

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

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|---------------------------|---|------------------------|
| TELES AG | : | |
| INFORMATIONSTECHNOLOGIEN, | : | |
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| Plaintiff, | : | |
| | : | |
| 5. | : | C.A. No. 09-72-SLR-LPS |
| | : | |
| CISCO SYSTEMS, INC., | : | |
| | : | |
| Defendant. | : | |

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|---------------------------|---|-------------------------|
| CISCO SYSTEMS, INC. | : | |
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| Plaintiff, | : | |
| | : | |
| 5. | : | C.A. No. 09-232-SLR-LPS |
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| TELES AG | : | |
| INFORMATIONSTECHNOLOGIEN, | : | |
| | : | |
| Defendant. | : | |

ORDER

In this patent infringement case in which issues of liability have been bifurcated from issues of damages and willfulness, both sides – Plaintiff Teles AG Informationstechnologien (“Teles”) and Defendant Cisco Systems, Inc. (“Cisco”) – have submitted letters complaining about the other side’s discovery. (C.A. No. 09-72-SLR-LPS D.I. (hereinafter “D.I.”) 173, 174, 175, 176) Having reviewed the parties’ submissions, for the reasons set forth below, the Court provides the following rulings on the parties’ disputes.

Teles' Request for Cisco's Evidence of Commercial Success

Teles claims that “Cisco improperly withheld from the Patent Office highly relevant information showing the substantial nexus between Cisco’s accused PSTN fallback functionality and customer demand for Cisco’s products.” (D.I. 174 at 1) Teles requests that the Court order Cisco to remove the “Confidential” designation from certain of Cisco’s discovery relating to Cisco’s commercial success “so that Teles can submit them to the Patent Office.” (D.I. 174 at 2) Teles further requests that Cisco “produce documents and witnesses on Cisco’s suppression of such evidence.” (*Id.*)

Teles cites no authority for its suggestion that Cisco was obligated to provide the PTO with information about the commercial success of Cisco's products in connection with an *ex parte* reexamination of Teles' patent. The Court finds no basis in the record to support the contention that Cisco has improperly “suppressed” commercial success evidence. Cisco’s designation of discovery relating to the accused products as “Confidential” is consistent with the agreed-upon and court-ordered Protective Order. With fact discovery now nearly completed, there is no reason to modify the Protective Order at this point in the case. Teles’ request is DENIED.

Palacios Deposition

Teles complains that Cisco’s Rule 30(b)(6) witness for topics 19 and 20, Brian Palacios, was improperly directed by Cisco’s counsel not to answer questions about two particular Cisco routers Teles asserts are accused products and about Cisco’s “cost of sales.” Cisco properly objects to the testimony sought by Teles as it falls outside the limited scope of damages-related discovery the Court permitted in this bifurcated case. (D.I. 116) The two Cisco routers may be

among the accused products but they are not identified in Teles' infringement contentions; Teles did not seek "cost of sales" discovery in its submission to the Court specifically addressing what commercial success evidence it should be permitted. (D.I. 92) Teles' request for an additional deposition of Palacios is DENIED.

The Court's previous order required Cisco to produce certain commercial success discovery for the period 1998-2002. Cisco has not produced sales revenue for the period prior to August 1, 1999, purportedly because it does not maintain complete revenue data for this period. (D.I. 175 at 2) Teles seeks an order requiring Cisco to produce the requested evidence for the full 1998-2002 period or, if Cisco cannot, that Cisco provide discovery for an adjusted four-year period of 1996-2000. Cisco now represents that it has identified archived "aggregated bookings" data from the 1998 and 1999 time period. (D.I. 175 at 3)

Cisco is HEREBY ORDERED to produce its aggregated bookings data covering the period January 1, 1998 through August 1, 1999. Cisco is HEREBY FURTHER ORDERED to produce a witness to testify, by deposition to last no longer than two (2) hours, as to how Cisco's revenue data for the period 1998 and 1999 is or has been kept, or not kept, and Cisco's efforts to identify, obtain, or reproduce such data. In all other respects, Teles' request with respect to the Palacios deposition is DENIED.

Tasker Deposition

Teles contends that Cisco's Rule 30(b)(6) witness for topic 2, Michael Tasker, was unprepared, and seeks an order deeming admitted that each of Cisco's accused products are made, sold, offered for sale, imported, supplied to, or supplied from the United States. (D.I. 174 at 3) It appears to the Court that Tasker was adequately prepared to testify regarding topic 2, to

the limited extent this topic is relevant in this bifurcated case and to the limited extent it was inquired into during Tasker's deposition. Teles' request is DENIED.

Teles' Rule 30(b)(6) Witness

Cisco seeks an order requiring Teles to produce "a properly prepared and knowledgeable witness on Topics 37 and 65 of Cisco's [30(b)(6)] deposition notice." (D.I. 173 at 1) Both topics relate to Teles' sales of products that Teles contends embody the claimed invention in the patents-in-suit. Cisco seeks such discovery for a four-year period beginning with the introduction of the relevant product (1996).

It appears that Teles' 30(b)(6) witness on Topics 37 and 65, Richard Fahringer, provided some testimony responsive to these topics. *See, e.g.*, D.I. 176 Ex. A at 71-73, 76 (testifying regarding document containing data for 1999-2003). However, he also testified that he was not prepared to provide testimony about other matters for any period prior to 2008. *See id.* at 77, 79. These latter topics are within the scope of Topics 37 and 65 of Cisco's notice. Consistent with the prior order governing evidence relating to the commercial success of Cisco's products, evidence relating to the commercial success of Teles' products beginning the year before they were introduced (1995) through the first two years after they were introduced (1997-98) is relevant and appropriate. Accordingly, Teles is HEREBY ORDERED to produce a properly prepared and knowledgeable witness to testify on Topics 37 and 65 for the period covering 1995 to 1998. Such deposition is limited to a maximum of two (2) hours.

Cisco's Demand for Production of a Binder

Cisco seeks production of the "full contents" of a binder in which a Teles employee kept documents that Cisco believes could be relevant to establishing the chronology of when Teles

published documents concerning its concept for the claimed patented invention. (D.I. 173 at 2-3) Cisco contends that materials in the binder that might not on their own be relevant to this case could have some relevance given their particular placement within the binder. Teles responds by representing that it has produced “all responsive, non-privileged documents from this binder long ago in the order in which these documents were originally kept.” (D.I. 176 at 2) Teles describes the binder as “a haphazardly-kept informal binder of odds and ends” and states that, due to an intervening office move, it “can no longer locate that specific binder in order to produce any of the non-responsive documents therein.” (*Id.*)

The Court agrees with Cisco that the precise order of documents within the binder is discoverable, even if some of the documents within the binder would not, in and of themselves, be relevant. However, if the binder no longer exists, then, obviously, it cannot be produced. Accordingly, Teles is HEREBY ORDERED to make reasonable additional efforts to determine if the binder can be located or recreated and advise Cisco and the Court of the nature and results of its additional efforts **no later than January 15, 2010.**

Verizon Deposition

Cisco requested that Teles stipulate to allowing six third-party depositions after the Scheduling Order’s December 16, 2009 cut-off for fact discovery. Teles agreed to five of these requested depositions, but not the sixth, of Verizon Communications, Inc. (“Verizon”). Cisco served Verizon with a subpoena on November 19, 2009, nearly a month before the discovery cut-off, and contends that it is not responsible for Verizon’s delay in responding. Teles does not argue to the contrary, but instead contends that it “generously agreed to permit five” post-cut-off depositions and enough is enough. (D.I. 176 at 2-3)

The Court will grant Cisco's request for leave to take a deposition of Verizon. Although the deadline for fact discovery has passed, additional depositions remain to be taken, including several that will result from the instant Order. There is no basis to conclude that Teles would be unduly prejudiced or burdened by one additional deposition. Accordingly, Cisco's request is GRANTED.

Teleconference

IT IS HEREBY FURTHER ORDERED THAT the discovery teleconference scheduled for today, December 28, 2009, at 1:00 p.m. is CANCELLED.

Dated: December 28, 2009



Honorable Leonard P. Stark
UNITED STATES MAGISTRATE JUDGE