

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

ADE CORPORATION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C. A. No. 00-892-### (MPT)
	:	
KLA-TENCOR CORPORATION,	:	
	:	
Defendant.	:	

MEMORANDUM ORDER

At Wilmington, this 10th day of December, 2002.

This memorandum order addresses the parties various letters regarding the Order entered by the court on May 20, 2002, granting plaintiff's motions for partial summary judgment on no inequitable conduct in the procurement of its '525 and '259 Patents. *D.I. 467*.

On May 17, 2002, oral argument occurred before the then Judge McKelvie on plaintiffs' aforementioned motions. During that argument Judge McKelvie provided his verbal analysis for granting plaintiffs' motions. *See D.I. 469 at 34-36*. After the written Order granting plaintiffs' motions was entered, the parties filed letters which clearly indicated at the least some confusion regarding the Court's May 20th Order. *See D.I. 473, 481*.

Under the guise of the effect of the Order and the need for further discovery regarding KLA's inequitable conduct theories, plaintiff requested that the Court enter the proposed order attached to its May 23rd letter. That proposed order included specific

findings that the Eremin ACES Paper did not qualify as prior art. *D.I. 481*. KLA responded claiming that through the proposed order ADE was improperly attempting to expand the prior ruling during the May 17th telephonic conference by affirmatively removing the March 1996 ACES Paper as a prior art reference against both the '525 Patent and the '259 Patent. This exchange occurred before any ruling by this court on claim construction and the various case dispositive motions, including the motion by KLA on invalidity of the '525 Patent based on obviousness. *D.I. 335*. Prior to leaving the bench, Judge McKelvie did not address these letters.

During the telephonic conference of November 6, 2002, the concern for clarification of the May 20th Order was raised by KLA, primarily. Since prior to the telephonic conference this court was unaware of the issue, it reserved decision on the matter until review of the transcript of the inequitable hearing and the rationale applied by the Court could occur. *D.I. 576*. This court has had the opportunity to review the May 17th transcript, the parties filings and the May 20th Order.

In analyzing the parties' arguments regarding alleged inequitable conduct, Judge McKelvie made the following findings:

1. With regard to Eremin being listed as an inventor, he found that no reasonable juror could reach that conclusion.
2. On the issue of not disclosing the 1996 ACES Paper, he determined that no reasonable juror could find that there was an intent to deceive the PTO in not disclosing the document. This conclusion was consistent with his previous determination that Dr. Eremin was not an inventor and as a result, there was no duty to disclose the ACES Paper.
3. Regarding the Marxer Patent and the duty to disclose this prior art, he held

that no judge or juror would conclude that the failure to disclose to the PTO prior art supplied during the course of litigation was evidence of an intent to deceive.

In conclusion, Judge McKelvie advised that he would grant plaintiffs' motions on inequitable conduct. *D.I. 467 at 34-36*.

No where in his review did Judge McKelvie determine (and for that matter comment upon) whether or not the Eremin paper (ACES Paper) qualified as prior art. His entire focus in the analysis was on intent, and not on prior art and materiality. Although the Court issued an Order granting ADE's motion regarding no inequitable conduct in the procurement of its '525 Patent, it appears that the wording of the May 20th Order was taken literally from the heading of one of ADE's motions.¹

As a result this court cannot conclude that the Order of May 20th was a finding that the Eremin (ACES) Paper was not qualifying prior art.

Moreover, since this court mistakenly relied on the May 20th Order in denying KLA's motion for summary judgment on invalidity of ADE's '525 patent for obviousness on the sole basis that the Order referenced Judge McKelvie's finding that the Eremin paper was not prior art to the invention disclosed in the '525 patent (*D.I. 517, 546 [Amended Memorandum Opinion] at 66*), that portion of the decision and Order (*D.I. 518 at ¶ 4*) is vacated. Therefore,

IT IS ORDERED that the Order of May 20, 2002 (*D.I. 467*) was limited to granting ADE's motion for no inequitable conduct on the basis of intent without a finding as to

¹Plaintiff's motion for partial summary judgement was titled ADE's "motion for partial summary judgment re: no inequitable conduct in procurement of ADE's '525 patent and Eremin paper not qualifying as prior art." See, *D.I. 321*.

whether the Eremin (ACES) Paper was qualifying prior art.

IT IS FURTHER ORDERED that the portion of the Memorandum Opinion of August 8, 2002 (D.I. 517), the Amended Memorandum Opinion of September 9, 2002 (D.I. 546), and the Order of August 8, 2002 (D.I. 518 at ¶ 4) denying KLA's motion for partial summary judgment on invalidity of the '525 patent for obviousness is VACATED.

Mary Pat Thyng
UNITED STATES MAGISTRATE JUDGE