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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

GEN-PROBE INCORPORATED,	
	Plaintiff,
vs.	
BECTON DICKINSON & COMPANY,	
	Defendant.

CASE NO. 09-CV-2319 BEN-NLS
CASE NO. 10-CV-0602 BEN-NLS
**ORDER ON DAUBERT MOTIONS
AND MOTIONS IN LIMINE**
[ECF Nos. 506, 509, 510, 512, 514]

On November 6, 2012 the Court heard oral argument on pending *Daubert* motions and other motions *in limine* in the patent dispute between Plaintiff Gen-Probe Incorporated (“Gen-Probe”) and Defendant Becton Dickinson & Company (“Becton Dickinson”). Having considered the arguments and applicable law, the Court rules as follows:¹

I. BACKGROUND

This dispute involves patents generally directed to methods of automated nucleic acid assays and specimen collection products (the “Automation” and “Penetrable Cap” patents, respectively). On September 28, 2012, the Court granted partial summary judgment of infringement of various claims connected with U.S. Patent No. 7,560,255 (“the ’255 Patent”), U.S. Patent No. 7,482,143 (“the ’143 Patent”), and U.S. Patent No. 7,524,652 (“the ’652 Patent”). ECF No. 491. The Court also granted

¹ The Court will keep its discussion general because much of the underlying documentation is under seal.

1 summary judgment of infringement of claims connected with U.S. Patent No. 7,294,308 (“the ’308
2 Patent”) and summary judgment of non-infringement of other asserted claims. Several allegations
3 remain for trial, including willfulness, standing, invalidity, and damages.

4 On October 9, 2012, Gen-Probe filed a single *Daubert* motion [ECF No. 506] and eleven other
5 motions *in limine* [ECF No. 509] on the ground that certain of Becton Dickinson’s proffered evidence
6 is inadmissible. On the same date, Becton Dickinson filed two *Daubert* motions [ECF Nos. 510, 512]
7 and seven motions *in limine* [ECF No. 514] challenging Gen-Probe’s evidence. Trial is set for
8 December 4, 2012.

9 **II. DAUBERT MOTIONS**

10 **A. LEGAL STANDARD**

11 The admissibility of expert testimony is governed by Federal Rule of Evidence 702. An expert
12 witness must be “qualified as an expert by knowledge, skill, experience, training, or education,” and
13 the testimony must, among other things, “help the trier of fact to understand the evidence or to
14 determine a fact in issue.” FED. R. EVID. 702. The trial judge screens the evidence. *Daubert v.*
15 *Merrell Dow Pharm., Inc.*, 509 U.S. 579, 589 (1993). “In its role as gatekeeper, the district court
16 determines the relevance and reliability of expert testimony and its subsequent admission or
17 exclusion.” *Barabin v. AstenJohnson, Inc.*, No. 10-36142, 2012 WL 5669685, at *2 (9th Cir. Nov.
18 16, 2012). Trial courts have “broad discretion” in this analysis. *United States v. Alatorre*, 222 F.3d
19 1098, 1100 (9th Cir. 2000). “Shaky but admissible evidence is to be attacked by cross examination,
20 contrary evidence, and attention to the burden of proof, not exclusion.” *Primiano v. Cook*, 598 F.3d
21 558, 564 (9th Cir. 2010).

22 **B. GEN-PROBE’S DAUBERT MOTION TO EXCLUDE BECTON DICKINSON’S EXPERT** 23 **TESTIMONY ON COMPARABLE LICENSES. ECF No. 506.**

24 Gen-Probe seeks to exclude evidence supporting the damages estimates of two Becton
25 Dickinson experts, Dr. Julian Gordon and Dr. Alan Cox. Becton Dickinson’s experts seek to identify
26 two patent licenses as comparable to a hypothetical license for the patents-in-suit. Gen-Probe argues
27 that these licenses should be excluded as non-comparable. The Court is not persuaded the licenses
28 should be excluded.

1 A prevailing claimant in a patent infringement suit is entitled to “damages adequate to
2 compensate for the infringement, but in no event less than a reasonable royalty for the use made of
3 the invention by the infringer, together with interest and costs as fixed by the court.” 35 U.S.C. § 284.
4 “Determining a fair and reasonable royalty is often . . . a difficult judicial chore, seeming often to
5 involve more the talents of a conjurer than those of a judge.” *Fromson v. W. Litho Plate & Supply*
6 *Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1998). Any such analysis “necessarily involves an element of
7 approximation and uncertainty.” *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1325 (Fed. Cir.
8 2009). Yet the Federal Circuit still requires “sound economic and factual predicates.” *IP Innovation,*
9 *LLC v. Red Hat, Inc.*, 705 F. Supp. 2d 687, 689 (E.D. Tex. 2010).

10 The typical method for calculating a reasonable royalty is “to ascertain the royalty upon which
11 the parties would have agreed had they successfully negotiated an agreement just before infringement
12 began.” *Lucent*, 580 F.3d at 1324. “In constructing a hypothetical negotiation, the Federal Circuit has
13 consistently upheld the reliability of expert testimony where the expert considers the factors
14 enumerated in *Georgia-Pacific Corp. v. U.S. Plywood Corp.*” *Mformation Techs., Inc. v. Research*
15 *in Motion Ltd.*, No. C 08-04990 JW, 2012 WL 1142537, at *3 (N.D. Cal. Mar. 29, 2012) (internal
16 quotation marks and citation omitted). One *Georgia-Pacific* factor is the rates paid by the licensee
17 for the use of comparable patents. *Lucent*, 580 F.3d at 1325 (citing *Georgia-Pacific Corp. v. U.S.*
18 *Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970)). Parties that offer comparable licenses
19 “must account for differences in the technologies and economic circumstances of the contracting
20 parties.” *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1211 (Fed. Cir. 2010). An expert
21 cannot rely on licenses that are “radically different from the hypothetical agreement under
22 consideration.” *Lucent*, 580 F.3d at 1327-28.

23 Becton Dickinson’s experts rely on the “Idaho Tech” and “Caliper” licenses.² Gen-Probe
24 contends that the licenses should be excluded because Becton Dickinson’s experts: (1) fail to provide
25 a qualitative comparison between the value of the licensed technology and that of the asserted patents;
26 (2) fail to account for the fact that the licenses “arose out of litigation”; and (3) fail to address the
27 different economic structures of the licenses from the hypothetical license of Gen-Probe’s asserted

28 _____
² Dr. Cox essentially adopts Dr. Gordon’s comparability determination.

1 patents.

2 Gen-Probe's concerns are appropriate fodder for cross-examination. *See Phillip M. Adams &*
3 *Assoc., LLC v. Winbond Elecs. Corp.*, No. 1:05-CV-64, 2010 WL 3743677, at *3 (D. Utah Sept. 20,
4 2010) (stating that disagreements about what licenses are comparable to the patents-in-suit are
5 "properly developed in cross-examination"). Unfortunately, "a perfectly comparable agreement is
6 rarely available." *Synthes USA v. Spinal Kinetics, Inc., LLC*, No. C-09-01201, 2011 U.S. Dist. LEXIS
7 93093, at *29 (N.D. Cal. Aug. 19, 2011). From a technological and economic standpoint, the licenses
8 at issue are at least marginally comparable. The Idaho Tech license, for example, allegedly relates to
9 a method for rapid thermal cycling, one step of an automated nucleic acid amplification test, whereas
10 the patents-in-suit relate to fully automated nucleic acid testing. The Caliper license, which involves
11 several patents directed to components of automated diagnostic instruments, covers a patent that
12 Becton Dickinson asserts is invalidating prior art. If nothing else, arguably invalidating prior art is
13 not "radically different" from the technology claimed by Gen-Probe's patents. Moreover, both of the
14 proposed licenses include running royalties, which provide some basis for comparison.

15 Gen-Probe may highlight the technological and economic distinctions at trial. Similarly,
16 concerns about the effect litigation might have had on these licenses "are better directed to weight, not
17 admissibility." *Datatreasury Corp. v. Wells Fargo & Co.*, No. 2:06-CV-72, 2010 WL 903259, at *2
18 (E.D. Tex. Mar. 4, 2010); Layne S. Keele, *Res "Q"ing Patent Infringement Damages After Resqnet:*
19 *The Dangers of Litigation Licenses as Evidence of a Reasonable Royalty*, 20 TEX. INTELL. PROP. L.J.
20 181, 184 (2012) ("Courts and scholars have trended toward allowing litigation licenses to be used as
21 evidence of a reasonable royalty."). Accordingly, this motion is **DENIED**. The Court will permit
22 Becton Dickinson's experts to testify regarding these licenses.

23 **C. BECTON DICKINSON'S DAUBERT MOTION TO PRECLUDE EXPERT TESTIMONY OF**
24 **MICHAEL J. WAGNER. ECF No. 512.**

25 Becton Dickinson asks the Court to exclude the royalty estimates of Michael Wagner,
26 Gen-Probe's damages expert. Becton Dickinson alleges that: (1) Mr. Wagner's royalty rate analyses
27 are improperly premised on "arbitrary profit splits," such as the "25-percent rule"; and (2) he applies
28 the wrong royalty base by attributing the entire market value of Becton Dickinson's products to

1 Gen-Probe's patented technology. Gen-Probe argues that Mr. Wagner's analysis is neither arbitrary
2 nor unreliable.

3 "When a hypothetical negotiation would have yielded a running royalty, the classic way to
4 determine the reasonable royalty amount is to multiply the royalty base, which represents the revenue
5 generated by the infringement, by the royalty rate, which represents the percentage of revenue owed
6 to the patentee." *Whitserve, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 27 (Fed. Cir. 2012). The
7 Federal Circuit has rejected the "25 percent rule of thumb," which suggests that a licensee pay 25
8 percent of its expected profits for a product that incorporates the subject IP, as an arbitrary and thus
9 fundamentally flawed approach. *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1315 (Fed. Cir
10 2011).

11 Becton Dickinson asserts that Mr. Wagner based his calculations on similarly arbitrary profit
12 splits. Gen-Probe counters that his calculations were influenced, appropriately, by the facts of the
13 case, including the competitive environment and Gen-Probe's policy of exploiting its own patents³ —
14 considerations approved in *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995). The
15 Court agrees with Gen-Probe that Mr. Wagner's analysis is tied to the facts of the case. It will not
16 exclude his testimony on this ground.

17 Becton Dickinson also objects to Mr. Wagner's apparent application of the "entire market
18 value" rule. The entire market value rule is a "narrow exception" to the general rule that royalties
19 should be based "not on the entire product, but instead on the 'smallest salable patent-practicing
20 unit.'" *LaserDynamics, Inc. v. Quanta Computer*, 694 F.3d 51, 67 (Fed. Cir. 2012). "If it can be
21 shown that the patented feature drives the demand for an entire multi-component product, a patentee
22 may be awarded damages as a percentage of revenues or profits attributable to the entire product."
23 *Id.* Becton Dickinson contends that the rule does not apply and that Mr. Wagner should have
24 apportioned royalties between allegedly patented features and other non-patented features. Gen-Probe
25 counters that Mr. Wagner's royalty base was proper regardless of whether the entire market value rule

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27 ³ In a deposition, Mr. Wagner explained his methodology as based on a combination of real
28 world observation and the Nash bargaining solution. The Nash bargaining solution is a mathematical
proof. Although it has been criticized as impenetrable, *see Oracle Am., Inc. v. Google Inc.*, 798 F.
Supp. 2d 1111, 1120 (N.D. Cal. 2011), at least one court has permitted its use "in addition to, rather
than in lieu of" other considerations. *Mformation Techs.*, 2012 WL 1142537, at *3 n.19.

1 applies because it consisted of the “smallest salable patent-practicing unit” for the Automation
2 patents—the accused Becton Dickinson assays.

3 Because Gen-Probe provides some evidence that would support application of the entire
4 market value rule, the Court will not exclude Mr. Wagner’s testimony on this ground. *See Ergotron,*
5 *Inc. v. Rubbermaid Commercial Prods., LLC*, No. 10-2010, 2012 WL 3733578, at *14 (D. Minn. Aug.
6 28, 2012) (“Whether the patented components drive customer demand or substantially create value
7 for the Accused Products is a disputed factual question.”). Becton Dickinson is welcome to probe Mr.
8 Wagner’s conclusions on cross-examination. This motion is **DENIED**.

9 **C. BECTON DICKINSON’S DAUBERT MOTION TO PRECLUDE EXPERT TESTIMONY OF J.**
10 **DAVID CABELLO. ECF NO. 510.**

11 Becton Dickinson moves to preclude certain expert testimony of J. David Cabello as unhelpful
12 and confusing. In defense to charges of willful and indirect infringement, Becton Dickinson is
13 expected to rely upon letters from outside counsel regarding the validity of Gen-Probe’s patents. Mr.
14 Cabello, an IP attorney, intends to offer opinions about the competency of those letters and whether
15 Becton Dickinson reasonably relied on them. Becton Dickinson contends that permitting Mr. Cabello
16 to opine on the “objective recklessness” of Becton Dickinson’s conduct, the company’s subjective
17 intent, or any “industry standards” or “standards of commerce” would be misleading, confusing, and
18 unhelpful to the jury in contravention of Federal Rule of Evidence 702.

19 Willful infringement requires that: (1) the accused infringer “acted despite an objectively high
20 likelihood that its actions constituted infringement of a valid patent;” and (2) the “objectively defined
21 risk . . . was either known or so obvious that it should have been known to the accused infringer.” *In*
22 *re Seagate Tech., LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007). Inducement of infringement “requires
23 that the accused inducer act with knowledge that the induced acts constitute patent infringement.”
24 *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1308 (Fed. Cir. 2012). Put
25 differently, it “requires that the alleged infringer knowingly induced infringement and possessed
26 specific intent to encourage another’s infringement.” *Id.* An accused willful infringer often points
27 to advice from counsel “to establish that due to reasonable reliance on advice from counsel, its
28 continued accused activities were done in good faith.” *In re Seagate*, 497 F.3d at 1369. Federal courts

1 have permitted legal expert testimony on the adequacy of opinions of counsel. *See, e.g., Agere Sys.,*
2 *Inc. v. Atmel Corp.*, No. 02-CV-864, 2005 WL 6728525, at *1 (E.D. Pa. Feb. 23, 2005).

3 Becton Dickinson's motion is **GRANTED IN PART**. Mr. Cabello may not testify about
4 anyone's motives, intent and state of mind. *See Oxford Gene Tech., Ltd v. Mergen Ltd.*, 345 F. Supp.
5 2d 431, 443 (D. Del. 2004). Such "opinions" would invade the province of the jury.

6 Mr. Cabello may testify about the letters' competency, however. The shortcomings Mr.
7 Cabello identifies, i.e. the letters' failure to define the person of ordinary skill in the art or discuss
8 secondary considerations of non-obviousness, are similar to those identified as relevant in *In re Hayes*
9 *Microcomputer Prods., Inc. Patent Litig.*, 982 F.2d 1527, 1543-44 (Fed. Cir. 1992). Mr. Cabello may
10 also testify about standards of commerce and IP clearance practices. Mr. Cabello is a patent attorney
11 who has advised private companies. He previously worked as in-house counsel responsible for the
12 IP department at Compaq. In short, his qualifications are sufficient to survive a *Daubert* motion. *See*
13 *Mformation Techs.*, 2012 WL 1142537, at *1 ("The threshold for [expert] qualification is low; a
14 minimal foundation of knowledge, skill, and experience suffices.") Becton Dickinson's arguments
15 that Mr. Cabello has not worked as IP counsel for a corporation since 1998, lacks experience in the
16 molecular diagnostics industry, and insufficiently articulates industry standards, are appropriate topics
17 for cross-examination.

18 **III. MOTIONS IN LIMINE**

19 In addition to their *Daubert* motions, each party has filed several motions *in limine*. "Trial
20 courts have broad discretion when ruling on motions *in limine*. Unless the evidence in dispute is
21 inadmissible on all potential grounds, rulings on admissibility should be deferred until trial so that
22 questions of foundation, relevancy and potential prejudice may be resolved in proper context."
23 *Klungvedt v. Unum Grp.*, No. 2:12-CV-00651, 2012 WL 5363002, at *2 (D. Ariz. Oct. 31, 2012)
24 (internal citations and quotation marks omitted). "[I]n *limine* rulings are not binding on the trial
25 judge, and the judge may always change his mind during the course of a trial." *Ohler v. United States*,
26 529 U.S. 753, 758 n.3 (2000).

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1 **D. GEN-PROBE’S MOTIONS *IN LIMINE* (NOS. 1 - 11). ECF No. 509.**

2 **1. Motion *in Limine* No. 1**

3 Gen-Probe’s first motion *in limine* seeks to limit when Becton Dickinson can raise its “advice
4 of counsel” defense. Gen-Probe wants the Court to preclude Becton Dickinson from mentioning,
5 questioning witnesses about, or introducing evidence regarding any advice of counsel during
6 Gen-Probe’s case-in-chief. Becton Dickinson contends this would be inefficient and prejudicial
7 because witnesses would be unable to explain their conduct in response to Gen-Probe’s questioning.

8 The Court declines to impose Gen-Probe’s restriction in advance of trial. Under Federal Rule
9 of Evidence 611(b), the Court has discretion to permit inquiry on cross-examination into matters even
10 beyond the scope of direct. If problems arise, the Court can re-examine this ruling. This motion is
11 **DENIED.**

12 **2. Motion *in Limine* No. 2**

13 In its second motion *in limine*, Gen-Probe asks the Court to prevent Becton Dickinson from
14 introducing an attorney letter concerning the validity of a patent (“the ’892 patent”) that is no longer
15 being asserted at trial. Gen-Probe argues that any legal advice concerning that patent is irrelevant to
16 any issue remaining in the case. Becton Dickinson contends the letter is critical to understanding
17 subsequent letters about remaining patents (’143, ’652, and ’255 patents) because the latter
18 communications assumed knowledge of and built upon the earlier analysis. The ’143, ’652, and ’255
19 letters essentially chart the patent claims against the prior art cited in the ’892 letter.

20 Evidence is relevant if it has any tendency to make the existence of any fact of consequence
21 more or less probable than it would be without the evidence. FED. R. EVID. 401. “The court may
22 exclude relevant evidence if its probative value is substantially outweighed by a danger of one or more
23 of the following: unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting
24 time, or needlessly presenting cumulative evidence.” FED. R. EVID. 403. The Court agrees with
25 Becton Dickinson that the context provided by the ’892 letter is at least marginally relevant and that
26 it is not cumulative. This motion is **DENIED.**

27 **3. Motion *in Limine* No. 3**

28 At issue in this motion is how Becton Dickinson can refer to the letters from outside counsel

1 concerning the '143, '652, and '255 patents. Through their moving and opposition papers, the parties
2 appear to have reached an agreement that Becton Dickinson will not refer to the letters as “opinions”
3 or “opinions of counsel.” Gen-Probe has consented to Becton Dickinson’s use of “advice of counsel”
4 provided the jury is instructed on the differences between formal opinions and informal advice. In
5 light of this apparent agreement, the Court **DENIES** Gen-Probe’s motion. It will reserve for trial the
6 question of whether a jury instruction is necessary.

7 **4. Motion in Limine No. 4**

8 In its fourth motion *in limine*, Gen-Probe seeks to exclude evidence of post-filing date
9 development of the TIGRIS instrument, the commercial embodiment of its Automation patents.
10 Gen-Probe filed the first application giving rise to the patents in May 1998, but it took more time to
11 develop TIGRIS. Gen-Probe argues that evidence of its post-filing development should be excluded
12 pursuant to Federal Rules of Evidence 401-403 because it is not relevant to the issues and because it
13 would confuse the issues, mislead the jury, waste time, and be unfairly prejudicial.

14 The Court declines to exclude this evidence *in limine*. As Becton Dickinson notes, one
15 possible basis for introducing the evidence is to show that TIGRIS’s commercial success was due to
16 aspects of the device not embodied in a patent claim. That would cut against Gen-Probe’s reliance
17 on TIGRIS’s commercial success as an indicia of non-obviousness. *See In re Huang*, 100 F.3d 135,
18 140 (Fed. Cir. 1996) (“success is relevant in the obviousness context only if there is proof that the
19 sales were a direct result of the unique characteristics of the *claimed* invention” (emphasis added)).
20 Because the evidence of Gen-Probe’s post-filing development does not appear inadmissible on all
21 potential grounds, this motion is **DENIED**. The Court will address specific concerns as they arise
22 during trial.

23 **5. Motion in Limine No. 5**

24 In its fifth motion *in limine*, Gen-Probe seeks to prevent Becton Dickinson from presenting any
25 invalidity theory, prior art reference, or combination thereof that Becton Dickinson did not identify
26 in its Final Invalidity Contentions (“FICs”). Under the Patent Local Rules for this district, a party’s
27 invalidity contentions must include “[t]he identity of each item of prior art that allegedly anticipates
28 each asserted claim or renders it obvious.” PATENT L.R. 3.3(a). “If a combination of items of prior

1 art makes a claim obvious, each such combination must be identified.” PATENT L.R. 3.3(b).

2 Becton Dickinson acknowledges that its experts cite prior art not identified in the FICs. But
3 Becton Dickinson states that it will only use such references to support opinions on issues other than
4 anticipation or obviousness, such as the knowledge of the person of ordinary skill in the art, or to
5 respond to Gen-Probe’s arguments concerning secondary considerations. *See Standard Oil Co. v. Am.*
6 *Cyanamid Co.*, 774 F.2d 448, 454 (Fed. Cir. 1985) (stating that a person of ordinary skill in the art is
7 “presumed to be aware of all the pertinent prior art”); *Brilliant Instruments, Inc. v. Guidetech, Inc.*,
8 No. 09-5517, 2011 WL 900369, at *2 (N.D. Cal. Mar. 15, 2011) (permitting the use of undisclosed
9 references for purposes other than anticipation or obviousness). Given that assurance, the Court will
10 not broadly exclude these references *in limine*. A limiting instruction may be necessary, however, to
11 prevent the jury from considering these references for an improper purpose. This motion is **DENIED**.

12 6. Motion *in Limine* No. 6

13 In its sixth motion *in limine*, Gen-Probe asks the Court to preclude Becton Dickinson’s experts
14 from referring to portions of prior art references not identified in their expert reports or at deposition
15 to prove-up Becton Dickinson’s invalidity case. Becton Dickinson calls this motion hyper-technical,
16 and asserts that its FICs provided claim-charts that identified the disclosure of every claim element
17 in every prior art reference asserted to anticipate or render obvious any claim.

18 Federal Rule of Civil Procedure 26 requires that an expert report contain, among other things,
19 “a complete statement of all opinions the witness will express and the basis and reasons for them,” as
20 well as “the facts or data considered by the witness in forming” those opinions. FED. R. CIV. P.
21 26(a)(2)(B). Generally, a party will not be permitted to use on direct examination information not
22 disclosed in the expert report. FED. R. CIV. P. 37(c)(1). Detailed reports are required so that
23 “opposing parties have a reasonable opportunity to prepare for effective cross examination and
24 perhaps arrange for expert testimony from other witnesses.” FED. R. CIV. P. 26 advisory committee’s
25 note (1993 Amendments). Gen-Probe’s motion is in accord with that policy, and the Court will
26 **GRANT** it. Becton Dickinson’s experts may not refer to any portion of a prior art reference not
27 identified in their expert reports or at deposition.

28 7. Motion *in Limine* No. 7

1 In its seventh motion *in limine*, Gen-Probe seeks to prevent a Becton Dickinson witness, Dr.
2 Patrick Merel, from testifying. According to Gen-Probe, Becton Dickinson initially listed Dr. Merel
3 as an expert but later indicated he would be offering strictly fact testimony on “development and
4 automation of amplified DNA probe assays.” Dr. Merel is apparently an author of an article that
5 Becton Dickinson listed in its FICs as allegedly invalidating prior art. He did not provide an expert
6 report, and the parties agree that he may not offer expert testimony. Becton Dickinson contends,
7 however, that Dr. Merel will limit his testimony to his personal experiences automating the steps of
8 a nucleic acid assay by combining commercially available instruments. The Court shares Gen-Probe’s
9 concern that the line between fact testimony and expert opinion is too blurry here. This motion is
10 **GRANTED**. Becton Dickinson may not call Dr. Merel to testify.

11 **8. Motion in Limine No. 8**

12 In its eighth motion *in limine*, Gen-Probe seeks to preclude references to the Court’s
13 non-infringement rulings in the Summary Judgment Order. Those rulings concern patent claims that
14 are no longer being litigated. The parties agree that these ruling are not probative of the issues
15 remaining in this case. This motion is **GRANTED**. Becton Dickinson’s related motion to preclude
16 all references to the Summary Judgment Order is addressed later in this Order.

17 **9. Motion in Limine No. 9**

18 In its ninth motion *in limine*, Gen-Probe seeks to prevent Becton Dickinson from comparing
19 the parties’ commercial technology. Gen-Probe states that a comparison would serve no purpose in
20 light of the Court’s finding of direct infringement of the asserted claims through the use of Becton
21 Dickinson’s accused products and processes. Becton Dickinson argues that product comparisons are
22 relevant for reasons other than infringement. It argues, for example, that if Gen-Probe put forward
23 evidence of copying to prove willful infringement or to rebut Becton Dickinson’s claim that the
24 asserted claims were obvious, the jury should get to see the actual products. *See Wyers v. Master Lock*
25 *Co.*, 616 F.3d 1231, 1246 (Fed. Cir. 2010) (“copying requires evidence of efforts to replicate a specific
26 product, which may be demonstrated through . . . access to the patented product combined with
27 substantial similarity to the patented product”). The Court will wait to see the context in which this
28 evidence is offered before determining whether it is admissible. The motion is **DENIED**.

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2 **10. Motion in Limine No. 10**

3 In its tenth motion *in limine*, Gen-Probe asserts that “a number of witnesses” designated by
4 Becton Dickinson pursuant to Federal Rule of Civil Procedure 30(b)(6) failed to answer questions on
5 their designated topics during depositions. It asks the Court to prohibit Becton Dickinson from
6 offering testimony on topics that its designee was unable to testify about at deposition. Becton
7 Dickinson rejects Gen-Probe’s characterization of its witnesses’ preparedness. It objects to the
8 broadness of Gen-Probe’s noticed topics and notes that Gen-Probe did not move to compel Becton
9 Dickinson to produce any witness for additional depositions. During a telephonic status conference
10 on November 19, 2012, the Court asked the parties to confer regarding alternatives for narrowing this
11 motion. Accordingly, the Court will not resolve it in the present Order.

12 **11. Motion in Limine No. 11**

13 In its eleventh motion *in limine*, Gen-Probe asks the Court to preclude Becton Dickinson from
14 calling two witnesses: Rick Ivey and William Kozy. Becton Dickinson failed to include both
15 individuals in the disclosures required by Federal Rule of Civil Procedure 26(a)(1)(A)(i). Becton
16 Dickinson only identified them as potential witnesses after the Court instructed the parties in its
17 Summary Judgment Order to revise the pretrial order.

18 Federal Rule of Civil Procedure 37(c)(1) states that “[i]f a party fails to . . . identify a witness
19 as required by Rule 26(a) . . . the party is not allowed to use that . . . witness to supply evidence . . .
20 at a trial, unless the failure was substantially justified or is harmless.” Becton Dickinson has agreed
21 to withdraw Mr. Kozy from the witness list. Accordingly, Gen-Probe’s motion is **DENIED AS**
22 **MOOT** with respect to him. With respect to its employee Mr. Ivey, Becton Dickinson contends that
23 the delayed disclosure was harmless because Gen-Probe was aware of him and his role in the company
24 during discovery. Becton Dickinson does not, however, attempt to explain the delay. Accordingly,
25 Gen-Probe’s motion is **GRANTED** with respect to Mr. Ivey. Becton Dickinson may not call him as
26 a witness during trial.

27 **B. BECTON DICKINSON’S MOTIONS IN LIMINE (NOS. 1-7). ECF No. 514.**

28 **1. Motion in Limine No. 1**

1 Becton Dickinson moves to preclude Gen-Probe from offering evidence concerning incidents
2 of contamination or contamination rates on instruments that automate the steps of nucleic acid assays
3 (i.e., Becton Dickinson’s Viper, Gen-Probe’s TIGRIS, and prior art instruments). It contends that
4 contamination is irrelevant to the question of whether an instrument performs the methods claimed
5 in the Automation Patents. Becton Dickinson argues that the patent claim language does not expressly
6 require a device to achieve a low contamination rate.

7 Becton Dickinson’s argument is compelling, but the Court is not convinced such evidence
8 would be inadmissible on all potential grounds. As Gen-Probe suggests, it could be relevant to rebut
9 claims of obviousness by showing that contamination in the prior art “taught away” from the claimed
10 invention. Accordingly, the motion is **DENIED**. The Court recognizes, however, that a limiting
11 instruction may be appropriate.

12 2. Motion *in Limine* No. 2

13 In its second motion *in limine*, Becton Dickinson seeks to prevent Gen-Probe from introducing
14 evidence or argument regarding the alleged “unexpected results” achieved by its patents. It contends
15 Gen-Probe’s argument is not supported any comparative data, and thus its admission would be
16 irrelevant and unfairly prejudicial.

17 “One way for a patent applicant to rebut a prima facie case of obviousness is to make a
18 showing of ‘unexpected results,’ i.e., to show that the claimed invention exhibits some superior
19 property or advantage that a person of ordinary skill in the relevant art would have found surprising
20 or unexpected.” *In re Soni*, 54 F.3d 746, 750 (Fed. Cir. 1995). “The basic principle behind this rule
21 is straightforward—that which would have been surprising to a person of ordinary skill in a particular
22 art would not have been obvious.” *Id.*

23 Becton Dickinson contends that “unexpected results” must be established via data comparing
24 the claims to the closest prior art. Gen-Probe argues in reponse that there is no strict data requirement,
25 and that “unexpected results” may be established in other ways.

26 Although the law is clear that an applicant cannot prove unexpected results with “attorney
27 argument and bare statements,” the Court is not convinced data is always required. *See CFMT, Inc.*
28 *v. YieldUp Int’l Corp.*, 349 F.3d 1333, 1342 (Fed. Cir. 2003) (suggesting that unexpected results could

1 be established with objective evidence “in the form of patents, technical literature, and declarations
2 . . . submitting expert testimony and, at times, test data”); *Mformation Techs*, 2012 WL 1142537 at
3 *6 (permitting an expert to testify that a claimed invention produced unexpected results, based on his
4 opinion that no one had previously designed a wireless device remote management system that
5 implemented any of the claims). As a result, the Court will not exclude this evidence *in limine*. This
6 motion is **DENIED**.

7 **3. Motion in Limine No. 3**

8 Becton Dickinson moves to preclude Gen-Probe from introducing evidence of alleged
9 plagiarism in Becton Dickinson’s patent applications. At issue are purported textual similarities with
10 some of Gen-Probe’s patents. Becton Dickinson argues that plagiarism is not the type of “copying”
11 that suggests non-obviousness. *See Iron Grip Barbell Co., Inc. v. USA Sports, Inc.*, 392 F.3d 1317,
12 1325 (Fed. Cir. 2004) (“copying requires the replication of a specific *product*” (emphasis added)).
13 It argues that such evidence is irrelevant and inflammatory and should be excluded pursuant to Federal
14 Rules of Evidence 402-03.

15 Gen-Probe contends the similarities are probative of different issues, namely culpable intent
16 and willful infringement. Becton Dickinson’s plagiarism, Gen-Probe argues, demonstrates the extent
17 to which Becton Dickinson tracked the specific teachings of Gen-Probe’s patents. Both arguments
18 are well taken. Because the evidence could be at least marginally relevant, the Court will wait to see
19 the context in which this evidence is offered before making an admissibility determination. Objections
20 will be ruled on during trial. This motion is **DENIED**.

21 **4. Motion in Limine No. 4**

22 Becton Dickinson moves to prevent Gen-Probe from offering evidence of: (1) alleged “industry
23 praise” in the form of a medal awarded by the government for technological innovation; and (2)
24 alleged “commercial success” of its TIGRIS Instrument and APTIMA Combo II assays. It contends
25 that Gen-Probe cannot lay the requisite foundation that the evidence bears any “nexus” to the
26 inventions claimed in the Automation Patents.

27 A patentee can rebut claims that its invention was obvious by pointing to evidence of
28 commercial success or industry praise. *See Geo. M. Martin Co. v. Alliance Mach. Sys. Int’l LLC*, 618

1 F.3d 1294, 1304-05 (Fed. Cir. 2010). For a court to accord substantial weight to these secondary
2 considerations, a “nexus between the merits of the claimed invention and evidence of secondary
3 considerations is required.” *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1327 (Fed. Cir.
4 2008). The “proper inquiry for determining the admissibility of evidence proffered to support a
5 secondary consideration, such as commercial success, is whether the proffered evidence has any
6 tendency, either by itself or in conjunction with other evidence, [to] permit[] the trier of fact to infer
7 the existence of the secondary factor.” *Rambus Inc. v. Hynix Semiconductor Inc.*, 254 F.R.D. 597, 603
8 (N.D. Cal. 2008). Generally, “[i]t is within the province of the fact-finder to resolve . . . factual
9 disputes regarding whether a nexus exists[.]” *See Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc.*,
10 75 F.3d 1568, 1574 (Fed. Cir. 1996).

11 Becton Dickinson contends that Gen-Probe has not established the required nexus. It argues
12 that Gen-Probe cannot show that any “success” of TIGRIS Instrument and the APTIMA Combo II
13 assays resulted from a feature claimed in the patents, as opposed to some other product feature. It also
14 disputes that the medal had anything to do with Gen-Probe’s work on the patented invention. In
15 response, Gen-Probe contends it can establish a nexus. It argues, among other things, that TIGRIS
16 sales displaced sales of its semi-automated machine in the market despite a price premium, which
17 suggests a nexus between the patented methods of automation and the commercial success. As for
18 the medal, Gen-Probe cites to a contemporaneous letter from a congresswoman who expressed
19 enthusiasm to “hear[] about the expansion of the TIGRIS system [for]. . . blood screening tests.”

20 The motion is **GRANTED IN PART**. As discussed during oral argument, Gen-Probe may
21 not introduce the medal as evidence of industry praise unless it first presents the Court with the
22 necessary foundational evidence. At this stage, however, the Court will not preclude Gen-Probe from
23 offering evidence of commercial success. Becton Dickinson can challenge Gen-Probe’s “nexus”
24 evidence at trial.

25 **5. Motion in Limine No. 5**

26 In its fifth motion *in limine*, Becton Dickinson seeks to preclude evidence regarding “Project
27 Mudcat” as irrelevant, distracting, confusing to the jury, and prejudicial. Project Mudcat was
28 allegedly an attempt by Becton Dickinson to automate some aspects of a nucleic acid test. Gen-Probe

1 apparently intends to use it as an example of the “failure of others”—an objective consideration of
2 nonobviousness. In response, Becton Dickinson notes that Gen-Probe has presented no evidence of
3 *why* Becton Dickinson terminated the Mudcat project. Moreover, it argues, Project Mudcat was never
4 an attempt to automate *all* of the steps of a nucleic acid amplification assay, which is what
5 Gen-Probe’s patents claim. *See Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1313 (Fed. Cir.
6 2006) (criticizing evidence that did not “suggest that the[] prior attempts failed because the devices
7 lacked the claimed features.”).

8 The Court agrees with Becton Dickinson. This motion is **GRANTED**. Gen-Probe is
9 precluded from introducing evidence regarding Project Mudcat at trial.

10 **6. Motion in Limine No. 6**

11 In its sixth motion *in limine*, Becton Dickinson raises hearsay objections to statements
12 contained in trial exhibits Nos. 27, 126, 102 and 142. The exhibits appear to be an internal Becton
13 Dickinson e-mail, notes from a meeting, and two Becton Dickinson market research reports. Each
14 appears to quote or relay comments from customers and, in some cases, anonymous focus group
15 participants. Gen-Probe contends the statements are properly admitted as non-hearsay, either as party
16 opponent admissions or adopted admissions; as state-of-mind evidence; or as evidence of a direct
17 effect on Becton Dickinson.

18 Hearsay is an out-of-court statement “offered in evidence to prove the truth of the matter
19 asserted.” FED. R. EVID. 801(c). Party admissions and adoptive admissions are “not hearsay” and a
20 thus admissible. FED. R. EVID. 801(d)(2). “A statement of the declarant’s then-existing state of mind
21 (such as motive, intent, or plan) or emotional, sensory, or physical condition (such as mental feeling,
22 pain, or bodily health), but not including a statement of memory or belief to prove the fact
23 remembered or believed” fits within an exception to the hearsay rule and is also admissible. FED. R.
24 EVID. 803(3).

25 The motion is **GRANTED IN PART** and **DENIED IN PART**. The Court has reviewed the
26 exhibits and finds that the statements Becton Dickinson cites within Trial Exhibits 27 and 126 are
27 inadmissible hearsay if offered to prove the truth of the matter asserted. The Court agrees with Gen-
28 Probe, however, that anonymous statements in the market research reports (Trial Exhibits 102 and

1 142) constitute adopted admissions because they are presented as findings, which manifests a belief
2 in their truth. *Oracle U.S.A. v. SAP AG*, No. 07-1658, 2012 U.S. Dist. Lexis 107147, at *9 (N.D. Cal.
3 July 31, 2012) (“a party may adopt a written statement of another if the party *uses the statement* or
4 takes action in compliance with the statement.” (emphasis added)). The Court will not preclude them
5 at this stage.

6 **7. Motion in Limine No. 7**

7 In its seventh motion *in limine*, Becton Dickinson seeks to exclude *all* references to the Court’s
8 Summary Judgment Order as irrelevant and confusing to the jury. In addition to ruling on various
9 infringement issues, the Court granted summary judgment of no invalidity under the enablement
10 requirement of all Automation patents due to Becton Dickinson’s failure to present evidence. Becton
11 Dickinson asserts that it simply withdrew that defense to simplify trial, and there is no need for any
12 party to reference the Court’s ruling during trial. Gen-Probe does not oppose Becton Dickinson’s
13 motion to the extent it seeks to preclude “specific references” to the Order, but it contends that it
14 should be permitted to tell the jury of the Order’s *effect*.

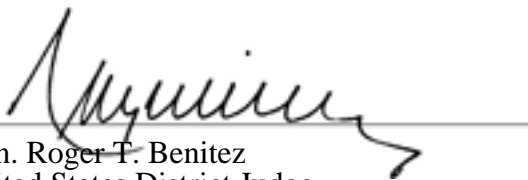
15 The Court **RESERVES RULING** on the question of whether reference can be made to the
16 Court’s finding of no invalidity for lack of enablement. The motion is **DENIED** with respect to the
17 Court’s finding of literal infringement. The Court agrees with Gen-Probe that it may be necessary to
18 reference that finding to explain the evidence and argument concerning indirect infringement and
19 willfulness.

20 **IV. CONCLUSION**

21 For the reasons stated above, the parties’ motions are **GRANTED IN PART**.

22 **IT IS SO ORDERED.**

23 DATED: November 26, 2012

24 
25 Hon. Roger T. Benitez
26 United States District Judge
27
28