

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Robert W. Hasel,)	File No. 01cv2008
)	(DSD/FLN)
Plaintiff,)	
)	
vs.)	Minneapolis, Minnesota
)	August 20, 2003
Pulpdent Corporation, a)	2:00 P.M.
Massachusetts corp.,)	Afternoon Session
)	
Defendant.)	
)	

BEFORE THE HONORABLE DAVID S. DOTY
UNITED STATES DISTRICT COURT JUDGE and a JURY
(EXCERPT OF TRIAL)

APPEARANCES

For the Plaintiff: RONALD J. BROWN, ESQ.
CHRISTOPHER A. YOUNG, ESQ.
THERESA K. HANKES, ESQ.

For the Defendant: WILLIAM H. LEE, ESQ.
DAVID A. DAVENPORT, ESQ.
FREDDA HOLLANDER, ESQ.

Court Reporter: KRISTINE MOUSSEAU, CRR-RPR
1005 United States Courthouse
300 Fourth Street South
Minneapolis, Minnesota 55415
(612) 664-5106

Proceedings recorded by mechanical stenography;
transcript produced by computer.

1 A. Yes.

2 Q. Did anyone get up and walk out of the meeting
3 prematurely before it was over?

4 A. No.

5 Q. Did Dr. Hasel complain to you that the '379 claims were
6 too limited?

7 A. Yes.

8 Q. Did he complain about anything else?

9 A. I don't recall.

10 Q. Do you recall if there was any discussion with respect
11 to E & D?

12 A. I don't know.

13 MR. DAVENPORT: I don't have any further
14 questions at this time, Your Honor.

15 THE COURT: Okay. Thank you. You did well with
16 your time. You had minutes left over.

17 MR. DAVENPORT: Thank you, Judge.

18 THE COURT: Go ahead, please.

19 MR. BROWN: Thank you, Your Honor.

20

21 CROSS-EXAMINATION

22 BY MR. BROWN:

23 Q. Mr. Daley, my name is Ron Brown. I am one of the
24 attorneys for Dr. Hasel and ABCO Research. Am I correct,
25 Mr. Daley, that you took over the prosecution of

1 Dr. Hasel's patent application from a Philip Yipp?

2 A. Yes.

3 Q. Who is Philip Yipp?

4 A. Philip Yipp is a patent attorney. He worked at our law
5 firm at that time period.

6 Q. All right. And am I correct that he was entirely
7 responsible for drafting the patent application that was
8 filed with the patent office and ultimately issued as the
9 '379 patent?

10 A. I don't know that to be correct. I just don't know.

11 Q. But am I correct that when Mr. Yipp left Merchant &
12 Gould, he handed the file over to you?

13 A. Yes.

14 Q. And as far as you know, at least, nobody but Mr. Yipp
15 had worked on that file?

16 A. Yes.

17 Q. Now, you don't know what Dr. Hasel and Mr. Yipp talked
18 about during the prosecution of the application or the
19 preparation of that application, correct?

20 A. Yes.

21 Q. Merchant & Gould is a firm that specializes in patent
22 law --

23 A. Yes.

24 Q. -- is that right? And many of its attorneys specialize
25 in prosecution, patent prosecution?

1 A. Yes.

2 Q. As a firm, would it be fair to say that you try to
3 engage in practices as patent attorneys that ensure high
4 quality services to your clients?

5 A. Yes.

6 Q. You try to ensure that your attorneys who engage in
7 patent prosecution are well versed in the patent laws as
8 they relate to patent prosecution?

9 A. Yes.

10 Q. And part of being well versed in the patent laws as it
11 relates to patent prosecution is understanding what are
12 called statutory bars?

13 A. Yes.

14 Q. They learn that certain questions should be asked when
15 an inventor comes in wanting to have Merchant & Gould
16 prepare an application for him or her, correct?

17 A. Yes.

18 Q. And it's routine for a competent patent prosecution --
19 prosecutor, such as those at Merchant & Gould, to ask
20 certain kinds of questions of the inventor when he or she
21 comes in?

22 A. Yes.

23 Q. It would have been normal procedure for Mr. Yipp in
24 preparing the patent application for Dr. Hasel to ask him
25 those kinds of questions, correct?

1 MR. DAVENPORT: Objection, Your Honor. Calls for
2 speculation.

3 THE COURT: Overruled.

4 THE WITNESS: Yes.

5 BY MR. BROWN:

6 Q. And among the questions that would be normal procedure
7 for Mr. Yipp to ask were questions related to potential
8 statutory bars, correct?

9 A. Yes.

10 Q. And in addition, the attorney would have asked
11 Dr. Hasel, Mr. Yipp would have asked Dr. Hasel if he was
12 following normal procedure whether Dr. Hasel had engaged in
13 any prefiling activities that could give rise to statutory
14 bars, correct?

15 A. Yes.

16 Q. Now, when you received the file from Mr. Yipp, you had
17 no reason to think that he had departed from normal
18 procedure, correct?

19 A. Yes.

20 Q. After you took over the application, you didn't go back
21 and try to address the question of whether Mr. Yipp had
22 taken a full disclosure from Dr. Hasel, correct?

23 A. Yes.

24 Q. You simply assumed, based on normal practice, that
25 Mr. Yipp had taken that full disclosure?

1 A. Yes.

2 Q. And part of that full disclosure would have been a
3 discussion about whether there were any clinical studies
4 that could give rise to a problem with a patent or patent
5 application, correct?

6 A. Yes.

7 Q. Now, there has been some testimony about after you
8 taking over the application from Mr. Yipp, you placed some
9 limitations in the patent claims related to a certain
10 percentage of fumed silica. Do you recall that?

11 A. Yes.

12 Q. And that happened during a meeting that you had with
13 the patent examiner in the Patent Office? Let me rephrase
14 the question.

15 A. Thank you.

16 Q. During a meeting or during an interview that you had
17 with the patent examiner in the Patent Office, the examiner
18 indicated that you could amend the claims to insert
19 limitations related to the amount of fumed silica?

20 A. Yes.

21 Q. Now, at that meeting Dr. Hasel wasn't present?

22 A. Correct.

23 Q. So you went back after the meeting and after reaching
24 this understanding with the examiner, and you drafted those
25 amendments, correct?

1 A. Yes.

2 Q. And submitted those amendments to the patent office and
3 that resulted in the allowance of claims that led to the
4 '379 patent?

5 A. Yes.

6 Q. And I think we've seen after some uncertainty that that
7 was in early 1996 that you got a notice of allowability?

8 A. That appears so.

9 Q. All right. And yet the '379 -- well, let me back up.
10 The notice of allowability would have indicated to you and
11 to Dr. Hasel which claims had been allowed and what their
12 scope was, correct?

13 A. Yes.

14 Q. So Dr. Hasel would have known by early 1996 what claims
15 he was going to get in the application that ultimately
16 issued in August as the '379 patent?

17 A. Yes.

18 Q. Now, am I correct that in August of 1996, Dr. Hasel was
19 negotiating with E & D Dental concerning his patent. Do
20 you recall that?

21 MR. DAVENPORT: Objection. Foundation, Your
22 Honor.

23 THE COURT: I'm going to overrule the objection
24 if he knows or remembers, but don't guess.

25 THE WITNESS: Yes.

1 BY MR. BROWN:

2 Q. And you had scheduled a meeting with Dr. Hasel for
3 August 22nd of 1996 to discuss clinical activities, but you
4 understood that Dr. Hasel had cancelled that meeting
5 because of activities generated by the negotiations with
6 E & D?

7 A. I don't know.

8 Q. All right. Would you look at Plaintiff's Exhibit 255.
9 Would you read through Exhibit 255, Mr. Daley, and then
10 tell me whether that refreshes your recollection as to
11 having indicated to Dr. Hasel what you thought was the
12 reason for him cancelling that meeting?

13 MR. DAVENPORT: Could we get a copy of 255? Is
14 that the same as the one I've been using, or is it a
15 different document?

16 MR. BROWN: It's a different document. It's not
17 on the screen.

18 MR. DAVENPORT: No.

19 MR. BROWN: I'm sorry, Your Honor. I neglected
20 to ask the Court to switch gears.

21 THE COURT: I'm very good, but I don't read
22 minds. You're right. This has been received in evidence?

23 MR. BROWN: No, it has not.

24 BY MR. BROWN:

25 Q. All right. So, Mr. Daley, am I correct that the --

1 your understanding was that the August 1996 meeting with
2 Dr. Hasel had been cancelled because of his negotiations
3 with E & D Dental?

4 A. Are you asking me to read the letter?

5 Q. No. I'm just asking you if that was your
6 understanding.

7 A. I don't know.

8 Q. But that's what you said?

9 MR. DAVENPORT: Objection, Your Honor. Asked and
10 answered and badgering the witness.

11 THE COURT: Well, do you say that he said that
12 here today?

13 MR. BROWN: Your Honor, we have a 613 situation,
14 I think, if -- if --

15 Maybe I'm confused, Mr. Daley. Let me try that
16 again.

17 BY MR. BROWN:

18 Q. Do you recall that you scheduled an August, late August
19 1996 meeting with Dr. Hasel?

20 A. Yes.

21 Q. Okay. And that meeting didn't occur?

22 A. Yes.

23 Q. And you understood that it didn't occur because
24 Dr. Hasel was in negotiations with E & D at the time?

25 A. I don't know.

1 Q. But when you wrote this letter Exhibit 255, that was
2 your understanding, correct?

3 MR. DAVENPORT: Your Honor, I would object. I
4 think it mischaracterizes the document.

5 THE COURT: I'm sorry. I can't hear.

6 MR. DAVENPORT: The document is being
7 mischaracterizes, so I note my objection.

8 THE COURT: I'm still not hearing.

9 MR. DAVENPORT: I object. The document is being
10 mischaracterized. With respect to what he is purporting to
11 say, the document speaks for itself.

12 THE COURT: Well, it certainly does. Don't we
13 have a copy of this already in evidence?

14 MR. BROWN: No, we don't, Your Honor, but I'm
15 happy to offer it in evidence if that will move things
16 along.

17 THE COURT: Maybe it will become clear to all of
18 us why you're asking these questions. Any objection to
19 255.

20 MR. DAVENPORT: I'm curious as to what the
21 document is. There is no indication as to where it came
22 from. It has not been signed, and there is no letterhead
23 on the top.

24 THE COURT: Is there some reason why this is
25 different? Isn't this a copy of a document we already have

1 in evidence?

2 MR. BROWN: I don't believe so, Your Honor, but I
3 think Mr. Daley can probably clarify for us where this
4 document came from.

5 THE COURT: Why don't you lay some foundation?

6 BY MR. BROWN:

7 Q. Mr. Daley, am I correct that in the context of the
8 Danville litigation you were asked to produce your files?

9 A. Yes.

10 Q. And in the course of doing that, you downloaded all of
11 your computer files?

12 A. Yes, we were asked to download computer files.

13 Q. All right. And your word processing program is set up
14 such that when you bring up a letter, regardless of the
15 date that it was actually prepared, it applies the current
16 date to the letter, correct?

17 A. That's my understanding.

18 Q. All right. So this letter wasn't actually prepared on
19 the date that it bears, correct?

20 A. I believe you're correct.

21 Q. All right. This letter was prepared sometime in 1996?

22 A. Sounds reasonable.

23 Q. All right. And do you believe that this is a letter
24 that you sent to Dr. Hasel, or you don't know?

25 A. Yes, I do believe it is.

1 MR. BROWN: We offer 255.

2 MR. DAVENPORT: If I understood the witness
3 correctly, he said he believed that this may have been
4 created in 1996.

5 THE COURT: I think he laid foundation for the
6 letter if that's what you're concerned about. Foundation
7 objection?

8 MR. DAVENPORT: No objection.

9 THE COURT: Overruled, and it will be received.
10 255 will be received. Now it becomes more clear.

11 (Plaintiff's Exhibit 255 received in evidence.)

12 BY MR. BROWN:

13 Q. All right. So at least according to your letter,
14 Mr. Daley, is it fair to say that you understood or you
15 believed that the reason that August 1996 meeting had been
16 cancelled was because of the activity generated by
17 Dr. Hasel's negotiations with E & D Dental?

18 A. And you're asking me to read the letter, correct?

19 Q. No. I'm just asking you if that's your recollection of
20 what happened?

21 A. I don't recall.

22 Q. All right. But the letter does say, We never held this
23 meeting probably because of all the activity generated by
24 your negotiations with E & D Dental, correct?

25 A. Yes.

1 Q. Now, you also indicate that you wanted to know more
2 about his clinical studies in order to strengthen his
3 patent position. Is that what you said?

4 A. Yes.

5 Q. So as of the date of this letter, you were aware of
6 Dr. Hasel's clinical studies, correct?

7 A. Yes.

8 Q. And, in fact, it was Dr. Hasel who volunteered
9 information about his clinical studies to Mr. Clifford in
10 your firm, correct?

11 A. Yes.

12 Q. You also indicated that Mr. Yipp may already have dealt
13 with that issue, is that right, in your letter?

14 A. You're asking me to read the letter? Okay.

15 Q. Let's -- do you recall that Mr. -- do you recall
16 thinking that Mr. Yipp may already have dealt with the
17 issue of Dr. Hasel's clinical studies?

18 A. Yes.

19 Q. And you confirmed that in your letter where you say
20 just that, correct?

21 A. Correct.

22 Q. Now, you understood that Kerr had become a licensee of
23 the '379 patent, is that right, at some point?

24 A. I don't know.

25 Q. Well, am I correct that you learned in April of 1997

1 that Kerr was refusing to make further royalty payments to
2 Dr. Hasel?

3 A. I'm just confused as to the names of these parties. I
4 knew we had a license agreement with some company. If you
5 want to represent that it was Kerr, I'll accept that.

6 Q. Okay. Maybe I can help you. Let's look at
7 Exhibit 275. Does Exhibit -- well, is Exhibit 275 a letter
8 that you wrote to Cybron Kerr?

9 MR. DAVENPORT: Could we get a copy of that as
10 well, please?

11 THE WITNESS: Yes.

12 BY MR. BROWN:

13 Q. And does this letter refresh your recollection that you
14 learned in April of 1997 that Kerr was refusing to make
15 further royalty payments to Dr. Hasel?

16 A. Yes.

17 Q. Now, shortly after that, Dr. Hasel instructed you not
18 to do further work without his authorization. Do you
19 recall that?

20 A. Yes.

21 Q. And that was followed by a voice mail from Dr. Hasel in
22 which he instructed, again instructed you to stop work. Do
23 you recall that?

24 A. No.

25 Q. All right. Let's look at Exhibit 256. Do you see the

1 first sentence of Exhibit 256, Mr. Daley?

2 A. Yes.

3 Q. Does that refresh your recollection that in June of
4 1997, Dr. Hasel left you a voice mail in which he
5 instructed you to stop work?

6 A. Yes.

7 Q. So you knew by then Kerr was refusing to pay royalties
8 and that that was a concern to Dr. Hasel?

9 A. Yes.

10 Q. That led up to this August 1997 meeting that you had
11 with Dr. Hasel and Mr. Grossman and Mr. Minick?

12 A. Yes.

13 Q. And during that meeting, you were asked a series of
14 questions about the fumed silica limitations that you had
15 added to the claims, correct?

16 A. Yes.

17 Q. Would it be fair to say that they appeared to be upset
18 with you?

19 A. Yes.

20 Q. Would it be fair to say that they effectively accused
21 you of making changes to the claims without client
22 authorization?

23 A. Yes.

24 Q. And they also told you that Kerr was refusing to make
25 further royalty payments?

1 A. Yes.

2 Q. They told you that Kerr's reason for refusing to make
3 further payments was based on the limitations in the claims
4 that you had added?

5 A. I don't know.

6 Q. Was that your understanding?

7 A. Yes.

8 Q. And would it be fair to say that at least in your view,
9 Dr. Hasel was all wound up about Kerr's infringement?

10 A. Yes.

11 Q. You felt that Dr. Hasel was taking a position that was
12 adversarial to you?

13 A. Yes.

14 Q. And you felt as though you were being accused of
15 malpractice?

16 A. I was being accused of exceeding my authority.

17 Q. Which you inferred could constitute malpractice?

18 A. I didn't think it would, but I was worried about the
19 claim.

20 Q. All right. I'm not suggesting the correctness. I'm
21 just focusing on what your concern was, and your concern
22 was that they were thinking you had committed malpractice?

23 A. Yes.

24 Q. When it became clear that -- to you that they were
25 accusing you of misconduct, you left the meeting, correct?

1 A. Well, I left the meeting when it was over, but yes,
2 that was about the time that I figured it out.

3 Q. Okay. Now during that meeting, you were not asked to
4 engage in any conduct that was improper under the rules of
5 the Patent Office, were you?

6 A. No.

7 Q. After the meeting you informed Dr. Hasel that you would
8 no longer represent him?

9 A. Yes.

10 Q. Your decision to withdraw was based on that meeting?

11 A. Yes.

12 Q. That was the precipitating event in your decision to
13 withdraw, correct?

14 A. Yes.

15 Q. You felt that you couldn't continue to represent
16 someone who believed that you acted without his
17 authorization?

18 A. Yes.

19 Q. Would it be fair to say that as a result of that
20 meeting, you were very upset with Dr. Hasel?

21 A. I don't know. Probably yes.

22 Q. And in order to protect yourself and your firm, you
23 decided to file a notice of withdrawal with the Patent
24 Office, correct?

25 A. Yes.

1 Q. Now, under the rules, your withdrawal could have been
2 either mandatory or permissive, correct?

3 A. Yes.

4 Q. You elected permissive withdrawal because you thought
5 that section applied?

6 A. Yes.

7 Q. Now, within that section, you selected all possible
8 grounds for withdrawing, correct?

9 A. Yes.

10 Q. When you filed the notice of withdrawal, you had not
11 concluded that Dr. Hasel's clinical studies were a
12 statutory bar, correct?

13 A. That's correct.

14 Q. When you filed the notice of withdrawal, you had not
15 formed any conclusion about whether there had been a prior
16 public use, correct?

17 A. That's right.

18 Q. When you withdrew, you did not have knowledge of a
19 prior public use, correct?

20 A. Yes.

21 Q. I am correct in that statement?

22 A. I didn't have personal knowledge.

23 Q. All right. And you have never reached the conclusion
24 that Dr. Hasel's clinical studies needed to be disclosed to
25 the Patent Office, correct?

1 A. Correct.

2 Q. So when you filed the withdrawal papers, you were not
3 stating to the Patent Office that you or Dr. Hasel had
4 committed any violation of any rules of the Patent Office,
5 correct?

6 A. Yes.

7 Q. Would it be fair to say that the notice of withdrawal
8 really was a reflection of your frustration with the lack
9 of communication between you and Dr. Hasel?

10 A. I don't know.

11 Q. Well, you were frustrated that Dr. Hasel wasn't talking
12 to you anymore, right?

13 A. That's not true. He was talking. We had conversations
14 up until that meeting and even after the meeting.

15 Q. At the time that you filed the notice of withdrawal, am
16 I correct in saying that Dr. Hasel refused to have any
17 further meetings with you?

18 A. I don't know that I scheduled a meeting.

19 Q. Now, you became aware of Dr. Hasel's clinical studies
20 before the '379 patent issued, correct?

21 A. I don't know.

22 Q. Well, do you recall that you asked for an August 22nd,
23 1996, meeting with Dr. Hasel about clinical studies?

24 A. Yes.

25 Q. And the '379 patent issued on August 20th of 1996?

1 A. Okay.

2 Q. So you didn't attempt to schedule a meeting with
3 Dr. Hasel concerning those studies until after the patent
4 had issued, correct?

5 A. Correct.

6 Q. And you told Dr. Hasel in your communications with him,
7 and I think we've looked at it, that a convenient place to
8 address any issues raised by those clinical studies was in
9 the pending continuation application that you had filed for
10 him, correct?

11 A. Correct.

12 Q. Now, are you aware, Mr. Daley, that Dr. Hasel retained
13 attorneys who continued prosecution of the continuation
14 application you filed?

15 A. Am I aware of it today?

16 Q. Yes.

17 A. Yes.

18 Q. And are you aware that in that continuation
19 application, Dr. Hasel submitted a declaration concerning
20 his clinical studies?

21 A. No.

22 Q. Are you aware that even after filing that declaration
23 the examiner in the Patent Office allowed the claims to
24 that application?

25 A. No.

1 MR. BROWN: Thank you, Mr. Daley. I have no
2 further questions.

3 THE COURT: Redirect?

4 MR. DAVENPORT: Thank you, Your Honor. In light
5 of the time, do I still have some latitude with 611?

6 THE COURT: We'll see.

7 MR. DAVENPORT: Okay.

8 THE COURT: Yes, but not totally.

9 MR. DAVENPORT: Thank you, Your Honor.

10

11

REDIRECT EXAMINATION

12

BY MR. DAVENPORT:

13

Q. If I could ask these new exhibits to be brought up.

14

255, please. Could you bring that up?

15

Before you is Exhibit 255. If I understood your
16 testimony, this was authored and sent to Dr. Hasel in 1996,
17 is that correct?

18

A. I'm not sure I testified as to that date.

19

Q. Do you recall whether it was done in 1996?

20

A. No, I don't.

21

Q. Do you see where it says, We scheduled a meeting for
22 August 22nd, 1996, to discuss the nature of the clinical
23 studies?

24

A. Yes.

25

Q. So this would have been written sometime after August