

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SOFTWARE AG and SOFTWARE AG INC.,)	
)	
Plaintiffs,)	
)	
v.)	Civil Action No. 03-739 GMS
)	
BEA SYSTEMS, INC.,)	
)	
Defendant.)	

MEMORANDUM

I. INTRODUCTION

On April 4, 2005, the court held a pre-trial conference with the above-captioned parties to discuss, among other things, the motions *in limine* filed by each side. With the exception of motion *in limine* number eight filed by plaintiffs Software AG and Software AG, Inc. (collectively “SAG”), the court ruled on each motion during the conference. As to the outstanding motion, the court reserved judgment. After further deliberation, the court has decided to grant SAG’s motion, and therefore, to preclude defendant BEA Systems, Inc. (“BEA”) from introducing evidence at trial of the involvement of Sheldon Meyer in BEA’s pre-litigation correspondence with SAG, to the extent that he is identified as a patent attorney.

II. DISCUSSION

This is an action for patent infringement brought by SAG against BEA, in which SAG has also accused BEA of willful infringement. As part of its defense against SAG’s willfulness claim, BEA seeks to do the following:

BEA intends, however, to call its General Counsel Robert Donohue to testify to the facts showing that BEA acted in good faith and with due care, and thus did not willfully infringe. Among other things, Mr. Donohue is expected to testify to the conduct and content of BEA’s discussions with SAG, including the oral and written evidence that BEA presented to SAG (and which it will present to the jury at trial)

that the '619 patent was neither infringed nor valid. Mr. Donohue will also testify that BEA's outside patent prosecution counsel Sheldon Meyer, of Fliesler, Dubb, Meyer & Lovejoy, was extensively involved in these pre-filing interactions with SAG. Mr. Meyer was present with Mr. Donohue and other BEA personnel in conference calls with SAG, and took part in the discussions. Mr. Meyer also authored or is the recipient of much of the pre-litigation correspondence between the parties concerning SAG's allegations. BEA will not adduce evidence of any privileged "opinion" that Mr. Meyer might have formed, including whether or not he was asked to form such an opinion. Nor will any testimony as to the contents of the discussions with SAG reveal privileged communications relating to an opinion.

(D.I. 188 at 2.) BEA further states, "[t]he facts establishing the conduct and content of BEA's discussions with SAG, *including that Mr. Meyer was a significant participant*, are highly probative of BEA's intent and lack of willfulness." (Id. at 3 (emphasis added).) BEA does not intend to have Meyer himself testify.

SAG argues that testimony regarding the pre-litigation involvement of Meyer will be unfairly prejudicial in violation of Fed. R. Evid. 403 because it is "designed to suggest to the jury that BEA acted responsibly by consulting Mr. Meyer or that Mr. Meyer provided a favorable opinion to BEA." (D.I. 204 Ex. 8 at 2.) This type of testimony, SAG argues, was held to be impermissible in *Advanced Cardiovascular Sys., Inc. v. Medtronic, Inc.*, 265 F.3d 1294 (Fed. Cir. 2001).

The court agrees with SAG. Relevant evidence is defined as "evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence." Fed. R. Evid. 401. In the context of willful infringement, the "fact that is of consequence" is BEA's intent. *See Medtronic*, 265 F.3d at 1309. However, the mere fact that a patent attorney was a significant participant in the pre-litigation correspondence does not make the existence of intent "more probable or less probable than it would be without the evidence." At most, Meyer's involvement is probative of the fact that BEA engaged in a serious effort to defeat SAG's allegations. Thus, the court holds that Meyer's

involvement is irrelevant to BEA's defense to willful infringement insofar as he is identified to the jury as a patent attorney.

Of course, to some degree, irrelevant evidence always has a way of finding itself before the jury. The extent of effort the court will undertake to exclude irrelevant evidence is a matter of judicial economy. In other words, it is not necessarily worth the court's time to exclude irrelevant evidence unless it is prejudicial, time consuming, etc. In *Medtronic*, the defendant sought to defend against an allegation that it willfully infringed one of the patents in the case by introducing evidence of its "consultation with legal counsel in its effort to design around" two *other* patents at issue in the case, while simultaneously asserting "privilege with respect to its legal consultations on the [allegedly willfully infringed patent]." 265 F.3d at 1309-10. The Federal Circuit held the evidence to be irrelevant due to its "lack of probative value." *Id.* at 1309. The court further explained that it "agreed with the district court that admitting evidence of [the defendant's] legal activities regarding the [two other patents] would have been potentially prejudicial to [the plaintiff]." *Id.* "Admitting the evidence in question," the court said, "would potentially have allowed [the defendant], in addition to asserting privilege, to establish an inference that it acted in a legally reasonable manner with respect to the [allegedly willfully infringed patent]. This would have prejudiced [the plaintiff]." *Id.* at 1310. Thus, the district court in *Medtronic* did not abuse its discretion by excluding this irrelevant and prejudicial evidence.

Furthermore, the Federal Circuit's decision in *Medtronic* was made three years before its decision in *Knorr-Bremse v. Dana Corp.*, in which the court held that "no adverse inference shall arise from invocation of the attorney-client and/or work product privilege." 383 F.3d 1337, 1344 (Fed. Cir. 2004). In fact, the court in *Medtronic* specifically cited the rule prior to *Knorr-Bremse*

(i.e., permitting an adverse inference from a party's decision to assert privilege), but nevertheless concluded that it is prejudicial to permit a defendant to introduce evidence of irrelevant legal consultations, while asserting privilege as to the truly probative communications, in an effort to show a lack of intent. 265 F.3d at 1309.

In the present case, BEA seeks to do something very similar to that which is prohibited by *Medtronic*. In particular, BEA would like to introduce evidence that its pre-litigation correspondence with SAG was handled in part by a patent attorney, while simultaneously asserting privilege as to his private communications with BEA, in an effort to show a lack of intent. In its brief, BEA denies that it will adduce evidence of any opinion that Meyer might have formed, or whether Meyer was asked to form such an opinion. (D.I. 188 at 2.) And yet, almost in the very next breath, BEA asserts that Meyer's significant participation in the pre-litigation correspondence with SAG is "highly probative" on the issue of willful infringement. (Id. at 3.) This is an untenable position because Meyer's involvement can only be highly probative if it somehow reflects BEA's intent. But as discussed above, Meyer's involvement is legally irrelevant to BEA's intent. Therefore, the true value to BEA of this evidence is that it will permit BEA to give the jury a subtle "wink wink," in the hope that the jury will draw the improper inference that the patent attorney's involvement demonstrates BEA's lack of intent. Given the obvious prejudice to SAG, the court will not permit BEA to introduce the fact that Meyer was involved in the pre-litigation correspondence with SAG, to the extent he is identified as a patent attorney.

III. CONCLUSION

For the foregoing reasons, SAG's motion *in limine* number eight will be granted.

Dated: April 8, 2005

/s/ Gregory M. Sleet
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SOFTWARE AG and SOFTWARE AG INC.,)	
)	
Plaintiffs,)	
)	
v.)	Civil Action No. 03-739 GMS
)	
BEA SYSTEMS, INC.,)	
)	
Defendant.)	

ORDER

IT IS HEREBY ORDERED THAT:

SAG's motion *in limine* number eight be GRANTED.

Dated: April 8, 2005

/s/ Gregory M. Sleet
UNITED STATES DISTRICT COURT