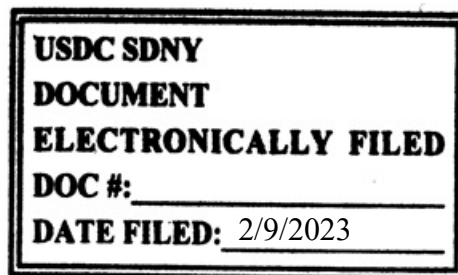


FISH.
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VIA ECF

February 7, 2023

Hon. Katharine H. Parker
United States District Judge
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007

Esha Bandyopadhyay
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**Re: *Spectrum Dynamics Medical Limited (Plaintiff) v. GE et al. (Defendants);*
*Case No.: 18-cv-11386 (VSB)***

Dear Judge Parker:

Pursuant to Federal Rule of Civil Procedure 5.2(e), Your Honor's Individual Rule of Practice III(d), and the parties' Stipulated Protective Order (ECF No. 156), Spectrum respectfully requests redaction and filing under seal of certain portions of the January 5, 2023, hearing transcript (ECF No. 618). The proposed redactions are shown in Exhibit 1. Defendants do not object to this request.

Throughout the hearing, counsel and Your Honor referenced a GE patent, by number and other identifying information, that Spectrum contends contains misappropriated Spectrum trade secrets. Judge Broderick previously granted Spectrum's request to redact such information from its First Amended Complaint because "the mere disclosure that GE owns the identified patents containing the trade secrets, with an assertion that they contain misappropriated Spectrum technology, informs potential competitors that Spectrum's system (the first of its kind on the market) contains some of the features disclosed in such patents." ECF No. 32 at 1. For the same reason, Judge Broderick also granted Spectrum's request to redact such information from its Motion for Leave to Amend Complaint. ECF No. 552.

For these reasons, Spectrum respectfully requests redaction and filing under seal of the January 5, 2023, hearing transcript.

Respectfully Submitted,

/s/ Esha Bandyopadhyay
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Hon. Katharine H. Parker
Page 2

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Spectrum's proposed redactions are narrowly tailored to protect competitively sensitive information in accordance with *Lugosch v. Pyramid Co. of Onondaga*, 435 F.3d 110 (2d Cir. 2006) and its progeny. Accordingly, the motion is GRANTED. The transcript from the 1/5/2023 conference shall incorporate Spectrum's proposed redactions. The Clerk of the Court is respectfully directed to terminate the motions at ECF No. 625 and 626. The filing at ECF No. 626 may remain under seal.

SO ORDERED:

A handwritten signature in black ink that reads "Katharine H. Parker". The signature is written in a cursive style and is positioned above a horizontal line.

**HON. KATHARINE H. PARKER
UNITED STATES MAGISTRATE JUDGE 2/9/2023**

cc: All counsel of record (via ECF)

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SPECTRUM DYNAMICS MEDICAL : Docket #18-cv-11386
LIMITED, :
Plaintiff, :
-against- :
GENERAL ELECTRIC COMPANY, et al, : New York, New York
Defendant. : January 5, 2023

-----: CONFERENCE

PROCEEDINGS BEFORE
THE HONORABLE KATHARINE H. PARKER
UNITED STATES MAGISTRATE JUDGE

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E X A M I N A T I O N S

<u>Witness</u>	<u>Direct</u>	<u>Cross</u>	<u>Re- Direct</u>	<u>Re- Cross</u>
None				

E X H I B I T S

<u>Exhibit Number</u>	<u>Description</u>	<u>ID</u>	<u>In</u>	<u>Voir Dire</u>
None				

PROCEEDINGS

1 THE DEPUTY CLERK: Calling case 18 Civil
2 11386; Spectrum Dynamics Medical versus General
3 Electric Company.

4 Beginning with counsel for the plaintiffs,
5 could you please make your appearance for the
6 record.

7 MR. AUTUORO: Yes. Good morning, your
8 Honor. Michael Autuoro, from Fish & Richardson,
9 for Spectrum Dynamics Medical Limited.

10 THE COURT: Hi.

11 MR. PECHETTE: Alex Pechette, also from
12 Fish & Richardson.

13 THE COURT: Hi. Nice to meet you in
14 person.

15 THE DEPUTY CLERK: Counsel for the
16 defendants, please make your appearance.

17 MR. GODSHALK: Yes. This is Jesse
18 Godshalk, from Thompson Hine, on behalf of
19 defendant.

20 MR. LANCIAULT: And Brian Lanciault, also
21 from Thompson Hine.

22 THE COURT: Okay. Nice to meet everybody
23 in person finally.

24 So there are a couple things on the
25 agenda. First, I was pleased to see that you

PROCEEDINGS

1 worked out the trade secret chart. So that's
2 great. One less issue to deal with.

3 Next there's the issue of the proposed
4 amendment to the Complaint. And you requested oral
5 argument. I've read through the papers. So I will
6 hear from plaintiffs first, and then I'll hear from
7 defense counsel.

8 MR. PECHETTE: Good morning, your Honor.
9 Alex Pechette from Fish & Richardson, on behalf of
10 the plaintiff.

11 There are four points I'd like to make,
12 your Honor. First, Spectrum did not unduly delay
13 in seeking to amend. Second, GE has not met its
14 burden of showing undue prejudice. Third, the [REDACTED]
15 patent implicates the same set of facts as the
16 other patents already in issue. And, fourth, GE
17 has not met its burden of showing that the
18 amendment would be futile.

19 As to the issue of undue delay, Spectrum
20 neither knew nor should have known about the [REDACTED]
21 patent until June 20, 2022. Under binding Federal
22 Circuit law, that is the date when the clock
23 started, not when the patent issued and certainly
24 not when the application published. And the cases
25 I'm referring to are *Advanced Cardiovascular*

PROCEEDINGS

1 *Systems* and *Pei-Herng*. Those Federal Circuit cases
2 control over the contrary District Court cases that
3 GE cites.

4 THE COURT: I'm sorry. Give me the date
5 again.

6 MR. PECHETTE: June 20th, 2022.

7 THE COURT: Right. And that's when the
8 Spectrum employee learned of the patent, when it
9 was issued?

10 MR. PECHETTE: That's correct.

11 THE COURT: Okay.

12 MR. PECHETTE: Yes.

13 After learning of the [REDACTED] patent,
14 Spectrum diligently investigated. It performed its
15 Rule 11 inquiry. Spectrum then notified GE of its
16 claim via interrogatory response and sought GE's
17 consent to amend the Complaint. When the parties
18 reached an impasse, Spectrum filed this motion the
19 very next day. All that happened within four
20 months of learning of the [REDACTED] patent.

21 GE does not contend that four months
22 amounts to undue delay, and the case law is clear
23 that it does not. For example, *American Medical*
24 *Association*, the Court held that seven months was
25 not an undue delay. Even if the clock started when

PROCEEDINGS

1 the patent issued, the delay would still not be
2 undue. Spectrum filed this motion less than a year
3 after the patent issued.

4 In *Memry*, another case involving
5 correction of inventorship claims, the Court found
6 no undue prejudice -- I'm sorry, no undue delay,
7 where the plaintiff sought to amend 15 months after
8 the patent had issued. And that case, your Honor,
9 was decided under the more stringent good cause
10 standard under Rule 16(b), not the liberal standard
11 of Rule 15(a), which applies here.

12 So we ask your Honor to find that Spectrum
13 did not unduly delay.

14 Turning to the issue of undue prejudice,
15 GE has not met its burden. First, no significant
16 additional discovery would be necessary. And
17 second, the amendment would not significantly delay
18 the resolution of this case. Spectrum already
19 served written discovery on this patent. I would
20 direct your Honor to Exhibit G, page 17. It's a
21 rog response that we served. And there we
22 explained our conception story with respect to the
23 [REDACTED] patent. And GE simply does not address this
24 anywhere in its briefing.

25 As for depositions, Spectrum already

PROCEEDINGS

1 deposed the first named inventor, who is [REDACTED]
2 [REDACTED] and we asked him questions about this
3 specific patent. GE, on the other hand, opted not
4 to ask the Spectrum inventors any questions about
5 the [REDACTED] patent. They certainly could have, your
6 Honor, because we gave them notice of Spectrum's
7 claim in September, and those depositions didn't
8 happen until November, but they chose not to. So
9 any prejudice flowing from that decision is
10 entirely self-inflicted.

11 As far as documents, Spectrum has already
12 produced --

13 THE COURT: Actually, let me stop you for
14 a second on this issue of the depositions and what
15 questions were asked or not asked. Is it your
16 contention that it's the same trade secrets that
17 are at issue with respect to the other patents as
18 this new patent?

19 MR. PECHETTE: It is the same trade
20 secrets, yes.

21 THE COURT: So wouldn't the questions
22 concerning those trade secrets cover the [REDACTED]
23 patent? I guess I'm trying to understand when you
24 say -- what specific questions would there be for
25 the [REDACTED] patent?

PROCEEDINGS

1 MR. PECHETTE: So there is a lot of
2 overlap, your Honor, in the technology that's
3 described in the [REDACTED] patent and the technology
4 that's described in the other patents. There are a
5 couple of differences in the [REDACTED] patent, and
6 that's what I was referring to when I said we asked
7 questions specific to the [REDACTED] patent.

8 THE COURT: What are those differences?

9 MR. PECHETTE: [REDACTED]

10
11
12

13 [REDACTED] Those details are specific to the [REDACTED]
14 patent, and we asked Mr. [REDACTED] questions about
15 that aspect of the [REDACTED] patent.

16 THE COURT: Okay.

17 MR. PECHETTE: And, your Honor, going back
18 to the rog response I mentioned a minute ago,
19 that's what I was also talking about. In the pages
20 that I cite, we described our conception story with
21 respect to those additional details specific to the

22

23 THE COURT: So you provided to GE why you
24 say Spectrum owns those trade secrets or invented
25 and conceived of those particular aspects, [REDACTED]

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[REDACTED]

MR. PECHETTE: Correct.

THE COURT: So that information was already provided.

MR. PECHETTE: Correct.

THE COURT: Okay.

MR. PECHETTE: We also produced documents specific to those details, and we cited them in that interrogatory response.

THE COURT: Okay.

MR. PECHETTE: For GE's part, any additional document collection we think would be minimal. In its briefing, GE does not contend that the additional documents it would need to collect are voluminous. GE already collected relevant documents from the first named inventor. That was [REDACTED] The other two inventors likely do not have many relevant documents. To my knowledge, their names don't appear in the documents produced to date so they're likely not important players.

And, also, GE has represented that the order of inventors on a patent matters. They name inventors in order of their contributions to the patent. So these second and third inventors likely

PROCEEDINGS

1 have fewer relevant documents.

2 One last point regarding prejudice, your
3 Honor. GE does not contend that the amendment
4 would significantly delay the resolution of the
5 case. So GE has forfeited any argument regarding
6 that prong of the undue prejudice analysis. So we
7 ask the Court find no undue prejudice.

8 THE COURT: Okay. Will the outcome of the
9 claims in this case affect the validity of the
10 claim on the [REDACTED] patent? In other words, would
11 there be some kind of res judicata or preclusion
12 based on what happens in this case? Have you done
13 that analysis?

14 MR. PECHETTE: We have not done that
15 analysis, your Honor. Just off the top of my head,
16 there's a lot of overlap, so I think it's very
17 possible that there would be some kind of res
18 judicata effect. There might be some daylight --
19 if Spectrum were to not prevail on the other
20 claims, there might be some daylight because of the
21 additional technical details in the [REDACTED] patent,
22 but we just -- I can't say off the top of my head.

23 THE COURT: And if the motion to amend is
24 denied, is it your position that you could just
25 bring another suit on this -- independent suit on

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1 the [REDACTED] patent?

2 MR. PECHETTE: Yes, your Honor. And I
3 don't believe that that is disputed.

4 Turning to my third point, your Honor, the
5 [REDACTED] patent is substantially similar to the other
6 patents-in-suit, and I actually have a
7 demonstrative on this point, if I may.

8 THE COURT: Sure.

9 MR. PECHETTE: Your Honor, if you turn to
10 page 6, this is a comparison of the [REDACTED] patent and
11 the [REDACTED] patent, which is a patent that's already
12 in the case. Both of these patents share a common
13 named inventor. That's [REDACTED] who,
14 again, we already deposed. The patents also share
15 the same two embodiments. You can see that in the
16 figures here. They're nearly identical.

17 Not only are the patents similar, so are
18 Spectrum's claims to the patents. With respect to
19 all the patents at issue in this case, Spectrum's
20 claim is that GE induced Spectrum to reveal its
21 trade secrets under the guise of a potential
22 business deal, and then GE took those trade secrets
23 and used them to develop its own product and to
24 file patent applications. So all of Spectrum's
25 correction of inventorship claims share a common

PROCEEDINGS

1 set of operative facts. The [REDACTED] patent,
2 therefore, fits naturally into this case.

3 My final point, your Honor. GE has not
4 met its burden of showing that the amendment would
5 be futile. GE does not dispute that Spectrum's
6 correction of inventorship claim would survive a
7 motion to dismiss, and that's count 14. GE only
8 argues that count 13, which is fraud on the PTO,
9 would not survive a motion to dismiss. But
10 futility as to one of multiple counts is not
11 sufficient. And in any event, the Court has
12 already rejected GE's argument regarding count 13
13 and held that Spectrum alleged sufficient facts to
14 establish an Article III case or controversy. I
15 would direct your Honor to docket number 73 at 36
16 to 39.

17 THE COURT: That's Judge Broderick's
18 decision.

19 MR. PECHETTE: Correct.

20 THE COURT: Yes. Okay. Defendants argue
21 that the publication of the patent application in
22 [REDACTED] puts you on constructive notice of
23 the patent, and they cite case law for that
24 proposition.

25 What's your response to that?

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1 MR. PECHETTE: So the Pei-Herng case from
2 the Federal Circuit held the opposite. It
3 addressed this very issue, and it held that the
4 publication -- even if a plaintiff is aware of the
5 publication, the claim to correction of
6 inventorship under Section 256 does not accrue
7 until the patent actually issues.

8 And in that case, the District Court had
9 held that there was constructive notice of the
10 patent from the date of the publication of the
11 application, and the Federal Circuit reversed that
12 holding. So the District Court cases that GE cites
13 that hold the opposite are not controlling.

14 THE COURT: Okay. Now, if the amendment
15 is granted, what additional documents or
16 depositions do you think would be necessary, and
17 how long do you think it would take to conduct that
18 discovery?

19 MR. PECHETTE: Spectrum has already
20 completed its document production. We don't see
21 any other documents that would need to be produced
22 from Spectrum. Same with depositions. We've
23 already taken the deposition of the first named
24 inventor. There's two other named inventors, but
25 at this point, I don't think we see the need to

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1 depose those individuals.

2 For GE's part, they have said that they
3 will need to collect additional documents from the
4 named inventors. And as I said before, I don't
5 think that GE has contended that that document
6 collection is voluminous. And also, your Honor,
7 just citing that additional document discovery is
8 necessary is not a sufficient basis to deny leave
9 to amend under Rule 15.

10 As far as depositions go, they've already
11 deposed the two individuals at Spectrum who
12 Spectrum contends are the true inventors. That
13 would be Nathaniel Roth and Yoel Zilberstein. And
14 they had multiple days with each of these
15 individuals, and they opted not to ask any
16 questions about the [REDACTED] patent. They did,
17 however, ask questions about the other
18 patents-in-suit, and that inquiry took all of one
19 hour and 37 minutes. So if they were to request a
20 deposition of Mr. Roth on the [REDACTED] patent, we think
21 that could be handled quite quickly.

22 THE COURT: So you would make those
23 individuals available again?

24 MR. PECHETTE: We would be willing to make
25 Nathaniel Roth available. He's the 30(b)(6)

PROCEEDINGS

1 designee on the conception of what we contend are
2 the misappropriated patents. And we would propose
3 that he be limited in time -- that that deposition
4 be limited in time.

5 THE COURT: How long do you think would be
6 necessary?

7 MR. PECHETTE: Considering that the other
8 seven patents already at issue only took an hour
9 and 37 minutes on the record, we think that an hour
10 would be sufficient. We would also ask that that
11 deposition be taken remotely, since that witness --

12 THE COURT: He's in Israel, right?

13 MR. PECHETTE: Yes, correct.

14 THE COURT: Okay. All right. Thank you.
15 I'll hear from GE next.

16 MR. GODSHALK: All right, your Honor. I
17 want to start by addressing some specific points
18 that opposing counsel made. First of all, he cited
19 the *Memry* case. I think that case is readily
20 distinguishable, and, actually, it's
21 distinguishable on the same grounds as the *SpeedFit*
22 case, which Spectrum also cites in its briefing.

23 In both of those cases, you had a
24 plaintiff who wanted to add additional patents to a
25 Complaint by way of amendment, but the patents that

PROCEEDINGS

1 they wanted to add all claimed priority to a patent
2 application that was cited in prior pleadings. So
3 everyone knew that the patents that were being
4 added, that they were going to be part of the case.
5 And that is not what we have here. Spectrum cannot
6 point to any patents or patent applications in the
7 existing pleadings that are in the same family as
8 the [REDACTED] patent.

9 THE COURT: What's the significance of
10 being in the same family of patents?

11 MR. GODSHALK: Yeah. When they're in the
12 same family, your Honor, it means that they are
13 closely related patents, that they have closely
14 related technology.

15 THE COURT: So why would this -- Spectrum
16 has provided me an exhibit comparing the [REDACTED]
17 patent and the [REDACTED] patent -- to my eyes, which I'm
18 not an expert, looks pretty similar.

19 MR. GODSHALK: Yes.

20 THE COURT: What's different that they
21 would be in a different family?

22 MR. GODSHALK: Yes, your Honor, and I
23 think that, to me, to be frank, the comparison of
24 the two patents in -- this is on page 5 of the
25 hand- -- or page 6, I'm sorry, of the handout from

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1 opposing counsel. I think that's something of a
2 red herring because what they're comparing here are
3 two figures -- first of all, there are many, many,
4 many figures in each one of these patents, and
5 these are just figures that show an embodiment of
6 the invention. And it may not even be -- actually,
7 I'm sure of this, that it's not the entirety of
8 these figures that's being claimed.

9 I guess the bottom line is, to know what
10 is covered by an invention, you have to look -- or
11 by a patent, you have to look at the claims of the
12 patent. It's not the figures that control. It's
13 not the embodiments that control. It's not the
14 background of the invention. It's the claims
15 themselves.

16 So I think just comparing figures from
17 various patents is not very telling. Oftentimes,
18 patent prosecutors will simply copy and paste
19 figures from prior patents. Sometimes they'll even
20 copy and paste the entire specification, you know,
21 the part of the patent that leads up to the claims,
22 they'll just copy and paste from a prior patent.
23 And that is not to say that they are closely
24 related. It's just --

25 THE COURT: I'm sorry, I'm going to just

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1 interrupt you for a second to ask about the -- both
2 of these machines photograph internal organs --

3 MR. GODSHALK: Correct.

4 THE COURT: -- take image of internal
5 organs --

6 MR. GODSHALK: Correct.

7 THE COURT: -- by having a patient lie
8 down and go into the machine, and cameras are at
9 various places around the body and at various
10 distances from the body to take the image.

11 MR. GODSHALK: Correct.

12 THE COURT: And they're both taking images
13 of the same types of organs; is that right?

14 MR. GODSHALK: Well, yes, but I mean --

15 THE COURT: So why would there be a
16 different family? I don't understand.

17 MR. GODSHALK: Well, I think that, first
18 of all, in terms of taking images of the same
19 organs, these are both full-body scanners. I mean,
20 all of the technology at issue is full-body
21 scanners. So we're talking about scanners that can
22 take images of any part of the body.

23 THE COURT: What's the material difference
24 between the two families, if you know?

25 MR. GODSHALK: Well, you know --

PROCEEDINGS

1 THE COURT: In plain English.

2 MR. GODSHALK: Frankly, I don't know if
3 that's even really a -- I'm not sure if that
4 question can be answered that way.

5 THE COURT: I see.

6 MR. GODSHALK: But I don't know --
7 certainly, I can't give you a clear answer on that.

8 THE COURT: So what is your view on
9 whether or not the outcome of this case would have
10 any kind of preclusive effect on an independent
11 claim involving the [REDACTED] patent?

12 MR. GODSHALK: Yes. Your Honor, as with
13 opposing counsel, that's not something that I have
14 analyzed, but I don't think that it would certainly
15 have a full res judicata effect. Like, I don't
16 think that, for instance, a decision in this case
17 would preclude Spectrum completely from pursuing a
18 separate claim involving the [REDACTED] patent.

19 THE COURT: Those two independent trade
20 secrets as well.

21 MR. GODSHALK: Well, it's independent
22 patents. So I would think that, regardless of what
23 happens in this case, they could certainly bring a
24 separate claim based on the [REDACTED] patent.

25 THE COURT: Okay. And what is GE's view

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1 on whether it would be more efficient to simply add
2 this here versus face a separate lawsuit?

3 MR. GODSHALK: Yeah, I think it would be
4 more efficient to -- if Spectrum really believes
5 that it has a, you know, merit-worthy claim based
6 on the [REDACTED] patent, for them to bring a separate
7 lawsuit rather than continuing to delay this
8 litigation, which has already been -- gone on for
9 more than four years and has already been delayed
10 by Spectrum's past conduct when they filed a motion
11 for preliminary injunction after several years of
12 litigation and which really sent the case sideways
13 and delayed it.

14 And I think that this motion for leave has
15 the potential to do the same because we are just 20
16 days away from the deadline for filing opening
17 expert reports. But before the experts can prepare
18 their reports, they need to have the underlying
19 facts upon which those reports will be built. And
20 I think that if the [REDACTED] patent is added, there is
21 going to be significant additional discovery that
22 will be needed.

23 THE COURT: Tell me what that is.

24 MR. GODSHALK: Yes. So, let's see. To
25 start, I think it's important to note that there

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1 has been very, very little discovery so far
2 relating to the [REDACTED] patent. So, I mean, that is
3 an important baseline.

4 You know, fact discovery has obviously now
5 closed in the case, and while it was going on,
6 neither party served any interrogatories, any
7 request for production or any request for
8 admissions directed to the [REDACTED] patent, its
9 application, or any of the patents within the same
10 family. Defendants also didn't collect, review and
11 produce documents specifically relating to this
12 patent, its underlying application, or other
13 patents in the same family.

14 And, indeed, we didn't collect any
15 documents from two of the named inventors, Mr. [REDACTED]
16 and Mr. [REDACTED] Mr. [REDACTED] is no longer a
17 GE employee, and we've had no contact with him
18 whatsoever, and we're not even sure how to get
19 ahold of him.

20 Finally, during depositions, we didn't ask
21 witnesses any questions about the [REDACTED] patent, its
22 application, or its family members. And I
23 understand opposing counsel kind of makes an issue
24 out of this, that we ought to have done that. I
25 disagree because under Rule 26 parties are only

PROCEEDINGS

1 permitted to take discovery that is relevant to the
2 claims and defenses in the case. Until the [REDACTED]
3 patent is added -- if it gets added to this case --
4 then it's not relevant to this case. Things about
5 it are simply irrelevant to the case. So it's not
6 a proper matter for discovery.

7 It's also defendant's position they
8 shouldn't have to incur the costs and expenses and
9 time and effort to take discovery of the [REDACTED]
10 patent, that it's unduly prejudicial. So I don't
11 understand why we would willingly take on those
12 burdens by going ahead and taking the discovery
13 during the discovery period. No, our position is
14 we shouldn't have to do that.

15 Also, opposing counsel has argued that
16 they've basically provided ample written discovery
17 on the [REDACTED] patent, and they point to a single
18 interrogatory response. First of all, that
19 interrogatory didn't ask about the [REDACTED] patent. So
20 it was kind of gratuitous on their part to add it
21 into their response. But in any event, it doesn't
22 provide much detail at all on this claim. Over
23 maybe one or two pages, it basically lays out their
24 basic contentions for what information they claim
25 that they provided to the defendants that would be

PROCEEDINGS

1 relevant to this patent. But it's not robust
2 discovery on this.

3 THE COURT: But really this claim concerns
4 trade secrets. There wouldn't need to be any
5 separate claim construction or anything like that,
6 would there, on this (inaudible) claim?

7 MR. GODSHALK: You are correct about that.
8 I do not foresee the need for there to be any claim
9 construction if this patent is added. That's
10 correct.

11 In terms of the discovery that I think
12 will need to happen, because so little fact
13 discovery has happened so far, I mean, I would
14 anticipate that both sides would want to serve
15 requests for production, interrogatories and
16 requests for admissions relating to the [REDACTED]
17 patent. I know we will. And these, in turn, will
18 require defendants to prepare written objections
19 and responses and also to search for documents from
20 two new custodians, Mr. [REDACTED] and Mr. [REDACTED]
21 who were named inventors of the [REDACTED] patent.

22 We'll also have to collect documents from
23 central GE databases, such as the Anaqua database,
24 which holds GE's patents and their patent
25 applications and patent materials. And I

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1 anticipate we'll have to collect documents from
2 three existing custodians, Mr. Hefetz, Gil Kovalski
3 and [REDACTED] given Mr. Hefetz and
4 Mr. Kovalski are kind of involved -- they're
5 members of this patent examination board at GE.
6 And then [REDACTED] is, again, one of the
7 named inventors.

8 Now, in terms of the volume of documents,
9 I will say this. Opposing counsel mentioned that
10 he asked questions of Mr. [REDACTED] at his deposition
11 about this patent. And I think the answers that
12 Mr. [REDACTED] provided are telling and are relevant
13 here. Mr. [REDACTED] said -- he testified that he had
14 "many e-mails" and "a lot" of e-mails relating to
15 the conception of the [REDACTED] patent. He also -- in
16 discussing conception of this patent, he mentioned
17 a company called LETI -- that's L-E-T-I -- that I'd
18 never heard of. I don't think it's been at all on
19 our radar. I don't think we've collected any
20 documents relating to it. And that was all part of
21 his conception story for this patent.

22 THE COURT: You mean this other company
23 collaborated, potentially, on this conception?

24 MR. GODSHALK: I don't know if they
25 collaborated in conception. I don't know if I'd

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1 say that precisely. But what Mr. [REDACTED] said was
2 he said that he was collaborating with LETI and
3 that out of that collaboration, he developed the
4 idea. He developed the idea for the [REDACTED] patent.
5 I don't want to make it sound like LETI is a
6 potential inventor. I don't think that's the case.
7 But, you know, based upon that testimony and other
8 facts that we know, I think we reasonably can
9 anticipate that the volume of additional documents
10 will be large.

11 In terms of serving additional
12 interrogatories, I'll tell you that Spectrum has
13 taken the position that they've already answered
14 more than 25 interrogatories. So I anticipate that
15 they will resist any efforts on our part to serve
16 additional interrogatories relating to the [REDACTED]
17 patent. So that will likely produce a discovery
18 dispute that will have to be resolved.

19 And then, in terms of depositions, as
20 mentioned, we would like to reopen -- if this
21 amendment is allowed, we would like to reopen
22 Mr. Roth's deposition, but also Mr. Zilberstein.
23 Spectrum claims that both of these men are --
24 should have been the named inventors -- the
25 exclusive inventors on the [REDACTED] patent. So we are

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1 going to want to ask them about this patent.

2 THE COURT: You're going to probe their
3 conception story.

4 MR. GODSHALK: Yes. In preparation for
5 this hearing here today, I spoke with the attorney
6 on our team who deposed Mr. Zilberstein and
7 Mr. Roth, and he said, absolutely, I want to ask
8 them questions. If this amendment is allowed, I'm
9 going to want to ask them questions about every
10 claim in this patent.

11 And I know that opposing counsel has said
12 something about -- that with prior patents, we only
13 spent an hour and 37 minutes, something like that.
14 I don't know where that figure comes from. I don't
15 know what that's based upon. But I would imagine
16 we're going to want to spend significant time with
17 these individuals, you know, questioning them about
18 these two patents.

19 And, lastly, in terms of additional
20 discovery, Spectrum has indicated that if this
21 amendment is allowed, they're going to want to
22 amend their trade secret table again. As your
23 Honor knows, prior amendments to this trade secret
24 table have been a source of disputes between the
25 parties. So, you know, it's certainly possible

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1 that if they amend their trade secrets table, that
2 could bring about additional disputes in this case.

3 And I think taking all of this discovery
4 and all these facts into consideration, if we're
5 going to go down this route -- go down this path
6 and allow the [REDACTED] patent to come in and we're
7 going to take discovery on it, I think we're going
8 to have to push back expert discovery until we've
9 completed this additional fact discovery. So I
10 think it will significantly delay the case if the
11 [REDACTED] patent comes in.

12 Quickly, I want to -- yes.

13 THE COURT: How do you respond to
14 Spectrum's argument that any delay itself is not a
15 basis for denying the amendment and their argument
16 that they delayed in raising this? They're saying
17 the Circuit case law supports the fact that the
18 relevant date for when they knew would be June 2022
19 and they didn't delay seeking this.

20 MR. GODSHALK: Yes, your Honor, happy to
21 address that. I think, first of all, what I would
22 say in response to that is opposing counsel said
23 that the case law from the Federal Circuit -- and
24 his words were "addressed this very issue."

25 I'll tell you, that is not accurate. The

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1 cases that they cite from the Federal Circuit
2 involved laches, which is not what we are talking
3 about here. We are talking about motions or a
4 motion for leave to amend the pleadings. So the
5 cases they cite are not directly on point.

6 And for the reasons that we have laid out
7 in our briefing, we think the Court should look at
8 constructive notice. But I also think this is --
9 you know, it's almost unnecessary to decide this
10 thorny legal issue because I think even if we apply
11 the standard that Spectrum has advocated, then they
12 still unduly delayed. They say the standard is
13 Spectrum knew or should have known of the issued
14 [REDACTED] patent. That's the standard we have to look
15 at, they say. Well, I would submit that they
16 should have known of this patent when it issued in
17 [REDACTED] more than a year ago.

18 Spectrum alleged in its initial Complaint
19 that defendants engaged in a systematic effort to
20 patent Spectrum's technology. Based on that
21 allegation, Spectrum should have been closely
22 monitoring GE's patent filings. And the -- we've
23 talked about the first named inventor on this
24 patent is [REDACTED] He's a named
25 defendant in this case and he is one of the

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1 named -- or he's a named defendant and he's a named
2 inventor of many of the other patents that are
3 already at issue.

4 THE COURT: So you're saying they could
5 have searched his name and found it.

6 MR. GODSHALK: Yes. Not only could have,
7 but should have. You know, if -- he is probably
8 one of the top one or two most important people on
9 the GE side in this case. So, you know, of all the
10 people that they should have been looking out for,
11 inquiring about, he would be it.

12 And in the case law that they have cited,
13 particularly the *Advanced Cardiovascular* case --
14 that's the Federal Circuit case from 1993, so that
15 case elucidates what it means -- this
16 should-have-known standard. What the case says is,
17 when we try to determine whether a party should
18 have known, we look at whether that party had
19 information that would have led a reasonably
20 intelligent person to inquire further. And
21 Spectrum certainly, they certainly had information
22 that would have led them to inquire further, based
23 on their belief that GE was filing all these patent
24 applications that covered Spectrum's technology.
25 So they should have learned of the [REDACTED] patent when

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1 it issued, and yet they waited an additional year
2 to seek leave to amend, and it's at a particularly
3 inopportune time now that fact discovery has closed
4 in this case.

5 THE COURT: And what is GE's position on
6 whether -- I think I already asked you this
7 question -- whether Spectrum can simply file
8 another case, independent case, just on the [REDACTED]

9 MR. GODSHALK: We agree with that. We
10 agree that they could.

11 THE COURT: Okay.

12 MR. GODSHALK: Let's see, I wanted to
13 address -- one of the other things that opposing
14 counsel said was he said that the order of the
15 inventors on the patents matters, and that because
16 [REDACTED] is the first named inventor on
17 this patent, we should expect that most of -- that
18 he did most of the invention or that he has most of
19 the documents, something along those lines.

20 And I know that there was a time in the
21 past when GE made that representation that the
22 order of the inventors matters. But we then
23 rescinded that. We looked into that further and we
24 found out that was not factually accurate, that
25 counsel had just misunderstood this. And so we

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1 retracted that and said that's not actually true.
2 The order of the inventors doesn't matter. So just
3 to make clear, the order of the inventors does not
4 matter.

5 Let's see. And then, with regard to
6 futility, I just really quickly wanted to note, so
7 opposing counsel said that with regard to futility,
8 it doesn't matter if just one of the claims is
9 futile, that's not enough. I don't know of any
10 case law to that effect. He didn't cite any case
11 law to that effect.

12 THE COURT: Right, but doesn't that mean
13 they could bring one and not the other? I mean, in
14 a motion to amend, if one of the two claims is
15 futile, then just the non-futile claim could be
16 brought --

17 MR. GODSHALK: Well --

18 THE COURT: -- in theory, right?

19 MR. GODSHALK: Well, that is true, your
20 Honor.

21 THE COURT: And what do you say to
22 Spectrum's statement that Judge Broderick already
23 found that it wasn't futile --

24 MR. GODSHALK: Yes.

25 THE COURT: -- because wouldn't that be

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1 law of the case?

2 MR. GODSHALK: Yes, your Honor, I do have
3 a response to that. So I know what Judge Broderick
4 ruled in that ruling. That's a ruling from June of
5 2020. That may even be before the application for
6 this patent was even filed. But, certainly, I have
7 no reason to believe that when Judge Broderick made
8 that ruling that he was thinking about future
9 issuing patents. He said nothing in that ruling
10 about patent applications that might be filed after
11 his ruling or patents that might issue after his
12 ruling. That ruling has nothing to do with and
13 does not apply to after issuing patents. It was a
14 ruling that was specific to the patents that were
15 in front of him at the time.

16 One other thing I want to point out before
17 I cede the podium is that -- and this relates to
18 Judge Broderick's prior ruling on a motion to
19 dismiss in this case. So the Second Amended
20 Complaint, one of the things that it does is it
21 repleads in toto three claims that were already
22 partially dismissed by Judge Broderick.

23 So in May of 2019, Spectrum filed its
24 First Amendment Complaint. We moved to dismiss all
25 but one of the claims. So a very broad motion to

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1 dismiss. Then in June of 2020 Judge Broderick --
2 he granted that motion in part and denied it in
3 part. And with regard to Spectrum's count 1 for
4 breach of contract, count 2 for misappropriation of
5 trade secrets and count 13 for fraud on the USPTO,
6 he dismissed those claims in part.

7 Now, when Spectrum put together its Second
8 Amended Complaint, it didn't account for this
9 ruling at all. It replied these claims in their
10 entirety, including the parts that Judge Broderick
11 had previously dismissed. So I would submit that
12 the Second Amended Complaint is in contravention of
13 this prior order.

14 And I think it's significant, because if
15 they are allowed to file the Second Amended
16 Complaint, we are going to obviously move to
17 dismiss not just the claim that we have noted is
18 futile. We're also going to have to renew our
19 prior motion to dismiss to basically redissmiss
20 parts of this Complaint that have already been
21 dismissed. And then we're going to have to answer
22 this 126-page Second Amended Complaint, which is a
23 significant outlay of resources, not just for us,
24 but the Court is going to have to then rule on the
25 motion to dismiss. So it's a significant outlay of

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1 resources for the Court as well.

2 THE COURT: Okay.

3 MR. GODSHALK: So I think, you know, for
4 all these reasons, the Court should deny the
5 motion, that is, unjustified delay, undue prejudice
6 and futility.

7 THE COURT: Thank you.

8 MR. PECHETTE: Your Honor, just a couple
9 of points to address the points raised by opposing
10 counsel. Opposing counsel mentioned that the
11 *Pei-Herng* and *Advanced Cardiovascular Systems* cases
12 are distinguishable because they were based on
13 laches. The District Court cases that GE cites
14 were also about laches or the statute of
15 limitations, which is the same. So if that is a
16 reason for distinction, then their cases also
17 should fall.

18 The second thing is they mentioned that
19 Spectrum should have known about the patent from
20 the date of issuance, even applying the standard
21 that Spectrum is advocating for. If that were the
22 case -- we filed this motion less than twelve
23 months after the patent issued. There's case law
24 that shows that that is not an undue delay. So
25 even if we were to measure from the day of the

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1 filing -- or, I'm sorry, of the issuance of the
2 patent, there would still be no undue delay.

3 Counsel also mentioned that we should have
4 been following their patent applications more
5 closely given the allegations in the Complaint. As
6 we mentioned in the reply brief, there have been
7 7,862 patent publications from GE since the filing
8 of the Complaint and 321 of those appear to be
9 related to the same technology. So it's like
10 finding a needle in a haystack, your Honor.

11 THE COURT: Well, can't you just do a name
12 search for the inventor?

13 MR. PECHETTE: We could do a name search
14 for the inventor. There are many named inventors
15 on the patents at issue in this case. They mention
16 [REDACTED] Yes, we could have searched for
17 [REDACTED] name, but he's just one of
18 several inventors in this case.

19 Regarding the arguments that counsel made
20 about the amendment delaying the resolution of this
21 case, I want to reiterate that GE did not make that
22 argument anywhere in their briefing. So that
23 argument is brand-new today and it's forfeited.
24 And if there is any delay, it would be minimal.
25 The case law shows that if you file your motion to

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1 amend before the close of fact discovery, before
2 there's any date set for trial and before there's a
3 schedule set for expert discovery, that's not going
4 to significantly delay the resolution of the case.
5 And that's the case here.

6 Also, with respect to discovery, opposing
7 counsel now says that the additional documents they
8 would need to collect would be large. Again,
9 that's an argument that they didn't make in their
10 briefing. It's forfeited. And even if that
11 argument were heard today, that alone would not be
12 reason to deny leave.

13 As far as depositions, we are willing to
14 put Nathaniel Roth up. He's the 30 (b) (6)
15 designee. We don't think it would require much
16 time at all. As I said, if you look at the
17 transcripts of his deposition, counsel spent an
18 hour and 37 minutes asking him specific questions
19 about --

20 THE COURT: Okay, you mentioned that.

21 MR. PECHETTE: Yes.

22 THE COURT: What about the other guy?

23 MR. PECHETTE: So Yoel Zilberstein, his --
24 he was only designated as a 30(b)(1) witness, and
25 his seven hours -- they actually exceeded the seven

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1 hours on the record for him. So we consider his
2 deposition closed. And, again, they could have
3 asked him questions. They had notice of these
4 claims. And counsel also mentioned that it would
5 have been inappropriate to ask about the [REDACTED]
6 patent because --

7 THE COURT: Yeah, Rule 26 is pretty clear.
8 You can't ask about things that aren't -- about
9 things that aren't relevant to the claims and
10 defenses.

11 MR. PECHETTE: We certainly would not have
12 objected on that basis. And, in fact, in our reply
13 brief we invited them to ask these questions. We
14 even offered to put up these witnesses for
15 additional time if they wanted to address the [REDACTED]
16 patent.

17 And as far as efficiency, your Honor,
18 counsel said that it would be more efficient to
19 start a brand-new case and have a completely new
20 docket, new discovery requests. We think that that
21 is just not correct, your Honor. It would be much
22 more efficient to just fold this patent into this
23 case where it naturally fits. The overlap in the
24 subject matter between this patent and the other
25 patents already in the case is large.

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The only additional details that this patent brings are what I mentioned before, [REDACTED]

[REDACTED]

And opposing counsel does not dispute that those are the only relevant differences in the [REDACTED] patent. To bring an entirely new case just to address those minor issues would not be an efficient use of the Court's resources or the parties' resources.

THE COURT: Okay. All right. Thank you.

Chris, can we go off the record for a second?

(Discussion held off the record.)

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C E R T I F I C A T E

I, Adrienne M. Mignano, certify that the foregoing transcript of proceedings in the case of Spectrum v. General Electric Company, et al. Docket#18CV11386, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature Adrienne M. Mignano

ADRIENNE M. MIGNANO

Date: January 6, 2023