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August 17, 2007

VIA E-FILING

The Honorable Mary Pat Thynge
United States Magistrate Judge
U.S. District Court for the District of Delaware
J. Caleb Boggs Federal Building
844 N. King Street
Wilmington, DE 19801

Re: **ZymoGenetics, Inc. v. Bristol-Myers Squibb Co.**
Civil Action No. 06-500-*

Dear Magistrate Judge Thynge:

Pursuant to the Scheduling Order for this case, Plaintiff ZymoGenetics, Inc. ("ZymoGenetics") and Defendant Bristol-Myers Squibb Co. ("Bristol") provide the following interim status report in advance of the Status Conference scheduled for August 23, 2007 at 4:30 p.m. The current status of discovery is outlined below.

Discovery is proceeding in an orderly manner. As of today, the parties have served and responded to several rounds of written discovery, including interrogatories and requests for production of documents. The parties are working to complete discovery by the September 21, 2007 cut-off, but as set forth below, need the Court's assistance in resolving certain discovery disputes.

Depositions are ongoing. To date, the parties have each taken several depositions, and have noticed additional depositions. The parties are working on finding suitable dates for those witnesses who have been noticed but not scheduled, with the exception of the deposition issue outlined below.

ZymoGenetics consents to trial of the pending matter before Your Honor. Bristol has not yet concluded whether it will consent to trial of the pending matter before Your Honor.

ZymoGenetics has the following issue with discovery from Defendant, Bristol-Myers Squibb Co.:

- ZymoGenetics believes it is entitled to take a Fed. R. Civ. P. 30(b)(1) deposition of a witness that was deposed in a Rule 30(b)(6) capacity. Bristol believes that the scope of this deposition should be limited. The parties have reached an impasse concerning this issue.

Bristol has the following issue with respect to discovery from Plaintiff, ZymoGenetics, Inc.:

- Bristol believes it is entitled to ZymoGenetics' contentions concerning claim construction of the asserted claims. ZymoGenetics believes it is not obligated to provide Bristol with its construction of the terms and phrases of the patent claims prior to the claim construction briefing schedule outlined in the May 23, 2007 Stipulated Amended Scheduling Order. The parties have reached an impasse concerning this issue.

To the extent that the parties cannot resolve the issues outlined above before Tuesday, August 21, and to the extent that the Court has adequate time set aside to address these issues during the status conference scheduled for August 23, 2007, the parties are prepared to submit letters to the Court in accordance with the discovery dispute procedures set forth in the November 3, 2006 Scheduling Order. That is, the party seeking relief would file their letter by 4:30 p.m. on Tuesday, August 21, and the party opposing the application for relief would file their opposition letter by 4:30 p.m. on Wednesday, August 22.

The parties look forward to discussing these matters with Your Honor on August 23.

Respectfully,

/s/Philip A. Rovner
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Dated: August 17, 2007

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Dated: August 17, 2007