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July 24, 2010

BY E-MAIL
The Hon. Leonard P. Stark
U.S. District Court for the District of Delaware
844 N. King Street, Unit 26, Room 6100
Wilmington, DE 19801-3556

Re: *Leader Technologies, Inc. v. Facebook, Inc.*, Civ. No. 08-862-LPS

Dear Judge Stark:

Facebook respectfully submits this letter in response to your Honor's request for limiting instructions and to address a very prejudicial matter that arose at the very end of proceedings yesterday during the cross-examination of Professor Greenberg. During that cross-examination, Leader's counsel asked several questions and made false statements that the Swartz reference was actually considered by the Patent Office examiner during the prosecution of the '761 patent. Although Facebook objected multiple times to the questions – and the Court sustained those objections – Leader continued and thus achieved its goal of misleading the jury that the examiner "was aware of the Swartz patent" simply by asking those questions.

The damage and prejudice caused by Leader's improper questioning cannot be undone via a limiting instruction, and Facebook therefore moves for a mistrial.

In the alternative, Facebook requests that the Court issue the limiting instruction proposed later in this letter that would explain to the jury that, contrary to what they may have heard, Swartz was not before the Examiner during prosecution of the '761 patent.

On July 1, 2010, this Court granted Leader's motion *in limine* to preclude any reference to the reexamination proceedings before the PTO. In ruling on this motion, this Court ruled:

> On Issue 3, the Motion in Limine is granted, meaning that Mr. Greenberg may not offer testimony as to what the PTO examiner would or would not do had certain materials been disclosed. However, **Mr. Greenberg may testify to the undisputed facts that certain prior art is not cited on the face of the '761 patent**. (July 1, 2010 Transcript at 8:19-24).

This is exactly what Dr. Greenberg did in his direct testimony. The Court further ruled:

> If Leader does open the door by misrepresenting what happened before the PTO, **which is not relevant**, then as with any misrepresentation, **the court will take appropriate corrective action at the time**. (July 1, 2010 Transcript at 10:1-4).

The relevant excerpt from the cross-examination of Professor Greenberg is:

[Mr. Andre] Q. If you go to the last page of the examiner's amendment, you see Page 683?

A. Mm-hmm.

Q. And you see the examiner's name here?

A. I do.

Q. Diane Mizrahi?

A. Yes.

Q. Go to PTX 1 and go up here to this column here. Now, Ms. Mizrahi cited certain exhibits here, certain references against the '761 patent; correct?

A. That's correct.

Q. And you saw the fact that like the Swartz reference was not listed there; right?

A. That's correct.

Q. Now, the implication from you pointing that out is that Ms. Mizrahi or Mizrahi – I'm probably butchering her name here – **she was not aware of Swartz here and didn't put it here**; right? **That is the implication**?

MS. KEEFE: Objection?

THE WITNESS: Well, what I said --

THE COURT: Hold on.

MS. KEEFE: Objection, Your Honor.

THE COURT: Sustained.

BY MR. ANDRE: Q. **You're aware, of course, that the examiner was aware of the Swartz patent**; correct?

MS. KEEFE: Objection, Your Honor.

THE COURT: **Sustained**. **Move on**, if you have something else you can do in two minutes.

BY MR. ANDRE: Q. Go to DTX 919. Blow this up right here. This is the Swartz patent; correct?

A. That's correct.

Q. Is not Ms. Mizrahi an examiner of this?

MS. KEEFE: Objection, Your Honor. Move to strike?

THE COURT: Sustained.

MR. ANDRE: **Your Honor, it's on the face of the patent**.

THE COURT: It's stricken. Let's move on.

(emphasis added).

This exchange has now created the false impression that the Swartz patent was considered during the prosecution of the '761 patent (which is not true) because Diane Mizrahi was listed as an examiner on both patents. The representation by counsel that Ms. Mizrahi "was aware of the Swartz patent" has no basis in fact and therefore the question had no good faith basis to be asked at all. As the PTO website confirms, Ms. Mizrahi is listed as an examiner on more than 1,100 issued U.S. Patents during her career at the PTO (and likely thousands more applications that never issued). As the *ex parte* reexamination order expressly stated, the reference was not cited during prosecution of the '761 patent and nothing in the file history suggests that Ms. Mizrahi gave Swartz a thought during the examination of the '761 patent that occurred years later:

> **Swartz** was not before the Examiner during the prosecution of the **McKibben** patent and there is a substantial likelihood that a reasonable examiner would consider the said teaching of **Swartz** important in deciding whether the claims of the **McKibben** patent are patentable. Accordingly, **Swartz** raises a SNQ as to **claims 1-2, 4-16, 21-27, 29, and 31-35**, which question has not been decided in a previous examination of the of the **McKibben** patent.

Order Granting Ex Parte Reexamination of U.S. Patent No. 7,139.761, Control No. 90/010,591, at page 4 (attached as Exhibit A).

There is a real and present danger that the jury will disregard its duty to independently determine whether Swartz anticipates the asserted claims because of the mistaken belief that the PTO has already considered and rejected the reference, and that the PTO should be trusted to do its job. The damage cannot be undone through any admissible evidence available to Facebook and, therefore, a mistrial is appropriate.

Alternatively, Facebook should be allowed to attempt to unring this bell through an instruction to the jury that the Patent Office has already determined that the Swartz reference was not considered during the prosecution of the '761 patent, and that the Swartz reference warranted taking another look at the validity of the asserted claims. Simply telling the jury that the Patent Office did not consider the Swartz reference is not enough, because the jury now knows that Ms. Mizrahi served as an examiner on both patents (and that "bell" cannot now be unrung in light of Leader's statements about "the implication").

Proposed Limiting Instruction No. 1 re the Swartz Reference

On Friday during the testimony of Professor Greenberg, Leader's counsel made statements implying that the U.S. Patent Office examiner who worked on the '761 patent, Diane Mizrahi, was aware of and considered the Swartz patent. I hereby instruct you that the Patent Office has recently made a finding that the Swartz patent was not considered by Ms. Mizrahi before the '761 patent issued. Additionally, on September 25, 2009, the U.S. Patent Office ordered a reexamination of the validity of the '761 patent and made the following findings: (1) that Swartz was not before Ms. Mizrahi during prosecution of the '761 patent, (2) that a reasonable examiner would have considered the teachings of Swartz important in deciding whether the claims of the '761 patent are valid, and (3) that Swartz raises a substantial new question of validity as to each

claim asserted in this litigation, which was not decided in the previous examination of the '761 patent.

Respectfully submitted,

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