IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

ION, INC.,	§	
	§	
Plaintiff,	§	
	§	
vs.	§	**CIVIL ACTION NO. 5:06-CV-236 (DF)**
	§	
SERCEL, INC.,	§	
	§	
Defendant.	§	

O R D E R

Before the Court are Sercel's Motion *in Limine* No. 1 and Sercel's Omnibus Motion *in Limine* Nos. 2-17. Dkt. Nos. 251 and 252. Also before the Court are Plaintiff's responses. Dkt. Nos. 257 and 258. Having considered the arguments of counsel, all relevant papers and pleadings, the Court finds that Sercel's motions *in limine* should be **GRANTED IN PART** and **DENIED IN PART** as set forth below.

No. 1(a): The Court finds that Sercel's motion *in limine* number 1a should be **denied**.[1] As an initial matter, the Court finds that Sercel's motion 1a should have been brought as a motion to strike or *Daubert* motion within the established deadline for such motions. After considering the merits of Sercel's motion, however, the Court still finds that it should be denied. If ION can establish that an *offer for sale* occurred in the United States, then the act of infringement occurred

[1] Sercel's motion in limine number 1 contains three requests, which this Court has labeled a, b, and c. Motion 1a requests the exclusion of all damages testimony and argument concerning foreign sales and offers for foreign sales as a basis for ION's damages. Motion 1b requests the exclusion of all testimony and argument that ION is entitled to damages based on a sales contract that has not yet been performed. Motion 1c requests the exclusion of all speculation regarding what customers may have done had Sercel products been unavailable.

in the United States and can be included in ION's damages model.

No. 1(b): The Court finds that Sercel's motion *in limine* number 1b should be **denied**. As an initial matter, the Court finds that Sercel's motion 1b should have been brought as a motion to strike or *Daubert* motion within the established deadline for such motions. After considering the merits of Sercel's motion, however, the Court still finds that it should be denied. The Court is unconvinced by the cases cited by Sercel to support its position—all of which are distinguishable from the present case or pre-date the 1996 amendment adding offers to sell to section 271 of the Patent Act.

No. 1(c): The Court finds that Sercel's motion *in limine* number 1c should be **denied**. As an initial matter, the Court finds that Sercel's motion 1c should have been brought as a motion to strike or *Daubert* motion within the established deadline for such motions. In essence, Sercel's motion asks the Court to weigh the *sufficiency* of ION's lost profit evidence on a motion in limine. The Court declines to do so. If ION's lost profit evidence is insufficient as a matter of law, then this Court will consider such an argument when moved to do so at the appropriate time.

No. 2: The Court finds that Sercel's motion *in limine* number 2 should be **granted**. At this time, however, the Court is not ruling on the applicability of this motion in limine to any statement made in the reports of Dr. Buckman or Mr. Bratic (*see* Dkt. No. 252 at 3-4).

No. 3: The Court finds that Sercel's motion *in limine* number 3 should be **denied**. Sercel is merely re-urging its previous motion to strike. *See* Dkt. No. 179 at 10. To the extent that Sercel believes the factual basis for Dr. Buckman's testimony is inadequate, cross examination is the proper mechanism for such a challenge. *Id.*

Nos. 4-5: The Court finds that Sercel's motions *in limine* numbers 4 and 5 should be **granted with the following modifications**. Because Sercel is alleging that the '242 Patent is obvious, ION can present rebuttal evidence (1) that Sercel's own scientists have been surprised at the similarity between the '242 Patent and Sercel's own '149 Patent; and (2) that Sercel's scientists believe their own '149 Patent to be non-obvious. ION, however, may not argue that the similarities between the patents means that Sercel infringes or copied the '242 Patent. In the event Sercel withdraws its allegation that the '242 Patent is obvious, the Court will reconsider this ruling.

No. 6: The Court finds that Sercel's motion *in limine* number 6 should be **denied**. Evidence that Sercel never implemented a non-infringing alternative is, at the very least, probative of whether an identified alternative is, in fact, an acceptable substitute.

No. 7: The Court finds that Sercel's motion *in limine* number 7 should be **granted with the following modifications**. ION will not be permitted to suggest—and the Court will not instruct the jury—that an adverse inference can be drawn from Sercel's failure to obtain an opinion of counsel. Such evidence, however, is among the totality of the circumstances that the jury may consider in determining whether Sercel acted despite an objectively high likelihood of infringement or whether such a likelihood was known or so obvious that it should have been known. *See In re Seagate Tech., LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007).

Nos. 8-9: Sercel's motions *in limine* numbers 8 and 9 are unopposed so long as they apply reciprocally to both parties**.** The Court finds no reason to disturb the agreement of the parties. Motions 8 and 9 are **granted** and shall apply reciprocally to both parties.

No. 10: Sercel's motion *in limine* number 10 is unopposed. The Court finds no reason to disturb the agreement of the parties. Motion 10 is **granted**.

Nos. 11-13c: Sercel's motions *in limine* numbers 11, 12, 13a, 13b, and 13c are unopposed so long as they apply reciprocally to both parties**.** The Court finds no reason to disturb the agreement of the parties. Motions 11, 12, 13a, 13b, and 13c are **granted** and shall apply reciprocally to both parties.

No. 14: Sercel's motion *in limine* number 14 is unopposed. ION, however, would reserve the right to ask questions relating to the venire members' willingness to award damages generally. The Court does not read Sercel's motion to preclude such questions. Motion 14 is **granted**.

No. 15: The Court finds that Sercel's motion *in limine* number 15 should be **granted**. Both parties agree that the possibility of an injunction and its potential effect should not be argued to the jury. ION, however, would reserve the right to discuss the importance of its VectorSeis sensors and ION's desire to achieve exclusivity in the market. The Court finds that ION can introduce such statements without reference to patent injunctions or the potential that one may be issued in this case.

No. 16: Sercel's motion *in limine* number 16 is unopposed. ION, however, would reserve the right to suggest that the clear and convincing burden requires a degree of certainty higher than 51 percent in order to distinguish the higher burden from the preponderance of the evidence standard. The Court does not read Sercel's motion to preclude such suggestions. Motion 16 is **granted**. In addition, the parties may read to the jury the Court's anticipated jury instruction regarding the meaning of the clear and convincing burden.

No. 17: The Court finds that Sercel's motion *in limine* number 15 should be **denied**. It is not error to instruct or decline to instruct the jury regarding the presumption of validity. *See Novo*

Nordisk A/S v. Becton Dickinson and Co., 304 F.3d 1216, 1220 (Fed. Cir. 2002) (ruling that district did not err in instructing the jury on the presumption of validity); *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247, 1258-59 (Fed. Cir. 2004) (ruling that the district court did not err in declining to include a jury instruction on the presumption). Furthermore, this Court finds that it may be helpful for the parties to discuss the presumption as a way of educating the jury about the differing burdens in this case.

SIGNED this 22nd day of July, 2009.

DAVID FOLSOM
UNITED STATES DISTRICT JUDGE