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October 12, 2007

The Honorable Gregory M. Sleet
United States District Court
844 King Street
Wilmington, Delaware 19801

VIA ELECTRONIC FILING

Re: *U.S. Philips Corporation v. Eastman Kodak Company*,
C.A. No. 06-251-GMS

Dear Chief Judge Sleet:

On October 9, 2007, U.S. Philips submitted a letter in the above action seeking permission: (i) to move for summary judgment that claims 3, 4, 7, 8, and 11 of the '075 patent are infringed by Kodak's products that implement the JPEG baseline sequential mode; and (ii) to move for partial summary judgment that certain of Kodak's affirmative defenses and counterclaims are insufficient as a matter of law or fail to state a claim.

U.S. Philips hereby withdraws the second of its aforementioned requests – *i.e.*, its request for permission to move for partial summary judgment with respect to certain of Kodak's affirmative defenses and counterclaims. Based upon further analysis and additional discovery since the submission of our October 9, 2007 opening letter, U.S. Philips no longer believes that such a motion for partial summary judgment is warranted.

Respectfully,

/s/ Steven J. Balick

Steven J. Balick

SJB/nml
184937.1

cc: Francis DiGiovanni, Esquire (by hand)
Thomas W. Winland, Esquire (via electronic mail)
John Allcock, Esquire (via electronic mail)
Timothy W. Lohse, Esquire (via electronic mail)