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

BARCO, INC. AND BARCO NV, Plaintiffs, -against- YEALINK (USA) NETWORK TECHNOLOGY CO., LTD.,AND YEALINK NETWORK TECHNOLOGY CO., LTD. Defendants.	Civil Action No.: 2:23-cv-00521 (JRG)(RSP)

VIDEOTAPED DEPOSITION of WILLIAM B. SCALLY
Boston, Massachusetts

Reporter: Michael D. O'Connor, RMR, CRR, CRC

Page 2

Friday, May 23, 2025
10:03 a.m.

[redacted]

VIDEOTAPED DEPOSITION of WILLIAM B. SCALLY, held at K&L GATES LLP, One Congress Street, Boston, Massachusetts, pursuant to notice, before Michael D. O'Connor, Registered Merit Reporter, Certified Realtime Reporter, Certified Realtime Captioner.

Page 3

A P P E A R A N C E S:

ATTORNEYS FOR PLAINTIFF:
K&L GATES LLP
One Congress Street, Suite 2900
Boston, Massachusetts 02114
(617) 951-9076
BY: CHRISTOPHER CENTURELLI, ESQ.
Christopher.Centurelli@klgates.com

ATTORNEYS FOR DEFENDANT:
DENTONS US LLP
1221 Avenue of the Americas
New York, New York 10020-1089
(212) 398-4890
BY: STEPHEN YANG, ESQ.
stephen.yang@dentons.com
FORREST GOTHIA, ESQ.
forest.gothia@dentons.com

Page 4

A P P E A R A N C E S
(Continued):

Also Present: Rebecca Nardi CBIZ
Couirey Eckmayer, Videographer

* * * * *

Page 5

I N D E X

Deposition of:	Page
WILLIAM B. SCALLY	
By Mr. Yang	7

* * * * *

E X H I B I T S

No.		Page
Exhibit 35	Expert Report of William B. Scally, CFA	31
Exhibit 36	Patent License Agreement, Bates CRESTRON_0000001 - CRESTRON_0000019	70
Exhibit 37	Graphic, Bates BARCO_0067568	156
Exhibit 38	Printout from Amazon web page	181
Exhibit 39	Printout from Amazon website	184

* * * * *

Page 70

But as far as when Yealink's infringement started, I think that there is information that their infringement started earlier than my damages calculus would indicate. Reasonable minds can differ on when that might be.

I feel reasonably assured that the notice date is probably the most reasonable starting place.

[redacted]

A. Yeah. Thank you.

(Document marked as Exhibit 36 for identification)

Q. So you have Exhibit 36 in front of you, Bates number CRESTRON_0000001 to CRESTRON_0000019. I believe this is the Crestron license we have been talking about, but let me know if you feel differently?

A. No, I feel the same.

Page 71

[redacted]

Page 72

[redacted]

A. I think in addition to other elements, I think that that's one of them to consider. But also to consider is that there's also an additional data point out there on what Barco, as the patentee, what their appetite is to do a market deal uninfluenced by litigation.

I think that it's reasonable to consider that not only did their appetite change, but also the testimony between representatives of both companies would indicate what circumstances might be different between these two agreements, both the agreement that was signed by Crestron and the agreement or the proposal that may or may not have been contemplated by Yealink.

Q. So in addition to the brand awareness, there's this difference in willingness; is that fair?

A. That's fair, yes.

[redacted]

Page 73

[redacted]

A. I think in addition to other things, I just want to make sure that the record is clear that it doesn't all get subsumed into this one element.

Q. What other things were there?

[redacted]

Page 74

[redacted]

Q. So that's also brand awareness and reputation in a way, right?

A. Sure. And the second piece is related to -- I think it's both a price and a quality issue. And again, the perception on behalf of the patentee was that the quality, as reflected in the price of Yealink, creates a negative -- potentially negative market impact to Barco's core competency.

And so therefore, it's logical to consider that any relationship that Barco would enter with Yealink as a business partner would have to address that in the terms of their arrangement.

Q. I want to talk about that for just a minute. When you say "quality," what kind of quality issues are you referring to?

A. I think -- I'm just parroting the quality that Mr. Six as the innovator for Barco might talk about. But it relates to the speed of the device, the reliability of the device, just those types of usability issues that the

Page 75

underlying customer would perceive from the use of a Yealink dongle vis-à-vis a Barco dongle.

Q. And that knowledge came from Mr. Six, correct?

A. I believe so, yes.

Q. Did you conduct any independent analysis on, for example, user reviews of the dongles?

A. I'm sure that my team did. As I sit here right now, I don't recall. But again, in the negotiation, the perception of the patentee, you know, certainly informs my position as to, again, on a relative basis how did Barco and how is Barco considering its relationship with Crestron to a hypothetical negotiation in relationship with known infringer Yealink.

Q. Now, if your team relied on third-party reviews or any other independent information on the quality, that would have been included in your report, correct?

A. I'm not -- I'm not sure. I would have to go back and look at my work papers.

Q. Well, do you believe if you relied on something, you would have included that as a

Page 76

basis in your report?

A. I do, yes.

Q. Coming back to this perception of the patentee you just mentioned. Now, in your opinion, that is relevant for the hypothetical negotiation, correct?

A. Yes.

Q. What about the perception of the licensee, in this case Yealink, would that have mattered?

A. Also, yes, of course.

Q. Did you consider that?

A. Yes, I did.

Q. How did you consider that?

A. I considered it in the sense that, again, in the legal fiction of the Georgia-Pacific, I have to reach an agreement in the real -- in a world where there wasn't litigation where Barco and Yealink would enter into an agreement. There is some probability that the patentee would decide not to do a deal at all.

However, I think that would I continue to get back to as an independent analyst is that regardless of what the parties

Page 77

-- each of the parties' independent willingness is to do a deal, we do have a market transaction that was done. And then you can ask the follow-on question, a deal relative to this deal, would it be higher or lower, and why.

And so, I believe that my analysis focused on that approach.

Q. I may have not -- I may have been unclear in my question. My question is actually a lot simpler than that.

You testified the patentee's perception of the licensee's product is relevant, and you've considered that, correct?

A. Yes.

Q. What about, again, the licensee's perception of its product quality, is that relevant also for your consideration of the reasonable royalty?

A. Yes, it is.

Q. Okay. So coming back in this case, Yealink's perception of its own products, its own product quality, that is relevant, correct?

A. Yes.

Page 102

1 record at 12:27 p.m.
2 (Luncheon recess taken at 12:27
3 p.m. and reconvening at 1:13 p.m.)
4 THE VIDEOGRAPHER: We are back on
5 the record at 1:13 p.m.
6 BY MR. YANG:

Page 103

Page 104

23 Q. I want to stay on page -- well,
24 let's go to Page 18 of your report, Paragraph
25 54, please. The last sentence in that

Page 105

6 Do you see that?
7 A. I do.
8 Q. What does that mean?
9 A. It is consistent with my
10 characterization of the business relationship
11 between Barco and Crestron when the deal was
12 struck.
13 Certainly can be considered as
14 customers, but it's not as simple as their
15 direct customers in one sale for Barco that's a
16 sale taken away from Crestron.

Page 106

[redacted]
19 Q. I thought you testified earlier
20 that there is a difference between Yealink's
21 and Barco's price and quality. So are you
22 saying that doesn't matter any more?
23 A. No, I'm not saying that.
24 Q. So why are they still in the same
25 market, Yealink and Barco?

Page 107

1 A. For the reasons that I've just
2 mentioned.
3 Q. Okay. So despite your concerns
4 about price and quality, Barco and Yealink are
5 still in the same market?
[redacted]
20 A. Well, ultimately it would in the
21 long term; right? I think we're talking -- the
22 timeframe has been relatively short, and so I
23 simply haven't done that analysis.
24 I imagine that ultimately that
25 would play out, and that's a real risk with a

Page 108

1 real probability for Barco.
2 Q. So is it fair to say that would be
3 your speculation, that one day it may become an
4 issue?
[redacted]
17 Q. And that's what you have to take
18 into account for your analysis?
19 A. In addition to other things, yes.
20 Q. But that's a part of it, right?
21 A. Mm-hmm.
22 Q. If you don't mind, going back to
23 Page 19, please, the summary.
24 A. Yes.
25 Q. For a license agreement similar to

Page 109

1 the Crestron/Barco agreement, is there more
2 value if there are more patents being licensed?
3 A. Not necessarily.
4 Q. Why not?
5 A. It depends.
6 Q. What does it depend on?
[redacted]

Page 242

ERRATA

I, WILLIAM B. SCALLY, do hereby certify that I have read the foregoing transcript of my testimony, and further certify that it is a true and accurate record of my testimony (with the exception of the corrections listed below):

Page	Line	Correction
____	____	_____
____	____	_____
____	____	_____
____	____	_____
____	____	_____
____	____	_____
____	____	_____
____	____	_____

Signed under the pains and penalties of perjury this _____ day of _____ , 2025.

_____
WILLIAM B. SCALLY

Page 243

CERTIFICATE

I, Michael O'Connor, Registered Merit Reporter/Certified Realtime Reporter, do hereby certify:

That WILLIAM B. SCALLY, the witness whose testimony is hereinbefore set forth, was duly sworn by me and that such testimony is a true and accurate record of my stenotype notes taken in the foregoing matter to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal this 23rd day of May 2025.

Michael O'Connor

MICHAEL O'CONNOR, RMR, CRR, CRC
Notary Public

My Commission expires:
November 9, 2029