOW, WHEN YOU PROSECUTE PATENTS
4 BEFORE THE OFFICE, YOU ALWAYS TRY TO GET THE BROADEST PROTECTION
5 POSSIBLE FOR THE CLIENT, BECAUSE YOU KNOW THE BROADER THE CLAIM,
6 THE GREATER THE RISK THAT LATER ON SOMEBODY CAN FIND SOME PRIOR
7 ART THAT READS -- THAT THE CLAIM WILL READ ON THAT PRIOR ART.
8 IF THAT HAPPENS, THEN YOU'VE LOST THE RISK. IN OTHER WORDS,
9 THAT PATENT MAY BE CALLED INVALID LATER ON.

10 (PAUSE IN PROCEEDINGS)

11 Q. (BY MR. FIGG) ARE YOU AWARE OF ANY RULE OF THUMB FOR
12 DETERMINING WHETHER A CLAIM COVERS SOMETHING THAT WAS IN THE
13 PRIOR ART THAT A PATENT ISSUES?

14 A. THERE IS A RULE OF THUMB THAT MOST ATTORNEYS USE. FOR
15 EXAMPLE, YOU HAVE A CLAIM, AND IF THE CLAIM IS BROAD ENOUGH TO
16 READ, YOU CAN SAY THAT THERE WAS INFRINGEMENT, THE CLAIM IS
17 BROAD ENOUGH SO THAT IT IS INFRINGED BY SOMETHING THAT'S OUT
18 THERE IN THE MARKET PLACE, IF THAT ART HAS A MUCH EARLIER DATE
19 THAN THE INVENTION OF THE INVENTOR, THEN THAT SAME PRIOR ART
20 THAT INFRINGES BECOMES ANTICIPATORY PRIOR ART; IN OTHER WORDS,
21 IT ANTICIPATES THE CLAIM AND, THEREFORE, THE CLAIM IS
22 UNPATENTABLE OVER THAT PARTICULAR ART.

7

23 SO THAT THE -- IF YOU OWN A PATENT, FOR EXAMPLE, ON AN
24 IMPROVED LAWN MOWER AND YOU SEE SOMEBODY IN THE NEXT CITY THAT'S
25 USING AN IMPROVED LAWN MOWER, AND YOU LOOK AT HIS LAWN MOWER AND

7 1 YOU READ YOUR CLAIMS, THAT A, B AND C ARE IN THE CLAIMS AND A, B
2 AND C ARE IN THAT LAWN MOWER, THEN HE IS INFRINGING ON YOUR LAWN
3 MOWER, AND YOU WOULD CHARGE HIM WITH INFRINGEMENT.

4 AND HE SAYS: "WAIT A MINUTE. YOUR PATENT ISSUED TWO
5 YEARS AGO, AND IT WAS FILED TWO YEARS BEFORE THAT. I MADE THIS
6 LAWN MOWER 15 YEARS AGO, AND I'VE BEEN USING IT EVER SINCE."
7 THAT LAWN MOWER THAT HAS ELEMENTS A, B AND C NOW BECOMES PRIOR
8 ART SO THAT IT INVALIDATES THAT PARTICULAR CLAIM. SO IT
9 INFRINGES IF IT'S LATER; IF IT'S EARLIER, IT ANTICIPATES THE
10 CLAIMS.

11 Q. MR. DE GRANDI, YOU'RE VERY FAMILIAR WITH THE UNITED STATES
12 PATENT SYSTEM, I BELIEVE.

13 A. YES, I AM.

14 Q. CAN YOU . . . CAN YOU DESCRIBE FOR THE JURY WHAT THE
15 COMPONENT PARTS OF THE PATENT SYSTEM ARE, IN YOUR OPINION.

16 A. AS I EXPLAINED EARLIER, IT STARTS OFF WITH THE INVENTOR AND
17 HIS ATTORNEY, WHERE THE INVENTOR EXPLAINS TO THE ATTORNEY WHAT
18 HIS INVENTION IS, THE ATTORNEY HAS A SEARCH MADE, AND IF THE
19 SEARCH SHOWS THAT THE INVENTION'S PATENTABLE OVER THE ART FOUND
20 DURING THAT SEARCH, THEN THE ATTORNEY PREPARES AND FILES THE
21 APPLICATION IN THE PATENT & TRADEMARK OFFICE.

22 AND HERE AGAIN, IT GOES EVENTUALLY TO THE EXAMINER.
23 THE EXAMINER READS THE APPLICATION, EVALUATES IT, CONDUCTS HIS
24 OWN SEARCH, AND EITHER FINALLY REJECTS THE APPLICATION OR ALLOWS
25 IT. IF HE ALLOWS THE APPLICATION, THEN THE PATENT ISSUES.

7
1 AND THEN AFTER THE PATENT ISSUES, IF THERE IS
2 INFRINGEMENT OF THE PATENT OR SOMEBODY CHALLENGES THE VALIDITY
3 OF THE PATENT, YOU END UP IN THE DISTRICT COURT WITH THE JUDGES
4 AND SOMETIMES A JURY.

5 AND THIS ACTUALLY IS THE FINAL CHECK BALANCE FOR THE
6 WHOLE SYSTEM. PATENTS MAY ISSUE, BUT WHETHER OR NOT THOSE
7 PATENTS ARE INFRINGED, WHETHER OR NOT THEY ARE STILL VALID OVER
8 PRIOR ART THE EXAMINER NEVER KNEW ABOUT, IT'S UP TO THE COURT,
9 THE JUDGE AND THE JURY TO DETERMINE THAT.

10 Q. IN YOUR EXPERIENCE, IS IT UNUSUAL FOR COURTS TO GET INVOLVED
11 IN THIS PROCESS?

12 A. NO, IT'S NOT UNUSUAL. VERY FEW PATENTS ACTUALLY GET TO THE
13 COURTS, FOR THE SIMPLE REASON THAT IF A PERSON GETS A PATENT AND
14 IT'S A GOOD PATENT, HE TRIES TO SELL IT TO A PARTICULAR COMPANY
15 OR TRIES TO LICENSE PEOPLE UNDER THE PATENT, AND THEY FIND OUT
16 IT'S SOMEONE'S INVENTION.

17 FOR EXAMPLE, SOMEBODY COMES TO ME AND SAYS, "WE'VE BEEN
18 ACCUSED OF INFRINGING THIS PERSON'S PATENT." WE CONDUCT AN
19 INFRINGEMENT INVESTIGATION IN THE PATENT OFFICE, AND IF WE
20 DETERMINE THAT -- ACTUALLY INFRINGEMENT AND VALIDITY
21 INVESTIGATION. WE TRY TO FIND ANY PRIOR ART THAT INVALIDATES
22 THE PATENT.

23 AND IF WE DETERMINE THE PATENT IS A GOOD PATENT, WE
24 DON'T KNOW OF ANY ART THAT INVALIDATES THE PATENT, WE RECOMMEND
25 TO THE CLIENT EITHER ONE OF TWO THINGS: EITHER YOU TRY TO GET A

7
1 LICENSE FROM THE PATENT OWNER; AND IF HE REFUSES TO GIVE YOU A
2 LICENSE, YOU STAY OUT OF THAT BUSINESS AND YOU MOVE ON TO
3 SOMETHING ELSE. DON'T INFRINGE.

4 MOST ATTORNEYS WILL RECOGNIZE WHEN THEY HAVE GOOD
5 POSITIONS; IN OTHER WORDS, WHERE THEY CANNOT INVALIDATE A PATENT
6 BECAUSE THEY CAN'T FIND ANY PRIOR ART.

7 THE ONLY TIME YOU GET INVOLVED IN THE COURTS IS WHERE
8 THERE'S A VERY CLOSE QUESTION OF INFRINGEMENT, THERE'S A VERY
9 CLOSE QUESTION OF THE VALIDITY, OR IF YOU BELIEVE THAT THE
10 EXAMINER DURING THE PROSECUTION MADE A MISTAKE, AND THE PLACE TO
11 CORRECT THAT IS IN THE COURT, AND THIS IS WHERE YOU END UP HERE
12 WITH THE COURT.

13 THE COURT: WELL, COUNSEL, I -- I WANT TO INTERJECT
14 SOMETHING, BECAUSE I'VE PRESIDED OVER A NUMBER OF PATENT CASES
15 WHERE THE QUESTION IS NOT NECESSARILY CLOSE.

16 YOU KNOW, THERE ARE FRIVOLOUS LAWSUITS THAT ARE FILED,
17 WHETHER IT BE IN THE PATENT FIELD OR SOME OTHER FIELD. THE
18 PERCEPTIONS OF THE PARTIES MAY BE THAT IT IS CLOSE, OR THERE MAY
19 BE OTHER REASONS FOR FILING A LAWSUIT. BUT I THINK THE COURT
20 CAN TAKE JUDICIAL NOTICE OF THE FACT THAT THE QUESTION DOESN'T
21 NECESSARILY HAVE TO BE CLOSE.

22 ANYONE CAN FILE A LAWSUIT. ALL THEY HAVE TO DO IS PAY
23 THE FILING FEE. YOU KNOW, IT DEPENDS UPON THE ADVICE THEY GET
24 BY COUNSEL AND, ULTIMATELY, THE ADJUDICATION.

25 SO I THINK THAT THE JURY SHOULD BE AWARE THAT --

7

1 THE WITNESS: I'M SORRY, YOUR HONOR, I --

2 THE COURT: -- IT'S A -- IT'S A FREE COUNTRY WHEN IT
3 COMES TO FILING LAWSUITS AS WELL, AS LONG AS YOU PAY THE FILING
4 FEE. IT DOESN'T NECESSARILY MEAN IT'S A CLOSE QUESTION. IT MAY
5 OR IT MAY NOT BE.

6 THE WITNESS: OF COURSE.

8

7 THE COURT: AND YOU SHOULDN'T TAKE BY THAT EITHER THE
8 SUGGESTION OF MR. DE GRANDI THAT THIS MIGHT BE A CLOSE QUESTION
9 OR FROM ME THAT IT'S NOT. THAT'S -- NO ONE HAS MADE THAT
10 DECISION. THAT'S GOING TO BE YOUR DECISION.

11 THE WITNESS: I WAS JUST SPEAKING ON MY OWN EXPERIENCE,
12 YOUR HONOR.

13 THE COURT: OKAY.

14 MR. FIGG: INCIDENTALLY, THE EXHIBIT THAT MR. DE GRANDI
15 IS WORKING FROM NOW IS EXHIBIT A-138, THE POSTER ENTITLED, "THE
16 PATENT PROCESS."

17 Q. YOU INDICATED THAT PRIOR ART MIGHT COME INTO PLAY AFTER THE
18 PATENTING PROCESS IS COMPLETE. WHERE DOES THAT KIND OF PRIOR
19 ART USUALLY COME FROM?

20 A. USUALLY WHEN YOUR CLIENT IS THREATENED WITH INFRINGEMENT OF
21 A PATENT, YOU CONDUCT A VALIDITY INVESTIGATION. YOU SEND
22 SOMEBODY TO THE PATENT & TRADEMARK OFFICE, AND YOU HAVE THEM
23 SEARCH EXTENSIVELY. SOMETIMES A SEARCH MAY LAST A WEEK, TWO
24 WEEKS, A MONTH, OR EVEN LONGER, DEPENDING ON HOW VALUABLE THE
25 PATENT IS AND HOW STRONGLY YOU WANT TO TRY TO FIND PRIOR ART.

8

1 BUT THEY SEARCH THE U.S. ART, THEY SEARCH FOREIGN ART,
2 YOU DO A LOT OF LITERATURE SEARCHING. YOU GO INTO WHATEVER
3 COMMERCIAL DATABASES ARE AVAILABLE AND SEARCH THERE TRYING TO
4 COME UP WITH ART THAT THE EXAMINER HAD NEVER CONSIDERED DURING
5 THE PROSECUTION OF THE PATENT.

6 Q. ARE YOU AWARE OF WHETHER THERE ARE ANY QUESTIONS, WHEN THE
7 EXAMINER'S LOOKING AT A PATENT APPLICATION, AS TO WHETHER THE
8 ART IS VERY WIDELY KNOWN OR WHETHER IT'S OBSCURE? DOES THAT
9 COME INTO PLAY?

10 A. ACTUALLY, IT MAKES NO DIFFERENCE IF IT'S EVEN OBSCURE ART.
11 IF IT'S PRIOR ART, IF THERE IS, FOR EXAMPLE, A PUBLICATION THAT
12 CAME OUT 10 YEARS AGO THAT'S IN A MAGAZINE, IT'S IN A LIBRARY
13 SOMEWHERE, EVEN THOUGH THE MAGAZINE HAS A VERY SMALL
14 CIRCULATION, IF YOU FIND THAT IS PRIOR ART, THAT IS GOOD PRIOR
15 ART. THAT CAN BE USED.

16 Q. MR. DE GRANDI, YOU'RE QUITE FAMILIAR WITH THE OPERATIONS
17 WITHIN THE PATENT OFFICE?

18 A. YES, I AM.

19 Q. ARE YOU AWARE OF ANY TIME CONSTRAINTS ON PATENT EXAMINERS IN
20 PERFORMING THEIR DUTIES?

21 A. YES. PATENT EXAMINERS ARE USUALLY GIVEN APPROXIMATELY 15
22 HOURS OF TIME TO SPEND ON THE APPLICATION FROM THE TIME IT
23 REACHES THEIR DESK UNTIL THEY FINALLY DISPOSE OF IT, EITHER BY
24 ALLOWING IT OR GIVING A FINAL REJECTION.

25 15 HOURS IS REALLY NOT A LONG PERIOD OF TIME,

8

1 PARTICULARLY WHEN THE EXAMINER HAS TO DO A LOT OF HIS OWN
2 SEARCHING TO TRY TO FIND PRIOR ART.

3 Q. WHAT ARE THE THINGS AN EXAMINER HAS TO DO IN THAT 15 HOURS?

4 A. HE HAS TO REVIEW THE APPLICATION; HE HAS TO UNDERSTAND IT;
5 HE HAS TO LOOK AT THE CLAIMS AND DECIDE WHAT IS BEING CLAIMED;
6 AND HE HAS TO RUN A PATENTABILITY SEARCH.

7 HE HAS TO PREPARE AND FILE THIS OFFICE ACTION OR LETTER
8 TO THE -- NOT FILE BUT SEND THE LETTER TO THE ATTORNEY
9 EXPLAINING THE REASONS WHY HE'S REJECTING SOME OR ALL OF THE
10 CLAIMS. THEN HE HAS TO READ THE RESPONSE THAT THE ATTORNEY
11 SENDS IN.

12 HE MAY DO ANOTHER -- FURTHER SEARCH. THEN HE HAS TO
13 PREPARE ANOTHER OFFICE ACTION THAT HE MAILES BACK TO THE
14 ATTORNEY.

15 HE MAY END UP WITH AN INTERVIEW WITH THE ATTORNEY. AND
16 THEN HE FINALLY EITHER REJECTS THE CLAIMS OR HE ALLOWS THE
17 APPLICATION. ALL OF THAT TIME SHOULD TOTAL ABOUT 15 HOURS.

18 Q. IS THERE ANY WAY THE PATENT & TRADEMARK OFFICE KEEPS TRACK
19 OF HOW MUCH TIME THE EXAMINER SPENDS?

20 A. YES, THEY DO KEEP TRACK AND THEY -- EACH EXAMINER HAS A GOAL
21 OF SO MANY OFFICE ACTIONS OR DISPOSALS THAT HE HAS TO TAKE CARE
22 OF IN THE WEEK. AND THE MORE EXPERIENCE THE EXAMINER HAS, THE
23 HIGHER THE GOAL THEN BECOMES, AND HE MUST MAINTAIN THAT GOAL.

24 Q. ARE THERE EXAMINERS WHO SPECIALIZE IN THE FIELD OF
25 BIOTECHNOLOGY?

8

1 A. YES, THERE ARE EXAMINERS IN THE FIELD, THAT SPECIALIZE IN
2 THAT FIELD.

3 Q. ARE THE EXAMINERS IN THAT FIELD LIMITED TO THE 15-HOUR TOTAL
4 TIME PER PATENT APPLICATION?

5 A. NO. SINCE THESE APPLICATIONS ARE A MORE COMPLEX SUBJECT
6 MATTER, THESE EXAMINERS, AT LEAST SOME OF THEM, HAVE BEEN GIVEN
7 UP TO 24 TO 26 HOURS THAT THEY CAN SPEND ON THE PARTICULAR
8 APPLICATION. HERE AGAIN, IT'S FROM THE TIME THE APPLICATION
9 HITS THEIR DESK UNTIL THEY FINALLY DISPOSE OF IT.

10 Q. IN YOUR EXPERIENCE, IS THIS 24 TO 26 HOURS A SUFFICIENT
11 TIME?

12 MR. LEWIS: OBJECTION, YOUR HONOR. THERE'S NO
13 FOUNDATION THAT MR. DE GRANDI HAS EXPERIENCE WITH BIOTECH PATENT
14 APPLICATIONS.

15 THE COURT: OBJECTION IS SUSTAINED.

16 YOU MAY REPHRASE THE QUESTION.

17 MR. FIGG: YES, YOUR HONOR. THANK YOU.

18 Q. MR. DE GRANDI, DOES YOUR FIRM HAVE ANY EXPERIENCE WITH
19 BIOTECHNOLOGY PATENT APPLICATIONS?

20 A. YES, IT DOES.

21 Q. AND HAVE YOU SUPERVISED ATTORNEYS IN YOUR FIRM WHO ARE
22 PROSECUTING SUCH APPLICATIONS?

23 A. YES, I HAVE.

24 Q. MR. DE GRANDI, BASED ON THAT EXPERIENCE, DO YOU CONSIDER THE
25 24 TO 26 HOURS SUFFICIENT TIME FOR EXAMINERS -- FOR THOROUGH

8 1 EXAMINATION OF THESE KINDS OF APPLICATIONS?

2 A. I DO NOT CONSIDER IT TO BE SUFFICIENT TIME.

3 Q. WHAT HAPPENS IF THE EXAMINER CONSISTENTLY EXCEEDS THE TIME
4 CONSTRAINTS THAT ARE IMPOSED UPON THEM BY THE OFFICE?

5 A. WELL, IF HE DOESN'T MEET HIS GOALS, HIS QUOTAS, THEN HE IS
6 PASSED OVER THE NEXT TIME RAISES ARE GIVEN OR PROMOTIONS ARE
7 GIVEN.

8 AND, IN FACT, IN ORDER TO ENCOURAGE EXAMINERS TO TURN
9 OUT EVEN MORE WORK AND MORE ACTIONS, THE OFFICE RECENTLY SET UP
10 A SYSTEM WHEREBY IF THE EXAMINER MEETS 110 PERCENT OF HIS GOAL,
11 THEN HE GETS SOME EXTRA MONEY; IF HE MEETS 120 PERCENT OF HIS
12 GOAL, HE GETS MORE MONEY; IF HE MEETS 130 PERCENT, IT INCREASES
13 EVEN MORE.

14 Q. ARE YOU AWARE OF ANY PARTICULAR PROBLEMS THAT HAVE BEEN
15 IDENTIFIED IN CONNECTION WITH EXAMINATION OF BIOTECHNOLOGY
16 PATENT APPLICATIONS?

17 A. YES. FOR YEARS, THE OFFICE HAS BEEN TRYING TO UPGRADE THE
18 EXAMINATION PROCEDURE. EVERY TIME THEY GO TO CONGRESS AND ASK
19 FOR MORE MONEY, THEY KEEP SAYING TO CONGRESS THAT THEY REALLY
20 NEED MORE MONEY, THEY WANT TO HIRE MORE EXAMINERS, THEY WANT TO
21 INCREASE THE EFFICIENCY IN THE OFFICE SO THAT THEY CAN REACH
22 THIS GOAL OF 18 MONTHS, WHICH IS THE AVERAGE PENDENCY TIME FROM
23 THE TIME AN APPLICATION IS FILED UNTIL IT ISSUES AS A PATENT.

24 FOR AWHILE THERE, IT WAS TAKING THREE TO FOUR YEARS FOR
25 A U.S. PATENT TO ISSUE. NOW THE PATENT OFFICE HAS JUST ABOUT

9 1 MET THAT GOAL OF 18 MONTHS. SO, ON THE AVERAGE, WHEN AN
2 APPLICATION IS FILED UNTIL THE PATENT IS ISSUED TAKES ABOUT 18
3 MONTHS.

4 UNFORTUNATELY, IN THE BIOTECHNOLOGY FIELD, UP UNTIL
5 RECENTLY, IT WAS TAKING APPROXIMATELY TWO YEARS BEFORE THE
6 EXAMINER GOT AROUND TO DOING HIS FIRST EXAMINATION OF THE
7 APPLICATION. AND RECENTLY, THAT HAS BEEN CUT DOWN TO
8 APPROXIMATELY 13 MONTHS. BUT THE BIOTECHNOLOGY GROUP IS NOT
9 MEETING THAT GOAL OF 18 MONTHS AT ALL.

10 Q. DO YOU KNOW WHY?

11 A. YES. BECAUSE THE -- THEY NEED EXAMINERS WITH A GOOD
12 BACKGROUND. THEY TRY TO HIRE PH.D.'S. THEY GO TO VARIOUS
13 UNIVERSITIES AND GRADUATE SCHOOLS ENCOURAGING PEOPLE WITH
14 BIOTECHNOLOGY BACKGROUNDS TO ACCEPT JOBS AT THE PATENT &
15 TRADEMARK OFFICES.

16 THESE PEOPLE COME IN; THEY BECOME EXAMINERS; THEY LEARN
17 ABOUT THE PATENT PRACTICE; THEY GET ONE OR TWO YEARS'
18 EXPERIENCE, AND THEN THEY ARE HIRED EITHER BY THE PHARMACEUTICAL
19 COMPANIES OR OTHER CORPORATIONS IN THE BIOTECHNOLOGY FIELD, OR
20 THEY ARE HIRED BY FIRMS IN PRIVATE PRACTICE, BECAUSE THEY HAVE
21 THE BACKGROUND IN THE PARTICULAR SCIENCE AND THE FIRMS OR
22 CORPORATIONS FEEL THAT THEY CAN TEACH THEM THE REMAINDER OF THE
23 PATENT LAW.

24 SO THERE IS A CONSTANT TURNOVER IN THE BIOTECHNOLOGY
25 FIELD WITH EXAMINERS.

9 1 Q. DOES THE NUMBER OF PATENT APPLICATIONS RECEIVED IN THE
2 BIOTECHNOLOGY FIELD HAVE ANYTHING TO DO WITH IT?

3 A. YES. OVER THE LAST SEVERAL YEARS, THE NUMBER OF
4 APPLICATIONS HAS INCREASED TREMENDOUSLY. AND, IN FACT, RIGHT
5 NOW, I BELIEVE THAT THE BACKLOG OF UNEXAMINED PATENT
6 APPLICATIONS IS ABOUT 17,000 APPLICATIONS.

7 Q. WHAT DO YOU MEAN BY THE BACKLOG OF BIOTECHNOLOGY PATENT
8 APPLICATIONS?

9 A. THESE ARE APPLICATIONS THAT HAVE BEEN FILED BUT THEY ARE
10 AWAITING THE FIRST EXAMINATION BY THE EXAMINER.

11 Q. IS THAT BACKLOG UNUSUAL OR USUAL COMPARED TO THE OTHER TYPES
12 OF PATENT APPLICATIONS AT THE PATENT & TRADEMARK OFFICE GETS?

13 A. THE OTHER EXAMINING GROUPS DO NOT HAVE THAT SAME TYPE OF
14 BACKLOG. THAT'S THE REASON MOST OF THEM HAVE THE 18 -- HAVE
15 REACHED THE 18-MONTH PENDENCY. BUT THE BIOTECHNOLOGY GROUPS
16 JUST HAVE NOT.

17 Q. DO YOU KNOW WHETHER THE PATENT & TRADEMARK OFFICE HAS ANY
18 PLANS TO CORRECT THESE PROBLEMS?

19 A. WELL, THE OFFICE, I KNOW, HAS BEEN TRYING TO HIRE MORE
20 EXAMINERS. THERE WAS A RECOMMENDATION MADE RECENTLY BY ONE OF
21 THE PATENT OFFICE OFFICIALS SAYING THAT, IN ORDER TO RETAIN
22 THESE EXAMINERS IN THE BIOTECHNOLOGY FIELD, THAT PERHAPS THEY
23 SHOULD TRY TO PAY THEM MORE IN THE WAY OF SALARIES TO MAKE IT
24 MORE ATTRACTIVE FOR THEM TO STAY IN THE PATENT & TRADEMARK
25 OFFICE.

9 1 Q. MR. DE GRANDI, IN ONE OF YOUR EARLIER RESPONSES, I THINK YOU
2 USED THE TERM "PRIOR ART." CAN YOU DEFINE WHAT THAT MEANS.

3 MR. LEWIS: OBJECTION, YOUR HONOR. WE'VE BEEN OVER
4 THIS YESTERDAY. I THOUGHT IT WAS UNDERSTOOD THAT MR. DE GRANDI
5 WAS NOT GOING TO BE DEFINING TERMS LIKE "PRIOR ART."

6 THE COURT: THOSE WILL BE DEFINED IN THE COURT'S
7 INSTRUCTIONS, COUNSEL.

8 Q. (BY MR. FIGG) MR. DE GRANDI, CAN YOU -- WHEN THE EXAMINER
9 IS DOING A SEARCH AND EXAMINING THE PATENT APPLICATION, YOU
10 INDICATED THAT HE'S LOOKING AT PRIOR ART. WHAT ARE THE
11 CATEGORIES OF PRIOR ART THAT THE EXAMINER LOOKS FOR?

12 A. WELL --

13 Q. I THINK WE HAVE A CHART HERE THAT MIGHT ASSIST YOU WITH
14 THAT.

15 MR. LEWIS: YOUR HONOR, I'M GOING TO MAKE THE SAME
16 OBJECTION. I THINK MR. FIGG IS ASKING THE SAME QUESTIONS IN A
17 SLIGHTLY DIFFERENT WAY.

18 MR. FIGG: WELL, YOUR HONOR, WE ARE SIMPLY EXPLAINING
19 WHAT THE EXAMINER DOES DURING THE PROCESS OF EXAMINING A PATENT
20 APPLICATION AND THE SORTS OF THINGS THAT THE EXAMINER IS LOOKING
21 FOR.

22 MR. LEWIS: THEN I OBJECT TO THE QUESTION AS IRRELEVANT
23 BECAUSE IT DOES NOT BEAR UPON -- AND CONFUSING BECAUSE IT DOES
24 NOT BEAR UPON THE TERM AS IT WILL NEED TO BE UNDERSTOOD BY THE
25 JURY TO DECIDE THE CASE.

10

1 THE COURT: THE OBJECTION IS --

2 MR. FIGG: I DISAGREE WITH THAT, YOUR HONOR.

3 THE COURT: THE OBJECTION IS OVERRULED AS TO THE
4 PRESENT QUESTION. I'M GOING TO HAVE TO SEE WHERE IT'S GOING.

5 MR. FIGG: SURE.

6 Q. DO YOU RECALL MY QUESTION, MR. DE GRANDI?

7 A. I BELIEVE SO.

8 WHAT THE EXAMINER DOES WHEN HE SEARCHES IS, HE SEARCHES
9 THE U.S. PATENT ART, HE SEARCHES THE FOREIGN PATENT -- USUALLY
10 THOSE ARE IN HIS OWN PERSONAL LIBRARY IN THE ART UNIT -- AND HE
11 SEARCHES THE LITERATURE. HE LOOKS FOR PRINTED PUBLICATIONS, AND
12 THAT, OF COURSE, IS PRIOR ART.

13 BUT THERE ARE DIFFERENT TYPES OF PRIOR ART, AS SUCH.
14 FOR EXAMPLE, IF THERE'S PRIOR KNOWLEDGE BY OTHERS OF THE
15 INVENTION. THE INVENTOR HAS FILED HIS APPLICATION. UNBEKNOWNST
16 TO HIM, SOMEONE ELSE HAS MADE THE SAME INVENTION AND IS USING
17 IT. HE DOESN'T KNOW ANYTHING ABOUT IT. THE INVENTOR DOESN'T --

18 MR. LEWIS: YOUR HONOR --

19 THE COURT: WELL, I THINK THIS IS GOING BEYOND THE
20 SCOPE OF THE QUESTION. YOU'RE GOING TO HAVE TO JUST ANSWER THE
21 QUESTION.

22 THE WITNESS: ALL RIGHT.

23 THERE'S PRIOR KNOWLEDGE BY OTHERS CAN BE PRIOR ART;
24 THERE'S PRIOR USE BY OTHERS, WHICH IS ALSO PRIOR ART; AND
25 THERE'S PRIOR INVENTION BY OTHERS.

10

1 THE DIFFERENT TYPES OF --

2 THE COURT: WELL, I THOUGHT THE QUESTION WAS WHAT THE
3 EXAMINER CONSIDERED OR REVIEWED AT THE TIME OF ENTERTAINING THIS
4 QUESTION.

5 WOULD YOU RESTATE THE QUESTION?

6 THE PRECEDING ANSWER IS STRICKEN. THE JURY IS
7 INSTRUCTED TO DISREGARD IT.

8 Q. (BY MR. FIGG) MY QUESTION, MR. DE GRANDI, IS: WHEN THE
9 PATENT EXAMINER IS CONDUCTING A SEARCH AND EVALUATION OF A
10 PATENT APPLICATION, WHAT TYPES OF PRIOR ART WILL THE EXAMINER BE
11 INTERESTED IN?

12 A. HE WILL BE INTERESTED IN THE PRIOR PRINTED PUBLICATIONS. HE
13 MAY KNOW OF PRIOR INVENTIONS BY OTHERS IF THOSE OTHERS HAVE
14 FILED U.S. PATENT APPLICATIONS PENDING IN THE PATENT OFFICE ON
15 THE SAME SUBJECT MATTER. HE HAS WAYS OF FINDING THAT OUT IN THE
16 PATENT OFFICE.

17 Q. WILL HE BE LOOKING FOR THE OTHER TYPES OF CATEGORIES OF
18 PRIOR ART THAT ARE ON HERE?

19 A. NO.

20 Q. MR. DE GRANDI, WHEN THE PATENT APPLICANT IS PROSECUTING A
21 PATENT APPLICATION IN THE PATENT OFFICE, DOES THAT PATENT
22 APPLICANT HAVE ANY DUTY TO UPDATE THE PATENT OFFICE ON PRIOR
23 ART?

24 MR. LEWIS: OBJECTION, YOUR HONOR. THIS APPEARS TO
25 CALL FOR A MATTER OF LEGAL -- A MATTER OF LAW, WHICH IS IMPROPER

10

1 FOR EXPERT TESTIMONY.

2 MR. FIGG: LET ME REPHRASE THE QUESTION, YOUR HONOR.

3 THE COURT: OKAY.

4 Q. (BY MR. FIGG) MR. DE GRANDI, WHEN YOU ARE PROSECUTING
5 PATENT APPLICATIONS IN THE PATENT OFFICE, DO YOU HAVE A PRACTICE
6 OF WHETHER OR NOT TO TELL THE PATENT OFFICE ABOUT PRIOR ART?

7 A. YES. IF WE HAVE CONDUCTED A SEARCH ON BEHALF OF THE
8 APPLICANT, OR WE FILED A PATENT APPLICATION, WE TAKE THAT PRIOR
9 ART THAT WE FOUND IN THE SEARCH OF RECORD IN THE CASE, WE WANT
10 THE EXAMINER TO KNOW ABOUT IT.

11 IF WE FILE CORRESPONDING PATENT APPLICATIONS TO FOREIGN
12 COUNTRIES ON BEHALF OF THE APPLICANT, AND THOSE APPLICATIONS ARE
13 SEARCHED BY THE FOREIGN PATENT OFFICES AND THEY SEND US THEIR
14 SEARCH REPORTS AND WHATEVER ART THAT THE EXAMINERS FOUND, WE
15 MAKE THAT ART OF RECORD IN THE PATENT & TRADEMARK OFFICE. WE
16 TELL THE EXAMINER ABOUT THAT ART.

17 Q. IS IT YOUR EXPERIENCE THAT THAT IS THE GENERAL PRACTICE OF
18 PEOPLE WHO PROSECUTE PATENT APPLICATIONS IN THE PATENT &
19 TRADEMARK OFFICE?

20 A. WELL, WE HAVE IN THE OFFICE, UNDER RULES OF PRACTICE, WHAT
21 THEY CALL RULE 56, WHICH GIVES A DUTY OF --

22 MR. LEWIS: YOUR HONOR, MR. DE GRANDI IS TESTIFYING ON
23 MATTERS OF LAW AGAIN. I THOUGHT WE HAD COVERED THIS.

24 MR. FIGG: YOUR HONOR --

25 THE COURT: YES.

10

1 MR. FIGG: -- I DISAGREE. MR. DE GRANDI IS SIMPLY
2 EXPLAINING HOW ONE GOES ABOUT PROSECUTING A PATENT APPLICATION.
3 THAT DOES INCLUDE THE REQUIREMENTS THAT THE PERSON WHO SEEKS A
4 PATENT HAS TO MEET, BUT IT'S ALSO PART OF THE GENERAL PROCEDURE
5 THAT'S INVOLVED IN OBTAINING A PATENT.

6 THE COURT: WELL, IF OF NECESSITY, THEN, THE ANSWERS
7 ARE GOING TO GET INTO MATTERS OF LAW, THEN I'M NOT GOING TO
8 ALLOW THE QUESTION, SO -- IF THEY -- IF THEY TEND TO BRIDGE
9 BOTH, THEN I REALLY DON'T BELIEVE IT'S A MATTER THAT'S
10 APPROPRIATE FOR TESTIMONY.

11 MR. FIGG: OKAY. THANK YOU, YOUR HONOR.

12 (PAUSE IN PROCEEDINGS)

13 Q. (BY MR. FIGG) MR. DE GRANDI, LET ME HAND YOU A COPY OF
14 EXHIBIT A-1.

15 CAN YOU IDENTIFY THAT DOCUMENT FOR THE JURY.

16 A. YES. THIS IS A CERTIFIED COPY OF THE U.S. PATENT NUMBER
17 4,683,202, WHICH ISSUED JULY 28, 1987.

18 Q. AND THAT'S WHAT WE'VE REFERRED TO AS THE '202 PATENT --

19 A. THAT'S RIGHT.

20 Q. -- INVOLVED IN THIS CASE.

21 A. IT'S ASSIGNED TO CETUS CORPORATION.

22 Q. MR. DE GRANDI, WITH REFERENCE TO EXHIBIT A-141, WHICH IS A
23 POSTER BLOWUP OF THE FIRST PAGE OF THE '202 PATENT, CAN YOU GIVE
24 THE JURY SOME OF THE GENERAL BACKGROUND ON -- ON THE '202
25 PATENT?

10

1 A. YES.

2 MR. LEWIS: OBJECTION, YOUR HONOR.

3 THE COURT: I DON'T KNOW WHAT THAT QUESTION MEANS.

4 MR. FIGG: ALL RIGHT.

11

5 Q. MR. DE GRANDI --

6 MR. FIGG: I'LL WITHDRAW THE QUESTION AND REPHRASE IT,
7 YOUR HONOR.8 Q. MR. DE GRANDI, CAN YOU EXPLAIN TO THE JURY WHAT THE VARIOUS
9 NOTATIONS ON THE FRONT OF THE '202 PATENT MEAN, JUST TO ASSIST
10 IN UNDERSTANDING IT.11 A. YES. EACH PATENT HAS A NUMBER WHEN IT ISSUES, AND HERE'S
12 THE NUMBER OF THE PATENT HERE IN THE UPPER RIGHT-HAND CORNER
13 (INDICATING). THE DATE THE PATENT ISSUED APPEARS JUST BELOW THE
14 NUMBER. THE TITLE OF THE PATENT APPEARS RIGHT HERE (INDICATING)
15 AS "PROCESS FOR AMPLIFYING NUCLEIC ACID SEQUENCES." THEN THE
16 INVENTOR IS IDENTIFIED, THE ASSIGNEE IS IDENTIFIED, AND THE
17 APPLICATION SERIAL NUMBER IS SET FORTH IN THE PATENT ITSELF.
18 AND THIS IS THE SERIAL NUMBER THAT'S GIVEN TO THE APPLICATION AT
19 THE TIME THAT IT'S ACTUALLY FILED.20 THE DATE OF FILING IS SET FORTH AS OCTOBER 25, 1985.
21 SO THIS PARTICULAR APPLICATION ISSUED AS THIS PATENT WAS FILED
22 ON OCTOBER 25, 1985, AND HAD APPLICATION SERIAL NUMBER 791,308.23 THEN YOU CAN SEE THAT THIS PARTICULAR APPLICATION IS
24 WHAT THEY CALL A CONTINUATION-IN-PART OF ANOTHER APPLICATION
25 FILED MARCH 28, 1985, WHICH WAS ABANDONED. AND ALL THAT MEANS

11 1 IS THAT THE INVENTOR, MR. MULLIS, FILED AN APPLICATION ON MARCH
2 28, 1985. LATER ON, WHILE THAT APPLICATION WAS PENDING, HE
3 FILED THIS APPLICATION WITH ADDITIONAL SUBJECT MATTER -- AND
4 THAT'S THE REASON IT'S CALLED A CONTINUATION-IN-PART, BECAUSE IT
5 CONTAINS ADDITIONAL SUBJECT MATTER -- AND THEN HE PERMITTED THE
6 FIRST APPLICATION TO BECOME ABANDONED.

7 THE INTERNATIONAL CLASSIFICATION FOR THIS PARTICULAR
8 PATENT IS SET FORTH HERE (INDICATING). THE U.S. CLASSIFICATION
9 IS ALSO SET FORTH.

10 AND YOU SEE THAT THIS PATENT, WHEN IT ISSUED, ISSUED IN
11 CLASS 435 SUBCLASS 91, AND IT ALSO HAS BEEN CROSS-REFERENCED
12 INTO A NUMBER OF OTHER SUBCLASSES IN CLASS 435. IT ALSO IS
13 CROSS-REFERENCED INTO CLASS 536 WITH A NUMBER OF SUBCLASSES.

14 IT ALSO SETS FORTH THE FIELD OF SEARCH THAT THE
15 EXAMINER SEARCHED WHILE HE WAS EXAMINING THIS APPLICATION. SO
16 LOOKING AT THIS, YOU SEE THE EXAMINER SEARCHED CLASS 435
17 SUBCLASS 91; HE SEARCHED SUBCLASS 172.3, SUBCLASS 317. THEN HE
18 WENT OVER TO CLASS 536 AND HE SEARCHED SUBCLASSES 27, 28, 29.
19 THEN HE ALSO WENT OVER TO CLASS 935 AND SEARCHED SUBCLASSES 17
20 AND 18.

21 AND DURING HIS SEARCH, HE FOUND CERTAIN REFERENCES.
22 EITHER HE FOUND REFERENCES OR REFERENCES WERE BROUGHT TO HIS
23 ATTENTION. AND THE REFERENCE THAT HE CITES IN THE PROSECUTION
24 ARE AGAIN LISTED RIGHT HERE IN THE PATENT ITSELF (INDICATING).

25 THEN THE NAME OF THE EXAMINER IS SET FORTH, AND THE

11

1 ATTORNEY, AGENT OR FIRM THAT HANDLED THE APPLICATION BEFORE THE
2 EXAMINER IS ALSO SET FORTH.

3 AND ALL PATENTS THAT ISSUE ARE -- HAVE A FRONT PAGE
4 HAVING THIS SAME INFORMATION ON IT, AND ALSO WITH AN ABSTRACT.

5 THE ABSTRACT IS THE ABSTRACT OF THE DISCLOSURE. IT'S
6 NOT AN ABSTRACT NECESSARILY OF THE INVENTION THAT'S CLAIMED.
7 BUT THIS IS AN ABSTRACT OF THE DISCLOSURE.

8 AND THE REASON ABSTRACTS ARE SET FORTH IS SO THAT THE
9 PUBLIC DOESN'T HAVE TO ACTUALLY READ THE PATENT ITSELF TO FIND
10 OUT WHAT THE GIST OF THE DISCLOSURE IS. THEY CAN JUST LOOK AT
11 THIS ONE PARAGRAPH, WHICH IS SUPPOSED TO BE UNDER 200 WORDS, AND
12 THAT TELLS THE PUBLIC WHAT THE DISCLOSURE IN THE APPLICATION
13 IS -- IN THE PATENT IS.

14 AND FINALLY, IT WILL END UP THAT THE PATENT HAS 21
15 CLAIMS, AND IT HAS 12 DRAWING FIGURES.

16 ALL THIS INFORMATION, NO MATTER WHICH PATENT YOU PICK
17 UP THAT ISSUES, YOU'LL SEE INFORMATION IN THIS SAME FORMAT.

18 Q. MR. DE GRANDI, GOING BACK TO THE SEARCH THAT THE PATENT
19 EXAMINER DOES, WHEN THE EXAMINER IS LOOKING FOR PRIOR ART, DOES
20 THE EXAMINER -- DOES IT MATTER HOW OLD OR HOW YOUNG, OR HOW NEW
21 OR HOW OLD, THE PRIOR ART IS THAT THE EXAMINER IS LOOKING FOR?

22 A. NO. THE EXAMINER, WHEN HE FINDS -- LOOKS FOR PRIOR ART, HE
23 TRIES TO FIND ART THAT HAS AN EFFECTIVE DATE MORE THAN A YEAR
24 PRIOR TO THE FILING DATE OF THE APPLICATION. IN THIS SITUATION,
25 AN EARLIER APPLICATION FILED MARCH 28, 1985, IS UNDER PRIOR ART

11

1 THAT THE EXAMINER IS LOOKING FOR, HAS AN EFFECTIVE DATE PRIOR TO
2 MARCH 28, 1984.

3 Q. DOES IT MATTER HOW MUCH PRIOR?

4 A. IT CAN BE ONE DAY PRIOR. IF IT'S A YEAR AND A DAY, THAT
5 PRIOR ART -- IF THE CLAIM SAYS A, B AND C AND THE PRIOR ART
6 SHOWS A, B AND C, THE PRIOR ART IS A YEAR AND A DATE PRIOR --

7 MR. LEWIS: OBJECTION.

8 THE WITNESS: -- THEN IT ANTICIPATES.

9 MR. LEWIS: OBJECTION, YOUR HONOR. I MOVE THAT THAT
10 ANSWER BE STRICKEN.

11 YOUR HONOR, MY PROBLEM IS, IT IS THE COURT'S DUTY TO
12 INSTRUCT THE JURY ON THE LAW AND MR. DE GRANDI IS NOW TESTIFYING
13 ABOUT THE LAW OF ANTICIPATION, OR ATTEMPTING TO.

12

14 THE COURT: COUNSEL, I'M GOING TO INSTRUCT YOU --
15 OTHERWISE, I WILL CUT OFF ANY FURTHER EXAMINATION OF THE
16 WITNESS -- THAT THERE WILL BE NO TESTIFYING AS TO -- AS TO THE
17 LAW ABOUT WHICH THE JURY IS GOING TO BE INSTRUCTED.

18 MR. FIGG: VERY WELL, YOUR HONOR.

19 THE COURT: THAT WILL BE DONE BY THE COURT. AND SO THE
20 ANSWER IS STRUCK -- STRICKEN AND THE JURY INSTRUCTED TO
21 DISREGARD IT.

22 AND THAT'S NOT A QUESTION OF WHETHER THE ANSWER IS
23 RIGHT OR WRONG. IT'S A QUESTION OF WHAT IS PERMITTED TO BE
24 TESTIFIED TO BY A WITNESS.

25 Q. (BY MR. FIGG) MR. DE GRANDI, I'M GOING TO HAND YOU A COPY

12

1 OF A DOCUMENT MARKED AS EXHIBIT A-2. CAN YOU IDENTIFY THAT
2 DOCUMENT.

3 A. YES. THIS IS A CERTIFIED COPY OF U.S. PATENT NUMBER
4 4,683,195 ISSUED JULY 28, 1987, AND ASSIGNED TO CETUS
5 CORPORATION.

6 Q. THAT'S THE '195 PATENT.

7 A. THAT'S WHAT THEY CALL THE '195 PATENT.

8 Q. WITH THE ASSISTANCE OF EXHIBIT A-2, WHICH IS A POSTER BLOWUP
9 OF THE FIRST PAGE OF THE '195 PATENT, CAN YOU EXPLAIN THE
10 SIGNIFICANCE OF THE SUBJECT MATTER ON THE FIRST PAGE OF THAT
11 PATENT?

12 A. YES. HERE, AGAIN, IT FOLLOWS THE SAME FORMAT AS THE '202
13 PATENT. YOU HAVE THE PATENT NUMBER AT THE UPPER RIGHT-HAND
14 CORNER, THE DATE THE PATENT ISSUED, THE TITLE OF THE INVENTION,
15 WHO THE INVENTORS ARE, AND THIS TIME THERE ARE SIX INVENTORS
16 LISTED. THE ASSIGNEE IS CETUS CORPORATION. AND THIS
17 APPLICATION HAS SERIAL NUMBER 828,144, FILED FEBRUARY 7TH, 1986.

18 AND HERE YOU SEE THAT THIS IS A CONTINUATION-IN-PART OF
19 ANOTHER APPLICATION FILED IN 1986, WHICH WAS A DIVISION OF
20 ANOTHER APPLICATION WHICH WAS A CONTINUATION-IN-PART OF A MARCH
21 28, 1985, APPLICATION. SO THIS PATENT HAS THE BENEFIT OF A
22 MARCH 28, 1985, FILING DATE.

23 AND HERE, AGAIN, WE HAVE INTERNATIONAL CLASS, WE HAVE
24 U.S. CLASS IN WHICH THE PATENT'S CLASSIFIED, AND
25 CROSS-REFERENCE. YOU HAVE THE FIELD SEARCH WHERE THE EXAMINER

12

1 ACTUALLY SEARCHED WHEN HE DID THE SEARCH ON THIS APPLICATION,
2 AND YOU HAVE A LIST OF THE REFERENCES THAT THE EXAMINER CITED
3 DURING THE PROSECUTION.

4 AND HERE, AGAIN, YOU HAVE THE NAME OF THE EXAMINER AND
5 THE NAMES OF THE ATTORNEYS, AND YOU HAVE THE ABSTRACT OF THE
6 DISCLOSURE IN THE -- OF THE -- IN THE -- IN THE PATENT ITSELF.

7 THIS PATENT HAS 26 CLAIMS AND IT HAS 12 DRAWING
8 FIGURES.

9 YOU SEE HERE THERE'S AN ASTERISK UNDER "NOTICE." IT
10 SAYS, "THE PORTION OF THE TERM OF THIS PATENT SUBSEQUENT TO JULY
11 28" -- WHEN IT EXPIRES -- "SUBSEQUENT TO JULY 28" -- ACTUALLY,
12 "THE PORTIONS OF THE TERM OF THIS PATENT SUBSEQUENT TO JULY 28,"
13 THE YEAR "2004 HAS BEEN DISCLAIMED."

14 Q. HAVE YOU READ THE PROSECUTION HISTORY OF THE '195 PATENT?

15 A. YES, I HAVE.

16 Q. AND JUST BRIEFLY EXPLAIN WHAT THE PROSECUTION HISTORY IS TO
17 THE JURY.

18 A. PROSECUTION HISTORY IS OF THE APPLICATION ITSELF, THE
19 DRAWINGS, THE OFFICE ACTIONS BY THE EXAMINERS, THE RESPONSES
20 FILED BY THE ATTORNEYS, AND ALL OF THE DOCUMENTS IN THE FILE
21 UNTIL THE PATENT ISSUES. AND THAT'S -- THAT WHOLE INFORMATION,
22 ALL OF THOSE DOCUMENTS ARE CALLED PROSECUTION HISTORY, OR CALLED
23 FILE HISTORY OF THE PATENT.

24 Q. HAVING REGARD TO THAT PROSECUTION HISTORY, CAN YOU EXPLAIN
25 WHAT HAPPENED DURING THE PROSECUTION OF THIS PATENT THAT LED TO

12

1 THE TERMINAL DISCLAIMER THAT YOU JUST REFERRED TO.

2 MR. LEWIS: YOUR HONOR, I HAVE AN OBJECTION. I THINK
3 THE DOCUMENTS WILL SPEAK FOR THEMSELVES. I HAVE NO OBJECTION TO
4 MR. DE GRANDI BRIEFLY TALKING ABOUT EVENTS, BUT I WOULD ASK THAT
5 HE BE INSTRUCTED TO AVOID INTERPRETATIONS.

6 MR. FIGG: YOUR HONOR, ALL WE HAVE IN MIND IS MR.
7 DE GRANDI EXPLAINING THE EVENTS THAT LED TO THE FILING OF THE
8 TERMINAL DISCLAIMER IN THIS CASE, A GENERAL DESCRIPTION, AS MR.
9 LEWIS HAS SUGGESTED.

10 THE COURT: CAN YOU COME TO SOME STIPULATION OR
11 AGREEMENT WITH RESPECT TO THAT?

12 THE PURPOSE OF MR. DE GRANDI'S TESTIMONY SHOULD BE TO
13 EXPLAIN IN A GENERAL SENSE WHAT "PROSECUTION" MEANS, WHAT IS
14 MEANT BY OR THE PURPOSE OF THE SPECIFICATIONS, THE PURPOSE OF
15 THE CLAIMS AND THE SIGNIFICANCE OF THOSE. IN -- IN THE
16 ABSTRACT, NOT IN -- AND I -- AND I GET VERY CONCERNED WHEN IT
17 GETS TO THE PATENT -- THIS PATENT ITSELF, BECAUSE IT BORDERS ON
18 INTERPRETATION --

19 MR. FIGG: ALL RIGHT. I --

20 THE COURT: -- AND THAT REALLY IS NOT -- IS NOT PROPER.

21 MR. FIGG: PERHAPS WE CAN DEAL WITH THIS QUESTION IN
22 THE ABSTRACT, THEN.

23 THE COURT: OKAY.

24 Q. (BY MR. FIGG) MR. --

25 THE COURT: NOT REFERRING TO THE ABSTRACT THAT'S ON

12

1 THE . . .

2 MR. FIGG: NOT REFERRING TO THIS ABSTRACT.

3 THE COURT: IN THE PATENT.

4 Q. (BY MR. FIGG) MR. DE GRANDI, EXPLAIN FOR THE JURY WHAT A
5 TERMINAL DISCLAIMER IS, WHY THOSE COME UP IN PATENT
6 PROSECUTIONS.7 A. ACTUALLY, YOU CAN ONLY GET ONE PATENT FOR ONE INVENTION, AND
8 IF YOU HAVE TWO APPLICATIONS PENDING SIMULTANEOUSLY, AND THEY'RE
9 CLOSELY-RELATED, AND THE EXAMINER FEELS THAT THE CLAIMS IN ONE
10 OF THE APPLICATIONS ARE OBVIOUS OVER CLAIMS IN THE OTHER
11 APPLICATION, HE'S NOT GOING TO WANT TO ALLOW THE TWO PATENTS
12 ISSUE.

13

13 I GUESS THE BEST WAY TO DESCRIBE IT IS IN GENERAL
14 TERMS: IF YOU HAVE THE FIRST APPLICATION DEFINES THE CLAIMS AS
15 A, B AND C, THE SECOND APPLICATION HAS THE CLAIMS A, B, C AND D,
16 AND THE EXAMINER SAYS THAT A, B, C AND D CLAIMS ARE OBVIOUS OVER
17 THE CLAIMS A, B AND C. SO HE'S NOT GOING TO PERMIT YOU A PATENT
18 WITH CLAIMS A, B AND C AND LATER ON WITH CLAIMS A, B, C AND D,
19 BECAUSE THAT SECOND PATENT MAY ISSUE, SAY, FIVE, SIX, SEVEN,
20 EIGHT YEARS AFTER THE FIRST PATENT IS ISSUED.21 WHAT YOU'RE DOING IS, YOU'RE EXTENDING THE SCOPE OF
22 PROTECTION FROM THE INITIAL 17-YEAR PERIOD TO AN ADDITIONAL TERM
23 AT THE VERY END.24 SO WHEN THE EXAMINER REJECTS THE CLAIMS ON THE SECOND
25 APPLICATION AS BEING UNPATENTABLE WITH THE CLAIMS OF THE FIRST

13

1 APPLICATION, YOU CAN -- YOU HAVE A CHOICE. YOU CAN EITHER SAY
2 TO THE EXAMINER, "YOU'RE WRONG AND I'M GOING TO FIGHT YOU. AND
3 I'LL TAKE THIS CASE UP TO THE BOARD OF PATENT APPEALS AND
4 INTERFERENCES," OR YOU FILE A TERMINAL DISCLAIMER.

5 AND ALL A TERMINAL DISCLAIMER SAYS IS, NO MATTER WHEN
6 THE SECOND PATENT ISSUES, THE -- THAT SECOND PATENT IS GOING TO
7 EXPIRE ON THE SAME DATE AS THE FIRST PATENT.

8 MR. LEWIS: YOUR HONOR, I MOVE TO STRIKE THE ANSWER AS
9 NON-RESPONSIVE TO THE QUESTION AND AS, AGAIN, TESTIFYING ON
10 INTERPRETATIONS OF LAW.

11 MR. FIGG: YOUR HONOR, I --

12 THE COURT: THE OBJECTION IS OVERRULED.

13 (PAUSE IN PROCEEDINGS)

14 Q. (BY MR. FIGG) MR. DE GRANDI, I WOULD ASK IF YOU COULD
15 IDENTIFY DOCUMENTS THAT HAVE BEEN MARKED AS EXHIBIT NUMBER A-77
16 AND A-78.

17 A. (WITNESS RESUMES WITNESS STAND.)

18 (WITNESS EXAMINES DOCUMENT.)

19 THE EXHIBIT NUMBER A-77 APPEARS TO BE A FILE HISTORY OR
20 THE PROSECUTION FILE OF U.S. APPLICATION SERIAL NUMBER 716,975,
21 WHICH WAS SUBSEQUENTLY ABANDONED.

22 AND EXHIBIT NUMBER A-78 . . . APPEARS TO BE A FILE
23 HISTORY OF A PATENT APPLICATION THAT HAS NOW ISSUED AS U.S.
24 PATENT NUMBER 4,683,202, OR THE '202 PATENT.

25 Q. SO THOSE ARE THE FILE WRAPPERS OR THE FILE HISTORIES OF

13

1 THE -- THAT --

2 A. '202 --

3 Q. -- LED TO THE '202 PATENT.

4 A. THAT'S RIGHT.

5 Q. MR. DE GRANDI, IS -- IS THERE A RELATIONSHIP BETWEEN THE

6 '202 AND THE '195 PATENT IN TERMS OF THEIR HISTORY OF

7 APPLICATIONS?

8 A. THERE IS A RELATIONSHIP IN THAT THEY ALL STARTED WITH THE

9 VERY FIRST APPLICATION FILED IN MARCH OF 1985. THEN ANOTHER

10 APPLICATION WAS FILED WHICH WE SAW LATER IN THE '202 PATENT.

11 AS I RECALL, THE ADDITIONAL APPLICATION WAS FILED FROM

12 THIS APPLICATION WHICH RESULTED IN THE '202 PATENT; THERE WAS A

13 SUBSEQUENT APPLICATION THAT ISSUED AS TO THE '195 PATENT.

14 Q. MR. DE GRANDI, HAVE YOU -- YOU INDICATED EARLIER YOU'VE
15 REVIEWED THESE PROSECUTION HISTORIES BEFORE TODAY, I BELIEVE.

16 A. YES, I HAVE.

17 Q. CAN YOU ACQUAINT THE JURY WITH THE EVENTS IN THE PATENT &
18 TRADEMARK OFFICE CONCERNING THE PROSECUTION OF CLAIM 14 OF THE
19 '202 PATENT APPLICATION?

20 AND WE HAVE A --

21 MR. LEWIS: YOUR HONOR --

22 Q. (BY MR. FIGG) -- POSTER HERE --

23 MR. LEWIS: YOUR HONOR, I OBJECT TO THIS TESTIMONY.

24 CLAIM 14 IS NOT EVEN AT ISSUE IN THIS LAWSUIT.

25 THE COURT: ARE YOU USING THIS FOR -- FOR DEMONSTRATIVE

1 OR EXAMPLE PURPOSES, OR --

2 MR. FIGG: NO, YOUR HONOR.

3 THE COURT: WHAT IS --

4 MR. FIGG: THE -- THE RELEVANCE OF THIS TESTIMONY IS
5 QUITE HIGH.

6 THE POSITION THAT CETUS TOOK IN CONNECTION WITH CLAIM
7 14 ON THE ENABLING QUALITY OF THE . . . OF THEIR OWN
8 SPECIFICATION IS HIGHLY RELEVANT TO THE QUESTION OF THE ENABLING
9 QUALITY OF THE PRIOR ART.

10 MR. LEWIS: YOUR HONOR, MY OBJECTION GROWS. ENABLEMENT
11 ISSUES ARE A MATTER YOUR HONOR RULED WERE NOT TO BE PART OF THIS
12 TRIAL.

13 I HAVE A THIRD OBJECTION: IF THAT'S THE NATURE OF THE
14 TESTIMONY, WE HAVE HAD NO DISCOVERY ON IT BECAUSE MR. DE GRANDI
15 WAS UNPREPARED TO TESTIFY AT THE TIME OF HIS DEPOSITION.

16 THE COURT: THE -- THE OBJECTION IS SUSTAINED.

17 MR. FIGG: YOUR HONOR, IF I MIGHT JUST PURSUE THIS A
18 BIT FURTHER. THE --

19 THE COURT: WELL, WE'LL HAVE TO DO IT OUTSIDE THE
20 PRESENCE OF THE JURY.

21 MR. FIGG: MAY WE HAVE A SIDE BAR ON IT?

22 THE COURT: SIDE BARS FORTUNATELY ARE VIRTUALLY
23 IMPOSSIBLE. I HATE SIDE BARS, FOR ONE THING. THEY'RE VIRTUALLY
24 IMPOSSIBLE BECAUSE OF THIS EQUIPMENT, SO THERE'S A PHYSICAL
25 IMPOSSIBILITY.

1 I UNDERSTAND THAT THEY NEED TO DO A SWITCH, THE TWO OF
2 THEM, ABOUT EVERY HOUR --

3 IS THAT CORRECT?

4 THE REPORTER: YES.

5 THE COURT: -- IN ORDER TO GET THE TRANSCRIPT OUT AND
6 EVERYTHING. MAYBE THIS IS A GOOD TIME TO TAKE A SHORT RECESS.

7 MR. FIGG: VERY WELL, YOUR HONOR.

8 THE COURT: THEN WE CAN TAKE UP THE MATTER.

9 WE'LL TAKE A SHORT RECESS. PLEASE DO NOT DISCUSS THE
10 CASE AMONGST YOURSELVES OR WITH ANYONE ELSE.

11 IF YOU WISH TO LEAVE YOUR OWN MATERIALS ON YOUR OWN
12 CHAIR, YOU MAY DO THAT, AND WE'LL SEE YOU AT THE CLOSE OF THE
13 RECESS.

14 AND YOU MAY STEP DOWN, MR. DE GRANDI.

15 (JURY EXCUSED)

16 (OPEN COURT, JURY NOT PRESENT:)

17 THE COURT: YES.

18 MR. FIGG: YOUR HONOR, WHAT WE INTEND TO ELICIT FROM
19 MR. DE GRANDI IS JUST A DESCRIPTION OF THE EVENTS THAT OCCURRED
20 DURING THE PROSECUTION OF CLAIM 14, AND I CAN SUMMARIZE THOSE
21 EVENTS FOR YOU MORE OR LESS THE WAY I BELIEVE MR. DE GRANDI
22 WILL.

23 THEY ARE THAT CLAIM 14 COVERS A CERTAIN EMBODIMENT OF
24 THE PROCESS CLAIMED IN THE '202 PATENT.

25 THE EXAMINER REJECTED CLAIM 14 ON THE GROUNDS THAT IT

14 1 WAS NOT ENABLED BY THE SPECIFICATION OF THE '202 PATENT. CETUS
2 RESPONDED TO THAT REJECTION BY INFORMING THE PATENT & TRADEMARK
3 OFFICE THAT A PERSON OF ORDINARY SKILL IN THE ART WOULD HAVE
4 READILY BEEN ABLE TO REDUCE TO PRACTICE THE -- AND FIGURE OUT
5 THE CONDITIONS FOR MAKING THE CLAIM 14 PROCESS WORK EVEN THOUGH
6 THERE WAS NOTHING IN THE SPECIFICATION TO -- IN THE WAY OF
7 EXPERIMENTAL DETAILS.

8 THEY SUBMITTED AN AFFIDAVIT BY A CETUS SCIENTIST
9 SHOWING THAT INDEED CETUS SCIENTISTS WERE ABLE TO MAKE THE
10 PROCESS WORK THROUGH A PROCESS OF EXPERIMENTATION. AND THEY
11 ARGUED TO THE EXAMINER THAT THIS EXPERIMENTATION THAT WAS
12 INVOLVED WAS NOT UNDUE EXPERIMENTATION, THAT IT WAS SOMETHING
13 THAT A PERSON OF ORDINARY SKILL IN THE ART WAS QUITE CAPABLE OF
14 DOING.

15 IT'S OUR POSITION THAT THE -- THAT CETUS' APPROACH TO
16 THE PATENT EXAMINER ON THE ENABLEMENT SUPPORTING CLAIM 14 IS
17 DIRECTLY PERTINENT TO THE QUESTION OF THE LEVEL OF ORDINARY
18 SKILL IN THE ART, THE CAPABILITIES OF A PERSON OF ORDINARY SKILL
19 IN THE ART.

20 IN EFFECT, WHAT THEY SAID IN THE PATENT OFFICE IN
21 CONNECTION WITH CLAIM 14 IS INCONSISTENT WITH WHAT THEY'RE
22 SAYING NOW IN CONNECTION WITH THE ENABLING QUALITY OF THE PRIOR
23 ART FROM DR. KHORANA'S LABORATORIES.

24 AND WHAT WE INTEND TO DO WITH MR. DE GRANDI IS NOT TO
25 GO INTO THE TECHNICAL DETAILS OF ALL OF THAT BUT SIMPLY TO

1 EXPLAIN WHAT HAPPENED DURING PROSECUTION SO THAT WE CAN HAVE A
2 TECHNICAL WITNESS LATER ON EXPLAIN THE TECHNICAL -- FROM A
3 TECHNICAL VIEWPOINT WHAT HAPPENED AND THE KINDS OF EXPERIMENTAL
4 DATA THAT WERE PRESENTED TO THE PATENT & TRADEMARK OFFICE. BUT
5 I THINK WE NEED TO LAY THE FOUNDATION WITH MR. DE GRANDI.

6 THE COURT: THAT'S NOT THE ISSUE THAT'S BEEN RAISED
7 WITH RESPECT TO --

8 MR. FIGG: I'M SORRY?

9 THE COURT: THAT IS -- THAT IS NOT THE ISSUE THAT IS --
10 THAT WAS FRAMED FOR THIS TRIAL AS ESSENTIALLY AN ATTEMPT TO GET
11 THAT ISSUE IN BY --

12 MR. FIGG: NO, YOUR HONOR.

13 THE COURT: -- ESSENTIALLY THE -- BY GOING BACK TO THE
14 PRIOR -- THE PRIOR ART IS, OF COURSE, IN ISSUE HERE. WHAT
15 YOU'RE ATTEMPTING TO DO IS TO GET AT THAT AND AT THE SAME TIME
16 REACH OTHER ISSUES THAT WERE EXCLUDED.

17 MR. FIGG: NO. WE'RE NOT ATTEMPTING TO CHALLENGE THE
18 PATENTABILITY OF CLAIM 14. IN FACT, WE HAVE NOT CHALLENGED IT
19 AND, AS MR. LEWIS HAS POINTED OUT, CLAIM 14 IS NOT EVEN IN ISSUE
20 IN THIS CASE.

21 WHAT WE'RE SIMPLY TRYING TO DO IS SAY THAT CETUS IS
22 TAKING A POSITION IN PROSECUTING ITS PATENT IN THE PATENT &
23 TRADEMARK OFFICE ON WHAT THE CAPABILITIES OF A PERSON OF
24 ORDINARY SKILL IN THE ART WERE. THOSE ARE DIRECTLY RELEVANT TO
25 THE QUESTION OF HOW THE PERSON OF ORDINARY SKILL IN THE ART

1 WOULD BE ABLE TO INTERPRET THE KHORANA REFERENCES.

2 IT IS, I THINK, HIGHLY RELEVANT IF CETUS -- THAT THE
3 STANDARD SHOULD BE THE SAME. A PERSON OF ORDINARY SKILL IN THE
4 ART --

5 THE COURT: BUT WE'RE LOOKING AT WHETHER OR NOT A
6 PERSON OF ORDINARY SKILL IN THE ART COULD HAVE PERFORMED THE
7 KHORANA PATENT, NOT THIS ONE.

8 THAT IS NOT THE ATTACK. THAT'S NOT WHAT HAS BEEN
9 ALLOWED IN THIS CASE.

10 MR. FIGG: WELL, I --

11 THE COURT: THAT'S THE -- THAT IS NOT -- THAT IS NOT
12 ONE OF THE ISSUES THAT'S AT TRIAL HERE.

13 MR. FIGG: WE'RE NOT -- WE'RE NOT PUTTING IT AT TRIAL.
14 WE'RE SIMPLY SAYING THAT THIS IS EVIDENCE OF --

15 THE COURT: WELL, THEN, WHY ARE WE TRYING IT THEN IF
16 THAT'S -- THAT'S, IN ESSENCE, WHAT YOU'RE DOING?

17 MR. FIGG: NO, YOUR HONOR. WE ARE NOT CHALLENGING
18 CLAIM 14.

19 THE COURT: DO YOU HAVE SOME DIFFERENT VIEW OF THIS?

20 MR. LEWIS: I'M IN ACCORD WITH YOUR HONOR'S VIEWS. I
21 THINK IT'S IRRELEVANT IN COMPARISON WITH THE ISSUES THAT HAVE
22 BEEN FRAMED FOR TRIAL.

23 MR. FIGG: YOUR HONOR, WHAT CETUS SAID TO THE PATENT
24 EXAMINER ABOUT THE CAPABILITIES OF A PERSON OF ORDINARY SKILL IN
25 THE ART IN CONNECTION WITH -- WITH BEING ABLE TO PRACTICE THE

1 PROCESS OF CLAIM 14 IS SIMPLY ANOTHER PIECE OF EVIDENCE AS TO
2 WHAT THE LEVEL OF ORDINARY SKILL WAS, WHAT THE CAPABILITIES OF A
3 PERSON WITH ORDINARY SKILL WERE.

4 NOW, I THINK IT'S PERFECTLY APPROPRIATE FOR US TO SHOW
5 THAT CETUS IS NOW APPLYING -- AND WE'RE TALKING ABOUT THE SAME
6 PERSON: WHAT WAS THE LEVEL OF ORDINARY SKILL IN -- AT THE TIME
7 OF THE FILING OF THESE PATENT APPLICATIONS?

8 IT'S THE SAME WHETHER YOU'RE LOOKING AT THE PRIOR ART
9 OR WHETHER YOU'RE LOOKING AT THE ENABLING QUALITY OF THE
10 SPECIFICATION.

11 AND WHAT CETUS SAID TO THE PATENT OFFICE ABOUT THE
12 CAPABILITIES OF A PERSON WITH ORDINARY SKILL IS DIRECTLY
13 RELEVANT TO THIS ISSUE OF THE ENABLEMENT -- THE ENABLING QUALITY
14 OF THE PRIOR ART.

15 CETUS SIMPLY CAN'T HAVE IT BOTH WAYS. THEY CAN'T ARGUE
16 TO THE PATENT EXAMINER THAT -- THAT A SKILLED PERSON WAS HIGHLY
17 SKILLED AND WOULD BE ABLE TO WORK OUT THIS MYRIAD OF CONDITIONS
18 TO MAKE THIS PROCESS IN CLAIM 14 WORK AND THEN, IN THIS LAWSUIT,
19 SAY THE PERSON OF ORDINARY SKILL IN THE ART WAS A DUNDERHEAD AND
20 WOULDN'T HAVE BEEN ABLE TO HAVE FOLLOWED ANY OF THE STEPS IN THE
21 KHORANA PRIOR ART.

22 I THINK WE ARE PERFECTLY ENTITLED TO POINT OUT THOSE
23 INCONSISTENT POSITIONS.

24 MR. LEWIS: YOUR HONOR, I THINK YOU UNDERSTAND THAT
25 THAT IS NOT OUR POSITION, THAT IF PEOPLE WERE DUNDERHEADS OR

15

1 SOMETHING LIKE THAT.

2 MR. FIGG: WELL, I EXAGGERATED WHEN I SAID DUNDERHEADS.
3 BUT THE CETUS POSITION CLEARLY IS THAT A PERSON --

4 THE COURT: LET'S ASSUME HE DIDN'T SAY THAT WORD.
5 LET'S GET TO THE SUBSTANCE OF THE --

6 MR. LEWIS: THE POINT IS, WE'RE GOING TO END UP WASTING
7 AN AWFUL LOT OF TIME ON A CLAIM THAT'S NOT AN ISSUE, ON AN ISSUE
8 THAT'S NOT AN ISSUE, EVEN IF IT DID HAVE SOME TANGENTIAL
9 RELEVANCE TO THE LEVEL OF SKILL IN THE ART, WHICH I DISPUTE,
10 BECAUSE MR. DE GRANDI HAS NO PERSONAL KNOWLEDGE OF THESE THINGS.
11 HE'S SIMPLY, AT MOST, CAPABLE OF TELLING THE JURY THAT THERE IS
12 A DOCUMENT IN THE FILE.

13 BUT WHAT MR. FIGG SEEMS TO INTEND IS TO TAKE IT FURTHER
14 AND HAVE HIM INTERPRET THESE THINGS ON A CLAIM THAT'S NOT IN
15 ISSUE, ON AN ISSUE THAT'S NOT IN ISSUE, BECAUSE MR. FIGG HAS
16 SOME ARGUMENT TO MAKE THAT THERE'S SOME TANGENTIAL RELEVANCE.

17 THE COURT: THE PROBLEM IS --

18 MR. FIGG: WELL, IT IS HIGHLY RELEVANT.

19 THE COURT: THE PROBLEM IS THAT THE ARGUMENT -- THE
20 ARGUMENT FALLS FOR THIS REASON: THAT IT -- IT CONTAINS AN
21 ASSUMPTION THAT I THINK IS INACCURATE, AND THAT IS THAT -- THAT
22 SOMEHOW THE TWO ARE MIRROR IMAGES OF EACH OTHER, AND THAT,
23 THEREFORE, BECAUSE -- YOU KNOW, IF CETUS' POSITION IS THAT
24 THEY'RE -- THE PRIOR ART -- THAT THE FALLACIES THAT YOU'RE
25 POINTING OUT WITH RESPECT TO CETUS, THEIR CLAIMS WITH RESPECT TO

15

1 THE PRIOR ART ARE THE SAME, THAT, THEREFORE, THERE IS -- THERE
2 IS THE SAME FALLACY IN CETUS' PATENT, AND THAT, OF COURSE,
3 ASSUMES THAT THE TWO WERE MIRROR IMAGES OF EACH OTHER, OR
4 SOMETHING VERY, VERY CLOSE. THAT HASN'T EVEN YET BEEN
5 ESTABLISHED.

6 BUT THAT'S NOT THE ISSUE IN THIS CASE. AT BEST, THAT
7 KIND OF EVIDENCE IS APPROPRIATE FOR REBUTTAL. CETUS HASN'T EVEN
8 PUT ON ITS CASE YET.

9 MR. FIGG: WELL, YOUR HONOR, WE --

10 THE COURT: AND IF CETUS' CONTENTIONS RAISE THAT
11 ARGUMENT FOR REBUTTAL, THEN MAYBE -- MAYBE IT WOULD BE
12 APPROPRIATE TO SHOW THE INCONSISTENCY OF THEIR POSITION. BUT
13 IT'S NOT -- WITH YOUR FIRST WITNESS, IT'S HARDLY THE TIME TO
14 START POINTING OUT THE INCONSISTENCIES OF A POSITION THAT CETUS
15 HASN'T EVEN PUT ON THE STAND YET.

16 MR. FIGG: YOUR HONOR, WE'RE NOT INTENDING TO POINT OUT
17 INCONSISTENCIES AT THIS POINT; WE'RE SIMPLY INTENDING TO POINT
18 OUT WHAT WENT ON DURING THE PROSECUTION OF THE PATENT
19 APPLICATION, WHICH IS BEST DONE THROUGH MR. DE GRANDI.

20 WE HAVE THE BURDEN OF PROVING THAT THE PRIOR ART IS
21 ENABLING, AND WE WILL DO THAT THROUGH OUR TECHNICAL WITNESSES,
22 BUT I THINK THAT --

23 THE COURT: WELL, THEN, LET'S DO THAT, BECAUSE THOSE
24 ARE THE ISSUES THAT ARE BEFORE THE COURT NOW. INSTEAD, WITH THE
25 VERY FIRST WITNESS, WE'RE GOING OFF ON AN ISSUE THAT'S NOT EVEN

15

1 BEFORE THE COURT.

2 MR. FIGG: YOUR HONOR, IF --

3 THE COURT: THE OBJECTION IS SUSTAINED.

4 WE'LL TAKE A RECESS AND RECONVENE IN ABOUT 10 MINUTES.

5 WILL THAT GIVE YOU ENOUGH TIME?

6 THE REPORTER: (NODDING HEAD.)

7 MR. FIGG: YOUR HONOR, WE HAVE THE OTHER TWO MATTERS WE
8 WOULD LIKE TO RAISE BEFORE WE GO BACK TO --

9 THE COURT: OKAY. WHAT ARE THE OTHER TWO MATTERS?

10 MR. FIGG: ALL RIGHT.

11 (PAUSE IN PROCEEDINGS)

12 MR. FIGG: THE FIRST MATTER, YOUR HONOR, IS ONE THAT WE
13 CONSIDER VERY SERIOUS:

14 DURING THE PRETRIAL CONFERENCE THAT WE HAD IN NOVEMBER,
15 WE DISCUSSED DU PONT'S MOTION IN LIMINE TO PREVENT ANYONE FROM
16 REFERRING TO OR ARGUING THAT AN ADVERSE INFERENCE SHOULD BE
17 DRAWN FROM MR. -- DR. KHORANA'S ABSENCE FROM THIS TRIAL. AND
18 DURING THAT . . . THAT PRETRIAL CONFERENCE, YOUR HONOR GRANTED
19 DU PONT'S MOTION IN LIMINE ON THAT AND SAID THE FOLLOWING:

20 "I'M NOT PREPARED TO LET ANYBODY ARGUE HIS

21 ABSENCE OR ANYTHING ELSE ABOUT HIM WITHOUT A

22 DECLARATION OR SOMETHING ON THE RECORD FROM HIM AS TO

23 WHY HE'S NOT PARTICIPATING IN THESE PROCEEDINGS."

24 YESTERDAY DURING HIS OPENING STATEMENT, MR. PASAHOW

25 DIRECTLY VIOLATED THAT. IN HIS PREPARED STATEMENTS, MR. PASAHOW

15

1 SAID:

2

"DR. KLEPPE, AS MR. FIGG" --

3

THE COURT: I REMEMBER. I REMEMBER WHAT HE SAID.

4

MR. FIGG: AND HE SAID: "DR. KHORANA HAS CHOSEN

16

5

NOT TO TESTIFY, SO WE WON'T HAVE THE BENEFIT OF HIS

6

RECOLLECTION AND VIEWS ON THESE SUBJECTS."

7

WE HAVE LEARNED FROM PEOPLE IN THE AUDIENCE THAT THIS

8

WAS A VERY SIGNIFICANT POINT AND THAT -- THAT INDEED DRAWING

9

ATTENTION TO DR. KHORANA'S ABSENCE HAD QUITE AN IMPACT.

10

WE THINK IT WAS A DIRECT AND EGREGIOUS VIOLATION OF THE

11

COURT'S ORDER. WE'VE ACTUALLY CONTEMPLATED GOING SO FAR AS TO

12

MOVE FOR A MISTRIAL ON THAT POINT BECAUSE WE THINK --

13

THE COURT: WELL, HOW COME YOU DIDN'T OBJECT AT THE

14

TIME?

15

MR. FIGG: WELL, YOUR HONOR --

16

THE COURT: THAT WOULD HAVE GIVEN ME THE OPPORTUNITY TO

17

TELL THE JURY THAT THAT KIND OF A -- THAT KIND OF A STATEMENT

18

WAS -- WAS NOT PROPER, AND TO ADMONISH MR. PASAHOW ABOUT THAT,

19

AND TO INSTRUCT THE JURY THAT, IN FACT, NEITHER PARTY HAD

20

PRESENTED TO THIS COURT ANY BASIS FOR WHY DR. KHORANA WAS HERE

21

(SIC), BOTH SIDES HAD AN OPPORTUNITY TO DO THAT, AND THAT NO

22

INFERENCE MAY BE DRAWN WHATSOEVER.

23

MR. FIGG: YOUR HONOR, I --

24

THE COURT: BUT IT'S A LITTLE LATE, YOU KNOW, NOW FOR

25

ME TO INTERJECT THAT.

1 MR. FIGG: WELL, THIS STATEMENT OCCURRED RIGHT AT THE
2 END OF MR. PASAHOW'S PRESENTATION --

3 THE COURT: UH-HUH.

4 MR. FIGG: -- I THINK FOR EMPHASIS, AND I DID START TO
5 JUMP UP TO OBJECT, BUT, TWO THINGS: IT'S GENERALLY NOT
6 APPRECIATED BY THE COURT WHEN ATTORNEYS OBJECT TO OTHERS'
7 OPENING STATEMENTS, BUT --

8 THE COURT: I THINK IT IS. IF I HAD BEEN ONE OF YOU
9 DOWN THERE, THERE ARE SEVERAL POINTS I WOULD HAVE OBJECTED.
10 IT'S GETTING VERY ARGUMENTATIVE. AND I'M SURPRISED NOBODY DID
11 IT. I THOUGHT YOU WERE BEING FAR TOO GENTLEMANLY ABOUT THE
12 WHOLE THING.

13 MR. FIGG: HAD I JUMPED UP AND OBJECTED TO THAT, I
14 WOULD HAVE DRAWN ATTENTION TO IT, I DID NOT WANT TO DRAW ANY
15 MORE ATTENTION TO IT. IT WAS BAD ENOUGH AS IT WAS.

16 AND WE LEARNED LAST NIGHT THAT INDEED THE PERCEPTION
17 WAS AS BAD AS I HAD THOUGHT IT WAS. SO MY INTENTION WAS TO
18 RAISE IT FIRST THING THIS MORNING AND --

19 THE COURT: DO WE HAVE A SHADOW JURY OUT THERE
20 SOMEWHERE?

21 MR. FIGG: WE DON'T HAVE A SHADOW JURY, YOUR HONOR.

22 MR. PASAHOW: NOR DO WE, YOUR HONOR.

23 THE COURT: I ASSUME THAT THESE ARE EITHER LEGAL OR
24 SCIENTIFIC EXPERTS, AND THAT MAY MEAN MORE TO THEM THAN IT DOES
25 TO THESE PEOPLE.

16

1 I WILL GIVE AN INSTRUCTION, BUT I THINK IT'S
2 INAPPROPRIATE TO SORT OF DRAW IT OUT OF THIN AIR.

3 AT SOME POINT WHEN DR. KHORANA'S NAME IS MENTIONED, AND
4 IN A CONTEXT WHERE IT WILL NOT UNDULY HIGHLIGHT IT, I'M JUST
5 GOING TO MAKE A REFERENCE TO IT, AND THE FACT THAT THAT
6 STATEMENT WAS INAPPROPRIATE. AND I CAN DO IT SUA SPONTE SO IT
7 DOESN'T LOOK LIKE, YOU KNOW, --

8 MR. FIGG: ALL RIGHT, YOUR HONOR.

9 THE COURT: -- YOU'RE THE VILLAIN HERE, EITHER.

10 BUT IT WAS INAPPROPRIATE TO MENTION THAT. THAT WAS A
11 CLEAR INSTRUCTION.

12 MR. FIGG: YOUR HONOR, WE --

13 MR. PASAHOW: YOUR HONOR, COULD I BE HEARD ON THAT?

14 MR. FIGG: WE HAVE -- IF I MIGHT JUST FINISH: WE'VE
15 PROPOSED A JURY INSTRUCTION WHICH WE THINK WOULD REMEDY THE
16 SITUATION --

17 THE COURT: OKAY.

18 MR. FIGG: -- WHICH WE HAVE GIVEN A COPY TO MR.
19 PASAHOW.

20 THE COURT: YES. YES.

21 MR. PASAHOW: YOUR HONOR, I HAD UNDERSTOOD, AND I THINK
22 IT'S ABSOLUTELY CLEAR, THAT THE MOTION IN LIMINE WAS THAT I NOT
23 BE PERMITTED TO ARGUE THAT AN INFERENCE SHOULD BE DRAWN THAT IF
24 DR. KHORANA WERE HERE TO TESTIFY, HE WOULD NOT SUPPORT DU PONT'S
25 CASE. THAT WAS THE SOLE SUBJECT MATTER OF THE MOTION IN LIMINE.

16

1 THE COURT: MY UNDERSTANDING WAS, AND I THOUGHT IT WAS
2 CLEAR, THAT THERE WAS TO BE NO DISCUSSION WHATSOEVER OF HIS
3 FAILURE TO TESTIFY OR HIS ABSENCE IN TESTIFYING.

4 MR. PASAHOW: I -- I --

5 THE COURT: AND I DO THINK THAT THAT -- YOU KNOW, I'VE
6 BEEN CONCERNED ABOUT THAT ALL ALONG: THAT, YOU KNOW, WHAT -- I
7 THINK THAT WOULD BE THE FIRST QUESTION ANY JUROR WOULD HAVE:
8 "WELL, WHERE IS THIS PERSON? DR. KLEPPE, WE KNOW WHY HE'S NOT
9 HERE, BUT DR. KHORANA? WHERE IS THIS MAN?"

10 MR. PASAHOW: IF I MIGHT FINISH, YOUR HONOR.

11 THE COURT: UH-HUH.

12 MR. PASAHOW: THE REASON I SAID WHAT I DID IS, YOUR
13 HONOR HAD INDICATED THAT YOU WERE GOING TO GIVE AN INSTRUCTION
14 TO THE JURY REFERRING TO DR. KHORANA'S ABSENCE, AND THE ONLY
15 POINT -- I TRIED TO BE VERY CAREFUL, TO BE NEUTRAL IN WHAT I
16 SAID, AND MR. FIGG HAS READ IT SOMEWHAT OUT OF CONTEXT, BECAUSE
17 I SAID THAT IT WAS THROUGH NO FAULT OF ANY PARTY.

18 THE POINT OF WHAT I SAID WAS SIMPLY TO ANTICIPATE YOUR
19 HONOR'S COMMENT, BECAUSE THE TESTIMONY IS NOT GOING TO BE PART
20 OF THE TRIAL.

21 THE COURT: IT IS A DANGEROUS AREA TO GET INTO, AND IT
22 SHOULDN'T HAVE -- IT SHOULDN'T HAVE BEEN SAID. IT CERTAINLY
23 LEFT AN IMPRESSION WITH ME THAT SOMETHING THAT HAD BEEN RULED
24 UPON PREVIOUSLY HAD JUST BEEN -- JUST BEEN BREACHED.

25 AND I -- YOU KNOW, I MEAN, SOMETIMES I DO JUMP IN. I

16

1 HATE TO DO IT DURING SOMEBODY'S OPENING STATEMENT. I WILL DO IT
2 DURING SOMEBODY'S OPENING ARGUMENT, EVEN IF I THINK THE OTHER
3 SIDE IS BEING GENTLEMANLY, IF I THINK SOME ORDER HAS BEEN
4 BREACHED.

17

5 BUT I TEND TO -- NOT TO DO IT IN OPENING STATEMENT, AND
6 I FEAR IT'S UP TO THE OTHER SIDE TO MAKE THAT OBJECTION. IT
7 WOULDN'T BE THE FIRST TIME SOMEBODY'S OBJECTED TO AN OPENING
8 STATEMENT.

9 MR. FIGG: WELL, YOUR HONOR, LOGISTICALLY, IT JUST
10 DIDN'T SEEM LIKE IT WAS THE RIGHT THING TO DO AT THE TIME. AND
11 MAYBE THAT WAS THE WRONG JUDGMENT, BUT THAT WAS THE JUDGMENT I
12 MADE AT THE TIME.

13 THE COURT: WELL, WHO KNOWS? WHO KNOWS? BUT I THINK
14 IT CAN BE CURED BY AN APPROPRIATE INSTRUCTION AND . . .

15 THE JURORS MAY WELL AT SOME POINT, IF THEY WRITE THE
16 NOTES THAT WE GET SOMETIMES FROM THEM, RAISE THE QUESTIONS
17 THEMSELVES, WHICH WOULD BE AN APPROPRIATE TIME TO DO IT.

18 MR. FIGG: YOUR HONOR?

19 THE COURT: YES.

20 MR. FIGG: AT THE PRETRIAL CONFERENCE, WE POINTED OUT
21 THAT IF REFERENCE WAS MADE TO DR. KHORANA'S ABSENCE DURING THE
22 TRIAL, WHICH IN ESSENCE IS -- IS NON-VERBAL CONDUCT HEARSAY,
23 THAT WE FELT WE SHOULD BE ENTITLED TO DISCUSS WITH DR. KORNBERG
24 THE CONVERSATIONS THAT HE HAS HAD WITH DR. KHORANA ABOUT DR.
25 KHORANA'S VIEWS ON THIS SUBJECT.

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I THINK THAT, IN VIEW OF THE IMPACT THAT MR. PASAHOV'S STATEMENT HAS LIKELY HAD, WE SHOULD BE ENTITLED TO ELICIT THAT SORT OF TESTIMONY FROM DR. KORNBERG.

THE COURT: IT'S NOT A PRINCIPLE I'VE EVER SEEN ARTICULATED IN RULES OF EVIDENCE OR ANYTHING ELSE, BUT TWO WRONGS DON'T MAKE A RIGHT, AND I THINK THAT THAT GOES FAR BEYOND THE BONDS -- BONDS -- BOUNDS, BECAUSE IT ALLOWS SOMEONE TO TESTIFY TO WHAT SOMEONE HAS SAID -- SOMETHING SOMEONE HAS SAID WITHOUT THE OPPORTUNITY TO CROSS-EXAMINE THAT PERSON, AND THE BEST WAY TO HANDLE IT IS FOR THE COURT TO GIVE A VERY CLEAR INSTRUCTION TO THE JURY.

MR. FIGG: YOUR HONOR, ONE LAST THING, AND THIS IS FOR INFORMATIONAL PURPOSES:

I DON'T WANT TO WASTE THE COURT'S TIME, BUT I DID THINK IT WAS APPROPRIATE TO RESPOND TO THE POINT YOU HAD RAISED IN THE NOVEMBER PRETRIAL ABOUT PERHAPS TRYING TO CONVINC DR. KHORANA TO PARTICIPATE.

WE DID CONTACT DR. KHORANA, THROUGH HIS ATTORNEY. HIS ATTORNEY SPOKE TO HIM AND WROTE BACK TO ME. I SENT ALONG A COPY OF THE TRANSCRIPT OF THE PROCEEDINGS.

THE COURT: UH-HUH.

MR. FIGG: HE WROTE BACK TO ME AND SAID, "DR. KHORANA IS WILLING TO PARTICIPATE ON A RATHER LIMITED BASIS." AND WHAT HE WOULD AGREE TO DO IS SUBMIT TO WRITTEN QUESTIONS FROM BOTH SIDES IN WHICH HE WOULD RESPOND IN -- UNDER OATH, AND THEN HE

1 WOULD AGREE TO A FEW CLARIFYING FOLLOW-UP QUESTIONS, BUT HE DID
2 NOT WANT TO BE SUBJECTED TO A FULL-BLOWN DEPOSITION.

3 I PASSED THAT ALONG TO MR. PASAHOW, AND CETUS SAID THAT
4 THEY REALLY WEREN'T INTERESTED IN PROCEEDING WHEN THEY COULDN'T
5 FULLY CROSS-EXAMINE DR. KHORANA. SO THAT'S WHERE ALL OF THAT
6 STANDS.

7 THE COURT: OKAY.

8 MR. FIGG: I'M NOT SAYING ANYTHING ONE WAY OR THE
9 OTHER. IT'S JUST, WE DID MAKE AN EFFORT TO COMPLY WITH YOUR
10 HONOR'S REQUEST ON THAT.

11 THE COURT: OKAY.

12 MR. PASAHOW: YOUR HONOR, MIGHT I RAISE ANOTHER ISSUE?
13 IT'S STARTING TO BE A THEME, IT SEEMS, OF MR. FIGG'S
14 PRESENTATION THAT THE PATENT IS STOPPING OTHER PEOPLE FROM USING
15 THIS TECHNOLOGY AND CREATING A MONOPOLY POSITION, AND I HAD
16 UNDERSTOOD FROM WHAT WE HAD DONE IN NOVEMBER THAT THAT WAS NOT
17 TO BE AN APPROPRIATE CONSIDERATION FOR THE JURY, AS YOUR HONOR
18 PUT IT AT THAT TIME. I WOULD APPRECIATE SOME CLARIFICATION ON
19 THAT POINT FOR OUR GUIDANCE.

20 THE COURT: WELL, THE WHOLE NOTION OF A PATENT IS THAT
21 IT DOES, YOU KNOW, PROVIDE A MONOPOLY FOR SOME -- SOME PERIOD OF
22 TIME, AND THAT'S THE WHOLE -- WHOLE NATURE OF IT.

23 BUT WHAT I DID SAY, AND I THINK -- I KNOW I'VE SAID IT
24 EVEN MORE RECENTLY BECAUSE WE HAD SOME DISCUSSION ABOUT RELATED
25 MATTERS, AND THAT IS THAT THE COMMERCIAL IMPACT OR THE IMPACT ON

17

1 SCIENCE, IF THERE -- IF THERE BE ANY IMPACT, AND PROGRESS IN
2 THIS FIELD IS REALLY INAPPROPRIATE FOR TESTIMONY, AND THERE
3 SHOULD BE NO REFERENCE TO IT.

4 MR. FIGG: YEAH. WE HAD UNDERSTOOD YOUR HONOR'S RULING
5 AT THE PRETRIAL CONFERENCE THAT WE WERE NOT TO BRING IN EVIDENCE
6 AS TO WHAT DU PONT INTENDED TO DO WITH THIS TECHNOLOGY AND WHAT
7 IT WAS BEING PREVENTED FROM DOING.

8 WE DID NOT UNDERSTAND YOUR HONOR'S RULING TO MEAN THAT
9 WE COULDN'T SAY THAT THE POINT OF A PATENT IS TO EXCLUDE OTHERS
10 FROM MAKING, USING AND SELLING THE INVENTION, WHICH IS SORT OF
11 BASIC.

12 I -- I DON'T AGREE WITH MR. PASAHOW THAT THAT IS A
13 THEME, AND YOUR HONOR BROUGHT THAT UP YESTERDAY AND WE'VE --

14 THE COURT: LET'S NOT --

15 MR. FIGG: -- SUBSTANTIALLY MODIFIED MR. DE GRANDI'S
16 TESTIMONY.

17 THE COURT: YES. LET'S NOT HEAR ANY MORE ABOUT IT.

18 MR. FIGG: YES.

19 THE COURT: ONE THING ONE SHOULD KEEP IN MIND IS THAT
20 IF -- THAT SOMETIMES THE CURE CAN BE WORSE THAN THE DISEASE.

21 MR. FIGG: YES, INDEED.

22 THE COURT: AND THE COURT CAN GIVE SOME VERY
23 DEVASTATING CURATIVE INSTRUCTIONS. SO I THINK IT'S BETTER NOT
24 TO TREAD INTO THOSE AREAS, BECAUSE I -- YOU KNOW, IF -- IF IT
25 REALLY SEEMS AS IF THE JURY IS -- IS GETTING THE IMPRESSION

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18

1 THAT, THEREFORE, BECAUSE SOMEONE HAS A PATENT IN THIS CASE
 2 THAT -- THAT . . . OTHER COMPETITORS ARE DEPRIVED OF, YOU KNOW,
 3 KEPT OUT OF THE MARKET, AND IT'S HAVING DEVASTATING COMMERCIAL
 4 EFFECTS OR ADVERSE EFFECTS ON THE PROGRESS IN BIOTECHNOLOGY, THE
 5 COURT CAN SPEND A FAIR AMOUNT OF TIME TELLING THE JURY ABOUT
 6 LICENSING AND A LOT OF OTHER THINGS THAT . . . AREN'T GOING TO
 7 DO ANYBODY ANY GOOD, I SUPPOSE, AND . . .

8 SO I THINK YOU'D BETTER STAY AWAY FROM THAT COMPLETELY;
 9 OKAY?

10 MR. PASAHOW: THANK YOU, YOUR HONOR.

11 THE COURT: ANYTHING FURTHER?

12 MR. FIGG: ONE LAST ITEM, YOUR HONOR:

13 I'M SURE YOUR HONOR SAW THE ARTICLE THAT WAS IN THE
 14 SAN FRANCISCO CHRONICLE YESTERDAY WITH VERY LARGE HEADLINES.

15 THE COURT: UH-HUH.

16 MR. FIGG: YOU MIGHT -- IF YOU DID READ IT, I'M SURE
 17 YOU'RE AWARE THAT IT SAYS A LOT OF THINGS THAT DU PONT IS NOT
 18 VERY HAPPY ABOUT. IT SAYS DR. --

19 THE COURT: WAS THIS A CETUS PRESS RELEASE?

20 MR. FIGG: NO. WE'RE NOT -- I DON'T KNOW. I HAVE NO
 21 INFORMATION ON THAT ONE WAY OR THE OTHER.

22 THE COURT: IS THAT THE REUTER'S -- MS. MORIYAMA CALLED
 23 SOMETHING TO MY ATTENTION.

24 MR. FIGG: IT'S A REUTER'S ARTICLE.

25 I'M NOT CRITICIZING CETUS ON THIS. I HAVE NO