

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF
PENNSYLVANIA**



MODEL PATENT JURY INSTRUCTIONS

DECEMBER 5, 2015

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WHAT A PATENT IS AND HOW ONE IS OBTAINED

This case involves a dispute relating to a United States patent. Before summarizing the positions of the parties and the legal issues involved in the dispute, let me take a moment to explain what a patent is and how one is obtained.

Patents are granted by the United States Patent and Trademark Office (sometimes called “the PTO”). The process of obtaining a patent is called patent prosecution. A valid United States patent gives the patent owner the right to prevent others from making, using, offering to sell, or selling the patented invention within the United States, or from importing it into the United States, during the term of the patent without the patent holder’s permission. A violation of the patent owner’s rights is called infringement. The patent owner may try to enforce a patent against those it believes to be infringers by means of a lawsuit filed in federal court.

To obtain a patent one must file an application with the PTO. The PTO is an agency of the federal government and employs trained examiners who review applications for patents. The application includes what is called a “specification,” which must contain a written description of the claimed invention telling what the invention is, how it works, how to make it and how to use it so others skilled in the field will know how to make or use it. The specification concludes with one or more numbered sentences. These are the patent “claims.” When the patent is eventually granted by the PTO, the claims define the boundaries of its protection and give notice to the public of those boundaries. In other words, the claims define the patented invention that the owner has the right to prevent others from making, using, offering to sell, selling, or importing into the United States.

After the applicant files the application, a PTO patent examiner reviews the patent application to determine whether the claims are patentable, meaning the claims define an invention that is sufficiently new and useful to warrant patent protection, and whether the specification adequately describes the invention claimed. In examining a patent application, the patent examiner searches for and reviews available information for what is referred to as “prior art.” The examiner also will review prior art if it is submitted to the PTO by the applicant. Prior art is defined by law, and I will give you at a later time specific instructions as to what constitutes prior art. However, in general, prior art includes things that existed before the claimed invention, that were publicly known, or used in a publicly accessible way in this country, or that were patented or described in a publication in any country. The examiner considers, among other things, whether each claim defines an invention that is new, useful, and not obvious in view of the prior art. A patent lists the prior art that the examiner considered; this list is called the “cited references.”

After the prior art search and examination of the application, the patent examiner then informs the applicant in writing what the examiner has found and whether any claim is patentable, and thus will be “allowed.” This writing from the patent examiner is called an “office action.” If the examiner rejects the claims, the applicant then responds and sometimes changes the claims or

submits new claims. This process, which takes place only between the examiner and the patent applicant, may go back and forth for some time until the examiner is satisfied that the application and claims meet the requirements for a patent. The papers generated during this time of communicating back and forth between the patent examiner and the applicant make up what is called the “prosecution history.” All of this material becomes available to the public no later than the date when the patent issues.

The fact that the PTO grants a patent does not necessarily mean that any invention claimed in the patent, in fact, deserves the protection of a patent. For example, the PTO may not have had available to it all the information that will be presented to you. A person accused of infringement has the right to argue here in federal court that a claimed invention in the patent is invalid because it does not meet the requirements for a patent.

A.2. Preliminary Instructions

PATENT AT ISSUE

[The court should show the jury the patent at issue and point out the parts including the specification, drawings and claims including the claims at issue.]

A.3. Preliminary Instructions

SUMMARY OF CONTENTIONS

To help you follow the evidence, I will now give you a summary of the positions of the parties.

The parties in this case are [patent holder] and [alleged infringer]. The patent involved in this case is United States Patent Number [patent number] which lists [inventor] as the inventor. For convenience, the parties and I will often refer to this patent as the [last three numbers of the patent] patent, [last three numbers of patent] being the last three numbers of its patent number.

[Patent holder] filed suit in this court seeking money damages from [alleged infringer] for allegedly infringing the [] patent by [making], [importing], [using], [selling], and [offering for sale] [products] [methods] that [patent holder] argues are covered by claims [] of the patent.

IF INDUCEMENT OR CONTRIBUTORY INFRINGEMENT IS AT ISSUE:

[Patent holder] also argues that [alleged infringer] has [actively induced infringement of these claims of the [] patent by others] [and] [contributed to the infringement of these claims of the [] patent by others].

The [products] [methods] that are alleged to infringe are [list of accused products or methods].

[Alleged infringer] denies that it has infringed claims [] of the [] patent and argues that, in addition, the claims are invalid. [Add other defenses, if applicable]. Invalidity is a defense to infringement.

Your job will be to decide whether claims [] of the [] patent have been infringed and whether those claims are invalid. If you decide that any claim of the [] patent has been infringed and is not invalid, you will then need to decide any money damages to be awarded to [patent holder] to compensate it for the infringement.

IF WILLFULNESS IS AT ISSUE:

[You will also need to make a finding as to whether the infringement was willful. If you decide that any infringement was willful, that decision should not affect any damage award you give. I will take willfulness into account later.]

Before you decide whether [alleged infringer] has infringed the claim[s] of the patent or whether the claim[s] [is][are] invalid, you will need to understand the patent claims. As I mentioned, the patent claims are numbered sentences at the end of the patent that describe the boundaries of the patent's protection. It is my job as judge to explain to you the meaning of any language in the claim[s] that needs interpretation.

[The Court may wish to hand out its claim constructions (if the claims have been construed at this point) and the glossary at this time. If the claim constructions are handed out, the following instruction should be read:

I have already determined the meaning of certain terms of the claims of the [] patent. You have been given a document reflecting those meanings. You are to apply my definitions of these terms throughout this case. However, my interpretation of the language of the claims should not be taken as an indication that I have a view regarding issues such as infringement and invalidity. Those issues are yours to decide. I will provide you with more detailed instructions on the meaning of the claims before you retire to deliberate your verdict.

A.4. Preliminary Instructions

OVERVIEW OF APPLICABLE LAW

[The court may want to consider giving preliminary instructions on the patent law applicable to the specific issues in the case. This could help focus the jury on the facts relevant to the issues it will have to decide.]

In deciding the issues I just discussed, you will be asked to consider specific legal standards. I will give you an overview of those standards now and will review them in more detail before the case is submitted to you for your verdict.

The first issue you will be asked to decide is whether [alleged infringer] has infringed the claims of the [] patent. Infringement is assessed on a claim-by-claim basis. Therefore, there may be infringement as to one claim but not infringement as to another. There are a few different ways that a patent may be infringed. I will explain the requirements for each of these types of infringement to you in detail at the conclusion of the case. In general, however, [alleged infringer] may infringe the [] patent by making, using, selling, or offering for sale in the United States, or by importing into the United States, a product or by using a method meeting all the requirements of a claim of the [] patent. [Alleged infringer] may also indirectly infringe the [] patent by contributing to infringement by another entity, or by inducing another person or entity to infringe. I will provide you with more detailed instructions on the requirements for each of these types of infringement at the conclusion of the case.

Another issue you will be asked to decide is whether the [] patent is invalid. A patent may be invalid for a number of reasons, including because it claims subject matter that is not new or is obvious. For a claim to be invalid because it is not new, [alleged infringer] must show, by clear and convincing evidence, that all of the elements of a claim are present in a single previous device or method, or sufficiently described in a single previous printed publication or patent. We call these “prior art.” If a claim is not new, it is said to be “anticipated.”

Another way that a claim may be invalid is that it may have been “obvious.” Even though every element of a claim is not shown or sufficiently described in a single piece of “prior art,” the claim may still be invalid if it would have been obvious to a person of ordinary skill in the field of technology of the patent at the relevant time. You will need to consider a number of questions in deciding whether the invention(s) claimed in the [] patent are obvious. I will provide you detailed instructions on these questions at the conclusion of the case.

WHERE A WRITTEN DESCRIPTION OR ENABLEMENT DEFENSE IS PRESENTED:

A patent may also be invalid if its description in the specification does not meet certain requirements. To be valid, a patent must meet the “written description” requirement. In order to meet this written description requirement, the description of the invention in the specification portion of the patent must be detailed enough to demonstrate that the applicant actually possessed the invention as broadly as claimed in the claims of the issued patent. The disclosure of a patent must also meet the “enablement” requirement. To meet this requirement, the description in the patent has to be sufficiently full and clear to have allowed persons of ordinary

skill in the field of technology of the patent to make and use the invention without undue experimentation, at the time the patent application was originally filed.

If you decide that any claim of the [] patent has been infringed and is not invalid, you will then need to decide any money damages to be awarded to [patent holder] to compensate it for the infringement. A damages award should put [patent holder] in approximately the same financial position that it would have been in had the infringement not occurred, but in no event may the damages award be less than what [patent holder] would have received had it been paid a reasonable royalty. I will instruct you later on the meaning of a reasonable royalty. The damages you award are meant to compensate [patent holder] and not to punish [alleged infringer]. You may not include in your award any additional amount as a fine or penalty, above what is necessary to compensate [patent holder] for the infringement, in order to punish [alleged infringer]. I will give you more detailed instructions on the calculation of damages at the conclusion of the case.

A.5. Preliminary Instructions

OUTLINE OF TRIAL

The trial will now begin. First, each side may make an opening statement. An opening statement is not evidence. It is simply an outline to help you understand what that party expects the evidence will show.

The presentation of evidence will then begin. Witnesses will take the witness stand and the documents will be offered and admitted into evidence. There are two standards of proof that you will apply to the evidence, depending on the issue you are deciding. On some issues, you must decide whether something is more probably true than not. This is referred to as the “preponderance of the evidence standard.” On other issues you must use a higher standard and decide whether it is highly probable that something is true. This is referred to as the “clear and convincing standard.” These standards are different from what you may have heard about in a criminal proceeding where a fact must be proven beyond a reasonable doubt, which is an even higher standard than the clear and convincing standard.

After opening statements, [Patent holder] will present its evidence in support of its contention that the claims of the [] patent have been infringed by [alleged infringer]. These witnesses will be questioned by [Patent holder]’s counsel in what is called direct examination. After the direct examination of a witness is completed, the opposing side has an opportunity to cross-examine the witness. To prove infringement of any claim, [patent holder] must persuade you that it is more probable than not that [alleged infringer] has infringed that claim. In other words, the preponderance of the evidence standard applies.¹

After [Patent holder] has presented its witnesses, [alleged infringer] will call its witnesses, who will also be examined and cross-examined. [Alleged infringer] will present its evidence that the claims of the [] patent are invalid. To prove invalidity of any claim, [alleged infringer] must persuade you that it is highly probable that the claim is invalid. In addition to presenting its evidence of invalidity, [alleged infringer] will also put on evidence responding to [patent holder]’s infringement contention[s].

[Patent holder] will then return and will put on evidence responding to [alleged infringer]’s contention that the claims of the [] patent are invalid. [Patent holder] will also have the option to put on what is referred to as “rebuttal” evidence to any evidence offered by [alleged infringer] of non-infringement.

Finally, [alleged infringer] will have the option to put on “rebuttal” evidence to any evidence offered by [patent holder] on the validity of [some] [the] claims of the [] patent.

The parties may present the testimony of a witness by reading from his or her deposition transcript or playing a videotape of the witness’s deposition testimony. A deposition is the

¹ The Court’s general instructions can be referenced or incorporated to include more specific instructions as to the meaning of the burden of proof standards relating to “preponderance of the evidence” and “highly probable” or “more probable than not” and “substantial compliance.”

sworn testimony of a witness taken before trial and is entitled to the same consideration as if the witness had testified at trial.

During the presentation of the evidence, the attorneys will be allowed brief opportunities to explain what they believe the evidence has shown or what they believe upcoming evidence will show. Such comments are not evidence and are being allowed solely for the purpose of helping you understand the evidence.

Because the evidence is introduced piecemeal, you need to keep an open mind as the evidence comes in and wait for all the evidence before you make any decisions. In other words, you should keep an open mind throughout the entire trial.

After the evidence has been presented, [the attorneys will make closing arguments and I will give you final instructions on the law that applies to the case] [I will give you final instructions on the law that applies to the case and the attorneys will make closing arguments]. Closing arguments are not evidence. After the [closing arguments and instructions] [instructions and closing arguments], you will then decide the case.

B.1. Post-Trial Instructions - Summary of Contentions

SUMMARY OF CONTENTIONS

I will first give you a summary of each side's contentions in this case. I will then tell you what each side must prove to win on each of its contentions.

As I previously told you, [patent holder] seeks money damages from [alleged infringer] for allegedly infringing the [] patent by [making,] [importing,] [using,] [selling] and [offering for sale] [products] [methods] that [patent holder] argues are covered by claims [] of the patent. These are the asserted claims of the [] patent.

IF INDUCEMENT OR CONTRIBUTORY INFRINGEMENT IS AT ISSUE:

[Patent holder] also argues that [alleged infringer] has [actively induced infringement of these claims of the [] patent by others] [contributed to the infringement of these claims of the [] patent by others].

The [products] [methods] that are alleged to infringe are [list of accused products or methods].

[Alleged infringer] denies that it has infringed the asserted claims of the patent and argues that, in addition, claims [] are invalid. [Add other defenses if applicable.]

Your job is to decide whether the asserted claims of the [] patent have been infringed and whether any of the asserted claims of the [] patent are invalid. If you decide that any claim of the patent has been infringed and is not invalid, you will then need to decide any money damages to be awarded to [patent holder] to compensate it for the infringement.

IF WILLFUL INFRINGEMENT IS AT ISSUE:

[You will also need to make a finding as to whether the infringement was willful. If you decide that any infringement was willful, that decision should not affect any damage award you make. I will take willfulness into account later.]

B.2. Post-Trial Instructions - Claim Construction

INTERPRETATION OF CLAIMS

Before you decide whether [alleged infringer] has infringed the claim[s] of the patent or whether the claim[s] [is][are] invalid, you will need to understand the patent claims. The patent claims are numbered sentences at the end of the patent. Each claim sets forth, in words, a set of requirements. In patent law, these requirements are often referred to as “elements” or “limitations.” Those requirements describe the boundaries of the patent’s protection. If a device or a method satisfies each of the requirements in a claim, then it is covered by that claim. In other words, the words of the claims define what the patent covers.

It is my job as judge to explain to you the meaning of any language in the claim[s] that needs interpretation and it is your job to take these definitions and apply them to the issues that you are deciding. Therefore, I have interpreted the meaning of some of the language in the patent claims involved in this case. You must accept those interpretations as correct. My interpretation of the language should not be taken as an indication that I have a view regarding the issues of infringement and invalidity. The decisions regarding infringement and invalidity are yours to make.

[Court gives its claim interpretation. This instruction must be coordinated with instruction regarding “Means-Plus-Function Claims—Literal Infringement” if the claims at issue include means-plus-function limitations.]

Authorities

Markman v. Westview Instruments, Inc., 517 U.S. 370, 384-391 (1996); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1324 (Fed. Cir. 2005); *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1304-13 (Fed. Cir. 1999); *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448 (Fed. Cir. 1998) (*en banc*); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 977 (Fed. Cir. 1995) (*en banc*).

B.3. Post-Trial Instructions - Infringement

3.1 INFRINGEMENT (GENERALLY) AND BURDEN OF PROOF

I will now instruct you on the rules you must follow in deciding whether [patent holder] has proven that [alleged infringer] has infringed one or more of the asserted claims of the [] patent.

Infringement is assessed on a claim-by-claim basis. Therefore, there may be infringement as to one claim but no infringement as to another.

In this case, there are [three] possible ways that a claim may be infringed. The [three] types of infringement are called: (1) direct infringement; (2) active inducement; and (3) contributory infringement;.

In order to prove infringement, [patent holder] must prove that the requirements for one or more of these types of infringement are met by a preponderance of the evidence, i.e., that it is more probable than not that all of the requirements of one or more of each of these types of infringement have been proved.

I will now explain each of these types of infringement in more detail.

Authorities

Warner-Lambert Co. v. Teva Pharm. USA, Inc., 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005); *Seal-Flex, Inc. v. Athletic Track and Court Constr.*, 172 F.3d 836, 842 (Fed. Cir. 1999); *Morton Int'l, Inc. v. Cardinal Chem. Co.*, 5 F.3d 1464, 1468-69 (Fed. Cir. 1993).

3.2 DIRECT INFRINGEMENT – LITERAL INFRINGEMENT

There are two types of “direct infringement”: (1) “literal infringement” and (2) “infringement under the doctrine of equivalents.” In order to prove direct infringement by literal infringement, [patent holder] must prove that it is more probable than not, that is, by a preponderance of the evidence, that [alleged infringer] made, used, sold, offered for sale within, or imported into the United States a [product or process] that meets all of the requirements of a claim and did so without the permission of [patent holder] during the time the [] patent was in force. You must compare the [product or process] with each and every one of the requirements of a claim to determine whether all of the requirements of that claim are met. If, however, [alleged infringer]’s [product] [method] does not have every requirement in the patent claim, [alleged infringer]’s [product] [method] does not literally infringe that claim.

IF DEPENDENT CLAIMS ARE ASSERTED:

With one exception, you must consider each of the asserted claims of the patent individually, and decide whether [alleged direct infringer]’s [product] [method] infringes that claim. The one exception to considering claims individually concerns dependent claims. A dependent claim includes all of the requirements of a particular independent claim, plus additional requirements of its own. As a result, if you find that an independent claim is not infringed, you must also find that its dependent claims are not infringed. On the other hand, if you find that an independent claim has been infringed, you must still separately decide whether the additional requirements of its dependent claims have also been infringed. The dependent claims in this case are claims [] of the [] patent.

Whether or not [alleged infringer] knew its [product][method] infringed or even knew of the patent does not matter in determining direct infringement.

IF DIRECT INFRINGEMENT BY THE COMBINED ACTS OF MULTIPLE PERSONS OR COMPANIES IS ASSERTED:

Where no single party performs all of the steps of a claimed process but more than one party together performs every step of the process, the claim is directly infringed if all the steps are performed by or attributable to a single entity. An entity is responsible for others’ performance of method steps in two sets of circumstances: (1) where that entity directs or controls others’ performance of those steps, or (2) where the actors form a joint enterprise.

A joint enterprise requires proof of four elements: (1) an agreement, express or implied, among the members of the group; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose, among the members; and (4) an equal right to a voice in the direction of the enterprise, which gives an equal right of control.

[Patent holder] alleges that [alleged infringer A] and [alleged infringer B, etc.] collectively infringe claim(s) [] of the [] patent.

For infringement to be proved, [patent holder] must prove by a preponderance of the evidence: (1) that all the steps of the claimed process were performed in the United States and (2) that all of the steps are either performed by or attributable to [alleged infringer A] because of either direction or control by [alleged infringer A] or because a joint enterprise was formed.

IF DIRECT INFRINGEMENT INVOLVING ONE OR MORE SYSTEM COMPONENTS LOCATED OUTSIDE THE UNITED STATES IS AT ISSUE:

Direct infringement requires that the accused system include every element recited in the claim. [Patent holder] claims that infringement occurred within the United States even though some (but not all) of the elements of the claim were located outside of the United States. For infringement to occur within the United States, [patent holder] must prove by a preponderance of the evidence that the control of the system was exercised and the benefit of the system was enjoyed in the United States.

Authorities

35 U.S.C. § 271; *Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1310-11 (Fed. Cir. 2005); *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1330-34 (Fed. Cir. 2001); *Seal-Flex, Inc. v. Athletic Track and Court Constr.*, 172 F.3d 836, 842 (Fed. Cir. 1999); *Carroll Touch, Inc. v. Electro Mech. Sys., Inc.*, 15 F.3d 1573, 1576 (Fed. Cir. 1993); *Muniauction Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329-30 (Fed. Cir. 2008); *BMC Resources Inc. v. Paymentech LP*, 498 F.3d 1373, 1378-81 (Fed. Cir. 2007); *On Demand Mach. Corp. v. Ingram Indus., Inc.*, 442 F.3d 1331, 1344-45 (Fed. Cir. 2006) (infringement by multiple alleged infringers); *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek*, 424 F.3d 1293, 1311 (Fed. Cir. 2005); *NTP, Inc. v. Research in Motion Ltd.*, 418 F.3d 1282, 1313-21 (Fed. Cir. 2005); *id.* 1317 (“The use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, i.e., the place where control of the system is exercised and beneficial use of the system obtained.”). *Akamai Techs., Inc. v. Limelight Networks, Inc.*, Case Nos. 2009-1372, 2009-1380, 2009-1416, 2009-1417 (Fed. Cir. Aug. 13, 2015).

B.3. Post-Trial Instructions - Infringement

3.3 DIRECT INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS

If you decide that [alleged infringer]’s [product] [method] does not meet all of the requirements of a claim and thus does not literally infringe that claim, there can still be direct infringement if that [product] [method] satisfies that claim under the “doctrine of equivalents.”

Under the doctrine of equivalents, the [product] [method] can infringe an asserted patent claim if it includes [parts] [steps] that are identical or equivalent to the requirements of the claim. If the [product] [method] is missing an identical or equivalent [part] [step] to even one requirement of the asserted patent claim, the [product] [method] cannot infringe the claim under the doctrine of equivalents. Thus, in making your decision under the doctrine of equivalents, you must look at each individual requirement of the asserted patent claim and decide whether the [product] [method] has either an identical or equivalent [part] [step] to that individual claim requirement.

A [part] [step] of a [product] [method] is equivalent to a requirement of an asserted claim if a person of ordinary skill in the field would think that the differences between the [part] [step] and the requirement were insubstantial as of the time of the alleged infringement or would have considered that, as of the time of the alleged infringement, the [part] [step] of the [product] [method] performed substantially the same function, in substantially the same way, to achieve substantially the same result as the requirement in the patent claim.

In deciding whether any difference between a claim requirement and the [product] [method] is not substantial, you may consider whether, at the time of the alleged infringement, persons of ordinary skill in the field would have known of the interchangeability of the [part] [step] with the claimed requirement. Interchangeability at the present time is not sufficient. The known interchangeability between the claim requirement and the [part] [step] of the [product] [method] is not necessary to find infringement under the doctrine of equivalents. However, known interchangeability may support a conclusion that the difference between the [part] [step] in the [product] [method] and the claim requirement is not substantial.

In order to prove infringement by “equivalents,” [patent holder] must prove the equivalency of the [structure or actions] to a claim element by a preponderance of the evidence.

[You may not use the doctrine of equivalents to find infringement if you find that [alleged infringer]’s [product] [method] is the same as what was in the prior art before the application for the [] patent or what would have been obvious to persons of ordinary skill in the field in light of what was in the prior art. A patent holder may not obtain, under the doctrine of equivalents, protection that it could not have lawfully obtained from the Patent and Trademark Office.] The burden of producing evidence to show that the accused [product] [method] is in the prior art initially rests with [alleged infringer]. Once [alleged infringer] offers evidence to show that the accused [product] [method] is in the prior art, the burden shifts to the [patent holder] to prove that what it attempts to cover under the doctrine of equivalents is not in the prior art or would not

have been obvious from the prior art.

[You may not use the doctrine of equivalents to find infringement if you find that the subject matter alleged to be equivalent to a requirement of the patent claim was described in the [] patent but not covered by any of its claims. The subject matter described but not claimed must be specific enough that one of ordinary skill in the art would understand that it was present in the patent.]

Authorities

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 609 (1950) (explaining what constitutes an “equivalent”); *Interactive Pictures Corp. v. Infinite Pictures Inc.*, 274 F.3d 1371, 1381-82 (Fed. Cir. 2001); *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002) (no infringement under the doctrine of equivalents); *Al-Site Corp. v. VSI Int’l, Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999) (distinguishing between the doctrine of equivalents and the statutory term “equivalents”); *Hughes Aircraft Co. v. United States*, 140 F.3d 1470, 1475 (Fed. Cir. 1998); *Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1480 (Fed. Cir. 1998); *Dolly, Inc. v. Spalding & Evenflo Cos.*, 16 F.3d 394, 397 (Fed. Cir. 1994); *Fiskares, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1323 (Fed. Cir. 2000); *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 676, 684 (Fed. Cir. 1990); *Conroy v. Reebok Int’l, Ltd.*, 14 F.3d 1570 (Fed. Cir. 1994); *Streamfeeder, LLC v. Sure-Feed, Inc.*, 175 F.3d 974, 984 (Fed. Cir. 1999).

B.3. Post-Trial Instructions - Infringement

3.4 MEANS-PLUS-FUNCTION CLAIMS – LITERAL INFRINGEMENT²

I will now describe the separate rules that apply to “means-plus-function” requirements that are used in some claims. Claims [] in the [] patent contain “means-plus-function” requirements. A means-plus-function requirement only covers the specific [structure] disclosed in a patent specification for performing the claimed function and the equivalents of those specific [structure] that perform the claimed function. A means-plus-function requirement does not cover all possible structures that could be used to perform the claimed function.

For purposes of this trial, I have interpreted each means-plus-function requirement for you and identified the structure in the patent specification that corresponds to these means-plus-function requirements. Specifically, I have determined that:

[X. [] is the structure that perform[s] the [] function identified in the means-plus-function requirement of claim [].]

[X. [] is the structure that perform[s] the [] function identified in the means-plus-function requirement of claim [].]

In deciding if [patent holder] has proven that [alleged infringer]’s [product] includes structure covered by a means-plus-function requirement, you must first decide whether the [product] has any structure that performs the specific function I just described to you. If not, the claim containing that means-plus-function requirement is not infringed.

If you find that the [alleged infringer]’s [accused product] does have structure that performs the claimed function, you must then determine whether that structure is the same as or equivalent to the structure I have identified in the specification. If they are the same or equivalent, the means-plus-function requirement is satisfied by that structure of the [accused product]. If all the other requirements of the claim are satisfied, the [accused product] infringes the claim.

In order to prove that [a structure] in the [accused product] is equivalent to the structure in the [] patent, the [patent holder] must show that a person of ordinary skill in the field would have considered the differences between them to be insubstantial at the time the [] patent issued or if that person would have found the [structure(s)/actions(s)] performed the function in substantially the same way to accomplish substantially the same result. In deciding whether the differences would be “insubstantial,” you may consider whether a person having an ordinary level of skill in the field of technology of the patent would have known of the interchangeability of the two structures or sets of structures. Interchangeability itself is not sufficient; in order for the structures to be considered to be interchangeable, the interchangeability of the two structures must have been known to persons of ordinary skill in that art at the time the patent issued. The fact that [a structure or a set of structures/an act or a set of acts] is known now and is

² If a claim at issue is a method claim with a limitation written in “step-plus-function” format, this instruction should be modified accordingly, for example, substituting “acts” for “structure.”

“equivalent” is not enough. The [structure or set of structures/act or set of acts] must also have been available at the time the [] patent issued.

IF DOCTRINE OF EQUIVALENTS IS AT ISSUE:

When the claim requirement that is not met by the [product] [method] is a [“means-plus-function” or “step-plus-function”] requirement, and if you determined that there is no “literal infringement” because there is no [structure or set of structures/action or set of actions] in the [product] [method] that performs the specific function of the means-plus-function requirement, you may decide that the [structure or action] nonetheless corresponds to the means-plus-function requirement of the claim under the doctrine of equivalents if the [structure or action] performs an “equivalent” function and has an “equivalent” [structure or action] to the means-plus-function requirement.

On the other hand, if you find that the accused [product] [method] has no equivalent [structure or set of structures/action or set of actions] to [any of] the [set(s) of] [structure(s) or action(s)] that I defined as performing that function, then you must find that there is no infringement under the doctrine of equivalents. This is the case even if you find that the accused [product] [method] has some other [structure or set of structures/action or set of actions] that performs the specific function of the means-plus-function requirement.

Authorities

35 U.S.C. § 112(6); *Frank’s Casing Crew & Rental Tools, Inc. v. Weatherford Intern., Inc.*, 389 F.3d 1370, 1378 (Fed. Cir. 2004); *Odetics, Inc. v. Storage Tech. Corp.*, 185 F.3d 1259, 1266 (Fed. Cir. 1999); *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1307 (Fed. Cir. 1998); *Micro Chem., Inc. v. Great Plains Chem. Co., Inc.*, 103 F.3d 1538, 1547 (Fed. Cir. 1997); *Valmont Indus., Inc. v. Reinke Mfg. Co., Inc.*, 983 F.2d 1039, 1042 (Fed. Cir. 1993).

B.3. Post-Trial Instructions - Infringement

3.5 LIMITATIONS ON THE DOCTRINE OF EQUIVALENTS

[In the case of disclaimer-based limitations on the doctrine of equivalents, the Committee does not recommend requesting an advisory opinion from the jury and instead recommends the following instruction informing the jury as to which limitations the doctrine of equivalents cannot be applied.]

Because [patent holder] made certain claim changes or statements during the patent application process for the [] patent, the doctrine of equivalents analysis cannot be applied to the following requirements of the asserted claims:

[List requirements on a claim-by-claim basis]

Unless each of these requirements is literally present within the [alleged infringer]'s [product] [method], there can be no infringement of the claim.

Authorities

Honeywell Int'l v. Hamilton Sundstrand Corp., 370 F.3d 1131 (Fed. Cir. 2004); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359 (Fed. Cir. 2003) (en banc).

B.3. Post-Trial Instructions - Infringement

3.6 CONTRIBUTORY INFRINGEMENT

[Patent holder] also argues that [alleged infringer] has contributed to infringement by another. Contributory infringement may arise when someone supplies something that is used to infringe one or more of the patent claims.

In order for there to be contributory infringement by [alleged infringer], someone other than [alleged infringer] must directly infringe a claim of the [] patent; if there is no direct infringement by anyone, there can be no contributory infringement.

[Alleged infringer] is liable for contributory infringement of a claim if [patent holder] proves by a preponderance of the evidence that:

- (1) [alleged infringer] sells, offers to sell, or imports within the United States a component of a product, or apparatus for use in a process, during the time the [] patent is in force;
- (2) the component or apparatus has no substantial, noninfringing use;
- (3) the component or apparatus constitutes a material part of the invention;
- (4) at the time of supplying the [component or apparatus], [alleged infringer] is aware of the [] patent or believed there was a high probability that a patent existed and deliberately avoided learning of the patent;
- (5) at the time of supplying the [component or apparatus], [alleged infringer] knows that the [component or apparatus] was especially made or adapted for use in infringing a claim of the [] patent or believed there was a high probability that the [component or apparatus] was especially made or adapted for use in infringing the [] patent but deliberately avoided learning the infringing nature of the use of the [component or apparatus]; and
- (5) the component or apparatus has been used to directly infringe the claim.

A “non-infringing use” is a use [other than as a component of the patented product][other than in the patented method], that is not occasional, farfetched, impractical, experimental, or hypothetical.

Authorities

35 U.S.C. § 271(c); *PharmaStem Therapeutics, Inc. v. ViaCell, Inc. et. al.*, 491 F.3d 1342, 1356-58 (Fed. Cir. 2007); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1303 (Fed. Cir. 2006); *Mentor H/S, Inc. v. Med.*

Device Alliance, Inc., 244 F.3d 1365 (Fed. Cir. 2001); *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1469 (Fed. Cir. 1990); *Preemption Devices, Inc. v. Minn. Mining & Mfr. Co.*, 803 F.2d 1170, 1174 (Fed. Cir. 1986); *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S.Ct. 2060, 2067-71 (2011).

B.3. Post-Trial Instructions - Infringement

3.7 INDUCING PATENT INFRINGEMENT

[Patent holder] argues that [alleged infringer] has actively induced another to infringe the [] patent. In order for there to be inducement of infringement by [alleged infringer], someone else must directly infringe a claim of the [] patent; if there is no direct infringement by anyone, there can be no induced infringement.

[Alleged infringer] is liable for active inducement of a claim only if [patent holder] proves by a preponderance of the evidence:

- (1) that the allegedly infringing acts are actually carried out by [insert name or other description of alleged direct infringer] and directly infringe that claim;
- (2) that [alleged infringer] took action during the time the [] patent was in force intending to cause the infringing acts by [insert name or other description of alleged direct infringer]; and
- (3) that [alleged infringer] was aware of the [] patent and knew that the acts, if taken, would constitute infringement of that patent.

[addition to the end of (3) above when willful blindness concerning the [] patent's existence is at issue:]

or that [alleged infringer] believed there was a high probability that the acts by [insert name or other description of alleged direct infringer] would infringe a patent and [alleged infringer] took deliberate steps to avoid learning of that infringement.

[alternative addition to the end of (3) above when knowledge of the patent is undisputed but willful blindness concerning infringement of that patent is at issue:]

or that [alleged infringer] believed there was a high probability that the acts by [insert name or other description of alleged direct infringer] infringed the [] patent and took deliberate steps to avoid learning of that infringement.

In deciding whether the [alleged infringer] induced infringement, you may consider whether [accused infringer] actually believed that the acts it encouraged did not infringe the patent [, and whether [alleged infringer] relied on advice given by its lawyers].

Authorities

35 U.S.C. § 271(b); *Global-Tech Appliances, Inc. et. al. v. SEB S.A.*, 131 S.Ct. 2060, 2068-71 (2011); *Muniauction Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329-30 (Fed. Cir. 2008); *Lucent*

Technologies, Inc. v. Gateway, Inc., 580 F.3d 1301, 1340 (Fed. Cir. 2009); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006) (“[I]nducement requires that the alleged infringer knowingly induced infringement and possessed specific intent to encourage another’s infringement.”) (citation and internal quotation marks omitted); *MGM Studios Inc. v. Grokster*, 419 F.3d 1005 (Fed. Cir. 2005); *Insituform Techs., Inc. v. CAT Contracting, Inc.*, 385 F.3d 1360, 1377-78 (Fed. Cir. 2004) (inducer must have actual or constructive knowledge of the patent); *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1342 (Fed. Cir. 2003) (no inducement where evidence did not show defendant knew or should have known that his actions were encouraging infringement); *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1363-66 (Fed. Cir. 2003) (no infringement where lack of intent to induce); *Limelight Networks, Inc. v Akamai Techs.*, 134 S.Ct. 2111 (2014); *Commil USA v. Cisco Sys.*, 135 S.Ct. 1920 (2015).

3.8 WILLFUL INFRINGEMENT

[The Federal Circuit has held that the objective prong of the willfulness inquiry (i.e., whether a reasonable person would have considered there to be a high likelihood of infringement of a valid patent) should always be decided as a matter of law by the judge. *Bard Peripheral Vascular v. W.L. Gore & Assocs.*, 682 F.3d 1003 (Fed. Cir. 2012). Consistent with this, the jury’s finding will be limited to the subjective prong, and a finding that the subjective prong is met *does not mean* that infringement was willful. The court must independently evaluate the objective basis for the underlying defense, and this determination should not be shared with the jury to the extent it is made in advance of or during trial. To that end, the below instructions only relate to the subjective prong. The Committee does not recommend seeking an advisory opinion on the objective prong of the willfulness inquiry from the jury.]

In this case, [patent holder] argues that [alleged infringer] willfully infringed the [patent holder]’s patent.

To prove willful infringement, [patent holder] must first persuade you that [alleged infringer] infringed a valid [and enforceable] claim of the [patent holder]’s patent. The requirements for proving such infringement were discussed in my prior instructions.

In addition, to prove willful infringement, [patent holder] must persuade you that it is highly probable that [prior to the filing date of the complaint], [alleged infringer] acted with reckless disregard of the claims of [patent holder]’s [patent]. Willfulness is judged by the clear and convincing evidence standard.

To demonstrate such “reckless disregard,” [patent holder] must persuade you that [alleged infringer] actually knew, or it was so obvious that [alleged infringer] should have known, that its actions constituted infringement of a valid [and enforceable] patent.

In deciding whether [alleged infringer] acted with reckless disregard for [patent holder]’s patent, you should consider all of the facts surrounding the alleged infringement including, but not limited to, the following factors.

Factors that may be considered as evidence that [alleged infringer] was not willful include:

- (1) Whether [alleged infringer] acted in a manner consistent with the standards of commerce for its industry
- (2) Whether [alleged infringer] made a good-faith effort to avoid infringing the [] patent, for example, whether [alleged infringer] attempted to design around the [] patent;; [and]

IF ACCUSED INFRINGER RELIES ON ADVICE OF COUNSEL DEFENSE, ADD:

- (3) Although there is no obligation to obtain an opinion of counsel whether [alleged infringer] relied on a legal opinion that was well-supported and believable and

that advised [alleged infringer] (1) that the [product] [method] did not infringe [patent holder]'s patent or (2) that the patent was invalid [or unenforceable].

Factors that may be considered as evidence that [alleged infringer] was willful include:

- (1) Whether [alleged infringer] intentionally copied a product of [patent holder] covered by the patent; and
- (2) Whether [alleged infringer] tried to cover up its infringement.

Authorities

35 U.S.C. § 284; *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007); *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1345 (Fed. Cir. 2004) (*en banc*); *Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336, 1346 (Fed. Cir. 2001); *WMS Gaming Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1354 (Fed. Cir. 1999); *Read Corp. v. Portec, Inc.*, 970 F.2d 816 (Fed. Cir. 1992); *Gustafson, Inc. v. Intersystems Indus. Prods., Inc.*, 897 F.2d 508, 510 (Fed. Cir. 1990).

B.4. Post-Trial Instructions – Invalidity

4.1 INVALIDITY – BURDEN OF PROOF

I will now instruct you on the rules you must follow in deciding whether [alleged infringer] has proven that claims [] of the [] patent are invalid. Before discussing the specific rules, I want to remind you about the standard of proof that applies to this defense. To prove invalidity of any patent claim, [alleged infringer] must persuade you that it is highly probable that the claim is invalid.

Authorities

Microsoft Corp. v. i4i LTD Partnership, 131 S.Ct. 2238, 2242, 2251, ___ U.S. ___ (2011); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986).

4.2 WRITTEN DESCRIPTION

The patent law contains certain requirements for the part of the patent called the specification. [Alleged infringer] contends that claim(s) [] of [patent holder]’s [] patent [is/are] invalid because the specification of the [] patent does not contain an adequate written description of the invention. To succeed, [alleged infringer] must show by clear and convincing evidence that the specification fails to meet the law’s requirements for written description of the invention.

A patent claim is invalid if the patent does not contain an adequate written description of the claimed invention. The purpose of this written description requirement is to demonstrate that the inventor was in possession of the invention at the time the application for the patent was filed, even though the claims may have been changed or new claims added since that time. The written description requirement is satisfied if a person of ordinary skill in the field reading the original patent application at the time it was filed would have recognized that the patent application described the invention as claimed, even though the description may not use the exact words found in the claim. A requirement in a claim need not be specifically disclosed in the patent application as originally filed if a person of ordinary skill would understand that the missing requirement is necessarily implied in the patent application as originally filed.

Authorities

35 U.S.C. § 112(1) and (2); *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*, 598 F.3d 1336 (Fed. Cir. 2010) (en banc); *Lizard Tech., Inc. v. Earth Res. Mapping Inc.*, 424 F.3d 1336, 1344-45 (Fed. Cir. 2005); *In Re Skvorecz*, 580 F.3d 1262, 1269 (Fed. Cir. 2009); *Kao Corp. v. Unilever U.S., Inc.*, 441 F.3d 963, 968 (Fed. Cir. 2006); *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247 (Fed. Cir. 2004); *Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000); *Lampi Corp. v. Am. Power Prods., Inc.*, 228 F.3d 1365, 1377-78 (Fed. Cir. 2000); *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1478-80 (Fed. Cir. 1998); *In re Alton*, 76 F.3d 1168, 1172 (Fed. Cir. 1996); *University of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 926-928 (Fed. Cir. 2004).

B.4. Post-Trial Instructions – Invalidity

4.3 ENABLEMENT

[Alleged infringer] contends that claim(s) [] of [patent holder]’s [] patent [is/are] invalid because the specification does not contain a sufficiently full and clear description of how to make and use the full scope of the claimed invention. To succeed, [alleged infringer] must show by clear and convincing evidence that the [] patent does not contain enough information to have allowed a person having ordinary skill in the field of technology of the patent to make and use the full scope of the claimed invention at the time the [original] patent application was filed. This is known as the “enablement” requirement. If a patent claim is not enabled, it is invalid.

In order to be enabling, the patent must permit persons having ordinary skill in the field of technology of the patent to make and use the full scope of the claimed invention at the time of [original] filing without having to conduct undue experimentation. However, some amount of experimentation to make and use the invention is allowable. In deciding whether a person having ordinary skill would have to experiment unduly in order to make and use the invention, you may consider several factors, including:

- (1) the scope of the claimed invention;
- (2) the amount of guidance presented in the patent;
- (3) the amount of experimentation necessary;
- (4) the time and cost of any necessary experimentation;
- (5) how routine any necessary experimentation is in the field of [identify field];
- (6) whether the patent discloses specific working examples of the claimed invention;
- (7) the nature and predictability of the field; and
- (8) the level of ordinary skill in the field of [identity field].

No one or more of these factors is alone dispositive. You should weigh these factors and determine whether or not, in the context of this invention and the state of the art at the time of the [original] application, a person having ordinary skill would need to experiment unduly to make and use the full scope of the claimed invention.

Authorities

35 U.S.C. § 112(1); *Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 999 (Fed. Cir. 2008); *Auto. Techs. Int’l, Inc. v. BMW of N. Am., Inc.*, 501 F.3d 1274, 1285 (Fed. Cir. 2007); *AK Steel Corp. v.*

Sollac & Ugine, 344 F.3d 1234, 1244 (Fed. Cir. 2003); *Union Pac. Resources Co. v. Chesapeake Energy Corp.*, 236 F.3d 684, 690-92 (Fed. Cir. 2001); *Ajinomoto Co. v. Archer-Daniels-Midland Co.*, 228 F.3d 1338, 1345-46 (Fed. Cir. 2000); *In re Wands*, 858 F.2d 731, 737 (Fed. Cir. 1988).

4.4 PRIOR ART

[For patent claims having a priority date before March 16, 2013]

Prior art may include knowledge, information and other items that were publicly known or available, or that have been used or offered for sale, publications, or patents that disclose the claimed invention or elements of the claimed invention. To be prior art, the item or reference must have been made, known, used, published, or patented either before the invention was made [or insert date if undisputed] or more than one year before the filing date of the patent application. However, prior art does not include a publication that describes the inventor’s own work and was published less than one year before the date of invention. [Where appropriate, add limitation that subject matter developed by another which qualifies as prior art only under one or more of subsections (e), (f), and (g) of 35 U.S.C. § 102 where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person, or subject to an obligation of assignment to the same person.]

[For patent claims having a priority date on or after March 16, 2013]

Prior art may include knowledge, information and other items that were publicly known or available, or that have been used or offered for sale, publications, or patents that disclose the claimed invention or elements of the claimed invention. To be prior art, the item or reference must have (A) been made, known, used, published, or patented before the effective filing date of the current patent; or (B) been described in a patent, or in an application for patent published or deemed published, in which the patent or application names another inventor and was filed before the effective filing date of the current patent.

However, a disclosure³ made one year or less before the effective filing date of the current claims is not prior art to the [] patent if (A) the disclosure was made by the inventor or joint inventor named in the current patent or by another person who obtained the subject matter disclosed directly or indirectly from such inventor; or (B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or another person who obtained the subject matter disclosed directly or indirectly from such inventor.

In addition, a disclosure in a patent, or in an application for patent published or deemed published, in which the patent or application names another inventor and was filed before the effective filing date of the current patent is not prior art to the [] patent if (A) the subject matter disclosed was obtained directly or indirectly from the inventor or joint inventor named in the [] patent, (B) the subject matter disclosed had, before the effective filing date of the current patent, been publicly disclosed by the inventor or joint inventor named in the [] patent or another person who obtained the subject matter disclosed directly or indirectly from such inventor, or (C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the [

³ Under the America Invents Act, the statute does not explicitly define what constitutes a “disclosure” for purposes of the exception identified in 35 U.S.C. § 102(b). *See, e.g.*, Manual of Patent Examining Procedure (9th ed.), § 2152.04. As the case law develops and in appropriate circumstances, it may be prudent to provide the jury with an explanation of what qualifies as a “disclosure” under 35 U.S.C. § 102(b).

] patent, were owned by the same person or subject to an obligation of assignment to the same person.

When a party attacking the validity of a patent relies on prior art which was specifically considered by the Examiner during the prosecution of the application leading to the issuance of the patent, that party bears the burden of overcoming the deference due a qualified government agency official presumed to have performed his or her job. However, when a party attacking the validity of a patent relies on prior art which was not considered by the Examiner during the prosecution of the patent, you may take into account the fact that the prior art was not considered by the Examiner when the patent was issued. Prior art that differs from the prior art considered by the Examiner may carry more weight than the prior art that was considered.

IF INVENTION DATE OR DATE OF PRIOR ART IS DISPUTED:

In this case, you must determine the date of invention [or conception] [and/or] [reduction to practice] for the [claimed invention or alleged prior art]. The date of invention is either when the invention was reduced to practice or when conceived, provided the inventor(s) were diligent in subsequently reducing the invention to practice. Diligence means working continuously, though not necessarily every day. Conception is the mental part of an inventive act, i.e., the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice, even if the inventor did not know at the time that the invention would work. Conception of an invention is complete when the idea is so clearly defined in the inventor's mind that, if the idea were communicated to a person having ordinary skill in the field of the technology, he or she would be able to reduce the invention to practice without undue research or experimentation. This requirement does not mean that the inventor has to have a prototype built, or has actually explained her or his invention to another person. But, there must be some evidence beyond the inventor's own testimony that confirms the date on which the inventor had the complete idea. Conception may be proven when the invention is shown in its complete form by drawings, disclosure to another person, or other forms of evidence presented at trial.

A claimed invention is "reduced to practice" when it has been constructed/used/tested sufficiently to show that it will work for its intended purpose or when the inventor files a patent application. An invention may also be reduced to practice even if the inventor has not made or tested a prototype of the invention if it has been fully described in a filed patent application.

Authorities

Microsoft Corp. v. i4i LTD Partnership, 131 S.Ct. 2238, 2242, 2251, ___ U.S. ___ (2011); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986).

4.5a ANTICIPATION

[For patent claims having a priority date before March 16, 2013] A patent claim is invalid if the claimed invention is not new. For the claim to be invalid because it is not new, all of its requirements must have existed in a single device or method that predates the claimed invention, or must have been described in a single previous publication or patent that predates the claimed invention. If a patent claim is not new we say it is “anticipated” by a prior art reference.

[Alleged infringer] contends that claim(s) [] of the [] patent is/are invalid because the claimed invention(s) is/are anticipated. [Alleged infringer] must convince you of this by clear and convincing evidence, i.e., that the evidence highly probably demonstrates that the claim(s) is/are invalid.

The description in the written reference does not have to be in the same words as the claim, but all of the requirements of the claim must be there, either stated or necessarily implied, so that someone of ordinary skill in the field of [identify field] looking at that one reference would be able to make and use the claimed invention.

Here is a list of the ways that [alleged infringer] can show that a patent claim was not new [use those that apply to this case]:

(1) An invention is not new if it was known to or used by others in the United States before the [insert date of invention]. An invention is known when the information about it was reasonably accessible to the public on that date.

(2) An invention is not new if it was already patented or described in a printed publication, anywhere in the world before the [insert date of invention]. A reference is a “printed publication” if it is accessible to those interested in the field, even if it is difficult to find;

(3) An invention is not new if it was already made by someone else in the United States before [insert date of conception unless in issue], if that other person had not abandoned the invention or kept it secret;

(4) An invention is not new if it was already described in another issued U.S. patent or published U.S. patent application that was based on a patent application filed in the U.S. [or under the PCT system and designated the U.S. and published in English] before [insert date of the patent holder’s application filing date] [or] [insert date of conception unless at issue];

(5) An invention is not new if [named inventor] did not invent the claimed invention but instead learned of the claimed invention from someone else;

[For patent claims having a priority date on or after March 16, 2013]

A patent claim is invalid if the claimed invention is not new. For the claim to be invalid because it is not new, all of its requirements must have existed in a single prior art reference that predates the effective filing date of the claimed invention. If a patent claim is not new we say it is

“anticipated” by a prior art reference.

[Alleged infringer] contends that claim(s) [] of the [] patent is/are invalid because the claimed invention(s) is/are anticipated. [Alleged infringer] must convince you of this by clear and convincing evidence, i.e., that the evidence highly probably demonstrates that the claim(s) is/are invalid.

The description in the written reference does not have to be in the same words as the claim, but all of the requirements of the claim must be there, either stated or necessarily implied, so that someone of ordinary skill in the field of [identify field] looking at that one reference would be able to make and use the claimed invention.

Authorities

35 U.S.C. § 102(a), (c), (e), (f) and (g); *Flex-Rest, LLC v. Steelcase, Inc.*, 455 F.3d 1351, 1358-60 (Fed. Cir. 2006); *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 424 F.3d 1374, 1379-82 (Fed. Cir. 2005); *Apotex U.S.A., Inc. v. Merck & Co.*, 254 F.3d 1031, 1035 (Fed. Cir. 2001); *Mycogen Plant Science, Inc. v. Monsanto Co.*, 243 F.3d 1316, 1330 (Fed. Cir. 2001); *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1367-70 (Fed. Cir. 2000); *Singh v. Brake*, 222 F.3d 1362, 1366-70 (Fed. Cir. 2000); *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1349 (Fed. Cir. 1998); *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 1576-78 (Fed. Cir. 1997); *Lamb-Weston, Inc. v. McCain Foods, Ltd.*, 78 F.3d 540, 545 (Fed. Cir. 1996); *In re Bartfeld*, 925 F.2d 1450 (Fed. Cir. 1985); *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1574 (Fed. Cir. 1985); *American Stock Exch., LLC v. Mopies*, 250 F. Supp. 2d 323 (S.D.N.Y. 2003); *In re Wyer*, 655 F.2d 221, 226 (C.C.P.A. 1981).

B.4. Post-Trial Instructions – Invalidity

4.5b STATUTORY BARS⁴

A patent claim is invalid if the patent application was not filed within the time required by law. This is called a “statutory bar.” For a patent claim to be invalid by a statutory bar, all of its requirements must have been present in one prior art reference dated more than one year before the patent application was filed. This prior art can include the inventor’s own work or use of the claimed invention, or the inventor’s own efforts to commercialize the invention.

[Alleged infringer] contends that claim(s) [] of the [] patent is/are invalid because the [patent holder] lost the right to obtain a patent due to a statutory bar. [Alleged infringer] must convince you of this by clear and convincing evidence, i.e., that the evidence highly probably demonstrates that the claim(s) is/are invalid.

Here is a list of ways [alleged infringer] can show that the patent application was not timely filed: [choose those that apply]

(1) the claimed invention was already patented or described in a printed publication anywhere in the world before [insert date that is one year before the effective filing date of patent application]. [A reference is a “printed publication” if it is accessible to those interested in the field, even if it is difficult to find.];

(2) the claimed invention was already being openly used in the United States before [insert date that is one year before application filing date] and that use was not primarily an experimental use (a) controlled by the inventor, and (b) to test whether the invention worked for its intended purpose;

(3) a device or method using the claimed invention was sold or offered for sale in the United States, and that claimed invention was ready for patenting, before [insert date that is one year before application filing date]. [The claimed invention is not being [sold] [or] [offered for sale] if the [patent holder] shows that the [sale] [or] [offer for sale] was primarily experimental.] [The claimed invention is ready for patenting if it was actually built, or if the inventor had prepared drawings or other descriptions of the claimed invention that were sufficiently detailed to enable a person of ordinary skill in the field to make and use the invention based on them.];

(4) the [patent holder] had already obtained a patent on the claimed invention in a foreign country before filing the original U.S. application, and the foreign application was filed at least one year before the U.S. application.

For a claim to be invalid because of a statutory bar, all of the claimed requirements must have been either (1) disclosed in a single prior art reference, (2) implicitly disclosed in a reference to one skilled in the field, or (3) must have been present in the reference, whether or not that was understood at the time. The disclosure in a reference does not have to be in the same words as

⁴ This section is inapplicable to post AIA-claims (i.e., to any claimed invention having an effective filing date on or after March 16, 2013).

the claim, but all the requirements must be there, either described in enough detail or necessarily implied, to enable someone of ordinary skill in the field of [identify field] looking at the reference to make and use the claimed invention.

Authorities

35 U.S.C. § 102(b) and (d); *Pfaff v. Wells Elec. Inc.*, 525 U.S. 55 (1998); *Schering Corp. v. Geneva Pharms.*, 339 F.2d 1273 (Fed Cir. 2003); *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1346 (Fed. Cir. 2000); *Abbot Labs. v. Geneva Pharms., Inc.*, 182 F.3d 1315, 1318 (Fed. Cir. 1999); *Finnigan Corp. v. Int'l Trade Comm'n*, 180 F.3d 1354 (Fed. Cir. 1999); *J.A. LaPorte, Inc. v. Norfolk Dredging Co.*, 787 F.2d 1577, 1581 (Fed. Cir. 1986); *In re Hall*, 781 F.2d 897, 898-99 (Fed. Cir. 1986); *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1150 (Fed. Cir. 1983).

4.6 OBVIOUSNESS

Not all innovations are patentable. A patent claim is invalid if the claimed invention would have been obvious to a person of ordinary skill in the field [at the time the application was filed] [as of [insert date]] [or at the effective filing date of the claimed invention for post-AIA claims]. This means that even if all of the requirements of the claim cannot be found in a single prior art reference, a person of ordinary skill in the field of [identify field] who knew about all the prior art existing at the time the application was filed would have found it obvious to come up with the claimed invention. [Alleged infringer] may establish that a patent claim is invalid by showing, by clear and convincing evidence, that the claimed invention would have been obvious.

In determining whether a claimed invention is obvious, you must consider the scope and content of the prior art, the differences between the prior art and the claimed invention, the level of ordinary skill in the field [of the invention] that someone would have had at the time the claimed invention was made [or at the critical date for art triggering a statutory bar] [or at the effective filing date of the claimed invention for post-AIA claims], and the objective evidence of nonobviousness, if any.

Keep in mind that the existence of each and every element of the claimed invention in the prior art does not necessarily prove obviousness. Most, if not all, inventions rely on building blocks of prior art. In determining whether the claimed invention was obvious, consider each claim separately. Do not use hindsight, i.e., consider only what was known at the time of the invention [or the critical date] [or at the effective filing date of the claimed invention for post-AIA claims].

In considering whether a claimed invention is obvious, you may but are not required to find obviousness if you find that at the time of the claimed invention [or the critical date] [or at the effective filing date of the claimed invention for post-AIA claims] there was a reason that would have prompted a person having ordinary skill in the field of [the invention] to combine the known elements in a way the claimed invention does, taking into account such factors as (1) whether the claimed invention was merely the predictable result of using prior art elements according to their known function(s); (2) whether the claimed invention provides an obvious solution to a known problem in the relevant field; (3) whether the prior art teaches or suggests the desirability of combining elements claimed in the invention; (4) whether the prior art teaches away from combining elements in the claimed invention; (5) whether it would have been obvious to try the combinations of elements, such as when there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions; and (6) whether the change resulted more from design incentives or other market forces. To find that the prior art rendered the invention obvious, you must find that the prior art provided a reasonable expectation of success. That a combination of elements was “obvious to try” is not sufficient in unpredictable technologies.

Authorities

35 U.S.C. § 103(a). The four-factor test, including articulation of the objective factors, is found in *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *see also Ruiz v. A.B. Chance Co.*, 234

F.3d 654, 662-63 (Fed. Cir. 2000). The test was reaffirmed in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007) (“While the sequence of these questions might be reordered in any particular case, the factors continue to define the inquiry that controls.”). See also *Cordis Corp. v. Medtronic Ave., Inc.*, 511 F.3d 1157, 1172 (Fed. Cir. 2008). *KSR*, 550 U.S. at 419-20; *Esai Co. v. Dr. Reddy’s Labs. Ltd.*, 533 F.3d 1353, 1356-57 (Fed. Cir. 2008); *Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd.*, 492 F.3d 1350, 1356-57 (Fed. Cir. 2007); *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1380-81 (Fed. Cir. 1986).

B.4. Post-Trial Instructions – Invalidity

4.6a SCOPE AND CONTENT OF THE PRIOR ART

[Option 1: parties stipulate to prior art.]

In considering whether the claimed invention was obvious at the time it was made, you must consider the scope and content of the following prior art: [Insert art as stipulated].

[Option 2: parties dispute the prior art.]

In considering whether the claimed invention was obvious, you must first determine the scope and content of the prior art.

The scope and content of prior art for deciding whether the invention was obvious includes prior art in the same field as the claimed invention, regardless of the problem addressed by the item or reference, and prior art from different fields that a person of ordinary skill in the art using common sense might combine so as to solve the problem, like fitting together the pieces of a puzzle.

4.6b DIFFERENCES BETWEEN PRIOR ART AND CLAIMED INVENTION

The next question you must answer in determining whether or not the invention was obvious at the time it was made is what differences there are, if any, between the prior art and the patented invention. In analyzing this issue, do not focus solely on the differences between the prior art and the invention because the test is not whether there are differences. Rather, the test is whether or not the invention, as a whole, would have been obvious to one having ordinary skill in view of all the prior art at the time the invention was made [or at the effective filing date of the claimed invention for post-AIA claims]. If you conclude that the prior art discloses all the elements of the claimed invention, but those elements are in separate items, you must then consider whether or not it would have been obvious to combine those items.

4.6c LEVEL OF ORDINARY SKILL

In determining the level of ordinary skill in the field of [invention], you must consider all the evidence introduced at trial, including but not limited to: (1) the levels of education and experience of the inventor and other persons actively working in the field; (2) the types of problems encountered in the field; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; and (5) the sophistication of the technology.

B.4. Post-Trial Instructions – Invalidity

4.6d OBJECTIVE EVIDENCE OF NON-OBVIOUSNESS

You must also consider any objective evidence (sometimes called “secondary considerations”) that may shed light on the obviousness (or not) of the claimed invention, such as:

- a. Whether the invention was commercially successful as a result of the merits of the claimed invention (rather than the result of design needs, market-pressure, advertising or similar activities);
- b. Whether the invention satisfied a long-felt need;
- c. Whether others had tried and failed to make the invention;
- d. Whether others invented the invention at roughly the same time;
- e. Whether others copied the invention;
- f. Whether there were changes in related technologies or in market needs contemporaneous with the invention;
- g. Whether the invention achieved unexpected results;
- h. Whether others in the field praised the invention;
- i. Whether persons having ordinary skill in the art of the invention expressed surprise or disbelief regarding the invention;
- j. Whether others sought or obtained rights to the patent from the patent holder; and
- k. Whether the inventor proceeded contrary to accepted wisdom in the field.

Authorities

35 U.S.C. § 103; *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 407 (2007); *Ruiz v. A.B. Chance Co.*, 234 F.3d 654 (Fed. Cir. 2000); *Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957 (Fed. Cir. 1997); *Specialty Composites v. Cabot Corp.*, 845 F.2d 981, 991 (Fed. Cir. 1988); *Windsurfing Int’l, Inc. v. AMF, Inc.*, 782 F.2d 995, 1000 (Fed. Cir. 1986); *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 313 (Fed. Cir. 1985). See *Novo Nordisk A/S v. Becton Dickinson & Co.*, 304 F.3d 1216, 1219-20 (Fed. Cir. 2002); *Wang Labs. v. Toshiba Corp.*, 993 F.2d 858, 864 (Fed. Cir. 1993); *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007); *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1125 (Fed. Cir. 2000); *SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1355 (Fed. Cir. 2000); *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718-19 (Fed. Cir. 1991).

4.7 INVENTORSHIP

[This instruction should only be given in the event the alleged infringer has contended that the patent suffers from improper inventorship.]

In this case, [alleged infringer] contends that the [] patent is invalid because of improper inventorship. A patent is invalid if it fails to meet the requirement that all of the actual inventors, and only the actual inventors, be named as inventors in the patent. This is known as the “inventorship” requirement.

To be an inventor, one must make a significant contribution to the conception of at least one claim of the patent [even if that claim has not been alleged to be infringed]. Whether the contribution is significant is measured against the scope of the full invention. If someone only explains to the actual inventors well-known concepts or the current state of the art, he or she is not an inventor. Merely helping with experimentation, by carrying out the inventor’s instructions, also does not make someone an inventor. What is required is some significant contribution to the invention claimed.

Persons may be inventors even if they do not make the same type or amount of contribution, and even if they do not contribute to the subject matter of each claim of the patent. Persons may be joint or co-inventors even though they do not physically work together, but they must have some open line of communication during or at approximately the time of their inventive effort.

Authorities

35 U.S.C. §§ 102, 256; *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1349-50 (Fed. Cir. 1998) (“If a patentee demonstrates that inventorship can be corrected as provided for in section 256, a district court must order correction of the patent, thus saving it from being rendered invalid.”); *Eli Lilly & Co. v. Aradigm Corp.*, 376 F.3d 1352, 1358-59 (Fed. Cir. 2004); *Hess v. Advanced Cardiovascular Sys. Inc.*, 106 F.3d 976, 980-81 (Fed. Cir. 1997) (applying “clear and convincing evidence” standard to inventorship claims and finding plaintiff who offered suggestions to named inventors was not an inventor); *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 40 F.3d 1223, 1227-28 (Fed. Cir. 1994); *Shatterproof Glass Corp. v. Libbey-Owens Ford Co.*, 758 F.2d 613, 624 (Fed. Cir. 1985).

B.5. Post-Trial Instructions - Patent Damages

5.1 DAMAGES – BURDEN OF PROOF

I will instruct you about the measure of damages. By instructing you on damages, I am not suggesting which party should win on any issue. If you find that [alleged infringer] infringed any valid claim of the [] patent, you must then determine the amount of money damages to be awarded to [patent holder] to compensate it for the infringement.

The amount of damages must be adequate to compensate [patent holder] for the infringement. A damages award should put the patent holder in approximately the financial position it would have been in had the infringement not occurred, but in no event may the damages award be less than a reasonable royalty. You should keep in mind that the damages you award are meant to compensate the patent holder and not to punish an infringer.

[Patent holder] has the burden to persuade you of the amount of its damages. You should award only those damages that [patent holder] more likely than not suffered. While [patent holder] is not required to prove its damages with mathematical precision, it must prove them with reasonable certainty. [Patent holder] is not entitled to damages that are remote or speculative.

There are different types of damages that [patent holder] may be entitled to recover. In this case, [patent holder] seeks [insert as appropriate, e.g., lost profits, price erosion, lost conveyed sales, or a reasonable royalty]. Lost profits consist of any actual reduction in business profits [patent holder] suffered as a result of [alleged infringer]'s infringement. A reasonable royalty is defined as the money amount [patent holder] and [alleged infringer] would have agreed upon as a fee for use of the invention at the time prior to when infringement began. I will give more detailed instructions regarding damages shortly.

Authorities

35 U.S.C. § 284; *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1381-82 (Fed. Cir. 2003); *Grain Processing Corp. v. American Maize-Prod. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-09 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1544-45 (Fed. Cir. 1995) (en banc).

B.5. Post-Trial Instructions - Patent Damages

5.2 LOST PROFITS – GENERALLY

In this case, [patent holder] seeks to recover lost profits for some of [alleged infringer]’s sales of [infringing product], and a reasonable royalty on the rest of [alleged infringer]’s sales.

To recover lost profits (as opposed to reasonable royalties), [patent holder] must show a causal relationship between the infringement and [patent holder]’s loss of profit. In other words, [patent holder] must show that, but for the infringement, there is a reasonable probability that [patent holder] would have earned higher profits. To show this, [patent holder] must prove that, if there had been no infringement, [it would have made some portion of the sales that [alleged infringer] made of the infringing product,] [it would have sold more products that are functionally related to those products,] [it would have sold its products at higher prices,] [or it would have had lower costs].

Authorities

Aro Mfg. Co. v. Convertible Top Co., 377 U.S. 476, 502-07 (1964); *Beauregard v. Mega Sys., LLC*, 350 F.3d 1327, 1345-46 (Fed. Cir. 2003); *Central Soya Co. v. George A. Hormel & Co.*, 723 F.2d 1573, 1579 (Fed. Cir. 1983); *Lam, Inc. v. Johns-Manville Corp.*, 718 F.2d 1056, 1065 (Fed. Cir. 1983).

5.3a LOST PROFITS – FACTORS TO CONSIDER

[Patent holder] is entitled to lost profits if it proves all of the following:

- (1) that there was a demand for the patented [product] [method] [product produced by the method]. Demand for the patented [product] [method] [product produced by the method] can be proven by significant sales of a patent holder's patented [product] [method] [product produced by the method] or significant sales of an infringing [product] [method] [product produced by the method] containing the patented features;
- (2) that there were no available, acceptable, non-infringing substitutes, or, if there were, the number of the sales made by [alleged infringer] that [patent holder] would have made despite the availability of other non-infringing substitutes. An alternative may be considered available as a potential substitute even if it was not actually on sale during the infringement period. Factors suggesting that the alternative was available include whether the material, experience, and know-how for the alleged substitute were readily available. Factors suggesting that the alternative was not available include whether the material was of such high cost as to render the alternative unavailable and whether [alleged infringer] had to design or invent around the patented technology to develop an alleged substitute. An alternative may be considered acceptable if it had the advantages of the patented invention that were important to people who purchased an alleged infringer's product;
- (3) that [patent holder] had the manufacturing and marketing capacity to make any infringing sales actually made by the infringer and for which [patent holder] seeks an award of lost profits—in other words, that [patent holder] was capable of satisfying the demand; and
- (4) the amount of profit that [patent holder] would have made if [alleged infringer] had not infringed.

Authorities

Ericsson, Inc. v. Harris Corp., 352 F.3d 1369, 1377-79 (Fed. Cir. 2003); *Micro Chem., Inc. v. Lextron, Inc.*, 318 F.3d 1119, 1122-23 (Fed. Cir. 2003); *Gargoyles, Inc. v. United States*, 113 F.3d 1572, 1577-78 (Fed. Cir. 1997); *Carella v. Starlight Archery*, 804 F.2d 135, 141 (Fed. Cir. 1986); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 552-53 (Fed. Cir. 1984); *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1156 (6th Cir. 1978).

5.3b LOST PROFITS – MARKET SHARE

If [patent holder] establishes it would have made some, but not all, of [alleged infringer's] sales but for the infringement, the amount of sales that [patent holder] lost may be shown by proving [patent holder's] share of the relevant market, excluding infringing products. [Patent holder] may be awarded a share of profits equal to its market share even if there were noninfringing substitutes available. In determining [patent holder's] market share, the market must be established first, which requires determining which products are in that market. Products are considered in the same market if they are considered “sufficiently similar” to compete against each other. Two products are sufficiently similar if one does not have a significantly higher price than, or possess characteristics significantly different from, the other.

Authorities

Micro Chem., Inc. v. Lextron, Inc., 318 F.3d 1119, 1124 (Fed. Cir. 2003); *Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336, 1354-55 (Fed. Cir. 2001); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1580 (Fed. Cir. 1989); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 1 F.3d 1214, 1218-19 (Fed. Cir. 1993);

B.5. Post-Trial Instructions - Patent Damages

5.3c LOST PROFITS – COLLATERAL SALES

In this case, [patent holder] is seeking profits from sales of [x], which it contends it would have sold along with [y]. These products are called collateral products.

To recover lost profits on sales of such collateral products [patent holder] must prove two things. First, that it is more likely than not that [patent holder] would have sold the collateral products but for the infringement. Second, a collateral product and the patented product together must be analogous to components of a single assembly or parts of a complete machine, or they must constitute a functional unit.

Recovery for lost profits on sales of collateral products must not include items that essentially have no functional relationship to the competitive product and that have been sold with the competitive product only as a matter of convenience or business advantage.

Authorities

Rite-Hite Corp. v. Kelley Co., 56 F.3d 1538, 1550 (Fed. Cir. 1995) (en banc); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1580 (Fed. Cir. 1989); *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1157-58 (6th Cir. 1978).

B.5. Post-Trial Instructions - Patent Damages

5.3d LOST PROFITS – PRICE EROSION

[Patent holder] can recover additional damages if it can show to a reasonable probability that, if there had been no infringement, [patent holder] would have been able to charge higher prices for some of its products. In that case, you may also award as additional damages the amount represented by the difference between the amount of profits that [patent holder] would have made by selling its product at the higher price and the amount of profits [patent holder] actually made by selling its product at the lower price that [patent holder] charged for its product. This type of damage is referred to as price erosion damage.

If you find that [patent holder] suffered price erosion, you may also use the higher price in determining [patent holder]'s lost profits from sales lost because of the infringement. In calculating a patentee's total losses from price erosion, you must take into account any drop in sales that would have resulted from a higher price.

You may also award as damages the amount of any increase in costs of [patent holder], such as additional marketing costs, caused by competition from the infringing product.

Authorities

Ericsson, Inc. v. Harris Corp., 352 F.3d 1369, 1377-79 (Fed. Cir. 2003); *Vulcan Eng'g Co. v. FATA Aluminum, Inc.*, 278 F.3d 1366, 1377 (Fed. Cir. 2002); *Crystal Semiconductor Corp. v. Trittech Microelectronics Int'l, Inc.*, 246 F.3d 1336, 1357-58 (Fed. Cir. 2001); *Minco, Inc. v. Combustion Eng'g, Inc.*, 95 F.3d 1109, 1120 (Fed. Cir. 1996); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 1 F.3d 1214, 1220 (Fed. Cir. 1993); *Kalman v. Berlyn Corp.*, 914 F.2d 1473, 1485 (Fed. Cir. 1990); *Wechsler v. Macke Int. Trade, Inc.*, 486 F. 3d 1286, 1293-94 (Fed. Cir. 2007).

B.5. Post-Trial Instructions - Patent Damages

5.4a REASONABLE ROYALTY – ENTITLEMENT

If [patent holder] has not proved its claim for lost profits, or has proved its claim for lost profits for only a portion of the infringing sales, then [patent holder] should be awarded a reasonable royalty for all infringing sales for which it has not been awarded lost profits damages.

Authorities

35 U.S.C. § 284; *Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336 (Fed. Cir. 2001); *Fromson v. Western Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1998) (overruled on other grounds); *Minco, Inc. v. Combustion Eng'g, Inc.*, 95 F.3d 1109, 1119-20 (Fed. Cir. 1996); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc).

5.4b REASONABLE ROYALTY – DEFINITION

A royalty is a payment made to a patent holder in exchange for the right to make, use or sell the claimed invention. This right is called a “license.” A reasonable royalty is the payment for the license that would have resulted from a hypothetical negotiation between the patent holder and the infringer taking place at the time just prior to when the infringing activity first began. In considering the nature of this negotiation, you must assume that the patent holder and the infringer would have acted reasonably and would have entered into a license agreement. You must also assume that both parties believed the patent was valid and infringed. Your role is to determine what the result of that negotiation would have been. The test for damages is what royalty would have resulted from the hypothetical negotiation and not simply what either party would have preferred.

A royalty can be calculated in several different ways and it is for you to determine which way is the most appropriate based on the evidence you have heard. One way to calculate a royalty is to determine what is called an “ongoing royalty.” To calculate an ongoing royalty, you must first determine the “base,” that is, the product on which the infringer is to pay. You then need to multiply the revenue the defendant obtained from that base by the “rate” or percentage that you find would have resulted from the hypothetical negotiation. For example, if the patent covers a nail, and the nail sells for \$1, and the licensee sold 200 nails, the base revenue would be \$200. If the rate you find would have resulted from the hypothetical negotiation is 1%, then the royalty would be \$2, or the rate of .01 times the base revenue of \$200.

[If the patent covers only part of the product that the infringer sells, then the base would normally be only that feature or component. For example, if you find that for a \$100 car, the patented feature is the tires which sell for \$5, the base revenue would be \$5. If the patent covers a feature of a component of a product that is not sold, the base should be apportioned down to a reasonable estimate of the value of that feature.]

[However, in a circumstance in which the patented feature is the reason customers buy the whole product or substantially creates the value of the other components of the product, the base revenue could be the value of the whole product.]

[In this case the [] patent covers only one component of the product that [alleged infringer] uses or sells. It is [patent holder]’s burden to demonstrate what value that component has added to the desirability of the product as a whole and to separate the value of the patented contributions from the value of other parts of the product that are not attributable to the patented invention.]

The ultimate combination of royalty base and royalty rate must reflect the value attributable to the infringing features of the product, and no more. When the accused infringing products have both patented and unpatented features, measuring this value requires you to identify and award only the value of the patented features.

A second way to calculate a royalty is to determine a one-time lump sum payment that the

infringer would have paid at the time of the hypothetical negotiation for a license covering all sales of the licensed product both past and future. This differs from payment of an ongoing royalty because, with an ongoing royalty, the licensee pays based on the revenue of actual licensed products it sells. When a one-time lump sum is paid, the infringer pays a single price for a license covering both past and future infringing sales.

It is up to you, based on the evidence, to decide what type of royalty is appropriate in this case.

Authorities

Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 (Fed. Cir. 2010) (per curiam); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009) *cert. denied*, 130 S. Ct. 3324 (2010); *Golight, Inc., v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1338 (Fed. Cir. 2004); *Maxwell v. Baker, Inc.*, 86 F.3d 1098, 1108-10 (Fed. Cir. 1996); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-81 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc); *Georgia-Pacific Corp. v. United States Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970); *Versata Software, Inc. v. SAP Am., Inc.*, 717 F.3d 1255, 1268 (Fed. Cir. 2013); *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1326-34 (Fed. Cir. 2014).

5.4c REASONABLE ROYALTY—RELEVANT FACTORS

In determining the reasonable royalty, you should consider all the facts known and available to the parties at the time the infringement began. Some of the kinds of factors that you may consider in making your determination are:

- (1) The royalties received by the [patent holder] for the licensing of the patent-in-suit, proving or tending to prove an established royalty.
- (2) The rates paid by the [alleged infringer] for the use of other patents comparable to the patent-in-suit.
- (3) The nature and scope of the license, as exclusive or nonexclusive, or as restricted or nonrestricted in terms of territory or with respect to whom the manufactured product may be sold.
- (4) [Patent holder's] established policy and marketing program to maintain its patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly.
- (5) The commercial relationship between [patent holder] and [alleged infringer], such as whether they are competitors in the same territory in the same line of business, or whether they are inventor and promoter.
- (6) The effect of selling the patented specialty in promoting sales of other products of [alleged infringer], the existing value of the invention to [patent holder] as a generator of sales of its nonpatented items, and the extent of such derivative or convoyed sales.
- (7) The duration of the patent and the term of the license.
- (8) The established profitability of the product made under the patents, its commercial success, and its current popularity.
- (9) The utility and advantages of the patented property over the old modes or devices, if any, that had been used for working out similar results.
- (10) The nature of the patented invention, the character of the commercial embodiment of it as owned and produced by [patent holder], and the benefits to those who have used the invention.
- (11) The extent to which [alleged infringer] has made use of the invention and any evidence probative of the value of that use.
- (12) The portion of the profit or of the selling price that may be customary in the particular business or in comparable business to allow for the use of the invention or analogous inventions.

(13) The portion of the realizable profits that should be credited to the invention as distinguished from nonpatented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer.

(14) The opinion and testimony of qualified experts.

(15) The amount that a licensor such as [patent holder] and a licensee such as [alleged infringer] would have agreed upon at the time the infringement began if both had been reasonably and voluntarily trying to reach an agreement; that is, the amount which a prudent licensee—who desired, as a business proposition, to obtain a license to manufacture and sell a particular article embodying the patented invention—would have been willing to pay as a royalty and yet be able to make a reasonable profit and which amount would have been acceptable by a prudent patentee who was willing to grant a license.

No one factor is dispositive and you can and should consider the evidence that has been presented to you in this case on each of these factors. You may also consider any other factors which in your mind would have increased or decreased the royalty [alleged infringer] would have been willing to pay and [patent holder] would have been willing to accept, acting as normally prudent business people. The final factor establishes the framework which you should use in determining a reasonable royalty, that is, the payment that would have resulted from a negotiation between the patent holder and the infringer taking place at a time just prior to when the infringement began.

Authorities

Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 (Fed. Cir. 2010) (per curiam); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009), cert. denied, 130 S. Ct. 3324 (2010) (vacating and rewarding jury award as excessive); *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1338 (Fed. Cir. 2004); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-10 (Fed. Cir. 1996); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-81 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc); *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970).

5.5 DATE OF COMMENCEMENT – PRODUCTS

Damages that [patent holder] may be awarded by you commence on the date that [alleged infringer] has both infringed and been notified of the alleged infringement of the [] patent: [use those that apply to this case]

[Patent holder] and [alleged infringer] agree that date was [insert date];

If you find that [patent holder] sells [or licenses] a product that includes the claimed invention, you must determine whether [patent holder or licensee] has “marked” that product with the patent number. “Marking” is placing either the word “patent” or the abbreviation “pat.” with the patent’s number on substantially all of the products that include the patented invention, or by fixing thereon the word “patent” or the abbreviation “pat.” together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent. [Patent holder] has the burden of establishing that it substantially complied with the marking requirement. This means [patent holder] must show that it marked substantially all of the products it made, offered for sale, or sold under the [] patent, [and that [patent holder] made reasonable efforts to ensure that its licensees who made, offered for sale, or sold products under the [] patent marked the products].

If [patent holder or licensee] has not marked that product with the patent number, you must determine the date that [alleged infringer] received actual notice of the [] patent and the specific product alleged to infringe. [Actual notice means that [patent holder] communicated to [alleged infringer] a specific charge of infringement of the [] patent by a specific accused product or device. The filing of the complaint in this case qualified as actual notice, so the damages period begins no later than the date the complaint was filed.] [However, [patent holder] claims to have provided actual notice prior to filing of the complaint, on [date], when it [sent a letter to [alleged infringer]]. [Patent holder] has the burden of establishing that it is more probable than not [alleged infringer] received notice of infringement on [date].]

If you find that [patent holder] [choice A] does not sell [or license] a product covered by the [] patent [or choice B] sells [or licenses] such a product but marks the product with the patent number, damages begin without the requirement for actual notice. If you find that the [] patent was granted before the infringing activity began, damages should be calculated as of the date you determine that the infringement began. If you find that the [] patent was granted after the infringing activity began, damages should be calculated as of [date patent issued].

Authorities

35 U.S.C. § 287; *Crystal Semiconductor Corp. v. Tritech Microelectronics Int’l, Inc.*, 246 F.3d 1336 (Fed. Cir. 2001); *Nike Inc. v. Wal-Mart Stores*, 138 F.3d 1437, 1443-44 (Fed. Cir. 1998); *Maxwell v. Baker, Inc.*, 86 F.3d 1098, 1111-12 (Fed. Cir. 1996); *American Med. Sys. v. Medical Eng’g Corp.*, 6 F.3d 1523, 1534 (Fed. Cir. 1993); *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062,

1066 (Fed. Cir. 1987).

NOTE:

In determining when damages begin with regard to method claims, there is no notice requirement. 35 U.S.C. § 287(c)(2)(F); *see Am. Med. Sys.*, 6 F.3d at 1538 (“The law is clear that the notice provisions of section 287 do not apply where the patent is directed to a process or method.”). Accordingly, the calculation of damages for infringement of method claims should begin as of the date the patent issued or the date the infringement began, whichever was first. *Crystal Semiconductor*, 246 F.3d at 1353.

**5.6 CALCULATING DAMAGES IN CASES OF
INDUCEMENT OR CONTRIBUTORY INFRINGEMENT**

In order to recover damages for induced infringement, [patent holder] must either prove that the [accused product] necessarily infringes the [patent in suit] or prove acts of direct infringement by others that were induced by [accused infringer]. Because the amount of damages for induced infringement is limited by the number of instances of direct infringement, [patent holder] must further prove the number of direct acts of infringement of the [patent in suit], for example, by showing individual acts of direct infringement or by showing that a particular class of [products] [uses] directly infringes.

In order to recover damages for contributory infringement, [patent holder] must either prove that the [accused product] necessarily infringes the [patent in suit] or prove acts of direct infringement by others to which [accused infringer] made a substantial contribution. Because the amount of damages for contributory infringement is limited by the number of instances of direct infringement, [patent holder] must further prove the number of direct acts of infringement of the [patent in suit], for example, either by showing individual acts of direct infringement or by showing that a particular class of [products] [uses] directly infringes.

Authorities

Dynacore Holdings Corp. v. U.S. Philips Corp., 363 F.3d 1263 (Fed. Cir. 2004); *Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc.*, 576 F.3d 1348 (Fed. Cir. 2009).

GLOSSARY

Some of the terms in this glossary will be defined in more detail in the instructions you are given. The definitions in the instructions must be followed and must control your deliberations.

[Add any technical terms from the art involved that may be used during trial and have agreed-upon definitions and delete any of the following terms which may not be applicable in a particular case.]

Abstract: A brief summary of the technical disclosure in a patent to enable the U.S. Patent and Trademark Office and the public to determine quickly the nature and gist of the technical disclosure in the patent.

Amendment: A patent applicant's change to one or more claims or to the specification either in response to an office action taken by a Patent Examiner or independently by the patent applicant during the patent application examination process, i.e., the patent prosecution.

Anticipation: A situation in which all of the requirements of a claimed invention existed in a single device or method that predates the claimed invention, or were described in a single publication or patent that predates the claimed invention and, therefore, the claimed invention is not considered new and is not entitled to be patented.

Assignment: A transfer of patent rights by an owner of the patent rights ("assignor") to another called an "assignee" who upon transfer becomes the owner of the rights assigned.

Claim: Each claim of a patent is a concise, formal definition of an invention and appears at the end of the specification in a separately numbered sentence. In concept, a patent claim marks the boundaries of the patent in the same way that a legal description in a deed specifies the boundaries of land, i.e. similar to a land owner who can prevent others from trespassing on the bounded property, the inventor can prevent others from using what is claimed. Claims may be independent or dependent. An independent claim stands alone and does not refer to any other claim of the patent. A dependent claim does not stand alone and refers to one or more other claims. An independent claim is read alone to determine the elements that the claim covers. A dependent claim incorporates all of the elements of the other referenced claim or claims, therefore, one must look at the elements of the referenced independent claim or claims and the dependent claim to determine what the dependent claim covers.

Conception: The complete mental part of the inventive act which must be capable of proof, as by drawings, disclosure to another, etc.

Continuation Application: A patent application filed during prosecution of an earlier application which has the same disclosure as the original application and does not include anything which would constitute new matter if inserted in the original application.

Continuation-In-Part (C-I-P) Application: A patent application filed during prosecution of an earlier application which repeats some or all of the content of the earlier application and adds matter not disclosed in the earlier application to support the addition of new patent claims.

Drawings: The drawings are visual representations of the claimed invention contained in a patent application and issued patent, and usually include several figures illustrating various aspects of the claimed invention.

Elements: The required parts of a device or the required steps of a method. A device or method infringes a patent if it contains each and every requirement of a patent claim.

Embodiment: A product or method that contains the claimed invention.

Enablement: A description of the invention that is sufficient to enable persons skilled in the field of the invention to make and use the invention. The specification of the patent must contain such an enabling description.

Examination: Procedure before the U.S. Patent and Trademark Office whereby a Patent Examiner reviews the filed patent application to determine if the claimed invention is patentable.

Filing Date: Date a patent application, with all the required sections, has been submitted to the U.S. Patent and Trademark Office.

Infringement: Violation of a patent occurring when someone makes, uses, offers to sell or sells or imports into the United States a patented invention, without permission of the patent holder, within the United States during the term of the patent. Infringement may be direct, by inducement, or contributory. Direct infringement is making, using or selling the patented invention without permission. Inducing infringement is intentionally causing another to directly infringe a patent. Contributory infringement is offering to sell or selling an item that is an important component of the invention, so that the buyer directly infringes the patent. To be a contributory infringer one must know that the part being offered or sold is designed specifically for infringing the patented invention and is not a common component suitable for non-infringing uses.

Limitation: A required part of an invention set forth in a patent claim. A limitation is a requirement of the invention. The word “limitation” is often used interchangeably with the word “requirement” or “claim element”

Nonobviousness: One of the requirements for securing a patent. To be patentable, the subject matter of the invention must not have been obvious to a person of ordinary skill in the field of the invention at the time of the earlier of the filing date of the patent application or the date of invention.

Office Action: A written communication from the Patent Examiner to the patent applicant in the course of the application examination process, that is, prosecution.

Patent: A patent is an exclusive right granted by the U.S. Patent and Trademark Office to an inventor to prevent others from making, using, offering to sell, or selling an invention within the United States, or from importing it into the United States, during the term of the patent. When the patent expires, the right to make, use or sell the invention is dedicated to the public. The patent has three parts, which are a specification, drawings and claims. The patent is granted after examination by the U.S. Patent and Trademark Office of a patent application filed by the inventor which has these parts, and written record of this examination is called the prosecution history.

Patent and Trademark Office (PTO): An administrative branch of the U.S. Department of Commerce that is charged with overseeing and implementing the federal laws of patents and trademarks. It is responsible for examining all patent applications and issuing all patents in the United States.

Prior Art: Includes things that existed before the claimed invention, that were publicly known, or used in a publicly accessible way in this country, or that were patented or described in a publication, in any country. Prior art includes issued patents, publications, items that have been used or offered for sale or sold, that disclose the claimed invention or elements of the claimed invention and other knowledge deemed to be publicly available such as trade skills, trade practices and the like.

Prosecution History: The prosecution history is the complete written record of the proceedings in the PTO from the initial application to the issued patent. The prosecution history includes the office actions taken by the PTO and the amendments to the patent application filed by the applicant during the examination process.

Reads On: A patent claim “reads on” a device or method when each required part (requirement) of the claim is found in the device or method.

Reduction to Practice: The invention is “reduced to practice” when it is sufficiently developed to show that it would work for its intended purpose.

Reexamination: A process conducted after issuance of a patent in which a patent is reexamined by the PTO to determine whether one or more of the claims are patentable with respect to newly submitted prior art which may consist only of prior patents or printed publications. An “ex parte” reexamination is initiated by the patent holder or a third party, but does not include the further participation of any third party. An “inter partes” reexamination is initiated by a third party who continues to participate in the proceedings.

Requirement: A required part or step of an invention set forth in a patent claim. The word “requirement” is often used interchangeably with the word “limitation” or “claim element”.

Royalty: A royalty is a payment made to the owner of a patent by a non-owner in exchange for rights to make, use or sell the claimed invention.

Specification: The specification is a required part of a patent application and an issued patent. It is a written description of the invention and of the manner and process of making and using the claimed invention.