EXHIBIT 1

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

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AXIOHM IPS, INC.,
Plaintiff,
v.
EPSON AMERICA, INC. and SEIKO EPSON CORPORATION,
Defendants.

CIVIL ACTION
No. 00-420-SLR

SEIKO EPSON CORPORATION, and EPSON AMERICA, INC.,
Counterclaimants,
v.
AXIOHM IPS, INC., and AXIOHM TRANSACTION SOLUTIONS, INC.,
Counterclaim Defendants.

- - -

Wilmington, Delaware
Thursday, March 29 2001 at 2:00 p.m.
JUDGE'S DECISION

- - -

BEFORE: HONORABLE SUE L. ROBINSON, Chief Judge

- - -

APPEARANCES:

MORRIS NICHOLS ARSHT & TUNNELL
BY: JULIA HEANEY, ESQ.

and

Brian P. Gaffigan
Official Court Reporter

APPEARANCES: (Continued)

McDERMOTT HILL & EMERY
BY: DONNA M. TANGUAY, ESQ. and
MICHAEL D. SMITHEE, ESQ.
(Washington, District of Columbia)

Counsel for Axiohm IPS, Inc. and Axiohm Transaction Solutions, Inc.

CONNOLLY BOVE LODGE & HUTZ
BY: ARTHUR G. CONNOLLY, III, ESQ.

and

HOGAN & HARTSON L.L.P.
BY: STUART LUBITZ, ESQ. and
JAI RAO, ESQ.
(Los Angeles, California)

Counsel for Seiko Epson Corporation and Epson America, Inc.

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P R O C E E D I N G S

(Judge's opinion excerpted from proceedings.)

THE COURT: Okay. I'm ready to make my decision.

First of all, let me start out by saying that as far as I'm concerned, what should have happened in this case is you should have had documents production, should have used your 30(b)(6) depositions at the beginning of discovery to make sure that you have documents and that you have individual witnesses identified. It's hard for me to believe that we're at the very end of discovery and you are still calling out 30(b)(6) depositions. I mean it's rare and I think they're certainly less helpful than an individual deposition and I certainly would hate to think that is what you are counting on.

Given that background, number one, it seems to me that at this point if Axiohm really wants to find out about the conception and reduction to practice, it's time you asked the inventors. Forget the 30(b)(6). So I'm denying that request for relief.

Number two, about this third party. It was my understanding from what Mr. Switzer said that they have produced all documents. If there is an outstanding request and the defendant has not, then the defendant needs to, but with respect to the deposition testimony, forget the 30(b)(6). We've got two individuals who are identified on the documents that have been produced. I'm going to order that those depositions be scheduled and be taken.

Number three, and number four, the communications between Foreign Patent Offices and our own Patent Office, I'm only going to require that the prosecution files and publicly available records be produced. I am under the impression that what Mr. Switzer wants is documents that are generally not produced, at least not until patents issue, and I'm not going to go behind the regular rule and allow basically those kinds of documents to be produced prior to the time they would be publicly available anyway.

With respect to the licenses, again it seems to me that if the license agreements themselves do not cover either the patents or the products, then they are not covered by a request for such license agreements. Now, if in fact there are other business arrangements where people are practicing the invention and there is nothing specifically in place, I think that has to be covered by a different kind of request. So long as the specific question or request for production has been appropriately responded to, and it sounds as though it has, then I'm not going to order anything further.

With respect to defendants' complaints, we don't do contention depositions in this district, and the word "entitled" is not generally one that I embrace, so that is denied.

Number two, I think it makes sense for you all, in order to get this done congenially and orderly, to extend the discovery deadline until the end of April just for the purpose of getting your depositions in. Within one week of today, you need to have agreed among yourselves how you're going to do that. And if you are having problems, then I will entertain a further conference with you all, but it seems to me as though at this point in time, with the end of

discovery looming, it's time for you all to get in gear and get this done.

With respect to these folks who are not in this country, I just want you to know that it is my belief, and I'm not sure what I heard, if these individuals are employed, whether they're directors or officers or anything else, they'd better make themselves available not necessarily in this country but someplace. If they're not in any way related, then that is a problem for the person who wants to take their deposition.

With respect to the software, I don't know, apparently the software has been produced. Axiohm intends to supplement all of these things by the end of this month, which after all is Friday. With respect to the prior art, I want to make sure Axiohm understands, I don't care whether it's literally reproduced, but if it's not identified by April 18, it will not be used or usable in summary judgment or at trial. So you had better make sure whatever prior art you intend to rely on through the case that you identify it before the end of discovery.

Likewise, willful infringement. If in fact, Axiohm, you intend to rely on the opinions of counsel, generally this is not an issue that we address at the end of discovery, you have to let Epson know by March 30. Otherwise, you will be precluded from using that, and that

will give an opportunity for discovery before the end of discovery comes about. So March 30, which is after all, what is it, Friday, is your deadline. This is something that should have been addressed prior to this.

With respect to the damages, the complaint about damages, what can I say when a party says we've produced related materials? All I can say is if there are outstanding contentions, they have to be replied to.

I think that addresses everything. If you all are having problems with the depositions, you let me know. We'll schedule something next week.

Is there anything further we can address?

MS. TANGUAY: No. Thank you, your Honor.

THE COURT: All right. Thank you. Good-bye.

MR. RHO: Can we ask the court reporter for an expedited transcript of this judge's decision?

THE COURT: Well, if you identify yourself, I will order it.

MR. RHO: Yes. Jai Rho. And I would like that sent.

THE COURT: All right. Thank you.

(Telephone conference ended at 3:05 p.m.)

EXHIBIT 2

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

- - -

SEAGATE TECHNOLOGY LLC, Plaintiff
vs.
CORNICE, INC., Defendant
CIVIL ACTION
NO. 04-418 (SLR)

Wilmington, Delaware
Tuesday, June 28, 2005
4:43 p'clock, p.m.

- - -

BEFORE: HONORABLE JOSE L. LINARES, Chief Judge

- - -

APPEARANCES:

FISH & RICHARDSON P.C.
BY: TIMOTHY DEVLIN, ESQ

-and-

FISH & RICHARDSON P.C.
BY: BRIAN R. NESTER, ESQ.
(Washington, D.C.)

Counsel for Plaintiff

APPEARANCES (continued):

MORRIS, NICHOLS, ARSHT & TUNNELL
BY: JACK B. BLUMENFELD, ESQ. and
JULIA HEANEY, ESQ.

-and-

WEIL, GOTSHAL & MANGES LLP
BY: DAVID RADULESCU, ESQ. and
MICHAEL ZUPPO, ESQ.

(New York, New York)

Counsel for Defendant

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PROCEEDINGS

(Proceedings commenced in the courtroom, beginning at 4:43 p.m.)

THE COURT: I take it you're here because there are things for us to discuss, so I will let you tell me what they are.

MR. DEVLIN: Good afternoon, your Honor. Tim Devlin, of Fish & Richardson, for Seagate. With me I have Brian Nester from our D.C. office. He'll be arguing primarily on behalf of Seagate.

THE COURT: All right. Thank you.

MR. NESTER: Good afternoon, your Honor. I'd like to start out with a little bit of background, so the Court can appreciate where the parties are and how much work we've actually done at this point.

As you may recall, we had a sister litigation in the ITC that settled on April 29th. In that ITC litigation, the parties took significant discovery on many of the issues that will be relevant here. You know, Cornice issued 144 interrogatories there that we responded to, and including the experts, we took over 40 depositions. But like I said, the ITC case settled on

April 29th and that moved us into this stage, the Delaware action and, as the scheduling order sits now, discovery closes on June 30th.

Despite all the discovery that took place in the ITC, there's still a fair amount of discovery that needs to take place in Delaware, related to damages: Cornice's counterclaims, of which there are three or four, as well as design changes that they've made to their products.

And also relevant to this conference is on the 20th, there is a new counterclaim added to this case. It was their breach of contract counterclaim.

So let me tell you the status of discovery right now. Like I said, the parties have been working hard on discovery. Last week and this week, we got a total of 24 depositions that are taking place, including third-party depositions. Documents are being produced on a rolling basis. We received documents yesterday from Cornice. And as well, we received supplements today on Interrogatories from Cornice. We've also received some third-party discovery, documents relating -- number one, they're documents Cornice produced. They relate directly to damages that we didn't receive from Cornice. They deal with market reports, market share, competitors, valuation of Cornice.

Page 37

to play with you, but I would hope that the consequences are such that you really don't want to be doing that, that you will prepare your witnesses to answer the questions.

All right. I'm going to just check to make sure that my jury room is clean, that my jury notebooks are not in the room or anything, so that you can go back and you can talk about finishing up this discovery, narrowing perhaps the 193 categories, making sure that you're all on the same page with respect to naming the depositions that you have to happen and work up a tentative schedule to get the depositions done before your experts need to start working on their reports.

And when you are done, if you can't work something out, then you can come back to the back of the courtroom and I will meet with you when I'm done my charge conference and I will make whatever decisions I need to make. But I'm not going to go through 193 categories to determine what is appropriate and what's not.

MR. BLUMENFELD: Your Honor, under 30(b)(6), on the 193 categories, under 30(b)(6), this may help resolve a lot of them. There are 40 or 50 categories that begin by saying Cornice's full factual and legal basis for asserting that it, and then does not infringe,

Page 38

the patents are invalid.

THE COURT: I don't do contention depositions. You all know that. You all should know that. No contention depositions. Those are in writing. There's no one person that should have to answer that.

All right. Let me -- just stay here for a minute. Let me check to see what my situation is.

I was supposed to ask you all something. We are now in the wonderful word of electronic filing. We are not going to babysit lawyers in terms of what they file if it's confidential or not. You either need to take your responsibility to file it under seal and then file a redacted version. On the other hand, I have a hard copy of Cornice's motion for leave to file an amended answer and counterclaim, stamped confidential, my hard copy, but I don't think it was filed under seal.

So I mean it's out in the world now. If you want to change it, you need to do that.

This is just a note I got from my Clerk. I actually don't have any clue as to what you did. But we are not babysitting. Once it's out, it's out. If you want me to do something about it, you have to file a motion and have me do it. All right? Hold on. Let's get us organized.

(Short recess taken.)

Page 39

(Court resumed after the recess.)

THE COURT: Maria is going to direct you to the jury room. You're either going to disappear because you've managed to work out your differences or you are going to go to the back. Maria will show you how to get out and I will talk to you after my charge conference.

(Court recessed at 5:30 p.m.)

EXHIBIT 3

IN THE UNITED STATES DISTRICT COURT

IN AND FOR THE DISTRICT OF DELAWARE

- - -

McKESSON INFORMATION SOLUTIONS LLC, : CIVIL ACTION
Plaintiff :
vs. :
THE TRIZETTO GROUP, INC., :
Defendant : NO. 04-01258 (SLR)

- - -

Wilmington, Delaware
Tuesday, August 2, 2005
4:50 o'clock, p.m.

- - -

BEFORE: HONORABLE SUE L. ROBINSON, Chief Judge

- - -

APPEARANCES:

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
BY: MICHAEL A. BARLOW, ESQ.

-and-

Valerie J. Gunning
Official Court Reporter

APPEARANCES (Continued):

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
BY: JEFFREY G. RANDALL, ESQ.
(Palo Alto, California)

Counsel for Plaintiff

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

-and-

GIBSON, DUNN & CRUTCHER LLP
BY: MICHAEL SITZMAN, ESQ.
(San Francisco, California)

Counsel for Defendant

PROCEEDINGS

(Proceedings commenced in the courtroom, beginning at 4:50 p.m.)

THE COURT: Good afternoon, counsel. I take it the fact that you are here means that there must be some disputes?

MR. SITZMAN: Actually, your Honor, to sort of jump ahead, we've been trying to find out for a week and a half from plaintiff what disputes they think are at issue. We wrote them about 12 days ago and said that we ought to be able to obviate the need for a discovery conference because there's nothing at issue between us and, as of Friday, we still had no indication from them what they planned on raising.

I got an e-mail Thursday night saying that we will try in the next few days to get you an itemized list and I have yet to see any kind of indication from them as to what they intend on raising.

THE COURT: All right. Well, then you and I are both in the same boat.

All right. Let's hear from plaintiff's counsel, then, as to what it is believed to be problematic

here.

MR. RANDALL: Your Honor, Jeff Randall, representing Plaintiff, McKesson, with Skadden Arps.

I'm glad to hear that there are no issues that TriZetto has with McKesson. We do have three issues that we'd like to raise with the Court.

We did respond to the inquiries by TriZetto and indicated that we had been engaged in a whole series of letters with them regarding these three issues and that we would raise these issues.

The first issue is TriZetto's continued failure to comply with your Honor's May 19 order requiring them to adequately identify the anticipatory art that they are relying on and the art that they rely on of their obviousness argument.

The second issue is their failure to provide a 30(b)(6) witness or any witness for us in response to two 30(b)(6) notices that we served in early July.

And the third issue is their failure to provide adequate claim construction, as required by the Court's scheduling order.

With respect to the first issue, your Honor, let me give you some background. We served our Interrogatories on TriZetto in December and this case involves a patent which they have known about for years.

Page 21

And so I guess I am hoping that we will hear that document production is now finished.

And I think that's it.

THE COURT: All right. Before I hear from Mr. Randall again, let me handle the easiest issues first.

That is with respect to the depositions. Number one, I have never thought contention Interrogatories are appropriately responded to via 30(b)(6) depositions. I still maintain that position.

So if you ask for depositions concerning the basis for a defense, that is a contention interrogatory. You can ask who has knowledge and then you can take individual depositions, but I don't believe that a corporate deposition is appropriate for contention.

And may I ask of the six topics, there was an indication from Mr. Randall that at least Topic No. 5, there was agreement that that was not a contention interrogatory; is that correct?

MR. SITZMAN: That is correct.

THE COURT: All right. With respect to the outstanding contention interrogatory, the outstanding 30(b)(6) deposition notices and efforts to get invention depositions by a week from today, and that is by August 9, 2005, by 5:00 o'clock, I will give you 15 minutes less than a week, you are to exchange the names of the folks

Page 22

who will respond to all of the outstanding, as of today, 30(b)(6) notice depositions. You will provide to opposing counsel the dates within the next 30 or -- I guess 30 days. I don't know whether it should be 30 or 60 days that these folks could be available. You will provide to opposing counsel where they might be made available, so that you all can coordinate efficiently the taking of these depositions.

So that's by a week from today. Whoever fails to comply with that will be brought to my attention and we'll deal with whatever sanction there needs to be dealt with. But it seems to me that, after all this time, you all and your clients should have been thinking ahead and getting this information together.

With respect to the Interrogatory about the prior-art references, I am satisfied at this point with the explanation provided by TriZetto. And that is that, at this point, they only intend to use the 19 that are charted, that the remaining have been identified as relevant, but not as prior-art references that will be used affirmatively at trial.

And I expect that if any are added, there will be reason why they weren't added now as opposed to later and that they will be charted adequately when they are added.

Page 23

That leaves me with claim construction. And I'm not sure I can respond to that without really looking at the claim terms and construction and I have not heard Mr. Randall on that. I do want to hear Mr. Randall on that.

And with respect to -- well, I guess I will just hear also from Mr. Randall about whether, in fact, they had provided the earliest version of the software that they have in their possession or not.

So I think those are two issues that are still left to be addressed by me.

And, Mr. Randall, I would like to hear your response to those two issues.

MR. RANDALL: Sure. One clarification. That is that our discovery cutoff is the 16th of September, so I think that it would make sense to have all the depositions at least scheduled by 30 days following the --

THE COURT: All right.

MR. RANDALL: And one other issue with respect to their interrogatory claim chart. I would ask that they be ordered to provide, at least as to those 19 that they are relying on, identify where within the references there's a motivation to combine the references that they have asserted. So, for instance, for any one given claim, if they are relying on an obviousness combination of six references to render invalid based on obviousness one

Page 24

claim, they ought to identify where in those references there's a motivation to combine the references.

THE COURT: Accept that the motivation to combine can come from any place, can't it? It can come from all sorts of different things. It does not necessarily have to come from the references and, quite frankly, I thought that was generally the gist of an expert's report.

MR. RANDALL: Well, if they are relying on anything within the documents, at least they should identify that.

THE COURT: Certainly. If it's within the documents, it should be identified. If it's not, then --

MR. RANDALL: They can do that by the 9th, as well?

THE COURT: Yes.

MR. RANDALL: Thank you.

With respect to the document production, your Honor, I wasn't aware that they were not seeking the most current version. I have not gone through the transcript of the hearing. I wasn't here. But it was my understanding that they were arguing for the current version of the software. But I will look -- we'll find out if they were arguing for it or not. We went through great efforts to get them the current version.

EXHIBIT 4

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

TIEGEL MANU CO.,

Plaintiff,

v.

GLOBE-UNION, INC.,

Defendant.

Civil Action No. 84-483

Wilmington, Delaware
October 5, 1984
2:25 o'clock p.m.

BEFORE:

THE HON. WALTER K. STAPLETON, Chief Judge

A P P E A R A N C E S

For Plaintiff:

COLLINS J. SEITZ, JR., ESQUIRE
Connolly, Bove, Lodge & Hutz
FRANK J. BENASUTTI, ESQUIRE
C. FREDERICK KOENIG, III, ESQUIRE

For Defendant:

MARY B. GRAHAM, ESQUIRE
Morris, Nichols, Arsht & Tunnell
GARY CLARK, ESQUIRE [By conference telephone
JAN WEIR, ESQUIRE [By conference telephone]

[The following occurred in Chambers:]

THE COURT: We are going to have one participant from California whose name is --

MS. GRAHAM: Gary Clark.

MR. SEITZ: Your Honor, if this is a good time for you, I'd like to move to admit Mr. Frank Benasutti and Mr. Fred Koenig from Benasutti & Murray in Philadelphia pro hac vice for this case.

THE COURT: All right. Happy to grant your motion. Welcome back, gentlemen.

MR. BENASUTTI: Thank you, your Honor.

MR. SEITZ: Thank you, your Honor.

[The Court then turned on the telephone conference box.]

THE COURT: Mr. Clark, are you on the line?

MR. CLARK: Yes, your Honor.

THE COURT: Can you hear us all right?

MR. CLARK: Yes, I can.

THE COURT: All right. I believe it is your application.

MR. CLARK: Yes, sir. May I, with permission, your Honor, put you on the speaker phone so I can have my hands free?

THE COURT: Certainly.

MR. CLARK: Thank you.

Your Honor, I have with me here in the office Jan Weir, an associate in our firm, who is of record in the case.

Your Honor, we brought this motion because we think that the nature of the discovery that they have sought is more properly conducted by interrogatories.

When we received the notice, I called personally Mr. Volpe, of Mr. Benasutti's firm, and explained the situation to him and suggested that we would be very willing to answer interrogatories directed to essentially the same subject. He said he'd get back to me the next day. When he did, he said discovery by interrogatory wasn't acceptable because they needed the discovery before the preliminary injunction hearing.

I then offered to turn interrogatory answers around in very short order, within a matter of days, so that he would have them before the preliminary injunction hearing, but I was told that that solution wasn't acceptable, which was rejected out of hand without an explanation.

We are now told that the discovery that they need is urgent for the preliminary injunction hearing. I don't think that this argument can be taken very seriously.

Your Honor may recall that they were originally prepared to have their preliminary injunction motion heard within one week's time and in such short order that they obviously did not leave any time for discovery before it could be heard, and when they were taking that position, they had our answer in hand and they knew what our denials were. So the position they are taking now that there are denials in the answer which raise new matters necessary to be explored on discovery before the preliminary injunction hearing I think simply is not well taken.

I would also note, in connection with their argument, that this is designed to elicit discovery for preliminary injunction, that the deposition notice very mechanically lists each and every denial of our answer to the complaint as an area of inquiry on deposition, without any apparent regard to the relevance of each and every point to their motion.

Category No. 3 is a prime example. They want to know the basis upon which we first sued Tiegel in Los Angeles asserting venue over them there, but that has no relevance to the preliminary injunction motion. And, more than that, it has already been the subject of briefs, affidavits, and a hearing in Los Angeles.

So they are certainly well aware of our

position in that regard and do not need the discovery before the preliminary injunction hearing on an issue such as that.

We think that there would also be substantia prejudice to Globe-Union from having to give an oral deposition on the subjects of the bases for our denials in the answer, particularly in the time frame in which they want to take the deposition.

We have made the point that the answer is outside counsel's work product. Outside counsel is uniquely qualified to state the basis for each denial. Those denials obviously require an application by counsel of law as facts based upon the facts as counsel understand them, which is a far different thing from getting discovery of merely underlying facts after interrogatories have identified the factual basis and the witnesses and documents that can support them.

So we think that the deposition creates a risk of undue waiver of privilege and work product and that it would be more appropriate for them to take it by interrogatory.

I would also like to make the point that the deposition comes at a time that could not be more disruptive for both parties. During the week that they have noticed the deposition to take place we have had to spend substantia

time preparing our reply brief on the transfer motion that is before your Honor. Today we are filing an opposition to a stay motion that they had on file in San Francisco in connection with that action. On Monday, we have due our opposition to the preliminary injunction motion. And on Tuesday or Wednesday we have an extensive status report due in San Francisco for Judge Schwartzer.

They have an answer due to our amended complaint in San Francisco on Monday or Tuesday. They have answers due to our interrogatories and document production requests in San Francisco due on Tuesday or Wednesday of next week. They have to put together a reply to our preliminary injunction motion, and they have to assist us in putting together the joint status report next week for Judge Schwartzer.

So it seems to me that there are so many things going on that we can't possibly also squeeze a deposition in.

In that regard, I'd like to conclude my remarks by saying that it is unique in my experience that counsel will file a motion such as this motion for prelimin injunction, seek a hearing in very short order, and then ge their memo and supporting affidavits on file, and then come to the Court and take the position that the motion isn't adequately supported without additional discovery, discover

which would only take place now after our opposition to thei motion is in.

It seems to me that the more appropriate relief that they should be getting here is a postponement of their preliminary injunction motion so that all parties can have adequate time and we of course can have an adequate opportunity to respond in writing to whatever facts they think they might uncover in discovery and utilize in supporting their preliminary injunction motion.

Thank you.

THE COURT: All right. Is it Tiegel -- is that the way your client's name is pronounced?

MR. BENASUTTI: Yes, your Honor.

THE COURT: Who wants to speak on behalf of Tiegel?

MR. BENASUTTI: I will, your Honor.

I have a great deal of difficulty with recounting of all of those facts. I think the record will show that at least the one that seemed to be most important to them is that we filed the motion before their answer came in in this case. We filed the motion because our client in my belief is being grievously injured, right at this very moment --

MR. CLARK: Your Honor, I'm afraid we can't hear at this end.

THE COURT: All right. Do you want to spe up, Mr. Benasutti?

MR. BENASUTTI: I believe that we are bein grievously injured by --

MR. CLARK: Hello --

THE COURT: Do you want to speak up?

MR. BENASUTTI: We're trying to speak up, but if you make any noise on the other end, the problem is that these boxes cut out the voice.

MR. CLARK: I understand that. We have not been making any noise, but we haven't been able to hear anything for about the last 30 or 45 seconds.

MR. BENASUTTI: All right. I am wondering if I could pick up a telephone and talk into that and then talk to the Court. In that way I wouldn't have to shout at the Court. Is that possible?

[The Court then moved the telephone conference box.]

MR. BENASUTTI: Can you hear me now?

MR. CLARK: Yes, I can.

MR. BENASUTTI: All right. They moved the speaker a little closer. I'll start from the beginning.

First of all, we didn't have their answer, your Honor, when we filed our motion for a preliminary injunction. We brought this suit to stop them from suing us

and to stop them from suing our customers, which is something they are doing right now, and therefore we want action right now, and I think we are entitled to that action as quick as possible. So we brought the motion.

We then got their answer. Now, in the answer they have made denials. The denials are to the very same things that we brought the motion on. We brought the motion on the complaint, on the substance of the complaint. If they have made denials, the usual course of discovery is to take depositions to find out what the substance of those denials is, what are the facts.

Counsel just mentioned that he has a factual basis from which lawyers raise legal conclusions. We are entitled to the facts of those things. The fact of the matter is, interrogatories are generally used to identify people and to identify things or documents, which you then go through when you get document discovery, and then down the line you start taking depositions. We want to avoid all that. We want to avoid all this lawsuit. All we are saying is, if you have facts that you are going to bring to this Court's attention at next Monday's hearing, we have a right now to find out what they are because we are out front with what our position is and they have no business covering up what their position is.

The purpose of this motion, as I see it, is

simply to keep us from getting those facts before the hearing. If that is true, then it is simply a motion interposed for delay because they have indicated in their motion that they are going to supply us with all the answers we need.

All we have to do is ask every conceivable question in the world and they are going to be able to answer it by the end of next week, from what I hear now. That is the first time, incidentally, that we have heard that, but let's assume that it is true.

They are going to answer every question, and every question has to be based on everything we know now. In other words, we find out a fact and I guess we'd have to write them another question, and then if we find another fact, then we'd have to write them another question. It is an impossible proceeding to get done.

The way to handle that is, you bring in a witness and you have him testify. Unfortunately, a lot of attorneys -- and it is all of our fault -- consider that the Federal Rules are an apple that you can take one bite out of before they get stopped.

I would submit to this Court that this client has already had their one bite this year. In the co-pending case that I mentioned in my papers, involving two of the same patents that are in suit, which is pending

now in the Southern District of Indiana, there was an Order entered by Judge Sarah Evans Barker earlier this year requiring them to comply with Rule 30[b][6] and to provide a witness and to prepare that witness to fully and completely answer questions posed at a deposition. And the Judge went on to say, "Further, Johnson is now deemed on notice as to the specific areas in which the defendants will be making discovery inquiries when the deposition is rescheduled." She said that the Court views their past conduct in this matter to be such as to warrant a further reminder of the sanctions available for the abuse of discovery proceedings.

Here they are again with the same kind of tactic. They are not going to produce a witness. The only witness is -- if you look at all the different papers that have been filed, the only place you will see a witness appear is on paper -- it is as mysterious as it is ubiquitous, because every time a paper is filed here, well, the witness is over here. If you file a paper out there, well, the witness is over there. The latest paper they filed they don't even identify the witness and then say to the Court, "Pay for him to come to the deposition." We don't know if he is here in Wilmington. We don't know who he is.

The purpose of 30[b][6] and the purpose of

laying out, as my colleague, Mr. Koenig did in a very detailed and narrow attachment to notice a deposition, is saying, this is the specific question or the specific issue that we want to talk to that witness about.

This is not a broad general 30[b][6] covering every aspect of the litigation. We want to go down the little areas where they have made denials of specific things that we have raised, and I think we are entitled to do that, and I certainly hope that the Court would want to have answers to that sort of thing at the time that the Court is ready to rule on a motion for preliminary injunction.

A motion for a preliminary injunction is not like a TRO. We are not coming in here and taking a swat at it. We are saying that they should be put out of business on this lawsuit by laches and estoppel, and they are saying that their conduct up to now doesn't warrant that, and I think we are entitled to investigate into what the basis for that is.

Now, we laid out in our brief in support of our motion for preliminary injunction a very detailed statement of each and every paper that we are relying on to support our motion. We said, On such and such a date so-and-so wrote so-and-so, and that sort of thing. And I think we are entitled to see what their position is before we go to

Court.

THE COURT: All right. Mr. Clark?

MR. CLARK: Yes, your Honor. We're not trying to deny them access to the underlying facts of whic they are speaking. In fact, that is the reason we offered to answer interrogatories. That offer was specifically made by me to Mr. Volpe, who I understand is not there, unfortunately, and it was rejected. To think that we are now going to go ahead on a preliminary injunction motion and try to conceal from the Court the basis for our denial to their answer -- or denying the relief they have asked f in the preliminary injunction motion is really untenable.

Our opposition to that motion is due on Monday. We have prepared affidavits, exhibits, and of course our legal memorandum in opposition to that motion. It will be filed on Monday, and counsel at that point, as is proper under the local rules of the Court, will be apprised of everything upon which we rely in opposition to the preliminary injunction motion.

So it is not the fact that he is going to go into the hearing on the preliminary injunction motion or Monday naked, totally unadvised of the basis of our denial.

THE COURT: Does anybody else want to say anything?

[No response.]

THE COURT: I view the noticed discovery as being contention discovery. It has been the consistent position of this Court that a lay person shouldn't be required to formulate a party's contention in response to deposition questioning and that not even a lawyer should be required to formulate trial strategy and contentions in immediate response to questions on deposition. And it has accordingly been the consistent practice to require that contention discovery, which is clearly permissible and very constructive in narrowing the issues, but to confine it to interrogatories to a party, period.

Now, we appear to have a time problem here, although I am not sure whether we have a time problem or not. When did you say you are prepared -- what did you say your turnaround time on interrogatories would be, Mr. Clark?

MR. CLARK: Your Honor, of course it would depend on the number and the scope of them, but I think that within a matter of -- if they were served on us, for instance, on Monday, I think by Thursday or Friday we could probably have answers for them, assuming that they are of a scope limited to the issues raised on preliminary injunction

MR. BENASUTTI: Your Honor, I might just add one thing to this, and I think I covered it in my papers,

but as I understand what he is saying is -- and you mentioned the word "lay person", and I would agree with you as to the lay person -- I was asking a lay person only for factual positions. For example, their Mr. Burkhart and other people who took affidavits had factual contentions, and it is those things I think that I was entitled to.

But if their contention is that outside counsel is in the possession -- and on page 9 of their brief they say that he is in possession of all the information with respect to what their positions are, including what was in their mind when they did certain acts then it seems to me I am entitled to take the deposition and in fact call as a witness whatever counsel that was, because I think that when you set up the mind of counsel as being your defense -- you know, it is just like an advice of counsel defense; when you put up an advice of counsel defense, you are entitled to get all of the attorney-client privilege documents and take that counsel's deposition.

So I think there are maybe two questions, if we bifurcate this thing. First of all, if they have facts that they are relying on, then a fact witness should be provided. But if they are saying that it is contentions of counsel just on legal issues, that is one thing, but if it is legal advice that they are hiding behind, then I thi

that we are entitled to take his deposition, or even call him as a witness at our preliminary injunction hearing.

THE COURT: Let me express what I assume was implicit, and that is, I'm not ruling on anything other than the discovery that has been proposed and which is the subject of the protective order. It well may be that Tiegel has the right to take the deposition of one or more lawyers. There are cases and issues where it is appropriat to take the deposition of lawyers as fact witnesses. I am not taking any position with respect to anything other than the protective order that is before me, and I am telling you that as far as the subject matter as currently cast in the notice of deposition, it is cast in my opinion as contention discovery, and if you want to ask those kinds of questions, I'm going to require that you do it by interrogatory. And I think certainly, under the circumstances, an offer to provide responses in three or four days seems to me to be a reasonable undertaking. If that means you want to move back the current argument date on your application for a preliminary injunction, I certainly will be happy to consider that.

MR. BENASUTTI: We want to go ahead with that.

THE COURT: Okay.

MR. BENASUTTI: My only position would have

interrogatories are filed on Monday, I will require a response by service -- I am talking on the other side -- by 5:00 o'clock on Thursday. If fact discovery is noticed, I will look at it and we will see whether it is appropriate or not appropriate. And we will keep the 5:00 o'clock Monday, October 15 time for presentation of both the motion for a preliminary injunction and the transfer motion. Is that right?

[Counsel indicate in the affirmative.]

THE COURT: All right. Thank you.

MR. CLARK: Your Honor --

THE COURT: Yes. Is there anything else we can profitably address?

MR. CLARK: Your Honor, in connection with your Order allowing them to serve interrogatories, could it require that their service of them be in such a manner that it gets it in the hands of all counsel on Globe-Union's side of the case on Monday, including the house counsel in [redacted] who is listed -- I guess he is not listed on [redacted], but I can provide that identity to counsel for Tiegel.

MR. BENASUTTI: I wonder if we could have the identity of this witness who is going to testify on your behalf, the one that is mentioned in your brief. Could we have the identity of that person?

been that we really -- the use of the word "basis" I guess is what seems to be troubling the Court, and what we wanted was the factual basis. We don't care about their contentions. They are already set out in their answer. We know what their contentions are. I don't really have too much to ask him in that regard. His contention is he didn't do it, but I want to know what the basis for that is, and that means, what is the factual basis for it. If you interpret the word "basis" to mean "contention", I already know what it is. He says -- his contention is that he denies the allegation. He contends that he didn't do it. So I was using the word "basis" in this context, and I would limit it in any deposition that I got to factual basis, not legal contention. I am not interested in his legal contentions. They are already a matter of record.

So I would again say to the Court, if we want to file interrogatories as to legal contentions, maybe we can think of some, but that certainly wasn't our object in preparing this notice of deposition to use the word "basis" to mean "contention". Basis meant basis in fact.

In fact, I think the notice says that somebody is going to testify as to facts. I think it says that, testify as to facts.

THE COURT: Well, if contention

THE COURT: Could you hear that?

MR. CLARK: I didn't, your Honor.

MR. BENASUTTI: I wonder if we could have the identity of the person listed --

MR. CLARK: Joseph Gofman. He's on the pleadings of the San Francisco action.

MR. BENASUTTI: Excuse me. You didn't let me finish the question. I know he is your in-house counsel in Milwaukee, along with John Ryan. I wonder if we could have the identity of the person who is otherwise unidentifi in your brief who is going to testify with respect to the matters raised by our motion for a preliminary injunction.

THE COURT: I am not sure I understood the question.

MR. BENASUTTI: The question is, your Honor, that they mention in their motion for a protective order that they would have to bring a certain witness in to testify in response to 30[b][6], and I want to know who [redacted] is because, as your Honor has indicated, we [redacted] application to take fact information from that person, and I'd like to know who he is and where he is, because we might want to take his deposition in the meantime as to the facts.

THE COURT: I don't think you can ask somebody to designate a 30[b] witness when you don't know

what the subject matter is. So when you -- pardon me; if you can't hear, please sing out, Mr. Clark.

MR. CLARK: All right, I will. We didn't hear the last bit.

THE COURT: What I said was that it turns out that Mr. Benasutti was asking you to designate your 30[b] witness as to a hypothetical deposition that he is considering taking apparently in some fact areas, and I told him that I didn't think I could in fairness require you to designate a witness until such time as the fact area to be explored in such a deposition was identified.

MR. BENASUTTI: I guess I made myself unclear and I apologize to the Court. I was asking for the identity of the witness which they mentioned in their brief. They mentioned a witness. All I want is the identity of the person they had in mind, not the identifying of somebody who is hypothetical. This is a person that they mentioned in their brief as being in existence. And all I'd like to know is who he is or she or them.

THE COURT: There isn't going to be the deposition that is the subject matter of these papers, and I don't want to spend time discussing something that is not going to come to pass.

Is there anything else we can profitably discuss?

MR. CLARK: No, your Honor, I think not.

THE COURT: Okay. Thank you.

MR. CLARK: Thank you.

MR. BENASUTTI: Thank you, your Honor.

[Hearing concluded.]

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EXHIBIT 5

THIS EXHIBIT HAS BEEN REDACTED IN ITS ENTIRETY

EXHIBIT 6

THIS EXHIBIT HAS BEEN REDACTED IN ITS ENTIRETY

EXHIBIT 7

IN THE UNITED STATES DISTRICT COURT

IN AND FOR THE DISTRICT OF DELAWARE

- - -

ARTHROCARE CORPORATION : CIVIL ACTION

Plaintiff, :

v. :

SMITH & NEPHEW, INC., : NO. 01-504 (SLR)

Defendant. :

- - -

Wilmington, Delaware
Tuesday, October 15, 2002 at 11:36 a.m.
TELEPHONE CONFERENCE

- - -

BEFORE: HONORABLE SUE L. ROBINSON, Chief Judge

- - -

APPEARANCES:

MORRIS NICHOLS ARHST & TUNNELL
BY: JACK B. BLUMENFELD, ESQ., and
KAREN JACOBS LOUDEN, ESQ.

-and-

WEIL GOTSHAL & MANGES
BY: PERRY CLARK, ESQ.
(Redwood Shores, California)

-and-

WEIL GOTSHAL & MANGES
BY: JARED BOBROW, ESQ.
(Silicon Valley, California)

Counsel for ArthroCare Corporation

Brian P. Gaffigan
Official Court Reporter

don't have any particular conflicts that you need to tell me about that week.

All right. I take it you are still there. We'll schedule it for Wednesday, the 30th. And again, because I was supposed to be in trial, I have time in the morning available if you all are available.

MR. BLUMENFELD: Your Honor, from our side, plaintiff's side, I think morning would be fine.

MR. MARSDEN: I think that is fine, your Honor. This is William Marsden.

THE COURT: All right. Let's make it at 9:30 then when my trial day usually starts. Hopefully by that time, you will have conferred, and if in fact the 23 ring binders have been supplied, that will be confirmed, so that this list of 76 documents or categories of documents can be whittled down to at least what has been produced or not, and then they need to be further whittled down to those that should not go, that there is some resistance to producing vs. the suspicion they exist but no one has produced them yet.

With respect to contention depositions, I'm not sure I have ever said you can't take them, but in my mind, it is very unfair and not reasonable. Therefore, I would not put any credence in contention depositions to have one person be designated as the corporate spokesperson for legal issues like infringement and even incorporating all the facts. That's

what interrogatories are for. To put that on one person I think does not make sense. If you produce things out of the contention deposition, I would not give it any weight so I would say don't bother taking them. I think they're ridiculous myself.

So do we need to talk about this other witness, the Examiner? And does the plaintiff have a position on that? Is that something that needs to be addressed today as opposed to waiting until the 28th or 30th?

MR. BLUMENFELD: I don't know that it can't wait until the 30th. Jared, I don't know whether you want to address that today or not.

MR. BOBROW: Your Honor, Jared Bobrow. As far as the Examiner deposition goes, we do think that it is improper to take a deposition of an Examiner on a pending reexamination. It allows someone not a party to the reexam to get involved in it and do things which are not otherwise permitted in the normal course of patent prosecution and patent examination. So we have advised the Solicitor of that objection in response to a request that we let them know we have a position on that and we have done so. I think the Solicitor's Office was simply waiting to see whether or not any extension of the discovery would be allowed so that they would know whether or not the issue before them was ripe in terms of deciding whether they would or would not make a

EXHIBIT 8

THIS EXHIBIT HAS BEEN REDACTED IN ITS ENTIRETY

EXHIBIT 9

THIS EXHIBIT HAS BEEN REDACTED IN ITS ENTIRETY

EXHIBIT 10

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EXHIBIT 11

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EXHIBIT 12

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EXHIBIT 13

THIS EXHIBIT HAS BEEN REDACTED IN ITS ENTIRETY