

UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO

STC.UNM,

Plaintiff,

v.

INTEL CORPORATION,

Defendant.

Civil No. 1:10-cv-01077-RB-WDS

**INTEL'S OPPOSITION TO STC'S APPLICATION TO
FILE A SURREPLY IN SUPPORT OF ITS MOTION TO COMPEL**

Intel opposes STC's request to file a surreply in support of its motion to compel because it is both procedurally improper and substantively wrong.

STC filed a notice of completion of briefing long ago [Doc. No. 81], and the hearing has already been held [Doc. No. 91]. STC had ample opportunity at the hearing to address the issue raised in its proposed surreply, which relates to the interpretation of a case that was cited in both STC's own opening brief [Doc. No. 55 at 7] and Intel's opposition [Doc. No. 66 at 11]. *See Lopez v. Garcia*, 1 F. Supp. 2d 1404, 1406 (D.N.M. 1997) (denying leave to file surreplies to party that had had "ample opportunity at the hearing to present his position on each of the motions"); *Magoffe v. JLG Indus., Inc.*, No. CIV 06-0973 MCA/ACT, 2008 WL 2883183, at *2 (D.N.M. May 7, 2008) (denying leave to file surreply).

Furthermore, STC's motion and proposed surreply mischaracterize Intel's argument. STC contends that it can recover a royalty for "Intel's sale of 14 and 10nm devices made after the expiration of the patent." [Doc. No. 77 at 5-6] Intel argued at the hearing that *Merck & Co.*

v. Mediplan Health Consulting, Inc., 434 F. Supp. 2d 257 (S.D.N.Y. 2006), does not support such a royalty model because (1) the accelerated market entry theory that was allowed in *Merck* dealt solely with lost profits, and (2) the court in *Merck* had granted summary judgment to prohibit recovery of a “reasonable royalty” for sales made after expiration of the patent. Contrary to STC’s assertion [Doc. No. 95-1 at 1], the court in *Merck* **did** differentiate between lost profits and a reasonable royalty. The defendants had moved to preclude recovery of “any traditional measure of patent damages, like lost profits or a reasonable royalty, based on sales by Defendants that occur after [the patent expired].” *See* Ex. 1-*Merck* Defendants’ reply brief at 11. The court granted that motion in part, allowing Merck to seek recovery only for lost profits after the patent’s expiration and barring it from seeking “injunctive relief and damages resulting from purported infringement following patent expiration.” 434 F. Supp. 2d at 265-66.

Finally, contrary to STC’s assertion [Doc. No. 95-1 at 2], *Coyle v. Sega of America*, CV 90-2323 RJK (C.D. Cal. Apr. 10, 1991), does not undercut Intel’s argument that a royalty cannot be recovered for sales made after the expiration of the patent. Quoting Merck’s brief, STC claims that *Coyle* stands for the proposition that a “jury awarded the patentee \$21 million in reasonable royalties for accelerated market entry.” The document Merck cited, however, was the jury verdict. Nothing on that form indicates that the damages in *Coyle* were based on a reasonable royalty theory, much less that the parties had raised or that the *Coyle* court had considered whether a reasonable royalty is available for sales made after the expiration of a patent. *See* Ex. 2-General Verdict Form.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on May 26, 2011, the foregoing document and the cited attachments were electronically filed with the Clerk of Court using the CM/ECF system, which will automatically send notification of such filing to all counsel who have entered an appearance in this action.

ATKINSON, THAL & BAKER, P.C.

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