

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

BEFORE THE HONORABLE THOMAS S. HIXSON, MAGISTRATE JUDGE

ILLUMINA, INC. and)	
ILLUMINA CAMBRIDGE LTD.,)	
)	
Plaintiffs,)	
)	
VS.)	No. C 20-1465 WHO (TSH)
)	C 19-3770 WHO (TSH)
BGI GENOMICS CO., LTD.,)	
BGI AMERICAS CORP.,)	
MGI TECH CO., LTD.,)	
MGI AMERICAS, INC., and)	
COMPLETE GENOMICS INC.,)	
)	
Defendants.)	
<hr/>		San Francisco, California
		Thursday, August 13, 2020

TRANSCRIPT OF VIDEOCONFERENCE PROCEEDINGS

APPEARANCES: (via Zoom Video Conferencing)

For Plaintiffs: WEIL, GOTSHAL & MANGES LLP
201 Redwood Shores Parkway
Redwood Shores, California 94065
BY: EDWARD R. REINES, ESQ.

WEIL, GOTSHAL & MANGES LLP
700 Louisiana Street, Suite 1700
Houston, Texas 77002
BY: DOUGLAS W. MCCLELLAN, ESQ.

(Appearances continued on next page)

Reported By: Katherine Powell Sullivan, CSR #5812, CRR, RMR
Official Reporter - U.S. District Court

APPEARANCES: (via Zoom)

For Defendants: QUINN EMANUEL URQUHART & SULLIVAN, LLP
50 California Street, 22nd Floor
San Francisco, California 94111

BY: DAVID BILSKER, ESQ.

QUINN EMANUEL URQUHART & SULLIVAN, LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010

BY: JOSEPH MILOWIC III, ESQ.

P R O C E E D I N G S

Thursday, August 13, 2020

10:03 a.m.

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THE CLERK: We are here in civil action 19-3770 and 20-1465, which are related. The Honorable Thomas S. Hixson presiding.

Counsel, please state your appearances for the record. Let's start with plaintiff.

MR. REINES: Edward Reines and Doug McClellan on behalf of plaintiff Lumina.

THE COURT: Good morning.

MR. REINES: Good morning, Your Honor.

MR. BILSKER: David Bilsker and Joseph Milowic on behalf of defendants.

THE COURT: Good morning.

MR. MILOWIC: Good morning.

THE COURT: I have a question, which is, I gather you want to depose nine inventors.

How many depositions have defendants taken so far in the case, for the combined cases?

MR. BILSKER: Other than for the preliminary injunction, none.

THE COURT: And how many have you taken for the preliminary injunction?

MR. BILSKER: You know, I was not part of that

1 proceeding, so I'm not positive. I know we took -- we took
2 plaintiffs' infringement expert and some of the other
3 declarants, but I actually cannot tell you how many.

4 **THE COURT:** I'll just get right to why I'm asking.
5 The default rule under Rule 30 is ten depositions per side in a
6 case. I was going through the docket and I didn't see anything
7 from Judge Orrick modifying that rule.

8 So I just want to know, have you exceeded the limit? Nine
9 is, you know, all but one of ten. Is there something that says
10 you can do preliminary injunction discovery and that's separate
11 from trial prep discovery?

12 What's the state of affairs with respect to the Kaplan
13 depos?

14 **MR. BILSKER:** So we have submitted a CMC statement to
15 Judge Orrick in which we've identified the fact there are nine
16 inventors. And we stated that we needed to go beyond the
17 default.

18 I believe that even plaintiffs have agreed to go beyond
19 the default. I don't remember off the top of my head. I know
20 we're not in complete agreement as to what that number is, but
21 we both agreed that we need to go beyond the default.

22 **THE COURT:** Well, let me ask plaintiffs, what have you
23 agreed to?

24 **MR. REINES:** Mr. McClellan, I think you probably know
25 what the ask is there.

1 **MR. McCLELLAN:** Your Honor, my memory of this is I
2 think that -- I think that our position is 15 across both of
3 the cases once they become consolidated.

4 **THE COURT:** And how many have defendants deposed so
5 far?

6 **MR. McCLELLAN:** They haven't taken -- well, what
7 they've taken is -- for the preliminary injunction they took
8 two depositions, Your Honor, one of an expert and one of a fact
9 witness for the PI hearing.

10 **MR. BILSKER:** And Mr. Milowic can respond too. I'm
11 sure he knows exactly what we proposed. But I don't believe
12 that either side was including the depositions that had been
13 taken for the preliminary injunction in their proposal that was
14 submitted in the CMC.

15 **MR. MILOWIC:** If I may clarify, Your Honor. I have
16 the CMC in front of me. Plaintiffs' position was that there
17 could be a total of 135 hours of deposition time and a total of
18 25 depositions per side between the two cases, which both
19 parties agree would be consolidated.

20 And defendants' position was that the deposition hours
21 should be 175 hours for both cases. But, in any event, I think
22 both of those totals would accommodate the number of
23 depositions we're seeking.

24 **THE COURT:** Can you tell me the ECF number you're
25 reading from now?

1 **MR. MILOWIC:** Oh, I'm sorry, I was --

2 **THE COURT:** When was it submitted? That would be fine
3 too.

4 **MR. MILOWIC:** This was submitted, I believe, just
5 yesterday, on August 12. But I will confirm.

6 **THE COURT:** Oh, okay. So it is quite recent.

7 **MR. MILOWIC:** Yes.

8 **THE COURT:** But Judge Orrick hasn't ruled on that yet;
9 right?

10 **MR. MILOWIC:** That's correct, Your Honor.

11 **THE COURT:** Okay. If you see me looking down, it's
12 just because I'm taking notes. I'm not looking at other
13 things.

14 Well, if I allow the inventor depositions to go forward, I guess
15 my thought is I would say something on my order that I'm not
16 expressing a view as to the limits on depositions or altering
17 anything like that because people seem a little unsure how many
18 depositions have actually happened and there are competing proposals
19 to Judge Orrick.

20 Any reactions to that caveat from defendants?

21 **MR. BILSKER:** No, Your Honor.

22 **MR. MILOWIC:** No, Your Honor.

23 **THE COURT:** All right. Where are the inventors
24 nowadays?

25 **MR. REINES:** So none of them are in the United States.

1 Of the -- I mean, there's the two we're agreeing to give. I
2 don't know, we maybe just put them aside for all the
3 discussions, so we're not counting them. But they're both in
4 England, but we are presenting them.

5 And then there's one we don't know where they're located.
6 There was some scuttlebutt they might have gone to Australia,
7 but the person hasn't been -- any known address or anything for
8 years.

9 One is a school teacher in the Netherlands. And I think
10 the rest we believe -- two are nonresponsive, but I think
11 through LinkedIn or whatever, through other means we can
12 determine that they're in England.

13 **THE COURT:** All right. So if I've got it right, where
14 are the two that you're going to provide? Are they in the UK?

15 **MR. REINES:** Yes.

16 **THE COURT:** Okay. So we've got one's in the
17 Netherlands, one you don't know, and the rest, you believe, are
18 all in the UK. Is that right?

19 **MR. REINES:** That's correct, Your Honor.

20 **THE COURT:** Okay. The rest are in the UK.

21 Okay. Is there any problem with having the -- any legal
22 problem -- we'll get back to problems later -- a legal problem
23 like if somebody's in Mainland China, they can't do a
24 videoconference deposition in the United States because that's
25 illegal under Chinese law. But, generally, in Europe you can.

1 Is there any problem that the plaintiffs are aware of with
2 having their inventors stay where they are and just, you know,
3 join a Zoom conference like this one and do a depo that way?

4 **MR. REINES:** Yes. I mean, that's the thrust of our --
5 of our -- one of the thrusts of our -- of our position that we
6 have explained. And let me expand on it a little bit and make
7 it more understandable, which is, you know, we sought advice of
8 English counsel about what we can enforce or not. You know, a
9 number of them are just not even responding, or refusing.

10 And their answer was that under English law that all you
11 can ask someone to do is under the Hague. And that's not just
12 a notice system. That's not -- the issue isn't just a
13 notification issue.

14 The issue is that it has to be a trial examination, not a
15 discovery examination. And then there has to be an examiner,
16 there has to be, like, topics and questions. And, obviously,
17 here, since there's no issue that can be identified for the
18 deposition -- you know, it's clearly discovery -- I think
19 everyone would agree, based on the record, it's clearly
20 discovery-style examination. And that's not permitted under
21 the law, and so you can't enforce that.

22 Now, let me just say there's a number of witnesses from
23 BGI in China. We've been told that there's going to be no
24 problem providing discovery there for existing employees.

25 And so I don't know if the Court has looked at that

1 question closely or whatever, but I want to keep that as an
2 open issue. We've been told that we would get cooperation,
3 whether that means moving the people out of China to, I don't
4 know, Hong Kong or Macau or whatever people do, but I don't
5 want anything said here that would suggest that we're not
6 getting witnesses that we believe have been agreed to.

7 **THE COURT:** Oh, sure. I didn't mean to prejudice that
8 inquiry.

9 But with respect to the UK, you've sidestepped my
10 question, which is, you have a contractual right with the
11 inventors, and you can tell them, hey, you've got to do this,
12 we can threaten to sue you, you owe us, you agree to this.
13 What if they just say, okay, I'll do it?

14 **MR. REINES:** Well, it depends. I mean, so, you know,
15 we have basically done that, and they have said no. They
16 haven't said "you can sue us," but I guess that's the
17 implication. And so we've asked what rights we have to enforce
18 because that's what we would have to do.

19 So we haven't had anyone volunteer to participate. It's
20 not like we haven't inquired. You know, we looked for the
21 person that's not located, you know, and so on and so forth.

22 So, again, you know, the question I don't think is -- I'm
23 not attempting to sidestep anything. If someone said "Yes, I
24 will come to the United States," which is the requested
25 relief --

1 **THE COURT:** That's not my question.

2 My question is if they get to stay where they are, is
3 there any problem with them being deposed?

4 **MR. REINES:** Oh, a completely voluntary --

5 **THE COURT:** No, not completely voluntary.

6 You send them a strongly-worded letter saying you are
7 bound by contract to testify in this legal proceeding and you
8 are obligated to do that, and we're going to set it up for you
9 to appear by Zoom from your home in the UK. Is there any
10 problem with them doing that?

11 I'm gathering from your non-answer that the answer is no,
12 there's no problem with that.

13 **MR. REINES:** Yeah, I guess I'm not understanding the
14 question, but if they're -- if they were voluntary -- let me
15 just take one more chance, Your Honor. I'm not trying to avoid
16 anything.

17 **THE COURT:** Take out "voluntary." Take it out.

18 **MR. BILSKER:** Your Honor, I can answer the question if
19 you would like.

20 **THE COURT:** Okay.

21 **MR. BILSKER:** So in China, you're correct, so if
22 somebody sat for a deposition, even voluntary or not voluntary,
23 they would be potentially put in jail. In Europe that does not
24 happen. There's no absolute prohibition on taking a deposition
25 where someone would go to jail if they sat for a deposition.

1 So that's the answer to your question.

2 **THE COURT:** All right. That's what I thought.

3 Now, there are limits on what I can order because I can
4 order the plaintiffs to use their best efforts and invoke their
5 contractual rights and tell them to do that. But I can't,
6 like, hold them in contempt if people who are not literally
7 under their control just refuse to live up to their contractual
8 obligations.

9 I mean, what would the defendants have me order?

10 **MR. BILSKER:** I would have you order to have them
11 enforce their contractual right to the fullest extent possible.
12 And we've seen in cases where a party does not do that. Even
13 in cases that plaintiff has cited, they're subject to sanctions
14 and other evidentiary prohibitions, like -- potentially like a
15 spoliation order or something else.

16 And that's one of the reasons we're bringing this quickly
17 is to get that process started so that we're not here for
18 another year while we're under injunction while this is kind of
19 flying around.

20 And there is one thing that I did want to mention.
21 Mr. Reines said, well, no one has volunteered. We actually
22 have gone backwards in our attempt to negotiate. When we
23 started out on June 3rd, plaintiff said they would produce
24 three people, three of the inventors for the deposition. Then
25 on June 18, they were representing they would produce four

1 inventors for deposition.

2 I don't know how we somehow went backwards in our attempt
3 to do this, you know, in a friendly manner and get that, but by
4 the time we got to the briefing, now it's, sorry, those other
5 two we told you we were going to give you, that are no longer
6 employees, you're not getting them at all, go through the
7 Hague.

8 **THE COURT:** All right. Why should the inventors have
9 to travel to the U.S.?

10 **MR. BILSKER:** They don't have to travel to the U.S.,
11 and we don't want to make them travel to the U.S. I mean, I
12 think we all understand -- and, as lawyers, we've been
13 practicing for a long time -- it's actually a lot easier for us
14 now doing it this way, by Zoom.

15 So there's never been a proposal that they travel to the
16 U.S., ever. We've never raised that. And the depositions that
17 were taken in the preliminary injunction, for example, were all
18 taken by Zoom, including one of our expert who was in the UK.

19 **THE COURT:** All right. Let me ask plaintiffs, can
20 you -- can you describe for me, what have you done so far to
21 secure these depositions?

22 **MR. REINES:** Yes. You know, I think the most
23 effective way to do this -- let me pull it up.

24 First of all, if I could just briefly address -- then I'll
25 get to that -- on the question of whether to ask them to come

1 to the United States, I read, re-read, re-read the joint letter
2 and their demand to us, and that's clearly what it all says.
3 It says nothing else. That's all they're asking.

4 The second thing is, in terms of enforcing it, Mr. Bilsker
5 is very clear that what they're asking for is to force us to
6 enforce the contract. That's why I was answering your
7 questions under that mode. We've investigated it and we've
8 come to conclusions that we're prepared to back up, you know,
9 just what the world is.

10 Okay. So what we've done is for the two -- there's two of
11 them that are working --

12 (Audi interruption: "This meeting is being recorded.")

13 **THE COURT:** Oh. I guess we're starting the recording
14 now.

15 **MR. REINES:** There's two inventors that are
16 noncooperating, that are at competitors. We've advised them of
17 their contractual obligation and that BGI has asked us to
18 enforce it and have them testify.

19 And I assume that -- I think one of them, you know, said
20 on advice of counsel they're not responding, they're not
21 cooperating. And the other one just, you know, I guess, in
22 common parlance, ghosted us. It's not that surprising that he
23 would do that, but that's what he's doing. So that's two of
24 them.

25 The -- this person that's unknown whereabouts is not

1 contact -- I mean, I just -- I think we have -- because we've
2 asked other -- you know, the -- the Illumina employees, you
3 know, where they are, whatever, and people said maybe in
4 Australia. But it's a common name, and we can't find the
5 person. So that's the third. So we've looked, and if anyone
6 else knows where they are that's -- there's one with cancer in
7 late stages, and we told him our desire. He basically, you
8 know, said, I have cancer, I'm in -- I'm in treatment. And we
9 didn't really push it at that point in time. So that's the
10 case with that person.

11 And then there's three remaining. And one of them is
12 cooperative with us but has not agreed to do anything. You
13 know, they haven't said, really, no, but they haven't agreed to
14 comply with U.S.-style discovery. And they certainly haven't
15 agreed to come to the U.S.

16 There's the school teacher in the Netherlands who is --
17 again, I don't think she -- I don't think she knows what's
18 going on, but she's been willing to talk to us. But she hasn't
19 agreed. We brought to her the contractual requirement that's
20 out there.

21 And then the third -- there's a third person that was not
22 communicative with us at all, who recently responded. And we
23 brought to him the attention of BGI's interest and he didn't
24 agree.

25 So, you know, we've -- we've specifically brought the

1 contractual language, I think, up to everybody.

2 You know, what I would say is, as we look at this, for
3 example, I take the example of the -- I think the two best
4 examples are the person with cancer and the school teacher in
5 Holland who hasn't worked with us since 2004, and is on just
6 two of the patents, you know, in those cases our objection, at
7 least in part, is just that they haven't been able to identify
8 an issue.

9 And we're giving them inventors. And in those cases, you
10 know, we're maintaining the balance argument that we've -- that
11 we've presented to you.

12 And then I do want to say one other thing, Your Honor, and
13 I just -- it was out there. Their biggest case is this *Philips*
14 case. In that case the patent owner had presented the
15 witnesses in other proceedings and was refusing in that.

16 In this case I don't think there's any reason to believe,
17 for example, people with competitors are just going to, like,
18 appear, you know, voluntarily.

19 Well, we know because we've asked them to and we've
20 brought the contractual language to their attention and we've
21 told them BGI would like us to enforce it.

22 **THE COURT:** I see.

23 **MR. BILSKER:** May I respond, Your Honor?

24 **THE COURT:** Not quite yet.

25 When plaintiffs contacted the inventors, did you describe

1 BGI's request as coming to the United States for a deposition?

2 **MR. REINES:** Let me be sure I'm accurate.

3 Mr. McClellan, do you know?

4 **MR. McCLELLAN:** I think we -- I don't know that we got
5 that specific. We just said that they need to -- to do a
6 deposition. And we didn't get into whether it would be done by
7 Hague or U.S., so we haven't gotten to that level of detail.

8 **THE COURT:** Well, you've presented two options that
9 I'm not considering, Hague or U.S. It seems to me -- I mean,
10 I'm thinking U.S. style but in Europe.

11 Like, during the pandemic the -- the request to -- you can
12 stay in your own home and be deposed versus you can travel to
13 the country with the worst outbreak of COVID for a deposition.
14 Those are very different requests to people.

15 What did they think you were asking?

16 **MR. REINES:** My assumption was Zoom, but I was just --
17 you know, that's how I do depositions, so that's what I was
18 thinking when I read -- read it over. It's silent as to that,
19 so I wanted Mr. McClellan to confirm that. I don't think it --
20 it didn't ask them to travel to the U.S.

21 **THE COURT:** Okay.

22 **MR. REINES:** There's nothing malicious going on here,
23 the way you're asking the question. I mean, we said, you know,
24 will you participate in the process. I don't think it was --
25 you know, we didn't make this, you know, scary.

1 **THE COURT:** Okay. But you didn't necessarily call --
2 even if you assumed Zoom, you didn't necessarily tell them
3 that.

4 **MR. REINES:** I don't think we got into the particulars
5 at all, whether it would be Hague style or nonHague style. We
6 didn't do any of that.

7 **THE COURT:** Okay. There are some cases that you cited
8 about whether the witness would have an expectation of an
9 American-style deposition, and a couple of cases where the
10 judge said, well, probably not, because they might have assumed
11 their own country's procedures would apply.

12 Here, when I read over the assignment, the one country
13 that is called out is the United States. It refers to either
14 legal proceedings in the United States, and then it just lumps
15 the entire rest of the world together.

16 If somebody signing that assignment had to guess which
17 country's laws they would be deposed under, wouldn't they
18 assume the United States?

19 **MR. REINES:** I mean, I'd be -- I mean, we're just
20 applying language. I mean, what their true subjective intent
21 was? They signed it in England. I don't know.

22 **THE COURT:** Okay.

23 **MR. REINES:** Did the school teacher in the Netherlands
24 think that 20 years later she'd be asked to do a deposition
25 when she probably doesn't know what one is? You know.

1 **THE COURT:** I'm talking more about what a reasonable
2 person would perceive.

3 **MR. REINES:** Understood. Understood.

4 **THE COURT:** Okay. Mr. Bilsker you wanted to respond.

5 **MR. BILSKER:** So I still don't know what happened to
6 the four that they had agreed -- the two extra that they had
7 agreed to accept service for. So I don't know how those people
8 have gone from, yeah, we'll do it to, no, we won't do it. So
9 that's one thing.

10 I think the other thing is we haven't seen any of the
11 communications that they've -- they say they've made to any of
12 these inventors requesting that they appear for deposition.

13 I think it would be reasonable to take a look at those
14 communications to see how they were worded. I think that could
15 be useful to Your Honor as well.

16 And then Mr. Reines said our best case was the *Philips*
17 case. That's actually the case that they cited, not the case
18 that we cited. Two of the three cases that they cited actually
19 found that, under language actually not even as strong as the
20 assignment in our case, were -- the patent owners were
21 compelled to try to get the inventors to comply with that.

22 And in that *Murata* case, one of the ones that they cited,
23 the Court actually said, on page 480, that *Murata* has a
24 contractual power to require the inventor to sit for a
25 deposition. If it chooses not to do so, there may well be

1 severe consequences under Rule 37 or evidentiary consequences
2 at trial.

3 And then there's -- there's at least two other cases that
4 say that the consequences will be sanctions. That's the
5 *Nifodine* case and the *Amgen* case.

6 So, again, we're under very -- you know, we're under time
7 constraints here. There wouldn't be so much of a time
8 constraint issue if there weren't a preliminary injunction.

9 But time is on their side now. You know, if we have to
10 extend discovery for another year to deal with getting their
11 depositions, you know, that's to their benefit. It really
12 harms my client because we want to get to trial quickly.

13 And I think both sides have agreed that we should get to
14 trial quickly. And we've proposed something in the summer of
15 next year. So -- and close of discovery, I can't remember the
16 exact date, but I believe it's somewhere in December of this
17 year.

18 **MR. REINES:** I misspoke. It was the *Amgen* case. And
19 that cited sanctions. This sort of word "sanctions" is being
20 thrown around. In that case they presented these witnesses
21 voluntarily and then were saying they were beyond the reach.
22 And they were being represented by counsel. That's totally
23 different. We agreed to accept subpoenas for two of them
24 and -- or whatever process or whatever, but that's -- you know,
25 that's different.

1 And the other intervening event is the injunction, finding
2 that there's no issues. And then we've been asking what's the
3 issue? What's the issue? And there's no identifiable issue.

4 Under the 2015 amendments, as Your Honor knows better than
5 me, you know, it isn't just reasonably calculated. It's what's
6 the issue that you have that it's relevant to. And --

7 **THE COURT:** Well, you don't have to turn over your
8 deposition outline to your opponent ahead of time.

9 If they're pleading, you know, affirmative defenses,
10 challenging patent validity, and they want to depose an
11 inventor, I think that gets some development.

12 I understand that both Judges Alsup and Orrick didn't have
13 a strong view of those affirmative defenses in a preliminary
14 injunction. That is preliminary. I mean, you don't normally
15 have to prove the merit of your defense before you can take
16 discovery and do it.

17 **MR. REINES:** No, I agree. I mean, I just -- what I'm
18 asking for, Your Honor, is the nuanced analysis of, okay, on
19 one hand we have that, on the other hand, you know, we have
20 these people 20 years removed, or 15 or 18 years removed, or
21 whatever it is, you know, that haven't been with the company,
22 that haven't been, for example, somebody who's not even in the
23 business for many years.

24 And the burden on them, you know, isn't met. And, you
25 know, I just -- I don't think they've made any kind of showing

1 that that's -- that that's so. So, I mean, there's two layers
2 to the analysis.

3 The other one is, Your Honor, just to get it out there, to
4 help you in formulating this, is we have asked English counsel,
5 and, you know, presumably, want to make it a record one way or
6 the other, what rights we would have to enforce the contract,
7 because that's what -- as Mr. Bilsker, you know, is saying
8 until he's red in the face, which I respect, whatever that's
9 his position, you have to enforce the contract.

10 Well, if we're being told we can't enforce the contract,
11 and it's not hypothetical, it's like elbow-throwing litigation
12 tactics, this is -- there's people that are saying we've got
13 lawyers, we're a competitor, our witness isn't participating.

14 Presumably, they're looking at the same cases we are. You
15 know, we shouldn't be asked to bring proceedings that we know
16 are not grounded in law.

17 In fact, I think the quote that I read from one of the
18 English cases is, you know, we keep getting cluttered requests
19 from American counsel assuming they can do American-style
20 depositions in England through a legal process, and they can't.

21 So that's a boundary condition for us.

22 **THE COURT:** Why shouldn't I just order you to enforce
23 the contract and you do what that means?

24 **MR. REINES:** Because you're -- because -- I mean, I
25 think you could say do what you can -- what reasonably can be

1 done to enforce the contract, would be reasonable, assuming
2 that you found the balance met, which in the case of someone
3 dying of cancer, who hasn't been at the company in 15 years, I
4 just don't think it's close to that.

5 I'm sorry, I -- respectfully, Your Honor, when there's
6 nine inventors, there's been no issues identified by two judges
7 that have looked at it closely. The other side hasn't been
8 able to say anything other than vague things. I don't think
9 that balance is met. I just don't. I'm sorry.

10 And I don't think it's met with respect to Silki Rudiger
11 (phonetic), who's the -- a school teacher in Holland, who
12 hasn't been in the business for many years. I just don't think
13 that that balance has been met.

14 **THE COURT:** Yeah, I don't know that you've tried. I
15 think what trying would look like is a letter from counsel
16 followed up by phone call saying this is a contract you entered
17 into and you agreed that in any future legal proceedings you
18 would testify. This is one. You are bound by this contract.
19 You don't have to come to the U.S. You can stay in your own
20 home. You can do it on a comfortable schedule for you in your
21 local time, sit in your living room, look at a computer screen,
22 and do a deposition that way. And we think you should do that.

23 I think that's what trying would look like. I don't think
24 that's happened yet.

25 **MR. REINES:** So there's two layers, Your Honor. And

1 I'm sorry, again, with the toggling, and maybe I've been at
2 fault on this. There's the, "Is it warranted?" and then
3 there's the "Have we tried to enforce the contract?"

4 And I'm just saying that the -- some of the discussion --
5 and maybe Your Honor has reached the conclusion that it's been
6 met, that -- that the burden is worth the -- the probative
7 value of whatever they're going to get. If that's so, that's
8 what the Court has decided.

9 I think I'm making a specific argument as to two of the
10 inventors that I don't think that standard has been met. And
11 one of them is a guy that's dying of cancer, who left the
12 company 15 years ago. I can be more specific. He left the
13 company, yeah, in March 2004. That he shouldn't have to sit
14 for deposition. Whether he's willing to or not, it's not an
15 appropriate thing to do.

16 **THE COURT:** What is the stage of his health
17 specifically?

18 **MR. REINES:** Doug, I don't know if you have more color
19 on -- he said he's in treatment now for cancer. Right? Do you
20 have anything more? We didn't get too far.

21 **MR. McCLELLAN:** We didn't want to pry, but,
22 secondhand, I know that he was having -- he said he wasn't
23 going to be able to get back to us for a while because he was
24 seriously ill. Then we finally heard from him. We didn't pry,
25 but it's serious.

1 **MR. REINES:** So that's one of them.

2 And then with respect to a school teacher in Holland that
3 hasn't been with the company since August -- not the company, a
4 predecessor of the company -- since August of 2004, and, you
5 know, taking care of children and whatever, I don't think it's
6 appropriate to impose and ask -- and enforce a contract at that
7 level given the marginal relevance as described.

8 And if the Court's ordering that we try with these other
9 people --

10 **THE COURT:** Why is the passage of time relevant? It
11 seems to me that their defenses go to, you know, what happened
12 at the inventorship. I don't understand why the passage of 20
13 years matters.

14 **MR. REINES:** So -- that's a good question. So the --
15 the -- the issue is written description, which they didn't even
16 bother to raise in the injunction proceedings as being -- when
17 they raised about 15 issues or 20 issues, or enablement.
18 They're both objective analyses.

19 So for it to be relevant, it would require this person to
20 remember either the specifics of what were done in the
21 2002-to-2004 time period or what the state of the art was then.

22 I think, to me, in terms of the probative value and the
23 productiveness of a deposition of the ninth inventor on two of
24 the patents of the five, addressing these undefined issues with
25 no reason to believe there's merit there, that, yes, the fact

1 that it's 15 years later, their memories -- she's in another
2 place. She's in another world; right?

3 I mean, so, yes, that would make them -- if it was 2005,
4 and you said what did you do last year in your chemistry lab or
5 what do people understand X to be in your chemistry lab, that
6 would be more likely, especially if she was still at the
7 company and her head was in it. But being a -- like I say, a
8 mother, a school teacher in Holland 15 years later, yeah, I
9 think there's a serious diminution in probative value,
10 logically.

11 **THE COURT:** Well, affirmative defenses like the
12 written description and enablement, it is true that the passage
13 of time is going to mean that some inventors may not recall
14 things at all or the level of detail they had.

15 I mean, that's -- I mean, we're just kind of stuck with
16 that reality. And I don't see why -- I mean, I don't really
17 understand the argument why her switching careers and dealing
18 with children would affect the state of her memory.

19 But, I mean, this is probably -- this seems to me like
20 it's the defendants' problem. These are relevant people who
21 did relevant things and, at least at one point, had relevant
22 knowledge.

23 And, you know, if you ask about things long ago, the
24 defendants are kind of stuck with the possibility that the
25 inventor might say "I don't know, I just can't remember."

1 That's really more their problem. It may not be a very long
2 depo.

3 **MR. REINES:** Yeah, I understand what you're saying. I
4 just -- you know, in my experience, when people leave the
5 field, you know, it's diminished. So that's -- that's for
6 those two.

7 For the nos, I mean, we've made, you know, earnest efforts
8 in the sense that we've repeatedly attempted to contact. On
9 the one case, we get no response at all, and in the other case,
10 he says on advice of counsel I'm not responding to you anymore.

11 And so those -- I just don't know, you know, I don't
12 expect that we're going to get cooperation. I don't think we
13 should be asked to get into legal proceedings in England with
14 employees who know their rights at competitor organizations
15 over this. That's based on what the relevance is. I do think
16 there's a balance, but I made that point a number of times.

17 And then of the two others, like I say, I think we've --
18 they've been responsive and we've had discussions with them.
19 Their request has been, you know, come to the United States and
20 other things.

21 So we haven't really gotten to the Zoom question, and I
22 think that, with respect to those witnesses, that that could be
23 well received; although, again, like I said, you know, I have
24 made my balance argument. And so I think that it could be
25 productive for two of them.

1 **MR. BILSKER:** May I respond, Your Honor?

2 **THE COURT:** Let's have a few concluding words from the
3 defendants. I did promise the court reporter we'd be done by
4 11:00, so let's wrap this up soon.

5 **MR. BILSKER:** Let me read to you from the June 18th
6 email that one of Mr. Reines' colleagues sent to Mr. Milowic
7 regarding the inventor depositions.

8 With respect to the nine inventors, as we explained,
9 we can accept service for deposition for three of the
10 inventors. I can't pronounce the first name. The last
11 name is Liu, L-I-U. The next inventor, whose last name is
12 Wu, and Colin Barnes, period. We can also accept service
13 for one of the inventors that is not involved in the first
14 case, Silki Rudiger, period. We do not yet have an answer
15 for the remaining two inventors that are not involved in
16 the first case, but we are working on that. At this time
17 we cannot accept service for the three remaining
18 inventors.

19 Now, what's interesting about this passage is Silki
20 Rudiger is one of the people that Mr. Reines just mentioned, I
21 think, as a school teacher in the Netherlands who doesn't want
22 to sit for a deposition, yet they told us on June 18th that she
23 would. So we still don't have a good answer on that.

24 With respect to the *Amgen* case that Mr. Reines mentioned,
25 that case is very informative. In that case Magistrate Judge

1 Stein held that they did have to produce the inventors even
2 though the plaintiff was producing, I believe it was like nine
3 of the inventors already, and there were three that were
4 outstanding.

5 And the patent owner made the argument, hey, what's the
6 big deal, you've already got nine of them, you just need three
7 more. So -- and that's not a big deal.

8 And Magistrate Stein said, clearly, the inventors are
9 relevant, they need to be produced, and you will be sanctioned
10 if you do not enforce your contract to do that.

11 Mr. Reines, basically, keeps saying, hey, you lost on the
12 preliminary injunction, it's over, you know, I don't even know
13 why you're still in this case. I mean, we should just move
14 straight to summary judgment and the judge should enter a
15 judgment that patents are valid and infringed.

16 That's not really a reasonable position. As Your Honor
17 noted, it's a preliminary decision.

18 Mr. Reines said we raised 15 or 20 issues in the
19 preliminary injunction. I've read the preliminary injunction;
20 I've never seen 15 or 20 issues.

21 The enablement issue was basically one very discrete issue
22 as to whether all the copouts could be made. They have seen
23 from our invalidity contentions there are written descriptions
24 and enablement issues which were not raised in the preliminary
25 injunction.

1 BGI has new counsel, us. We've come up with new -- new
2 invalidity arguments that are based on written description and
3 enablement.

4 As Your Honor has said, it's not reasonable for us to give
5 them a deposition outline of what we're going to ask the people
6 about, because then they'll prepare exactly instead of
7 potentially giving us straightforward truthful answers. So I
8 don't agree with that.

9 I'm also a little concerned -- I certainly feel for this
10 individual who has cancer, but, quite honestly, the first we
11 ever learned of that was in their response paper. They never
12 told us that this person had cancer.

13 And Your Honor, I'm sure, is aware that there are
14 procedures under the federal rules even to take depositions
15 before a case has begun to perpetuate testimony when that
16 testimony may disappear.

17 Now, it's rather morbid and I hate talking about it and
18 it's uncomfortable, but we should have known well before.
19 Prior counsel, Arnold & Porter -- Mr. Reines, I'm not sure why
20 you're laughing -- but prior counsel, Arnold & Porter, raised
21 first in October this issue about the depositions.

22 They specifically raised the issue of the assignments back
23 in March of this year. We tried in June. Never heard anything
24 about the cancer. And if we had known, I'm sure somebody would
25 have brought this sooner so that we could make sure that we

1 have the opportunity to get the testimony in the, you know,
2 unfortunate situation if that person was to pass.

3 You know, and I think Your Honor recognized the issue with
4 the fading memories. Hey, it's not our fault. They brought
5 the case last year. So, I mean, I think Mr. Reines has been
6 making a perfect case for laches, forgetting equitable relief
7 such as an injunction, because he's saying, hey, memories have
8 faded, evidence is no longer available. That's a perfect
9 situation in which you no longer get the equitable relief.

10 So I'll end it there unless Your Honor has some more
11 questions.

12 **THE COURT:** I don't.

13 Thank you, Counsel. This has helped me. I'm going to go
14 reread the cases that both sides cited, and I hope to get an
15 order out within the next couple of days.

16 **MR. BILSKER:** Thank you very much, Your Honor.

17 **MR. REINES:** Thank you, Your Honor.

18 **MR. MILOWIC:** Thank you, Your Honor.

19 (At 10:40 a.m. the proceedings were adjourned.)

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CERTIFICATE OF REPORTER

I certify that the foregoing is a correct amended transcript from the record of proceedings in the above-entitled matter.

Transcript amended to reflect correct spelling of Mr. Milowic's name.

DATE: Tuesday, August 18, 2020

Katherine Sullivan

Katherine Powell Sullivan, CSR #5812, RMR, CRR
U.S. Court Reporter