

EXHIBIT H

1 IN THE UNITED STATES DISTRICT COURT
2 IN AND FOR THE DISTRICT OF DELAWARE

3 - - -

4 INTERMEC TECHNOLOGIES : CIVIL ACTION
5 CORP., :
6 Plaintiff, :
7 :
8 vs. :
9 :
10 PALM, INC., a Delaware :
11 corporation, :
12 :
13 Defendant. : NO. 07-272-SLR-LPS

10

11 - - -

12 Wilmington, Delaware
13 Monday, May 18, 2009
14 4:04 o'clock, p.m.
15 ***Telephone conference

14

15 - - -

16 BEFORE: HONORABLE LEONARD P. STARK, U.S. MAGISTRATE JUDGE

17 - - -

18 APPEARANCES:

19 MORRIS, NICHOLS, ARSHT & TUNNELL
20 BY: RODGER D. SMITH II, ESQ.

20

21 -and-

21

22

23

24 Valerie J. Gunning
25 Official Court Reporter

25

1 APPEARANCES (Continued):

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

FREEBORN & PETERS LLP
BY: CARSON P VEACH, ESQ. and
JACOB D. KOERING, ESQ.
(Chicago, Illinois

Counsel for Plaintiff

POTTER ANDERSON & CORROON LLP
BY: DAVID E. MOORE, ESQ.

-and-

COVINGTON & BURLING
BY: MICHAEL J. MARKMAN, ESQ.
(San Francisco, California)

Counsel for Defendant

- - -

1 P R O C E E D I N G S

2

3 (REPORTER'S NOTE: The following telephone
4 conference was held in chambers, beginning at 4:04 p.m.)

5

6 THE COURT: Good afternoon, counsel. This is
7 Judge Stark.

8 Who is there, please?

9 MR. SMITH: Good afternoon, your Honor. Rodger
10 Smith, from Morris Nichols, on behalf of the of plaintiff,
11 Intermecc. I also have my co-counsel, Carson Veach and Jake
12 Koering from Freeborn & Peters in Chicago with me.

13 THE COURT: All right.

14 MR. MOORE: Good afternoon your Honor. Dave
15 Moore, from Potter Anderson, on of behalf of Palm. And
16 with me on the line is Michael Markman from Covington &
17 Burling.

18 THE COURT: All right. Good afternoon.

19 For the record, this is our case of Intermecc
20 Technologies Corporation versus Palm, Inc. It's Civil
21 Action No. 07-272-SLR-LPS.

22 I have reviewed the parties' joint letter
23 regarding whether to, I suppose, amend the third amended,
24 or amend the second amended scheduling order. I think I
25 have a good sense of the dispute, but I do want to give both

1 sides a chance to add briefly anything that they want to add
2 as followup to the letter.

3 Mr. Smith, why don't you or your colleague start
4 us off, please.

5 MR. SMITH: Thank you, your Honor.

6 Very briefly, as the Court will probably
7 remember, we talked on the phone about two months ago,
8 March 13th, about a two-month adjustment to the schedule
9 here, and in advance of getting on the phone, the parties
10 agreed to that, and both sides had some discovery to be
11 taken. And I think it's important in this context to
12 remember that. It was not just the Intermec discovery
13 that was getting done in that two-month period. It was also
14 some Palm discovery.

15 And Palm, on the record of that hearing,
16 mentioned they had subpoenas to Fed-Ex, hand-held, four
17 prosecuting attorneys and a licensing deposition that
18 were also going to get taken in this two-month period.

19 And interestingly here, it actually was Palm
20 who first asked if they could go beyond -- if we would
21 agree that they could go beyond the May 18th deadline for,
22 in fact, completing fact discovery, and Intermec agreed to
23 that.

24 And on the flip side, Intermec has been working
25 diligently to get its discovery done from these five third

1 parties and on subpoenas that were issued in early March.

2 The Sprint and Verizon subpoenas, my
3 understanding is, those are essentially completed, and that
4 just leaves these other three, Microsoft, AT&T and Google,
5 that are not complete as of today, which is the close of
6 fact discovery as it currently stands.

7 I don't want to belabor what was already in our
8 letter, your Honor, but the Microsoft deposition was
9 originally scheduled for May 12th, I think it was, and
10 because of some scheduling issues for Microsoft, had to be
11 pushed back after May 18.

12 Palm originally agreed to that, in part because
13 Intermecc had extended them similar accommodation on their
14 deposition of one of the prosecuting attorneys, agreeing
15 that they could take that after May 18 as well.

16 It was only after it became clear that that
17 discovery from Microsoft wasn't going to get done before
18 the June 1st date for exchange of expert reports that Palm
19 backed off its original agreement, to allow us to go beyond
20 the May 18 date for that discovery.

21 And Microsoft has given us dates, I think, that
22 are going to get this discovery done by early June, but
23 probably not by the June 1st date that currently is in place
24 for completion, or exchange of expert reports.

25 The AT&T depositions, the documents have been

1 produced from AT&T, but the depositions, I think the dates
2 offered now are May 21 and 27, so they are not very far of
3 off in terms of getting that done within a reasonable time
4 period here.

5 The last piece of this, and I'm sure your Honor
6 had a chance to look at Judge Alsup's ruling that was
7 attached to the letter, relates to Google. And it's sort
8 of ironic because Intermecc originally issued the Google
9 subpoena out of Delaware. Google is incorporated here and
10 the subpoena was issued out of Delaware. As a convenience
11 for Google, we reissued it out of California.

12 We get before Judge Alsup, and he indicated that
13 we should have gotten some sort of indication from the
14 Delaware Court that -- about relating to the relevance of
15 what we were seeking from Google.

16 So it is currently our intention with respect
17 to Google to issue, reissue a subpoena out of Delaware
18 related to Google with a relatively quick return date, in
19 particular because they've had the original subpoena for
20 60 days or more, and should be able to respond relatively
21 quickly.

22 To the extent there needs to be any further
23 motion practice with respect to Google, either motion to
24 quash or motion to compel, that would be properly brought
25 before your Honor, given the relationship to the pending

1 case.

2 So it's a long way around to say people have
3 been working very hard to get third-party discovery done,
4 be it they're not parties within our control. And the basic
5 relief we're before your Honor today seeking is an 11-day,
6 essentially, an 11-day extension of time for expert reports,
7 from June 1st to June 12th, and the opportunity to complete
8 this third-party discovery along the terms I've just laid
9 out.

10 I think a couple things are important, and then
11 I will be quiet. A couple things are important.

12 A couple things Palm does not say in their
13 papers, they never say that the discovery we're seeking is
14 not relevant and they don't say that they're going to be
15 prejudiced. So I think the upshot here is basically that
16 Palm is trying to get a tactical advantage by holding us
17 to the date, even though they don't dispute that there is
18 some relevance to this discovery and they can't show any
19 prejudice.

20 Basically, all of this is encouraging these
21 third parties to run out the clock and prevent us from
22 getting relevant discovery.

23 So we'd respectfully ask your Honor to grant
24 our request to extend the expert report date to June 12th
25 and give us permission to complete this discovery.

1 THE COURT: Now, but you want more than just
2 June 12th. You also want a chance to amend the expert
3 reports if you get third-party discovery subsequent to
4 June 12th. Is that right?

5 MR. SMITH: Your Honor, part of our problem
6 is trying to understand how quickly we'll get compliance.
7 Google will be the best example here. Not knowing how or
8 when Google will comply, it does put us in a little bit of a
9 box. I mean, we could live, I think, with a June 12th
10 exchange date for expert reports, and I think in the coming
11 days or week, we'll know whether Google will have the Google
12 information in hand in time to meet that date or whether
13 we'd need a further adjustment. I mean, I've also seen
14 it in other cases, where you have third-party issues hanging
15 out there, that there is a limited leave to supplement
16 your report to account for any additional information
17 gathered through a deposition or two that could either --
18 or in a foreign country or otherwise delayed in coming into
19 the case.

20 THE COURT: And refresh my recollection on the
21 May 18th date. You indicated that that had been agreed upon
22 before I got on the call.

23 Did you not reasonably think that you would
24 be done by today, and why shouldn't I hold you to that
25 date?

1 MR. SMITH: We obviously had every expectation
2 that we would get this done. Nobody would be happier than
3 Intermec to have this done. But it's largely due to
4 circumstances beyond our control that it hasn't gotten done.

5 THE COURT: All right. Mr. MOORE, or Mr.
6 Markman, if you could --

7 MR. MARKMAN: Your Honor, this is Mike Markman,
8 for Palm.

9 Why don't I start where Mr. Smith ended. First
10 of all, we do believe that the discovery that Intermec is
11 trying to take is not relevant and the Google subpoena is
12 the best example of that.

13 There is an order on Google's motion for
14 protective order before Judge Alsup, which your Honor now
15 has, in which Judge Alsup makes clear in no uncertain terms
16 that he is granting Google a protective order.

17 Now, Intermec may want to go and try to reissue
18 a subpoena as to Google from Delaware, but woe beyond to
19 them, if they ever of want to go back in front of Judge
20 Alsup. I believe that there are some significant issues
21 that Judge Alsup would have with respect to a reissued
22 Google subpoena or even the notion that it is being raised
23 on the call today that would, quite frankly, astonish
24 the Court here in the Northern District of California, and
25 may, in fact, be in violation of Judge Alsup's order.

1 In Judge Alsup's order, he states in no
2 uncertain terms that the discovery Intermec was seeking
3 was likely irrelevant, but that the relevance was beyond the
4 issue as a result of some other findings that he found with
5 respect to the overbreadth the subpoena.

6 Now, Palm has, at every time in this case, done
7 its utmost to be reasonable. Two months ago, when we were
8 before you the last time on March 13th, we agreed that we
9 could move the discovery cutoff in the case out along with
10 all of the other dates, including service, dates for service
11 of expert reports by two months. And we also stated in no
12 uncertain terms on the record of that call, in which I think
13 everybody on the phone was a participant, that that would be
14 it. That would be the last extension of time, precisely
15 because it otherwise would result in prejudice to Palm,
16 because it's time to exchange expert reports and get things
17 moving again.

18 In fact, your Honor, if I remember correctly,
19 needed to go and confer with Judge Robinson's chambers
20 about moving the date again for the claim construction
21 hearing in order to accommodate the change in deadline
22 that Intermec was proposing.

23 Now, during the two-month period that we have
24 done this, Palm has agreed with respect to Intermec's
25 deposition dates and has proceeded diligently to finish up

1 the discovery that Palm wanted to take.

2 The deposition of Federal Express took place and
3 has been completed. We've decided that it is not necessary
4 to take the depositions of most of the prosecuting attorneys
5 that we thought we might need to depose while reserving
6 all rights to take their depositions if they appear on a
7 trial witness list later on.

8 And here we are at the end of the two-month
9 period of time that everybody had agreed to and everybody
10 knew there would be no extensions from, and they want
11 to take further discovery from Google despite an order
12 that they would likely be in contempt on. And they want
13 to take further irrelevant discovery from AT&T and from
14 Microsoft.

15 So Palm's position is very simple. They ought
16 to be held to the May 18th date that everybody agreed on
17 that we thought we would be done with by this stage.

18 And with respect to Mr. Smith's
19 characterizations of Palm backing out of a deal to take
20 depositions after the discovery cutoff, out of professional
21 courtesy, we had agreed that we could shuffle around
22 deposition dates, but never in a million years did we agree
23 that we would change the dates for the exchange of expert
24 reports. We never expected that they would try to offer
25 deposition dates that would be after the date for the

1 exchange of expert reports.

2 And the reason why we would not have agreed
3 to that is because we need finality in the expert reports
4 because, throughout the case, we've been shooting at a
5 moving target. And by way of example, Google's name does
6 not appear anywhere in the infringement contentions that
7 Intermecc has served. Neither does AT&T. Neither does
8 anybody else, except perhaps Microsoft and Sun Microsystems,
9 which they chose not to depose.

10 So Palm's position is simply that we have
11 bargained in very good faith here, we've tried to be
12 extremely reasonable about these deposition dates, and at
13 this stage, discovery should be done. And I think the
14 Google subpoena is the best example of that. To continue
15 litigating against Google by Intermecc does not serve any
16 useful purpose and likely would result in a contempt finding
17 back here in California.

18 THE COURT: All right. Let's say that I agree,
19 Mr. Markman, that your client has acted in good faith and
20 maybe May 18th was going to be the cutoff.

21 Articulate to me why I shouldn't just give
22 Intermecc, nonetheless, an extra week to two weeks for
23 discovery and for the initial expert report. You know,
24 basically take the time out of the month you have all given
25 yourselves to do a rebuttal expert report and keep

1 everything on track, because I do agree, I don't intend to
2 move any of the later dates, and I don't think Judge
3 Robinson intends that either.

4 See why not give an them an extra 10 to 14 days
5 out of the expert period and then be done with it?

6 MR. MARKMAN: The problem, your Honor, with
7 that is that it jams Palm far more than -- and would
8 prejudice Palm far more than it would prejudice Intermecc.

9 We are defending against allegations of
10 infringement as to five very complicated patents, and our
11 rebuttal report is going to have to address the
12 noninfringement -- well, the infringement arguments that
13 are set out in Intermecc's opening expert report.

14 Now, Intermecc's opening expert report apparently
15 is going to be based on some of this new discovery, none of
16 which is even referenced at all in their infringement
17 contentions.

18 So we are not going to have a good idea of
19 what there is to shoot at, if you will, until we see the
20 opening expert report. And at that point, if the time is
21 taken out of rebuttal expert report time, we're going to
22 be left scrambling while Intermecc is basically allowed to
23 get discovery, to keep the target moving, and to really jam
24 us despite the fact that we bargained in good faith here.

25 THE COURT: All right. And did I understand

1 correctly, you are done with your depositions at this
2 point?

3 MR. MARKMAN: We are. There's a single
4 prosecuting attorney deposition that Palm had continued to
5 want to take that does not impact any of the expert report
6 deadlines and that Intermec at least initially had agreed
7 we could take after May 18th, but if we need to forego that
8 deposition, then so be it. We believe that's outside of the
9 scope of what we had agreed to here because the testimony
10 from that witness will not impact anything in any of the
11 expert reports. It purely relates to inequitable conduct
12 allegations in the case.

13 THE COURT: All right.

14 MR. SMITH: Your Honor, may I be heard on a
15 couple of points?

16 THE COURT: Yes. Go ahead.

17 MR. SMITH: Regardless of whether Mr. Markman
18 at this point is willing to give up that deposition of the
19 prosecuting attorney, those were, in fact -- some of the
20 depositions, the prosecuting attorney depositions, were
21 some of the ones that Palm was given the right to take
22 within the additional two-month period that we last talked
23 about at the conference on March 13th.

24 So he may give it up now, but, again, that was
25 something he did not get done in the time, and, frankly,

1 it's not surprising that some of these third-party issues
2 take some time. It happens in virtually every case.

3 In terms of the surprise, or the lack of
4 understanding of what the infringement contexts are, I
5 mean, this is all discovery that Intermec initially sought
6 from Palm and its 30(b)(6) witnesses, as you might remember.
7 And the claims of the patents here relate not just to
8 the device that Palm sells, the hand-held phone, but it
9 relates -- they relate to how that phone exists and
10 interacts with Internet programs and cell phone systems.

11 So the idea that Palm, there might be some
12 relevance to how Palm's products work within larger
13 systems, it shouldn't be a surprise to them, and they
14 should be able to understand pretty easily how that would
15 be relevant here.

16 In terms of the timing, I know your Honor
17 suggested taking the time out of the initial expert reports.
18 There's actually a fair amount of time before any summary
19 judgment or claim construction briefing is due. I think
20 that process starts the end of August, August 28th, so it's
21 roughly three months from now for the parties to get two
22 rounds of expert reports exchanged and do some expert
23 discovery.

24 So whether you take all of the week or two
25 weeks from opening reports, or whether you then just have

1 that slide out by a comparable amounts of time and maybe
2 take it out of the deposition period, whatever, there's
3 certainly enough time here to alleviate whatever prejudice
4 Mr. Markman claims with respect to having to respond to our
5 experts.

6 MR. MARKMAN: Your Honor, may I make one final
7 point for Palm?

8 THE COURT: Yes. Go ahead.

9 MR. MARKMAN: The only other thing that I would
10 add to this discussion is, it would have been very easy
11 if, as Mr. Smith is saying, it should have been clear that
12 the Palm products are being accused as a component of a
13 larger system. It would have been very easy for them to
14 serve subpoenas on these third parties many, many months
15 before they did. They chose to do it right before the
16 close of fact discovery the last time, and in order to
17 accommodate them and be reasonable, and as a result of
18 information that we learned in depositions at the end of
19 the last fact discovery cutoff, we agreed to give them
20 another two months.

21 But the point is, Intermed, if it really is
22 as straightforward as Mr. Smith makes it sound, could have
23 served these subpoenas months and months ago, and they
24 should have, and we should not be talking about modifying
25 a case schedule that has impacts on third-party experts,

1 on attorney preparation and on the Court at this late
2 date.

3 THE COURT: All right. Thank you, counsel.

4 What you have said has been helpful and the
5 letter was direct and to the point as well, and I appreciate
6 that.

7 I have to say, I am surprised a bit that we
8 are here where we are. We are not talking about a large
9 time difference in terms of the relief that's sought.

10 On the other hand, I understand the frustration that Palm
11 feels that we are even here at all and that this third-party
12 discovery is not done yet. It certainly seems that it
13 was anticipated when we last met by the parties, and I
14 think by the Court as well, that this would all be done by
15 now, and I understand you are close, but you are not quite
16 there.

17 So I'm faced with a situation where there is
18 some -- there's a little bit of time, not much, there is a
19 little bit of time left in the discovery schedule, in the
20 scheduling order, such that I could and am going to move
21 some dates around just a little bit. But I do also want
22 to say that, obviously, it would have been better if all
23 of this had been wrapped up. If the third-party fact
24 discovery efforts had started a little sooner, then maybe we
25 wouldn't be in this situation.

1 What I am going to do considering all the
2 factors, the potential relevance as well as the potential
3 burden, is, I am going to extend the fact discovery cutoff
4 to May 29th. I am going to make opening expert reports due
5 on June 5th.

6 So I recognize that's going to be a very
7 short turnaround time for the opening expert reports, but
8 that is a result of how long it has taken to get this
9 third-party discovery. And I'm going to retain the
10 one-month period for rebuttal expert reports and move that
11 date to July 6th. And I'm going to keep all the other dates
12 where they are.

13 So expert discovery to be commenced in time to
14 be completed by July 27th.

15 My hope and my thought, based on the
16 representations that have been made, is that the extra
17 almost two weeks or 11 days, I guess, of fact discovery
18 will give Intermecc time to complete the discovery from
19 AT&T.

20 My hope, if you wish, is that you will get the
21 Microsoft discovery due by then. If I understood correctly,
22 it could have been done by now, or soon after now, but for
23 some concern about expenses and traveling.

24 It seems to me if this discovery is important
25 enough, you will get it done by the May 29th date.

1 And with respect to Google, I don't have a live
2 dispute in front of me. If Intermecc chooses to subpoena
3 Google again, I think it's likely that will end up in some
4 type of litigation, given what Judge Alsup has to say. But
5 I will rule on that if and when it comes before me. And at
6 this point, no one is directly asking, and I am not
7 providing any opportunity to supplement expert reports.

8 So, again, we are going to change just a few
9 dates. We are going to have fact discovery cutoff of
10 May 29th. We are going to have expert reports, the initial
11 expert reports, due by June 5th, and the rebuttal expert
12 reports due by July 6th.

```
13         We will get an order out with these new dates.
```

14 I don't want reargument, but anything that I've
15 not been clear about, Mr. Smith?

16 MR. SMITH: No, your Honor.

17 THE COURT: And Mr. Markman?

18 MR. MARKMAN: No, your Honor. Thank you.

19 THE COURT: All right. Thank you, counsel.

20 Bye.

21 (Telephone conference concluded at 4:22 p.m.)

22

23

24

25