IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

DIGENE CORPORATION,

Plaintiff,

v.

THIRD WAVE TECHNOLOGIES, INC.,

Defendant.

ORDER

07-C-22-C

Before the court in this patent/antitrust lawsuit is Third Wave's motion to compel discovery, accompanied by third Wave's supporting documents (dkts. 46-48, all sealed). Third Wave wants better answers to Int. 1 and RFPs 35, 37-40, 42-46 and 48-50. Digene opposes the motion. *See* dkts. 49-52.

As a starting point, I will address the parties' cross-dudgeons regarding opposing counsel's professionalism (or lack thereof). As I have noted recently in other high-stakes lawsuits involving cadres of expensive lawyers, 2007 has become the Year of the Dysfunctional Civil Lawsuit in the Western District of Wisconsin. It has become apparent that when this court scolds counsel and exhorts them to be kinder and gentler to each other, it usually is talking to itself. Cost-shifting on discovery motions under Rule 37(a) might irritate counsel and their clients but it doesn't seem to improve anyone's behavior, and in any event, Rule 37 is an objective make-whole rule, not a sanction. So, this court has resorted to ever-harsher, ever more targeted sanctions against offending counsel, including striking motions, responses, and even their clients' claims; in one

recent case, this court revoked two attorneys' pro hac vice privileges with the court.[1] At this point in this case, the court is not going to take sides. Allow me simply to offer a guide to future conduct: 2007 is not a good year to test the court's patience. Counsel should trade in their Kevlar Burberries for scented candles and granola cookies. Henceforth, if there is any provable intransigence, lack of accommodation or discourtesy between the attorneys in this case, then no sanction will be off limits and "Excellent avoidance!" could become some attorney's professional epitaph.

Third Wave's first discovery complaint is that five months after filing its lawsuit Digene has not adequately responded to Third Wave's contention interrogatory asking for a detailed explanation of Digene's infringement claims. Digene disagrees, but has offered to supplement its response again after the court provides its claims construction ruling. This court understands the chicken-and-egg nature of contention interrogatories in patent litigation, but we now have reached the juncture where Digene is going to have to flesh out its response: expert reports are due soon, summary judgment motions must be filed shortly thereafter, and, perhaps more significantly, this court entered its claims construction order last Tuesday, July 24, 2007. *See* dkt. 54. Digene may have two weeks from entry of that order, namely until August 7, 2007, within which to provide a specific, claim-by-claim answer to Third Wave's contention interrogatory, including production of all documents supporting Digene's response (or specific citations to documents already produced).

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[1] The court ultimately relented when the associates agreed to expiate their sins by accepting pro bono appointment to two prisoner lawsuits filed in this court. Hopefully that case was *sui generis*, but in any event, to avoid suspicion that this court is creating a judicial speed trap for incorrigible attorneys, the court probably would not indulge future offenders in this fashion.

We have not yet reached the juncture at which the court is prepared to freeze Digene's response to Int. 1; if, however, Digene supplements its response thereafter or attempts to offer additional support for its claims without having included this support in its interrogatory response, then Third Wave is entitled to be heard on whether Digene knew or should have known of this information as of August 7.

If this August 7 all-but-final disclosure deadline interferes with the August 15/September 12 deadlines for expert disclosure, a twelve day-extension of those deadlines is available (to August 27/September 24), along with an eleven-day extension of the September 28 summary judgment motion deadline (to October 9) if the parties request these extensions.

Third Wave's second discovery complaint is that Digene unreasonably has failed to produce relevant documents that it had agreed to produce and which are, for the most part, easily accessible. *See* dkt. 47 at 8. Mainly in support of its antitrust claims against Digene, Third Wave seeks disclosure of Digene's tax returns, profit and loss statements, settlement agreements with other companies in the "Relevant Markets," the pleadings and exhibits from the Ventana litigation, Digene's communications with the FTC about the thwarted Cytyc merger, and Digene's valuations of Third Wave during its attempt to purchase the company.

Digene responds that, contrary to Third Wave's allegations, Digene has produced virtually all of these documents, excepting two categories: the e-mails of its salespeople and its highly confidential valuations of Third Wave. *See* dkt. 49 at 5-7. As for the e-mails, Digene has agreed to produce the e-mails of identified members of senior management, as well as copies of its "training materials" and sales materials. If Digene's proffer is accurate, then there is little left for the court to order produced. As with Digene's response to the contention interrogatory, I

will allow a grace period until August 7, 2007 within which to guarantee full compliance with its averment to the court that it has produced the requested documents. Any subsequent revelation of a material inaccuracy in Digene's proffered in response to Third Wave's motion to compel would lead to sanctions.

As for the withheld e-mails, Third Wave has not sufficiently made its case for their production, so I will deny this part of the motion to compel. If, however, Third Wave is willing to absorb the actual cost of production, then I would require Digene to work with Third Wave to determine the cost, either internally or by an outside entity to spare Digene's employees this distraction from their jobs, including the cost of any privilege review of the e-mails. If Third Wave is willing to pay 100% of the cost of production, then Digene must allow it. If Third Wave takes this path and discovers highly relevant, non-cumulative information, then the court might require Digene to chip in for part of the production cost, but only a fraction. After all, Digene isn't claiming that there is *nothing* out there, it is claiming that there probably isn't *much*, certainly not enough to justify the cost of production. *See* Rule 26(b)(2)(C)(iii).

According to Digene, all that's left for court consideration is its internal valuation of Third Wave produced when these parties were negotiating acquisition. Digene claims that even AEO production "might place Digene at a substantial disadvantage in future potential acquisitions and mergers discussions, particularly with Third Wave." Dkt. 49 at 9. Digene deems this information irrelevant to Third Wave's "sham" patent counterclaim, then rather dismissively declares the valuation unrelated to the core antitrust issues raised in this case. In its motion to compel production, Third Wave argues that

> Within the past two years, Digene engaged in lengthy negotiations with Third Wave regarding the possibility of Digene acquiring Third Wave, but no agreement was ever reached. Digene wanted to purchase Third Wave to prevent it from competing in the Relevant Markets. When that strategy failed, Digene sued Third Wave for patent infringement. Digene's documents [*regarding valuation*] are necessary to prove that Digene is aware that Third Wave's HPV detection products have significant value and therefore are indeed in direct competition with Digene's products, and that Third Wave's products could not possibly be infringing.

Dkt. 47 at 13.

This proffer suffices to permit pretrial discovery under Rule 26. Absent further order of this court, any attorney for Third Wave who views valuation information is walled off from participating in any future acquisition negotiations between Digene and Third Wave. Obviously, any such attorney cannot disclose this information to anyone else working on this case without first obtaining the court's permission. But Digene must divulge this information.

ORDER

It is ORDERED that Third Wave's motion to compel discovery is GRANTED IN PART and DENIED IN PART in the manner and for the reasons stated above. Having considered this result against the requirements of Rule 37, I am declining to shift costs in either direction.

Entered this 27th day of July, 2007.

BY THE COURT:
/s/
STEPHEN L. CROCKER
Magistrate Judge