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June 7, 2005

VIA ECF
The Honorable Joseph J. Farnan, Jr.
United States District Court
for the District of Delaware
844 King Street
Wilmington, DE 19801

Re: *Kyphon Inc. v. Disc-O-Tech Medical Technologies, et al.*
USDC-D. Del. - C.A. 04-204-JJF

AUSTIN
BOSTON
DALLAS
DELAWARE
NEW YORK
SAN DIEGO
SILICON VALLEY
TWIN CITIES
WASHINGTON, DC

Dear Judge Farnan:

Kyphon and Disc-O-Tech are preparing to file on Friday a revised pretrial order as directed in your order of May 20, 2005. While the parties have worked out the mechanics of the various exchanges, and await your guidance on those remaining areas of substantive disagreement framed by the Special Master's recommendations and the motions *in limine*, there is a lingering issue relating to deposition and exhibit limits on which Kyphon respectfully requests your guidance.

DOT believes the parties are limited to 4 depositions and 100 exhibits for all phases of trial, without exception, and has declined to consent to Kyphon's request for flexibility.

Kyphon understood your direction at the pretrial conference that the parties limit themselves to 4 depositions and 100 exhibits to apply to the infringement and validity trials but not necessarily to the willfulness and damages trial. Kyphon's concern with applying these limits to all trials collectively, now, is both practical—as the Court acknowledged, "I don't want to have you spend a lot of money and time just to spend money and time"—and substantive, given Kyphon's burden as plaintiff and given the necessities imposed by a trifurcated trial.

Kyphon would like to use brief excerpts from the depositions of three witnesses for the first two trials, but reserve the right to use short excerpts from the depositions of perhaps five or six additional witnesses in the willfulness and damages trial. (Kyphon also would like to use different, brief excerpts from one of the liability deposition witnesses in the willfulness and damages trial.) Having the burden on these issues, and having looked at the testimony in some detail, Kyphon believes it is better served by using very short sections of more depositions rather than longer sections of fewer depositions, and would suffer the sort of hardship the Court acknowledged might exist if forced instead to stick to an arbitrary limit. Kyphon will, of course, observe whatever overall trial time limits the Court thinks reasonable but respectfully requests the flexibility, within those limits, to best present its case.

Second, as for the exhibit list, Kyphon's list for all phases of trial is now 166 exhibits. We have struggled mightily to reduce this to 100, and have removed over 90% of the exhibits on our preliminary exhibit list filed on May 12, 2005. But we have found, again, that bearing the burden on more of the issues and allowing reasonable flexibility to respond to DOT's case requires a slightly larger pool from which to choose. This is especially the case with the issues of secondary considerations, reasonable royalty, and objection indicia of non-obviousness, all of which are highly fact intensive inquiries with large numbers of highly relevant documents.

Given Kyphon's understanding of the Court's direction and concern, Kyphon requests the flexibility in its deposition designations and exhibit list described above. If Kyphon's understanding of the Court's directive is mistaken, or if the Court wishes to hear more about the justification for the leeway Kyphon requests, counsel is available at the Court's convenience for a telephone call.

Very truly yours,

/s/ Thomas L. Halkowski

Thomas L. Halkowski

TLH:sb

cc Clerk of Court (via ECF)
Maryellen Noreika, Morris Nichols (via ECF)
Jonathan M. Sobel, Hogan & Hartson (via ECF)

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