

HIGHLY CONFIDENTIAL ATTORNEYS' EYES ONLY

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

THE BOARD OF THE TRUSTEES OF  
THE LELAND STANFORD JUNIOR  
UNIVERSITY,  
Plaintiff,  
vs. No. C-05-04158 MHP  
ROCHE MOLECULAR SYSTEMS, INC.;  
Roche Diagnostics CORPORATION;  
Roche Diagnostics OPERATIONS,  
INC.; ROCHE DIAGNOSTIC SYSTEMS,  
INC.,  
Defendant.

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AND RELATED COUNTERCLAIM.

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VIDEOTAPE DEPOSITION OF WILLIAM GRANT GERBER, M.D.  
San Francisco, California  
Tuesday, August 15, 2006

Reported by:  
SUZANNE F. BOSCHETTI  
CSR No. 5111  
Job No. 3-50832

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1 APPEARANCES:  
2  
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the Trustees of the Leland Stanford Junior University,  
4 et al.  
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2 NORTHERN DISTRICT OF CALIFORNIA  
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4 THE BOARD OF THE TRUSTEES OF  
THE LELAND STANFORD JUNIOR  
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8 ROCHE MOLECULAR SYSTEMS, INC.;  
Roche Diagnostics CORPORATION;  
9 Roche Diagnostics OPERATIONS,  
INC.; ROCHE DIAGNOSTIC SYSTEMS,  
10 INC.,  
11 Defendant.

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12 AND RELATED COUNTERCLAIM.

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15 Confidential videotaped deposition of WILLIAM  
16 GRANT GERBER, M.D., taken on behalf of Plaintiff and  
17 Counterclaim Defendants The Board of the Trustees of  
18 the Leland Stanford Junior University, at 50  
19 California, 22nd Floor, San Francisco, California,  
20 beginning at 9:03 a.m. and ending at 12:15 p.m. on  
21 Thursday, August 10, 2006, before SUZANNE F.  
22 BOSCHETTI, Certified Shorthand Reporter No. 5111.  
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8 625 Cetus Corporation 1988 Annual Report, 31  
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11:40:51 1 document, so I can't answer the question.  
 11:40:51 2 BY MR. DAMSTEDT:  
 11:40:59 3 Q. Looking through section 2.1, it goes from  
 11:41:06 4 RMS 6333 to RMS 6335. Is there any provision in  
 11:41:11 5 that section that you understood at the time the  
 11:41:15 6 agreement was signed that would provide to Roche an  
 11:41:25 7 entitlement to PCR technology generally as compared  
 11:41:28 8 to the specific assets listed in the specific  
 11:41:31 9 schedules?  
 11:41:32 10 MR. BOOZELL: It's vague and ambiguous, calls  
 11:41:34 11 for a legal conclusion and it's misleading.  
 11:41:46 12 THE WITNESS: I think I'd go back to my  
 11:41:48 13 previous testimony. Section 2.1 specified certain  
 11:41:51 14 assets that are being sold by Cetus and bought by  
 11:41:55 15 Roche. And again, with no memory or review of this  
 11:42:01 16 document, it does not, however, say that buyer --  
 11:42:05 17 seller is selling and buyer is buying only the assets  
 11:42:09 18 listed below. It simply indicates that they are  
 11:42:13 19 buying and selling the assets listed below.  
 11:42:16 20 BY MR. DAMSTEDT:  
 11:42:16 21 Q. But as to section 2.1, the only assets  
 11:42:20 22 that are being transferred under section 2.1 are  
 11:42:23 23 the assets that are listed in section 2.1 or on the  
 11:42:27 24 related schedules; was that your understanding at  
 11:42:30 25 the time?

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11:45:07 1 singled out.  
 11:45:08 2 Q. And what was your understanding as to why  
 11:45:11 3 you were on that list?  
 11:45:13 4 MR. BOOZELL: Calls for a legal conclusion.  
 11:45:15 5 Calls for speculation.  
 11:45:23 6 THE WITNESS: I can't -- I can't speculate as  
 11:45:45 7 to why Roche put me on that list.  
 11:45:45 8 BY MR. DAMSTEDT:  
 11:45:57 9 Q. All right. Turning to page RMS 6444, what  
 11:46:18 10 is -- I want to go from RMS 6444 to RMS 6465. What  
 11:46:37 11 is that?  
 11:46:40 12 MR. BOOZELL: It's vague and ambiguous.  
 11:46:44 13 THE WITNESS: This appears to be schedule  
 11:46:46 14 2.1(c), which lists the transferred intellectual  
 11:46:51 15 property from Cetus to Roche.  
 11:46:51 16 BY MR. DAMSTEDT:  
 11:46:54 17 Q. And on page 6456, if you would turn there.  
 11:47:09 18 (Telephonic interruption.)  
 11:47:11 19 THE WITNESS: Excuse me.  
 11:47:11 20 BY MR. DAMSTEDT:  
 11:47:13 21 Q. Up at the top it says "Invention  
 11:47:14 22 Disclosures." It says:  
 11:47:16 23 "Note: Seller generally seeks patent  
 11:47:18 24 protection for invention disclosures rated 1,  
 11:47:20 25 2 or 3. As patent applications are filed,

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11:42:30 1 MR. BOOZELL: Vague.  
 11:42:30 2 THE WITNESS: I don't have an understanding  
 11:42:31 3 of my memory at the time.  
 11:42:33 4 MR. BOOZELL: And it's vague and ambiguous  
 11:42:35 5 and calls for a legal conclusion. It's asked and  
 11:42:37 6 answered many times.  
 11:42:37 7 BY MR. DAMSTEDT:  
 11:42:51 8 Q. So page 6399. Provision 13.16(b), which  
 11:43:16 9 13.16 is labeled "Noncompetition." Do you see  
 11:43:20 10 13.16(b)?  
 11:43:21 11 A. Yes.  
 11:43:22 12 Q. Were you one of the employees that was  
 11:43:27 13 designated in schedule 13.16(b) as not able to  
 11:43:33 14 compete with Roche after the signing of this deal?  
 11:43:38 15 MR. BOOZELL: It's vague and ambiguous, calls  
 11:43:39 16 for a legal conclusion.  
 11:43:40 17 If you need to look at schedule 13.16(b) to  
 11:43:44 18 answer the question, go ahead and do that.  
 11:43:47 19 THE WITNESS: Where might that be?  
 11:43:53 20 BY MR. DAMSTEDT:  
 11:43:53 21 Q. Page 6613.  
 11:43:56 22 A. Thanks.  
 11:44:51 23 Section 13.16(b) refers to employees of  
 11:44:58 24 seller listed in schedule 13.16(b), and my name  
 11:45:03 25 appears on that list. So yes, I was apparently

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11:47:22 1 these disclosures shall be deemed to be  
 11:47:25 2 listed under subsection (1)."  
 11:47:27 3 Do you see that?  
 11:47:34 4 A. Yes.  
 11:47:35 5 Q. Did I read it correctly?  
 11:47:36 6 A. Yes.  
 11:47:37 7 Q. Did you have an involvement with the  
 11:47:42 8 patent related to the PCR division while you  
 11:47:46 9 were -- while you were the vice president or senior  
 11:47:50 10 vice president and general manager over the PCR  
 11:47:52 11 division?  
 11:47:53 12 MR. BOOZELL: Vague and ambiguous.  
 11:47:57 13 THE WITNESS: I'm sorry, did I have -- could  
 11:48:00 14 you repeat the question?  
 11:48:01 15 BY MR. DAMSTEDT:  
 11:48:01 16 Q. Yes. Did you have involvement with the  
 11:48:04 17 patent process while you were at Cetus?  
 11:48:08 18 MR. BOOZELL: Same objections.  
 11:48:10 19 THE WITNESS: Yes, I did.  
 11:48:10 20 BY MR. DAMSTEDT:  
 11:48:12 21 Q. What was your involvement?  
 11:48:14 22 A. In the PCR division, we had regular, I  
 11:48:18 23 believe, monthly meetings where we reviewed invention  
 11:48:27 24 disclosures and reviewed the patent prosecution  
 11:48:33 25 process for patents that we had applied for, and

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<p>11:48:41 1 prioritized them in terms of their importance and                  11:48:45 2 whether or not we would pursue a patent or pursue                  11:48:53 3 issuance of that patent in Europe, for instance. And                  11:48:57 4 that was a group of about, I think, five or six of us                  11:49:01 5 that met on a -- as I said, I believe on a monthly                  11:49:05 6 basis to have those discussions.                  11:49:07 7 Q. Who was in that group?                  11:49:08 8 A. I'm quite certain that Kevin Kaster and John                  11:49:13 9 Sninsky were in that group. I seem to remember Henry                  11:49:18 10 Ehrlich was in that group and John Raymond may have                  11:49:23 11 been in that group.                  11:49:24 12 Q. And what were factors that -- that you and                  11:49:27 13 the other committee members considered in deciding                  11:49:31 14 whether to pursue patent protection?                  11:49:34 15 MR. BOOZELL: It's vague and ambiguous. It's                  11:49:35 16 an incomplete hypothetical.                  11:49:39 17 THE WITNESS: Some of the factors that we                  11:49:41 18 considered were the commercial value of the invention,                  11:49:45 19 potential commercial value of the invention; whether                  11:49:51 20 or not it could be important in erecting these series                  11:49:59 21 of fences that we hoped we had around the technology,                  11:50:02 22 such that if the outer defense fell, we'd have an                  11:50:06 23 inner defense.                  11:50:08 24 So it had to do with whether or not it fit                  11:50:09 25 our patent strategy about filings related to</p> <p style="text-align: right;">Page 97</p>	<p>11:51:15 1 vague and ambiguous and it's an incomplete                  11:51:17 2 hypothetical, and it may call for attorney-client                  11:51:19 3 privileged communications. And caution the witness                  11:51:21 4 not to answer to the extent it would reveal any                  11:51:23 5 discussions you had with Cetus lawyers at the time                  11:51:25 6 related to co-ownership or anything related to that.                  11:51:32 7 THE WITNESS: I don't have any specific                  11:51:33 8 recollection of that discussion or a discussion of                  11:51:35 9 that nature.                  11:51:35 10 BY MR. DAMSTEDT:                  11:51:44 11 Q. All right. Turning to page 6466, from                  11:52:12 12 6466 to 6547, I'd like you to look at those pages,                  11:52:20 13 if you would.                  11:53:36 14 Dr. Gerber --                  11:53:39 15 A. Yes.                  11:53:39 16 Q. -- the pages from RMS 6466 to RMS 6547,                  11:53:44 17 does that represent schedule 2.1(d) of the U.S.                  11:53:48 18 Asset Purchase Agreement?                  11:53:49 19 MR. BOOZELL: Feel free to finish reviewing                  11:53:51 20 it before you answer his question.                  11:53:59 21 THE WITNESS: It appears to be section 2.1(d).                  11:53:59 22 BY MR. DAMSTEDT:                  11:54:05 23 Q. And I'd like to call your attention to                  11:54:08 24 page RMS 6474. It says "Attachment A to Schedule                  11:54:23 25 1.2(d)." Does that -- is that to your</p> <p style="text-align: right;">Page 99</p>
<p>11:50:16 1 protecting our invention and asserting potential                  11:50:20 2 intervention on our patents against others, and about                  11:50:23 3 the commercial potential for the patent -- for the                  11:50:27 4 process or the invention.                  11:50:27 5 BY MR. DAMSTEDT:                  11:50:32 6 Q. Was one of the factors that you considered                  11:50:34 7 whether Cetus would be the sole owner or whether                  11:50:39 8 Cetus would have a co-ownership right in the                  11:50:42 9 patents or patent applications?                  11:50:44 10 MR. BOOZELL: Vague and ambiguous.                  11:50:45 11 Incomplete hypothetical.                  11:50:45 12 BY MR. DAMSTEDT:                  11:50:47 13 Q. And just for the record, I'm talking about                  11:50:49 14 things that you actually discussed during these                  11:50:51 15 meetings.                  11:50:51 16 A. Yeah.                  11:50:51 17 Q. So I'm not asking you to speculate.                  11:50:53 18 A. Yeah, I don't have any specific recollection                  11:50:56 19 of discussing an issue related to co-ownership of a                  11:51:01 20 patent.                  11:51:01 21 Q. Was there ever a time to your memory that                  11:51:04 22 you discussed a situation in which Cetus would be a                  11:51:09 23 co-owner of the patent as compared to the sole                  11:51:12 24 owner of a patent?                  11:51:13 25 MR. BOOZELL: I'm going to object that it's</p> <p style="text-align: right;">Page 98</p>	<p>11:54:26 1 understanding a typo? It should be 2.1(d)?                  11:54:31 2 MR. BOOZELL: Vague and ambiguous. Calls for                  11:54:34 3 speculation.                  11:54:43 4 THE WITNESS: Yeah, having -- having looked                  11:54:45 5 at this, I couldn't comment. If this is all in the                  11:54:50 6 right order, and I don't know that it is, it would                  11:54:53 7 appear to be a typo.                  11:54:53 8 BY MR. DAMSTEDT:                  11:55:01 9 Q. On page RMS 6475, up at the top it says                  11:55:08 10 "PCR Agreements" and then in parentheses,                  11:55:10 11 "(Confidentiality Agreements Only)."                  11:55:14 12 Do you see that?                  11:55:15 13 A. Yes.                  11:55:15 14 Q. And did I read it correctly?                  11:55:16 15 A. Yes.                  11:55:16 16 Q. What is your understanding of what a                  11:55:20 17 confidentiality agreement -- strike that.                  11:55:25 18 What is your understanding of what                  11:55:27 19 agreements would qualify as confidentiality                  11:55:29 20 agreements?                  11:55:31 21 MR. BOOZELL: It's vague and ambiguous.                  11:55:32 22 MR. DAMSTEDT: I'm going to strike that.                  11:55:35 23 MR. BOOZELL: Okay.                  11:55:35 24 BY MR. DAMSTEDT:                  11:55:36 25 Q. What was your understanding of what</p> <p style="text-align: right;">Page 100</p>

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I, WILLIAM GRANT GERBER, M.D., do hereby declare under penalty of perjury that I have read the foregoing transcript of my deposition; that I have made such corrections as noted herein, in ink, initialed by me, or attached hereto; that my testimony as contained herein, as corrected, is true and correct.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_ (City) (State)

\_\_\_\_\_  
WILLIAM GRANT GERBER, M.D.

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I, the undersigned, a Certified Shorthand Reporter of the State of California, do hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings, prior to testifying, were placed under oath; that a verbatim record of the proceedings was made by me using machine shorthand which was thereafter transcribed under my direction; further, that the foregoing is an accurate transcription thereof.

I further certify that I am neither financially interested in the action nor a relative or employee of any attorney of any of the parties.

IN WITNESS WHEREOF, I have this date subscribed my name.

Dated: \_\_\_\_\_

\_\_\_\_\_  
SUZANNE F. BOSCHETTI  
CSR No. 5111