

## **Appendix E**

### **Model Patent Jury Instructions**

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The Federal Circuit Bar Association, Model Jury Instructions (January 2016)

Model Patent Jury Instructions for the Northern District of California (June 17, 2014)

AIPLA Model Patent Jury Instructions (2012)

**THE FEDERAL CIRCUIT BAR ASSOCIATION**

**MODEL PATENT JURY INSTRUCTIONS**

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## **Acknowledgement**

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## **Preliminary Instructions**

## **A.1 Preliminary Instructions**

### **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 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”). A valid United States patent gives the patent holder the right [for up to 20 years from the date the patent application was filed] [for 17 years from the date the patent issued] 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, without the patent holder’s permission. A violation of the patent holder’s rights is called infringement. The patent holder may try to enforce a patent against persons believed to be infringers by a lawsuit filed in federal court.

The process of obtaining a patent is called patent prosecution. To obtain a patent, one must first 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 contains a written description of the claimed invention telling what the invention is, how it works, how to make it, and how to 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.

After the applicant files the application, an Examiner reviews the application to determine whether or not the claims are patentable (appropriate for patent protection) and whether or not the specification adequately describes the invention claimed. In examining a patent application, the Examiner reviews certain information about the state of the technology at the time the application was filed. The PTO searches for and reviews information that is publicly available or that is submitted by the applicant. This information is called “prior art.” The Examiner reviews this prior art to determine whether or not the invention is truly an advance over the state of the art at the time. Prior art is defined by law, and I will give you, at a later time during these instructions, specific instructions as to what constitutes prior art. However, in general, prior art includes information that demonstrates the state of technology that existed before the claimed invention was made or before the application was filed. 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 Examiner informs the applicant in writing of what the Examiner has found and whether the Examiner considers any claim to be patentable and, thus, would be “allowed.” This writing from the Examiner is called an “Office Action.” If the Examiner rejects the claims, the applicant has an opportunity to respond to the Examiner to try to persuade the Examiner to allow the claims, and to change the claims or to submit new claims. This process may go back and forth for some time until the Examiner is satisfied that the application meets the requirements for a patent and the application issues as a patent, or that the application should be rejected and no patent should issue. Sometimes, patents

are issued after appeals within the PTO or to a court. The papers generated during these communications between the Examiner and the applicant are called the “prosecution history.”

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 other prior art 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. It is your job to consider the evidence presented by the parties and determine independently whether or not [alleged infringer] has proven that the patent is invalid.

## A.2 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 case involves United States Patent No(s). [ ], obtained by [inventor], and transferred by [inventor] to [patent holder]. For your convenience, the parties and I will often refer to this patent number [full patent number] by the last three numbers of the patent number, namely, as the “[last three numbers of the patent] patent.”

[Patent holder] filed suit in this court seeking money damages from [alleged infringer] for allegedly infringing the [ ] patent by [making], [importing], [using], [selling], [offering for sale], [supplying or causing to be supplied in or from the United States all or a substantial portion of the components of a patented invention] [in/into/within] the United States [products] [methods] [products which are made by a process patented in the United States] that [patent holder] argues are covered by claims [ ] of the [ ] patent. [[Patent holder] also argues that [alleged infringer] has [actively induced infringement of these claims of the [ ] patent by others] [and/or] [contributed to the infringement of 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. [Alleged infringer] also argues that claims [ ] are invalid. I will instruct you later as to the ways in which a patent may be invalid. In general, however, a patent is invalid if it is not new or is obvious in view of the state of the art at the relevant time, or if the description in the patent does not meet certain requirements. [Add other defenses, if applicable.]

Your job will be to decide whether or not claims [ ] of the [ ] patent have been infringed and whether or not 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. [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 damages award you give. I will take willfulness into account later.]



### **A.3 Preliminary Instructions**

#### **PATENT AT ISSUE**

[The Court should show the jury the patent at issue and point out the parts, which include the specification, drawings, and claims, including the claims at issue. The Court may wish to include a joint, nonargumentative statement of the patented subject matter at this point in the instructions.

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 the claims of the [ ] patent. You have been given a document reflecting those meanings. For a claim term for which I have not provided you with a definition, you should apply the ordinary meaning. 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 wish to give preliminary instructions that are applicable to the specific issues in the case. This may help focus the jury on the facts that are relevant to the issues it will have to decide. Even if preliminary instructions are given, the Court would, nonetheless, give complete instructions at the close of evidence.]

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 opportunity for the lawyers to explain what they expect the evidence will show.

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 certain facts have been proven by a preponderance of the evidence. A preponderance of the evidence means that the fact that is to be proven is more likely true than not, i.e., that the evidence in favor of that fact being true is sufficient to tip the scale, even if slightly, in its favor. On other issues that I will identify for you, you must use a higher standard and decide whether the fact has been proven by clear and convincing evidence, i.e., that you have been left with a clear conviction that the fact has been proven.

These standards are different from what you may have heard about in criminal proceedings where a fact must be proven beyond a reasonable doubt. On a scale of these various standards of proof, as you move from preponderance of the evidence, where the proof need only be sufficient to tip the scale in favor of the party proving the fact, to beyond a reasonable doubt, where the fact must be proven to a very high degree of certainty, you may think of clear and convincing evidence as being between the two standards.

After the opening statements, [patent holder] will present its evidence in support of its contention that [some of the] [the] claims of the [ ] patent have been [and continue to be] infringed by [alleged infringer] [and that the infringement has been [and continues to be] willful]. To prove infringement of any claim, [patent holder] must persuade you that it is more likely than not that [alleged infringer] has infringed that claim. [To persuade you that any infringement was willful, [patent holder] must prove that the infringement was willful by clear and convincing evidence.]

[Alleged infringer] will then present its evidence that the claims of the [ ] patent are invalid [and/or unenforceable]. To prove invalidity [and/or unenforceability] of any claim, [alleged infringer] must persuade you by clear and convincing evidence that the claim is invalid [and/or unenforceable]. In addition to presenting its evidence of invalidity [and/or unenforceability], [alleged infringer] will put on evidence responding to [patent holder]'s proof of infringement [and willfulness].

[Patent holder] may then put on additional evidence responding to [alleged infringer]'s evidence that the claims of the [ ] patent are invalid [and/or unenforceable], and to offer any additional evidence of infringement [and willfulness]. This is referred to as “rebuttal” evidence. [Patent holder]'s “rebuttal” evidence may respond to any evidence offered by [alleged infringer].

Finally, [alleged infringer] may have the option to put on its “rebuttal” evidence to support its contentions as to the validity [and/or enforceability] of [some of the] [the] claims of the [ ] patent by responding to any evidence offered by [patent holder] on that issue.

[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. The attorneys' comments are not evidence and the attorneys are being allowed to comment solely for the purpose of helping you to understand the evidence.]

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]. These closing arguments by the attorneys are not evidence. After the closing arguments and instructions, you will then decide the case.

**Instructions at the Close of Evidence**

## B.1 Summary of Contentions

### SUMMARY OF CONTENTIONS

As I did at the start of the case, I will first give you a summary of each side's contentions in this case. I will then provide you with detailed instructions on 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. [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 [alleged infringer] has infringed the asserted claims of the [ ] patent 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. [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 damages award you make. I will take willfulness into account later.]

## **B.2 Claim Construction**

### **2.1 THE ROLE OF THE CLAIMS OF A PATENT**

Before you can decide many of the issues in this case, you will need to understand the role of patent “claims.” The patent claims are the numbered sentences at the end of each patent. The claims are important because it is the words of the claims that define what a patent covers. The figures and text in the rest of the patent provide a description and/or examples of the invention and provide a context for the claims, but it is the claims that define the breadth of the patent’s coverage. Each claim is effectively treated as if it were a separate patent, and each claim may cover more or less than another claim. Therefore, what a patent covers depends, in turn, on what each of its claims covers.

You will first need to understand what each claim covers in order to decide whether or not there is infringement of the claim and to decide whether or not the claim is invalid. The law says that it is my role to define the terms of the claims and it is your role to apply my definitions to the issues that you are asked to decide in this case. Therefore, as I explained to you at the start of the case, I have determined the meaning of the claims and I will provide to you my definitions of certain claim terms. You must accept my definitions of these words in the claims as being correct. It is your job to take these definitions and apply them to the issues that you are deciding, including the issues of infringement and validity.



## B.2 Claim Construction

### 2.2 HOW A CLAIM DEFINES WHAT IT COVERS

I will now explain how a claim defines what it covers.

A claim sets forth, in words, a set of requirements. Each claim sets forth its requirements in a single sentence. If a device or a method satisfies each of these requirements, then it is covered by the claim.

There can be several claims in a patent. Each claim may be narrower or broader than another claim by setting forth more or fewer requirements. The coverage of a patent is assessed claim-by-claim. In patent law, the requirements of a claim are often referred to as “claim elements” or “claim limitations.” When a thing (such as a product or a process) meets all of the requirements of a claim, the claim is said to “cover” that thing, and that thing is said to “fall” within the scope of that claim. In other words, a claim covers a product or process where each of the claim elements or limitations is present in that product or process.

Sometimes the words in a patent claim are difficult to understand, and therefore it is difficult to understand what requirements these words impose. It is my job to explain to you the meaning of the words in the claims and the requirements these words impose.

As I just instructed you, there are certain specific terms that I have defined and you are to apply the definitions that I provide to you.

By understanding the meaning of the words in a claim and by understanding that the words in a claim set forth the requirements that a product or process must meet in order to be covered by that claim, you will be able to understand the scope of coverage for each claim. Once you understand what each claim covers, then you are prepared to decide the issues that you will be asked to decide, such as infringement and invalidity.

#### Authorities

For “comprising,” *see, e.g., Cook Biotech Inc. v. ACell, Inc.*, 460 F.3d 1365, 1373-78 (Fed. Cir. 2006); *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 327 F.3d 1364, 1368 (Fed. Cir. 2003) (“The transition ‘comprising’ in a method claim . . . is open-ended and allows for additional steps.”); for “consisting of,” *see, e.g., Conoco, Inc. v. Energy & Env’tl. Int’l, L.C.*, 460 F.3d 1349, 1358-61 (Fed. Cir. 2006); *Vehicular Techs. Corp. v. Titan Wheel Int’l, Inc.*, 212 F.3d 1377, 1383 (Fed. Cir. 2000) (“In simple terms, a drafter uses the phrase ‘consisting of’ to mean ‘I claim what follows and nothing else.’”); for “consisting essentially of,” *see, e.g., CIAS, Inc. v. Alliance Gaming Corp.*, 504 F.3d 1356, 1361 (Fed. Cir. 2007); *AK Steel Corp. v. Sollac & Ugine*, 344 F.3d 1234, 1239 (Fed. Cir. 2003) (“consisting essentially of” is a middle ground between open-ended term “comprising” and closed-ended phrase “consisting of”).

## **B.2 Claim Construction**

### **2.2a INDEPENDENT AND DEPENDENT CLAIMS**

[This instruction should only be given where both dependent and independent claims are at issue.]

This case involves two types of patent claims: independent claims and dependent claims.

An “independent claim” sets forth all of the requirements that must be met in order to be covered by that claim. Thus, it is not necessary to look at any other claim to determine what an independent claim covers. In this case, claim(s) [ ] of the [ ] patent are each independent claims.

The remainder of the claims in the [ ] patent are “dependent claims.” A dependent claim does not itself recite all of the requirements of the claim but refers to another claim for some of its requirements. In this way, the claim “depends” on another claim. A dependent claim incorporates all of the requirements of the claim(s) to which it refers. The dependent claim then adds its own additional requirements. To determine what a dependent claim covers, it is necessary to look at both the dependent claim and any other claim(s) to which it refers. A product [or process] that meets all of the requirements of both the dependent claim and the claim(s) to which it refers is covered by that dependent claim.

[Note: It may be helpful to submit to the jury a chart setting forth all dependencies for each dependent claim.]

## B.2 Claim Construction

### 2.3 CLAIM INTERPRETATION

I will now explain to you the meaning of some of the words of the claims in this case. In doing so, I will explain some of the requirements of the claims. As I have previously instructed you, you must accept my definition of these words in the claims as correct. For any words in the claim for which I have not provided you with a definition, you should apply their common meaning. You should not take my definition of the language of the claims as an indication that I have a view regarding how you should decide the issues that you are being asked to decide, such as infringement and invalidity. These issues are yours to decide.

[Court gives its claim interpretation. This instruction may be divided up into claim-by-claim sub-instructions if the Court believes it would be helpful.]

#### Authorities

*Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996) (claim construction of a patent, including claim terms, is exclusively within the province of the court); *O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1360-63 (Fed. Cir. 2008) (remanding to the district court to determine the construction of “only if” when the “ordinary” meaning did not resolve the parties’ dispute); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (en banc) (“ordinary and customary meaning” is based on the understanding of a person of ordinary skill in the art in question at the time of the invention); *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1304 (Fed. Cir. 1999) (claim construction is a question of law reviewed de novo); *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448, 1456 (Fed. Cir. 1998) (same); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 977 (Fed. Cir. 1995) (in jury cases, court has obligation to construe claim terms).

## B.2 Claim Construction

### 2.3a SECTION 112, PARAGRAPH 6

[This instruction should only be given where the asserted claims include means-plus-function or step-plus-function requirements.]

Where claims include means-plus-function requirements:

Claim [ ] uses the phrase “means for [function].” This “means for” phrase has a special meaning in patent law. It is called a “means-plus-function” requirement. It does not cover all of the structures that could perform the function set forth in the claim, namely, “[function].” Instead, it covers a structure or a set of structures that performs that function and that is either identical or “equivalent” to [at least one of] the [set(s) of] structure(s) described in the [ ] patent for performing that function. The issue of whether two structures are identical or equivalent is for you to decide. I will explain to you later how to determine whether two structures or two sets of structures are “equivalent” to one another. For purposes of this case, I have identified the [set(s) of] structure(s) described in the [ ] patent that perform(s) the function of “[function].” [Claims [ ] also include similar means-plus-function requirements.] When I read you my definitions for certain claim terms a few moments ago, I identified the structures described in the [ ] patent for performing the relevant functions. You should apply my definition of the function and the structures described in the [ ] patent for performing it as you would apply my definition of any other claim term.

Where claims include step-plus-function requirements:

Claim [ ] uses the phrase “step for [function].” It does not cover all of the acts that could perform the function set forth in the claim. Instead, it covers acts that perform that function and are either identical or “equivalent” to [at least one of] the [set(s) of] act(s) described in the [ ] patent for performing that function. The issue of whether two structures are identical or equivalent is for you to decide. I will explain to you later how to determine whether two acts or two sets of acts are “equivalent” to one another. For purposes of this case, I have identified the [set(s) of] act(s) described in the [ ] patent that perform(s) the function of “[function].” [Claims [ ] also include similar step-plus-function requirements.] When I read you my definitions for certain claim terms a few moments ago, I identified the acts described in the [ ] patent for performing the relevant functions. You should apply my definition of the function and the acts described in the [ ] patent for performing it as you would apply my definition of any other claim term.

#### Authorities

35 U.S.C. § 112, ¶ 6; *Allvoice Computing PLC v. Nuance Commc'ns, Inc.*, 504 F.3d 1236, 1240-41 (Fed. Cir. 2007); *Applied Med. Res. Corp. v. U.S. Surgical Corp.*, 448 F.3d 1324, 1332-34 (Fed. Cir. 2006) (explaining that an object meeting a means-plus-function limitation with two functions must perform both claimed functions and be an equivalent structure. Equivalence of structure can be shown here if the objects perform both identical functions in substantially the same way to achieve substantially the same result.); *Al-Site Corp. v. VSI Int'l Inc.*, 174 F.3d 1308, 1318-21 (Fed. Cir. 1999) (distinguishing between means- or step-plus-function to

equivalents available at time of issuance and application of doctrine of equivalents to after-arising inventions); *WMS Gaming Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1351 (Fed. Cir. 1999) (“The proper test for determining whether the structure in an accused device is equivalent to the structure recited in a section 112, ¶ 6, claim is whether the differences between the structure in the accused device and any disclosed in the specification are insubstantial.”); *Odetics, Inc. v. Storage Tech. Corp.*, 185 F.3d 1259, 1266-67 (Fed. Cir. 1999); *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1307-08 (Fed. Cir. 1998).

## B.3 Infringement

### 3.1 INFRINGEMENT GENERALLY

I will now instruct you how to decide whether or not [alleged infringer] has infringed 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 five possible ways that a claim may be infringed. The five types of infringement are called: (1) direct infringement; (2) active inducement; (3) contributory infringement; (4) infringement through the supply of components from the United States to another country; and (5) infringement through importation of a product made abroad by a patented process. Active inducement and contributory infringement are referred to as indirect infringement. There cannot be indirect infringement without someone else engaging in direct infringement. To prove indirect infringement, [patent holder] must also prove that [alleged infringer]'s indirect infringement caused direct infringement.

In this case, [patent holder] has alleged that [alleged infringer] directly infringes the [ ] patent. [[In addition,] [patent holder] has alleged that [alleged direct infringer] directly infringes the [ ] patent, and [alleged infringer] is liable for [actively inducing or contributing to] that direct infringement by [alleged direct infringer]. [Patent holder] has also alleged that [alleged infringer] is liable for [infringement through the supply of components from the United States for combination outside of the United States] [and/or] [infringement through importation into the United States of a product made by the patented process].]

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 likely 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 Pharms. USA, Inc.*, 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005) (infringement must be proven by a preponderance of the evidence); *Seal-Flex, Inc. v. Athletic Track & Court Constr.*, 172 F.3d 836, 842 (Fed. Cir. 1999) (a patentee must “prove that the accused product or process contains, either literally or under the doctrine of equivalents, every limitation of the properly construed claim”); *Morton Int’l, Inc. v. Cardinal Chem. Co.*, 5 F.3d 1464, 1468-69 (Fed. Cir. 1993) (upholding lower court’s finding of noninfringement based on plaintiff’s failure to prove that the accused product met all of the claimed requirements).

## B.3 Infringement

### 3.1a DIRECT INFRINGEMENT BY “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 by a preponderance of the evidence, i.e., that it is more likely than not, 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.

You must determine, separately for each asserted claim, whether or not there is infringement. There is one exception to this rule. If you find that a claim on which other claims depend is not infringed, there cannot be infringement of any dependent claim that refers directly or indirectly to that independent claim. On the other hand, if you find that an independent claim has been infringed, you must still decide, separately, whether the [product or process] meets additional requirements of any claims that depend from the independent claim, thus, whether those claims have also been infringed. A dependent claim includes all the requirements of any of the claims to which it refers plus additional requirements of its own.

#### Authorities

*Kim v. ConAgra Foods, Inc.*, 465 F.3d 1312, 1316, n.1 (Fed. Cir. 2006) (dependent claims not infringed when independent claim not infringed); *MicroStrategy Inc. v. Bus. Objects, S.A.*, 429 F.3d 1344, 1352-53 (Fed. Cir. 2005) (no literal infringement where accused product did not contain every element of the claim); *Cross Med. Prods. v. Medtronic Sofamor Danek*, 424 F.3d 1293, 1309-11 (Fed. Cir. 2005) (no direct infringement where accused product did not include each claim limitation); *Netword, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353-54 (Fed. Cir. 2001) (no literal infringement where all of the elements of the claim not present in the accused system); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261 (Fed. Cir. 1986) (affirming finding of direct infringement based on circumstantial evidence).

### B.3 Infringement

#### 3.1b DIRECT INFRINGEMENT BY “LITERAL INFRINGEMENT” OF SECTION 112, PARAGRAPH 6 CLAIM REQUIREMENTS

[This instruction should only be given where the asserted claims include means-plus-function or step-plus-function requirements.]

Where claims include means/step-plus-function requirements:

As I have previously explained, claims [ ] include requirements that are in [means/step-plus-function] form.

A product or a process meets a means/step-plus-function requirement of a claim if: (1) it has [a structure or a set of structures/an action or a set of actions] that perform(s) the identical function recited in the claim, and (2) that [structure or set of structures/action or set of actions] is either identical or “equivalent” to [one or more of] the described [set(s) of] [structure(s)/ action(s)] that I defined earlier as performing the function of [functional limitation]. If the [product] does not perform the specific function recited in the claim, the “means-plus-function” requirement is not met, and the [product] does not literally infringe the claim. Alternatively, even if the [product] has [a structure or a set of structures] that performs the function recited in the claim but the [structure or set of structures] is not either identical or “equivalent” to [one or more of] the [set(s) of] [structure(s)/action(s)] that I defined to you as being described in the [ ] patent and performing this function, the [product] does not literally infringe the asserted claim.

[A structure or a set of structures/An action or a set of actions] may be found to be “equivalent” to [one of] [the/a] [set(s) of] [structure(s)/action(s)] I have defined as being described in the [ ] patent if a person having ordinary skill in the field of technology of the [ ] patent either 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 “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.

[In this case, the parties have agreed that the relevant field of technology is [field of technology] and that a person having an ordinary level of skill would [qualifications].] [In this case, you will have to decide [issues regarding field of technology and level of ordinary skill in the art]. I will instruct you later how to decide this.]

In order to prove direct infringement by literal infringement of a means-plus/step-plus-function limitation, [patent holder] must prove the above requirements are met by a preponderance of the evidence.



## Authorities

35 U.S.C. § 112, ¶ 6; *Allvoice Computing PLC v. Nuance Commc'ns, Inc.*, 504 F.3d 1236, 1240-41 (Fed. Cir. 2007); *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1315-17 (Fed. Cir. 2005); *Applied Med. Res. Corp. v. U.S. Surgical Corp.*, 448 F.3d 1324, 1333-34 (Fed. Cir. 2006); *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1328 (Fed. Cir. 2003) (holding that the structure in an accused device meets a § 112, ¶ 6, limitation if the structure performs the identical function recited in the claim and is identical or equivalent to the structure in the specification corresponding to that limitation); *Al-Site Corp. v. VSI Int'l Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999) (holding that an equivalent structure or act under § 112 cannot embrace technology developed after the patent issued because the literal meaning of a claim is fixed upon issuance); *WMS Gaming, Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1350 (Fed. Cir. 1999); *Odetics, Inc. v. Storage Tech. Corp.*, 185 F.3d 1259, 1266-68 (Fed. Cir. 1999); *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1307-11 (Fed. Cir. 1998); *Micro Chem., Inc. v. Great Plains Chem. Co.*, 103 F.3d 1538, 1547 (Fed. Cir. 1997); *Valmont Indus., Inc. v. Reinke Mfg. Co.*, 983 F.2d 1039, 1042 (Fed. Cir. 1993).

## **B.3 Infringement**

### **3.1c DIRECT INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS**

[This instruction should only be given where the patentee asserts infringement under the doctrine of equivalents.]

If a [person] [company] makes, uses, sells, offers to sell within, or imports into the United States a [product] [process] that 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 or process] satisfies that claim “under the doctrine of equivalents.”

Under the doctrine of equivalents, a [product or process] infringes a claim if the accused [product or process] [contains elements or performs steps] corresponding to each and every requirement of the claim that is equivalent to, even though not literally met by, the accused [product or process]. You may find that an element or step is equivalent to a requirement of a claim that is not met literally if a person having ordinary skill in the field of technology of the patent would have considered the differences between them to be “insubstantial” or would have found that the [structure or action]: (1) performs substantially the same function and (2) works in substantially the same way (3) to achieve substantially the same result as the requirement of the claim. In order for the [structure or action] to be considered interchangeable, the [structure or action] must have been known at the time of the alleged infringement to a person having ordinary skill in the field of technology of the patent. Interchangeability at the present time is not sufficient. 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.

If claims with means-plus-function clauses are at issue:

When the claim requirement that is not met by the [product or process] 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 or process] that performs the specific function of the means-plus-function requirement,, you may decide that the [structure or action] nonetheless corresponds to the requirements of the claim under the doctrine of equivalents if it performs an “equivalent” function and has an “equivalent” [structure or action].

On the other hand, if you find that the accused [product or process] has no corresponding [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 or process] has some other [structure or set of structures/action or set of actions] that performs the specific function of the means-plus-function requirement. In other words, for a means-plus-function requirement, a determination that there is no “equivalent” structure for purposes of “literal infringement” precludes you from finding infringement under the “doctrine of equivalents.”

## 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).

## **B.3 Infringement**

### **3.1d LIMITATIONS ON DIRECT INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS**

[Although the applicability of these limitations is ultimately decided by the Court, this instruction is provided for the case in which the Court decides to submit these issues to the jury for advisory findings.]

[If there is a question as to whether the prior art limits the doctrine of equivalents:

The prior art may preclude a finding of infringement under the doctrine of equivalents. I will explain what “prior art” is, but, generally speaking, “prior art” is things that were already known or done before the invention. In reaching your decisions in this case, you must use the definition of “prior art” that I provide to you.]

[Statement of the law not using “hypothetical claim”:

To determine whether the prior art precludes a finding of infringement under the doctrine of equivalents for a particular [product or process] that is accused of infringing a particular claim, you must determine what [products or processes] are in the “prior art” as well as what [products or processes] would have been obvious from the “prior art” to a person having an ordinary level of skill in the field of technology of the patent at the time of the invention.

If [alleged infringer] establishes that a [product or process] that (1) meets the same claim requirements as the [product or process] that is accused of infringing and (2) has the same allegedly “equivalent” alternative feature(s) as the [product or process] that is accused of infringing is in the prior art or would have been obvious from the prior art to a person having ordinary skill in the field of technology of the invention at the time of the invention, you must find that the claim has not been infringed.

[Alleged infringer] has the burden of proving that this hypothetical, equivalent claim was within the prior art at the time of the alleged infringement, by a preponderance of the evidence.]

[Alternative statement of the law using “hypothetical claim”:

To determine whether the prior art precludes a finding of infringement under the doctrine of equivalents, you must first have in mind a “hypothetical claim” that would cover the accused, allegedly equivalent [product or process] literally. The hypothetical claim is exactly the same as the claim at issue, except that the unmet claim requirements are broadened so that they would be met by the allegedly “equivalent” hypothetical claim.

Once you have this equivalent “hypothetical claim” in mind, you must decide whether this hypothetical claim would have been invalid for either anticipation or obviousness. I will instruct you later on how to determine if a claim is invalid for anticipation or obviousness. You should use these same rules to determine whether or not the “hypothetical claim” would be invalid for anticipation or obviousness. If you determine that the “hypothetical claim” would have been

invalid for anticipation or obviousness, then you must find that there is no infringement of this particular claim under the doctrine of equivalents.]

[If there is a question as to whether a disclosure in the patent precludes equivalence:

You may not find that a [product or process] infringes a claim under the doctrine of equivalents if you find that: (1) the allegedly “equivalent” alternative feature(s) of that [product or process] was/were described somewhere in the patent and (2) that [product or process] is not covered literally by any of the claims of the patent.]

[If there is a question as to argument-based prosecution history estoppel:

You may not find that a [product or process] infringes a claim under the doctrine of equivalents if you find that, during the patent application process, the applicant for the patent distinguished an unmet requirement from the allegedly “equivalent” alternative aspect of that [product or process].]

[If there is a question as to amendment-based prosecution history estoppel:

[Alleged infringer] has argued that [patent holder] cannot assert infringement under the doctrine of equivalents due to statements [patent holder] made to the PTO in order to get the claim allowed in the first place. In order to find [accused product] to be equivalent, you must also make certain findings regarding the statements [patent holder] made to the PTO in order to get the [ ] patent. Specifically, in order to find equivalents, you must first also find one or more of the following: (1) the amendment that is asserted by [alleged infringer] to limit the scope of equivalents substituted a broader requirement for a narrower requirement or replaced a requirement of equal scope; (2) the reason for making this amendment was not related to patentability; (3) a person having ordinary skill in the field of technology of the patent at the time of the amendment would not have foreseen the potential substitution of the allegedly “equivalent” alternative for the unmet claim requirement; (4) the reason for the amendment is tangential or relates to some issue other than the assertion of equivalence at issue; or (5) some other reason, such as the shortcomings of language, prevented the applicant from using claim language that included the allegedly “equivalent” alternative. You may not find that the alternative feature of the [accused product or process] is an equivalent to an unmet requirement of a claim if that requirement was added to the claim (or to any claim of the [ ] patent) by amendment during the prosecution of the applications that led to issuance of the [ ] patent, unless you also find that at least one of these factors that I have identified to you.]

[If there is a question as to vitiation:

You may not determine that an alternative aspect of a [product or process] is equivalent to an unmet requirement of a claim if a finding of infringement under the doctrine of equivalents would effectively eliminate that requirement. Specifically, the alleged equivalent cannot eliminate or ignore an element or requirement 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); *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371, 1380 (Fed. Cir. 2001); *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999); *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 676, 684 (Fed. Cir. 1990).

## B.3 Infringement

### 3.2 INDIRECT INFRINGEMENT—ACTIVE INDUCEMENT

[Patent holder] alleges that [alleged infringer] is liable for infringement by actively inducing [someone else] [some other company] to directly infringe the [ ] patent literally or under the doctrine of equivalents. As with direct infringement, you must determine whether there has been active inducement on a claim-by-claim basis.

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

- (1) that the 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 [by patent holder] 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.

If you find that [alleged infringer] was aware of the patent, but believed that the acts it encouraged did not infringe that patent, [alleged infringer] cannot be liable for inducement.

In order to establish active inducement of infringement, it is not sufficient that [insert name or other description of alleged direct infringer] itself directly infringes the claim. Nor is it sufficient that [alleged infringer] was aware of the act(s) by [insert name or other description of alleged direct infringer] that allegedly constitute the direct infringement. Rather, in order to find active inducement of infringement, you must find either that [accused infringer] specifically intended [insert name or other description of alleged direct infringer] to infringe the [ ] patent or that [accused infringer] believed there was a high probability that [insert name or other description of alleged direct infringer] would infringe the [ ] patent, but deliberately avoided learning the

infringing nature of [insert name or other description of alleged direct infringer]’s acts. The mere fact, if true, that [alleged infringer] knew or should have known that there was a substantial risk that [insert name or description of alleged direct infringer]’s acts would infringe the [ ] patent would not be sufficient for active inducement of infringement.

### Authorities

35 U.S.C. § 271(b); *Commil USA, LLC v. Cisco Sys.*, \_\_\_ U.S. \_\_\_, \_\_\_; 135 S. Ct. 1920, \_\_\_ (U.S. 2015); *Global-Tech Appliances, Inc. v. SEB S. A.*, 563 U.S. 754, \_\_\_; 131 S.Ct. 2060, 2068-2071; 179 L.Ed. 1167, 1177-1180 (2012); *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).

Committee Comments: The underlined language in the instruction incorporates the “willful blindness” standard addressed by the Supreme Court in *Global-Tech Appliances, Inc. v. SEB S. A.*, 563 U.S. 754, \_\_\_; 131 S.Ct. 2060, 2068-2071 (2012). The Committee is of the opinion that in cases where willful blindness is not an issue, the underlined language should be omitted to reduce the possibility of juror confusion.

An earlier version of this instruction included a belief in invalidity as a ground for finding no induced infringement. That instruction was based on *Commil USA, LLC v. Cisco Sys.*, 720 F.3d 1361 (Fed. Cir. 2013), in which a divided panel of the Federal Circuit held that an accused infringer’s “evidence of a good-faith belief of invalidity may negate the requisite intent for induced infringement.”

In June of 2015, however, the Supreme Court reversed, holding that “a belief as to invalidity cannot negate the scienter required for induced infringement.” *Commil USA, LLC v. Cisco Sys.*, \_\_\_ U.S. \_\_\_, \_\_\_; 135 S. Ct. 1920, \_\_\_ (U.S. 2015).



## B.3 Infringement

### 3.3 INDIRECT INFRINGEMENT—CONTRIBUTORY INFRINGEMENT

[Patent holder] argues that [alleged infringer] is liable for contributory infringement by contributing to the direct infringement of the [ ] patent by [insert name or other description of direct infringer]. As with direct infringement, you must determine contributory infringement on a claim-by-claim basis.

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

- (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) [alleged infringer] is aware of the [ ] patent and knows that the [products or processes] for which the [component or apparatus] has no other substantial use may be covered by a claim of the [ ] patent or may satisfy a claim of the [ ] patent under the doctrine of equivalents; and
- (5) that use directly infringes the claim.

In order to prove contributory infringement, [patent holder] must prove that each of the above requirements is met. This proof of each requirement must be by a preponderance of the evidence, i.e., that it is more likely than not that each of the above requirements is met.

#### Authorities

35 U.S.C. § 271(c) (“not a staple article”); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964) (knowledge of plaintiff’s patent and that the part supplied is significant); *Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325, 1327 (Fed. Cir. 2008), *cert denied*, 129 S. Ct. 2864 (2009); *Alloc, Inc. v. ITC*, 342 F.3d 1361, 1374 (Fed. Cir. 2003) (affirming determination of no contributory infringement); *Mentor H/S, Inc. v. Med. Device Alliance, Inc.*, 244 F.3d 1365 (Fed. Cir. 2001) (reversing district court’s finding of no contributory infringement and inducement); *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1469 (Fed. Cir. 1990) (differentiating contributory infringement from inducement); *Preemption Devices, Inc. v. Minn. Mining & Mfg. Co.*, 803 F.2d 1170, 1174 (Fed. Cir. 1986) (direct infringement findings supported contributory infringement findings).

### B.3 Infringement

#### 3.4 INFRINGEMENT THROUGH THE SUPPLY OF COMPONENTS FROM UNITED STATES FOR COMBINATION ABROAD

[This instruction should be given if patentee asserts infringement under 35 U.S.C. § 271(f)(1) or § 271(f)(2).]

[If § 271(f)(1)—active inducement—is at issue:

[Alleged infringer] is liable for § 271(f)(1) infringement of a claim (active inducement of foreign combination of components supplied from the United States) if patentee proves by a preponderance of the evidence that:

- (1) [alleged infringer] supplies [or causes to be supplied] components from the United States to a place outside the United States, which make up all or a substantial portion of the invention of any one of the claims of the [ ] patent;
- (2) [alleged infringer] takes action intentionally to cause another to act by [insert name or other description of alleged direct infringer] outside of the United States to assemble the components;
- (3) [alleged infringer] knows of the [ ] patent, and knows that the encouraged acts constitute infringement of that patent; and
- (4) the encouraged acts would constitute direct infringement of the claim if they had been carried out in the United States.

If you find that [alleged infringer] was aware of the patent, but believed that the acts it encouraged would not constitute infringement of the patent if carried out in the United States, [alleged infringer] cannot be liable for inducement.

In order to establish active inducement of infringement, it is not sufficient that [insert name or other description of alleged direct infringer] itself allegedly directly infringes the claim. Nor is it sufficient that [alleged infringer] was aware of the act(s) that allegedly constitute the direct infringement. Rather, you must find that [alleged infringer] specifically intended for [insert name or other description of alleged direct infringer] to infringe the [ ] patent, in order to find inducement of infringement. If you do not find that [alleged infringer] specifically intended to infringe, then you must find that [alleged infringer] has not actively induced the alleged infringement under § 271(f)(1).]

[If § 271(f)(2)—contributory foreign infringement—is at issue:

[Alleged infringer] is [also] liable for § 271(f)(2) infringement of a claim if [patent holder] proves by a preponderance of the evidence that:

- (1) [alleged infringer] supplies a component, or causes a component to be supplied, from the United States to a place outside of the United States;

- (2) the only substantial use for the component is in a product that [product or process] would infringe if the combination had occurred in the United States;
- (3) [alleged infringer] is aware of the [ ] patent and knows that the [component or apparatus] has no other substantial use and may be covered by a claim of the patent [literally or under the doctrine of equivalents]; and
- (4) intends for the component to be used in a product that would directly infringe the claim if it had been used in the United States.

### Authorities

35 U.S.C. § 271(f); *Cardiac Pacemakers, Inc. v. St. Jude Med.*, 576 F.3d 1348, 1365 (Fed. Cir. 2009) (§ 271(f) does not cover method claims); *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437 (2007); *Liquid Dynamics Corp. v. Vaughan Co.*, 449 F.3d 1209, 1222-23 (Fed. Cir. 2006); *Pellegrini v. Analog Devices, Inc.*, 375 F.3d 1113, 1117-18 (Fed. Cir. 2004); *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1366 (Fed. Cir. 2005); *Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co.*, 425 F.3d 1366 (Fed. Cir. 2005); *Waymark Corp. v. Porta Sys., Corp.*, 245 F.3d 1364, 1368 (Fed. Cir. 2001) (“[T]he statutory language in this section [271(f)(2)] does not require an actual combination of the components, but only a showing that the infringer shipped them with the intent that they be combined.”).

Committee Comments: For simplicity’s sake, this instruction does not incorporate the “willful blindness” standard for induced infringement addressed by the Supreme Court in *Global-Tech Appliances, Inc. v. SEB S. A.*, 563 U.S. 754, \_\_\_ ; 131 S.Ct. 2060, 2068-2071 (2012). If the patentee is proceeding on a theory of willful blindness, however, that standard should be addressed in this instruction. *See* Instruction 3.2.

### **B.3 Infringement**

#### **3.5 INFRINGEMENT BY SALE, OFFER FOR SALE, USE, OR IMPORTATION OF A PRODUCT MADE OUTSIDE THE UNITED STATES BY PATENTED PROCESS**

[Alleged infringer] is liable for direct infringement of a claim if [patent holder] proves by a preponderance of the evidence that [alleged infringer], without [patent holder]'s authorization, imports, offers to sell, sells, or uses within the United States a product which was made outside of the United States during the time the [ ] patent is in force by a process that, if performed in the United States, would infringe the claim literally or under the doctrine of equivalents. However, if the product has been materially changed by an additional process or the product has become a trivial and nonessential component of another product, you must find [alleged infringer] did not infringe the [ ] patent.

#### Authorities

35 U.S.C. § 271(g); *Bayer AG v. Housey Pharms., Inc.*, 340 F.3d 1367 (Fed. Cir. 2003) (finding infringement under this section); *Ajinomoto Co. v. Archer-Daniels-Midland Co.*, 228 F.3d 1338, 1347 (Fed. Cir. 2000) (same).

### **B.3 Infringement**

#### **3.6 DIRECT INFRINGEMENT: ONE OR MORE SYSTEM COMPONENTS LOCATED OUTSIDE THE UNITED STATES**

[This instruction should only be given where one or more components of an accused system are located outside of the United States.]

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(a); *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.”).

## B.3 Infringement

### 3.7 DIRECT INFRINGEMENT: ACTS OF MULTIPLE PARTIES MUST BE COMBINED TO MEET ALL CLAIM LIMITATIONS

[This instruction should only be given where the patentee alleges direct infringement by the combined acts of multiple persons or companies.]

Direct infringement occurs where all steps of a claimed method are performed by or are attributable to a single party. Where more than one party is involved in practicing the steps, you must determine whether the acts of one are attributable to the other such that a single party is responsible for the infringement. There are two situations where there may be direct infringement if no single party performs all of the steps of a claimed process but more than one party performs every step of the process: (1) the parties have formed a joint enterprise or (2) one party directs or controls other party's performance of the claim steps.

[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 the acts of [alleged infringer B] are attributable to [alleged infringer A], either because [alleged infringer A] and [alleged infringer B] have formed a joint enterprise or because [alleged infringer A] directs or controls the acts of [alleged infringer B].

To prove that [alleged infringer A] and [alleged infringer B] have formed a joint enterprise, [Patent holder] must prove four elements:

- (1) there was an agreement, either express or implied, between [alleged infringer A] and [alleged infringer B];
- (2) they shared a common purpose;
- (3) each had a financial interest in that purpose; and
- (4) each had an equal right of control in the enterprise.

To prove that [alleged infringer A] directed or controlled the acts of [alleged infringer B], [Patent holder] must prove that [alleged infringer B] performed the claim step(s) in order to receive a benefit from [alleged infringer A] and that [alleged infringer A] established how or when the claim step(s) were performed.

#### Authorities

35 U.S.C. § 271(a); *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, 797 F.3d 1020, 1022-24 (Fed. Cir. 2015) (en banc).

### **B.3 Infringement**

#### **3.8 [DELETED] INDIRECT INFRINGEMENT: ACCUSED INFRINGER PRACTICES SOME CLAIMED STEPS AND ANOTHER PRACTICES THE REMAINING STEPS**

This instruction has been removed. *See Limelight Networks, Inc. v. Akamai Technologies, Inc.*, \_\_\_ U.S. \_\_\_, 134 S.Ct. 2111 (2014), No. 12-786, 2014 U.S. LEXIS 3817, 2014 WL 2440535 (U.S. June 2, 2014) (finding there can be no induced-infringement liability where no single entity is liable for direct infringement of the patent under §271(a) because “where there has been no direct infringement, there can be no inducement of infringement under §271(b)”).

### **B.3 Infringement**

#### **3.9 [DELETED] INDIRECT INFRINGEMENT: ACCUSED INFRINGER ALLEGEDLY INDUCES OTHERS TO COLLECTIVELY PRACTICE ALL CLAIMED STEPS**

This instruction has been removed. *See Limelight Networks, Inc. v. Akamai Technologies, Inc.*, \_\_\_ U.S. \_\_\_, 134 S.Ct. 2111 (2014), No. 12-786, 2014 U.S. LEXIS 3817, 2014 WL 2440535 (U.S. June 2, 2014) (finding there can be no induced-infringement liability where no single entity is liable for direct infringement of the patent under §271(a) because “where there has been no direct infringement, there can be no inducement of infringement under §271(b)”).



## B.3 Infringement

### 3.10 WILLFUL INFRINGEMENT

[This instruction should be given only if willfulness is in issue.]

In this case, [patent holder] argues both that [alleged infringer] infringed and, further, that [alleged infringer] infringed willfully. If you have decided that [alleged infringer] has infringed, you must go on and address the additional issue of whether or not this infringement was willful. Willfulness requires you to determine by clear and convincing evidence that [alleged infringer] acted recklessly.

To prove that [alleged infringer] acted recklessly, [patent holder] must prove two things by clear and convincing evidence:

The first part of the test is objective: the patent holder must persuade you that [alleged infringer] acted despite a high likelihood that [alleged infringer]’s actions infringed a valid and enforceable patent. In making this determination, you may not consider [alleged infringer]’s state of mind. Legitimate or credible defenses to infringement, even if not ultimately successful, demonstrate a lack of recklessness.<sup>1</sup>

Only if you conclude that the [alleged infringer]’s conduct was reckless do you need to consider the second part of the test. The second part of the test does depend on the state of mind of the [alleged infringer]. The patent holder must persuade you that [alleged infringer] actually knew or should have known that its actions constituted an unjustifiably high risk of infringement of a valid and enforceable patent. To determine whether [alleged infringer] had this state of mind, consider all facts which may include, but are not limited, to:

- (1) Whether or not [alleged infringer] acted in accordance with the standards of commerce for its industry;
- (2) Whether or not [alleged infringer] intentionally copied a product of [patent holder] that is covered by the [ ] patent;
- (3) Whether or not there is a reasonable basis to believe that [alleged infringer] did not infringe or had a reasonable defense to infringement;

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<sup>1</sup> In determining whether to present this instruction to the jury, the parties and the Court should recognize that “the objective determination of recklessness, even though predicated on underlying mixed questions of law and fact, is best decided by the judge as a question of law subject to de novo review.” *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs., Inc.*, 682 F.3d 1003, 1007 (Fed. Cir. 2012). *See also id.* (“When the objective prong turns on fact questions, as related, for example, to anticipation, or on legal questions dependent on the underlying facts, as related, for example, to questions of obviousness, the judge remains the final arbiter of whether the defense was reasonable, even when the underlying fact question is sent to a jury.”).

- (4) Whether or not [alleged infringer] made a good-faith effort to avoid infringing the [ ] patent, for example, whether [alleged infringer] attempted to design around the [ ] patent; [and]
- (5) Whether or not [alleged infringer] tried to cover up its infringement[./; and]
- (6) [Give this instruction only if [alleged infringer] relies upon an opinion of counsel as a defense to an allegation of willful infringement:

[Alleged infringer] argues it did not act recklessly because it relied on a legal opinion that advised [alleged infringer] either (1) that the [product] [method] did not infringe the [ ] patent or (2) that the [ ] patent was invalid [or unenforceable]. You must evaluate whether the opinion was of a quality that reliance on its conclusions was reasonable.]

#### Authorities

35 U.S.C. § 284; *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007) (standard for finding willfulness); *Knorr-Bremse v. Dana Corp.*, 383 F.3d 1337 (Fed. Cir. 2004) (en banc) (opinion of counsel defense); *Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336, 1346 (Fed. Cir. 2001) (burden of proof for willfulness); *WMS Gaming Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1354 (Fed. Cir. 1999) (knowledge of the patent necessary to show willfulness); *Read Corp. v. Portec, Inc.*, 970 F.2d 816 (Fed. Cir. 1992) (identifying factors that may show willfulness); *Gustafson, Inc. v. Intersystems Indus. Prods., Inc.*, 897 F.2d 508, 510 (Fed. Cir. 1990) (history of Federal Circuit decisions on willfulness).

Committee Comments: The National Patent Jury Instructions include whether the alleged infringer acted in a manner consistent with the standards of commerce for its industry in the subjective part of the test. ([www.nationaljuryinstructions.org](http://www.nationaljuryinstructions.org).) Some other pattern jury instructions decline to provide a list of nonexhaustive considerations, *see, e.g.*, Seventh Circuit, 2008 Patent Jury Instructions, at 11.2.14, on the theory that the factors are better left to attorney argument or may mislead a jury to believe other factors should not be considered. ([www.ca7.uscourts.gov/Pattern-Jury-Instr.](http://www.ca7.uscourts.gov/Pattern-Jury-Instr.)) Appropriate factors for the jury's consideration may be tailored to each case, or may be omitted.

## B.4 Validity

### 4.1 INVALIDITY—BURDEN OF PROOF

I will now instruct you on the rules you must follow in deciding whether or not [alleged infringer] has proven that claims [ ] of the [ ] patent are invalid. To prove that any claim of a patent is invalid, [alleged infringer] must persuade you by clear and convincing evidence, i.e., you must be left with a clear conviction that the claim is invalid.

#### Authorities

35 U.S.C. § 282 (patents presumed valid); *Microsoft Corp. v. i4i Limited Partnership*, 131 S.Ct. 2238 (2011). Invalidity may be asserted for failure to comply with any requirement of 35 U.S.C. § 101, 102, 103, 112, or 251, as a defense to alleged infringement. *Schumer v. Lab. Computer Sys., Inc.*, 308 F.3d 1304, 1315 (Fed. Cir. 2002) (to overcome presumption of validity, challenging party must present clear and convincing evidence of invalidity); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988) (clear and convincing evidence is that “which produces in the mind of the trier of fact an abiding conviction that the truth of [the] factual contentions are highly probable”) (alteration in original) (citation and internal quotation marks omitted); *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986) (“Notwithstanding that the introduction of prior art not before the examiner may facilitate the challenger’s meeting the burden of proof on invalidity, the presumption remains intact and on the challenger throughout the litigation, and the clear and convincing standard does not change.”).

## B.4.2 Validity—Adequacy of Patent Specification

### 4.2a WRITTEN DESCRIPTION REQUIREMENT

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. In the patent application process, the applicant may keep the originally filed claims, or change the claims between the time the patent application is first filed and the time a patent is issued. An applicant may amend the claims or add new claims. These changes may narrow or broaden the scope of the claims. The written description requirement ensures that the issued claims correspond to the scope of the written description that was provided in the original application.

In deciding whether the patent satisfies this written description requirement, you must consider the description from the viewpoint of a person having ordinary skill in the field of technology of the patent when the application was filed. The written description requirement is satisfied if a person having ordinary skill reading the original patent application would have recognized that it describes the full scope of the claimed invention as it is finally claimed in the issued patent and that the inventor actually possessed that full scope by the filing date of the original application.

The written description requirement may be satisfied by any combination of the words, structures, figures, diagrams, formulas, etc., contained in the patent application. The full scope of a claim or any particular requirement in a claim need not be expressly disclosed in the original patent application if a person having ordinary skill in the field of technology of the patent at the time of filing would have understood that the full scope or missing requirement is in the written description in the patent application.

#### Authorities

35 U.S.C. § 112, ¶¶ 1, 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); *Univ. of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 929 (Fed. Cir. 2004); *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247, 1253-55 (Fed. Cir. 2004); *Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (patent’s specification must include an adequate written description; however, it need not include the exact words of the claim); *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); *Regents of the Univ. of Cal. v. Eli Lilly & Co.*, 119 F.3d 1559, 1568 (Fed. Cir. 1997); *In re Alton*, 76 F.3d 1168, 1172 (Fed. Cir. 1996).

## B.4.2 Validity—Adequacy of Patent Specification

### 4.2b ENABLEMENT

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 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 a sufficiently full and clear description of the claimed invention. To be sufficiently full and clear, the description must 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:

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

No one or more of these factors is alone dispositive. Rather, you must make your decision whether or not the degree of experimentation required is undue based upon all of the evidence presented to you. 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) (“The scope of the claims must be less than or equal to the scope of the enablement’ to ‘ensure[ ] that

the public knowledge is enriched by the patent specification to a degree at least commensurate with the scope of the claims.”) (quoting *Nat’l Recovery Techs., Inc. v. Magnetic Separation Sys., Inc.*, 166 F.3d 1190, 1195-96 (Fed. Cir. 1999)); *Auto. Techs. Int’l, Inc. v. BMW of N. Am., Inc.*, 501 F.3d 1274, 1285 (Fed. Cir. 2007) (full scope of claimed invention must be enabled); *AK Steel Corp. v. Sollac*, 344 F.3d 1234, 1244 (Fed. Cir. 2003) (enabling the full scope of each claim is “part of the *quid pro quo* of the patent bargain”); *Union Pac. Res. 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) (factors for determining undue experimentation).

## **B.4.2 Validity—Adequacy of Patent Specification**

### **4.2c [DELETED] BEST MODE**

This instruction has been removed because under section 15 of the America Invents Act, enacted on September 16, 2011, failure to disclose the best mode is no longer a basis for invalidity or unenforceability.

### **B.4.3 Validity—The Claims**

#### **4.3a-1 PRIOR ART (For Patents Having an Effective Filing Date Before March 16, 2013)**

Prior art may include items that were publicly known or that have been used or offered for sale, or references, such as 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 anticipation:

For the claim to be invalid because it is not new, [alleged infringer] must show by clear and convincing evidence that all of the requirements of that claim were present in a single previous device or method that was known of, used, or described in a single previous printed publication or patent. We call these things “anticipating prior art.” To anticipate the invention, the prior art does not have to use the same words as the claim, but all of the requirements of the claim must have been disclosed, either stated expressly or implied to a person having ordinary skill in the art in the technology of the invention, so that looking at that one reference, that person could make and use the claimed invention.]

[If invention date 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 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 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.]

### B.4.3 Validity—The Claims

#### 4.3b-1 ANTICIPATION (For Patents Having an Effective Filing Date Before March 16, 2013)

In order for someone to be entitled to a patent, the invention must actually be “new” and the inventor must not have lost her or his rights by delaying the filing of an application claiming the invention. In general, inventions are new when the identical [product or process] has not been made, used, or disclosed before. Anticipation must be determined on a claim-by-claim basis.

[Alleged infringer] contends that claim(s) [ ] of the [ ] patent is/are invalid because the claimed invention(s) is/are anticipated or because [patent holder] lost the right to obtain a patent. [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 that [alleged infringer] can show that a patent claim was not new or that the patentee lost the right to patent the claim(s) [choose those that apply based on alleged infringer’s contentions]:

- (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 description is a “printed publication” only if it was publicly accessible.]
- (3) [Patent holder] has lost her or his rights if the claimed invention was already patented or described in a printed publication, anywhere in the world by [patent holder] or anyone else, more than a year before [insert date], which is the effective filing date of the application for the [ ] patent. An invention was patented by another if the other patent describes the same invention claimed by [patent holder] to a person having ordinary skill in the technology.
- (4) [Patent holder] has lost her or his rights if the claimed invention was publicly used, sold, or offered for sale in the United States more than one year before [insert date], which is the effective filing date of the application for the [ ] patent. An invention was publicly used when it was either accessible to the public or commercially exploited. An invention was sold or offered for sale when it was offered commercially and what was offered was ready to be patented, i.e., a description to one having ordinary skill in the field of the technology could have made and used the claimed invention, even if it was not yet reduced to practice.
- (5) [Patent holder] has lost his or her rights if he or she abandoned the invention.
- (6) [Patent holder] has lost her or his rights if she or he had already obtained a patent for the invention in a foreign country before the filing date of the application in the United States or the patent application was filed in a foreign country more than a year before the filing date of the application for the patent in the United States.

(7) An invention is not new if it was described in a published patent application filed by another in the United States [or under the PCT system and designated the United States, and was published in English] before [insert date of invention].

(8) An invention is not new if the claimed invention was described in a patent granted on an application for patent by another filed in the United States [or under the PCT system and designated the United States, and was published in English] and the application was filed before [insert date of reduction to practice or the filing date of the application for the [ ] patent].

(9) [Patent holder] is not entitled to the [ ] patent if [named inventor] did not himself invent the invention.

(10) An invention is not new if the invention was made by someone else in the United States before the invention was made by [patent holder] and the other person did not abandon, suppress, or conceal the invention.

If an interference proceeding has been declared, additional instructions should be given on this issue.

#### Authorities

35 U.S.C. § 102(a)-(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); *In re Klopfenstein*, 380 F.3d 1345, 1348-51 (Fed. Cir. 2004); *Toro Co. v. Deere & Co.*, 355 F.3d 1313, 1320-21 (Fed. Cir. 2004); *Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1377-80 (Fed. Cir. 2003); *Apotex U.S.A., Inc. v. Merck & Co.*, 254 F.3d 1031, 1035 (Fed. Cir. 2001); *Mycogen Plant Sci., Inc. v. Monsanto Co.*, 243 F.3d 1316, 1330-31 (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, 1452-53 (Fed. Cir. 1991); *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1574 (Fed. Cir. 1985); *Am. Stock Exch., LLC v. Mopex, Inc.*, 250 F. Supp. 2d 323, 328-32 (S.D.N.Y. 2003); *In re Wyer*, 655 F.2d 221, 226 (C.C.P.A. 1981); *Pfaff v. Wells Elecs. Inc.*, 525 U.S. 55 (1998); *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1346 (Fed. Cir. 2000); *Abbott Labs. v. Geneva Pharms., Inc.*, 182 F.3d 1315, 1318 (Fed. Cir. 1999); *Finnigan Corp. v. ITC*, 180 F.3d 1354, 1365 (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, 1147-50 (Fed. Cir. 1983).

**4.3a-2 PRIOR ART**  
**(For Patents Having an Effective Filing Date on or After March 16, 2013)**

Prior art to a patent may include:

- (1) items that were publicly known or that have been used, on sale, or otherwise made available to the public before the filing date of the patent,
- (2) publications that were published or otherwise made available to the public before the filing date of the patent, and
- (3) patents and published patent applications naming another inventor that were filed before the filing date of the patent.

However, prior art does not include:

an item or publication that (a) is the inventor's own work or (b) describes the inventor's own work or (c) was directly or indirectly obtained from the inventor, unless it was made public more than one year before the filing date of the patent's application, or

a patent or patent application that (a) discloses the inventor's own work or (b) was directly or indirectly obtained from the inventor or (c) was owned by the same person or subject to an obligation of assignment to the same person.

[For anticipation:

For the claim to be invalid because it is not new, [alleged infringer] must show by clear and convincing evidence that all of the requirements of that claim were present in a single previous device or method that was known of, used, or described in a single previous printed publication or patent. We call these things "anticipating prior art." To anticipate the invention, the prior art does not have to use the same words as the claim, but all of the requirements of the claim must have been disclosed, either stated expressly or implied to a person having ordinary skill in the art in the technology of the invention, so that looking at that one reference, that person could make and use the claimed invention.]

Authorities

35 U.S.C. § 102(a)(1)-(2); 35 U.S.C. § 102(b)(1)-(2).

### B.4.3 Validity—The Claims

#### 4.3c OBVIOUSNESS

Even though an invention may not have been identically disclosed or described before it was made by an inventor, in order to be patentable, the invention must also not have been obvious to a person of ordinary skill in the field of technology of the patent [at the time the invention was made] or [before the filing date of the patent].<sup>2</sup>

[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 to persons having ordinary skill in the art at the time the [invention was made] or [patent was filed] in the field of [insert the field of the invention].

In determining whether a claimed invention is obvious, you must consider the level of ordinary skill in the field [of the invention] that someone would have had at the time the [invention was made] or [patent was filed], the scope and content of the prior art, and any differences between the prior art and the claimed invention.

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 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 patent's filing date] 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 it rendered the invention obvious, you must find that the prior art provided a reasonable expectation of success. Obvious to try is not sufficient in unpredictable technologies.

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 patent's filing date].

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<sup>2</sup> The “at the time invention was made” standard is used for patents that were filed before March 16, 2013. For patents filed on or after March 16, 2013, the appropriate standard is “before the effective filing date of the claimed invention.”

In making these assessments, you should take into account 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 or 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 or related technologies or 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.

### **B.4.3 Validity—The Claims**

#### **4.3c(i) LEVEL OF ORDINARY SKILL**

In deciding what the level of ordinary skill in the field of [invention] is, you should 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.

#### **4.3c(ii) 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 should 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 at least prior art in the same field as the claimed invention. It also includes prior art from different fields that a person of ordinary skill in the art would have considered when trying to solve the problem that is addressed by the invention.

Where the party challenging the validity of the patent is relying on prior art that was not considered by the PTO during examination, you may consider whether that prior art is significantly different and more relevant than the prior art that the PTO did consider. If you decide it was different and more relevant, you may weigh that prior art more heavily when considering whether the challenger has carried its clear-and-convincing burden of proving invalidity.

#### Authorities

35 U.S.C. § 103. 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).

In cases where the invalidity defense is based on a combination of prior art, the proper inquiry is a flexible analysis considering whether, among other factors, the prior art teaches, suggests, or motivates the claimed invention. *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).

For patents having filing dates before March 16, 2013, obviousness should be assessed at the time of the invention. For patents having filing dates on or after March 16, 2013, obviousness should be assessed at the time just before the patent's effective filing date. In either case, fact-finders should be made aware "of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning." *KSR*, 550 U.S. at 421.

For recent authority that invalidity must be shown by clear and convincing evidence, but that this burden can be carried more easily when the challenger is relying on prior art materially different from the art considered during examination, see *Microsoft Corp. v. i4i Limited Partnership*, 131 S.Ct. 2238 (2011). Obviousness should be evaluated on a claim-by-claim basis. *Aventis Pharma Deutschland GmbH v. Lupin, Ltd.*, 499 F.3d 1293, 1303 (Fed. Cir. 2007).

For factors to consider in determining the level of ordinary skill, see, e.g., *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007); *Ruiz*, 234 F.3d at 666-67. For authority on the standards for determining the scope and content of prior art, see, e.g., *KSR*, 550 U.S. at 420; *Circuit Check, Inc. v. QXQ Inc.*, 795 F.3d 1331, 1482 (Fed. Cir. 2015) (stating that when considering whether prior art is analogous, "the question is whether an inventor would look to this particular art to solve the particular problem at hand"); *In re Icon Health & Fitness, Inc.*, 496 F.3d 1374, 1379-80 (Fed. Cir. 2007); *Princeton Biochems., Inc. v. Beckman Coulter, Inc.*, 411 F.3d 1332, 1339 (Fed. Cir. 2005).



### B.4.3 Validity—The Claims

#### 4.3d 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 or more of the claims 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 idea 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 Equitable Defenses**

[Although these equitable defenses are ultimately decided by the Court, these instructions are provided for the case in which the Court decides to submit these issues to the jury for advisory findings.]

### **5.1 INEQUITABLE CONDUCT**

Every applicant for a patent has a duty of candor and good faith in its dealing with the United States Patent and Trademark Office. This is important because the PTO has limited resources.

When a person involved in the prosecution of an application fails to supply material information or supplies false information or statements and does so with an intent to deceive the PTO, he or she may commit what is called “inequitable conduct.” When inequitable conduct occurs during the examination of an application, any patent that issues from that application is unenforceable as a matter of fairness. This means that despite the existence and validity of the patent, the patent holder may not prevent others from using the invention covered by the patent and may not collect damages from those who use the invention that is covered by the patent.

Because a finding of inequitable conduct completely extinguishes a patent holder’s right to prevent others from using an invention, the burden of proving inequitable conduct is high. [Alleged infringer] must prove by clear and convincing evidence both that a person meaningfully involved in the prosecution of the [ ] patent withheld material information or submitted materially false information or statements to the PTO during the examination of the [ ] patent(s), and that the person did so with an intent to deceive the Examiner into issuing the [ ] patent(s).

I will now explain to you what “material” and “intent to deceive” mean.

#### **Material**

Information that was withheld from the PTO is material if the PTO would not have allowed the claim had it been aware of the withheld information. A false or misleading statement is material when it convinces the PTO to allow a claim that it would not have allowed if the statement had not been made. You may also find that affirmative, egregious misconduct is material. An example of affirmative, egregious misconduct is the filing of an unmistakably false affidavit.

You may only find information, statements, or misconduct to be material if there is clear and convincing evidence that they are material.

#### **Intent to Deceive**

In order for inequitable conduct to have occurred, [alleged infringer] must establish that any [failure to disclose material information/false or misleading statements/misconduct] [was/were] done with an intent to deceive the Examiner. If the [failure to disclose material information/false or misleading statements/misconduct] occurred through negligence, oversight, carelessness, or an error in judgment, even if it was grossly negligent, then there was no intent to deceive and there is no inequitable conduct.

Intent may be shown through direct evidence, such as documents or testimony about one's intent to deceive. Intent also may be shown through indirect evidence or, in other words, it may be inferred from conduct. However, an intent to deceive may be inferred only where it is the single most reasonable inference that can be drawn from the evidence. In other words, if it could be reasonable to conclude that the [failure to disclose material information/false or misleading statements/misconduct] was an honest mistake, intent to deceive cannot be found.

### **Conclusion of Inequitable Conduct**

Materiality and intent to deceive are separate issues: proof of materiality does not give rise to an inference of intent to deceive, and proof of an intent to deceive does not give rise to an inference of materiality. There must be clear and convincing evidence that establishes materiality and there must be clear and convincing evidence that establishes an intent to deceive. If clear and convincing evidence of either, or both, is missing, there can be no inequitable conduct.

If you find, however, that [alleged infringer] has proved by clear and convincing evidence that [material information was withheld/materially misleading statements were made or false information provided/affirmative, egregious misconduct occurred] and, further, that these acts or omissions were done with an intent to deceive the Examiner, you must then determine whether the patent(s) should in fairness be declared unenforceable.

### Authorities

35 U.S.C. § 282; *Therasense Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc).

## B.5 Equitable Defenses

### 5.2 LACHES

[Alleged infringer] contends that [patent holder] is not entitled to recover damages for acts that occurred before it filed a lawsuit because: (1) [patent holder] delayed filing the lawsuit for an unreasonably long and inexcusable period of time, and (2) [alleged infringer] has been or will be prejudiced in a significant way due to [patent holder]’s delay in filing the lawsuit. This is referred to as laches. [Alleged infringer] must prove delay and prejudice by a preponderance of the evidence.

Whether [patent holder]’s delay was unreasonably long and unjustified is a question that must be answered by considering the facts and circumstances as they existed during the period of delay. There is no minimum amount of delay required to establish laches. If suit was delayed for six years, a rebuttable presumption arises that the delay was unreasonable and unjustified, and that material prejudice resulted. This presumption shifts the burden of proof to [patent holder] to come forward with evidence to prove that the delay was justified or that material prejudice did not result, and if [patent holder] presents such evidence, the burden of proving laches remains with [alleged infringer]. Laches may be found for delays of less than six years if there is proof of unreasonably long and unjustifiable delay causing material prejudice to [alleged infringer]. Facts and circumstances that can justify a long delay can include:

- (1) being involved in other litigation during the period of delay;
- (2) being involved in negotiations with [alleged infringer] during the period of delay;
- (3) poverty or illness during the period of delay;
- (4) wartime conditions during the period of delay;
- (5) being involved in a dispute about ownership of the patent during the period of delay; or
- (6) minimal amounts of allegedly infringing activity by [alleged infringer] during the period of delay.

If you find unreasonable and unjustified delay occurred, to find laches, you must also determine if [alleged infringer] suffered material prejudice as a result of the delay. Prejudice to [alleged infringer] can be evidentiary or economic. Whether [alleged infringer] suffered evidentiary prejudice is a question that must be answered by evaluating whether delay in filing this case resulted in [alleged infringer] not being able to present a full and fair defense on the merits to [patent holder]’s infringement claim. Not being able to present a full and fair defense on the merits to an infringement claim can occur due to the loss of important records, the death or impairment of an important witness(es), the unreliability of memories about important events because they occurred in the distant past, or other similar types of things. Economic prejudice is determined by whether or not [alleged infringer] changed its economic position in a significant way during the period of delay resulting in losses beyond merely paying for infringement (such

as if [alleged infringer] could have switched to a noninfringing product if sued earlier), and also whether [alleged infringer]'s losses as a result of that change in economic position likely would have been avoided if [patent holder] had filed this lawsuit sooner. In all scenarios though, the ultimate determination of whether laches should apply in this case is a question of fairness, given all the facts and circumstances. Thus, you may find that laches does not apply if there is no evidence establishing each of the three elements noted above (unreasonable delay, lack of excuse or justification, and significant prejudice). You may also find that even though all of the elements of laches have been proved, it should not, in fairness, apply, given all the facts and circumstances in this case.

#### Authorities

35 U.S.C. § 282; *Gasser Chair Co. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 773-74 (Fed. Cir. 1995); *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1039 (Fed. Cir. 1992) (en banc).

## B.5 Equitable Defenses

### 5.3 EQUITABLE ESTOPPEL

The owner of a patent may forfeit its right to any relief from an infringer where: (1) the patent holder communicates something in a misleading way to the infringing party about the lack of infringement or about not being sued, (2) the infringer relies upon the misleading communication from the patent holder, and (3) the infringer will be materially harmed if the patent holder is allowed to assert a claim relating to the issue that is inconsistent with the patent holder's prior misleading communication. This is referred to as an "equitable estoppel" and it is a defense that [alleged infringer] contends precludes any recovery by [patent holder] in this lawsuit. [Alleged infringer] must prove each of these elements by a preponderance of the evidence, but even if all these elements are proven, equitable estoppel need not be found if such a finding would be unfair in light of the conduct of the parties.

[Alleged infringer] contends that [patent holder] made a misleading communication about [ ] before [patent holder] filed this lawsuit. A communication may be made through written or spoken words, conduct, silence, or a combination of words, conduct, and silence. Conduct may include action or inaction. Whether in fact [patent holder] communicated with [alleged infringer] about [ ] prior to the filing of this lawsuit, and whether in fact that communication, if you find there to have been any, was misleading, are questions that must be answered by considering the facts and circumstances as they existed at the time.

Material harm to [alleged infringer] can be evidentiary or economic in form. Whether [alleged infringer] suffered evidentiary harm is a question that must be answered by evaluating whether [alleged infringer] will be unable to present a full and fair defense on the merits of [patent holder]'s claim(s). Not being able to present a full and fair defense on the merits of [patent holder]'s claim(s) can occur due to the loss of important records, the death or impairment of an important witness(es), the unreliability of memories about important events because they occurred in the distant past, or other similar types of things. Whether [alleged infringer] suffered economic prejudice is a question that must be answered by evaluating whether [alleged infringer] changed its economic position as a result of its reliance on any misleading communication from [patent holder] about [ ], resulting in losses beyond merely paying for infringement (such as if [alleged infringer] could have switched to a noninfringing product if sued earlier) and whether losses as a result of any change in economic position could have been avoided.

#### Authorities

35 U.S.C. § 282; *Gasser Chair Co. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770 (Fed. Cir. 1995) (to establish equitable estoppel, one must show reliance on patentee's misleading conduct); *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020 (Fed. Cir. 1992) (en banc).

## B.5 Equitable Defenses

### 5.4 PROSECUTION LACHES

The owner of a patent may be barred from enforcing claims of a patent against an infringer where: (1) there was an unreasonably long delay in filing the claims of the patent, and (2) the infringer, another private party, or the public will be prejudiced if the patent holder is entitled to enforce the patent despite the unreasonable delay in securing the claims of the patent. This is referred to as prosecution laches, and it is a defense that [alleged infringer] contends precludes any recovery by [patent holder] in this lawsuit.

The delay that must be considered is the period of time beginning when [patent holder or its predecessor(s) in interest] filed the original application for a patent and ending when [patent holder or its predecessor(s) in interest] filed the application for the patent asserted in this lawsuit. [Patent holder] filed the original application for a patent on [ ], and filed the application for the patent asserted in this lawsuit on [ ].

Whether [patent holder]'s delay in securing the patent asserted in this lawsuit was unreasonably long is a question that must be answered, and you should consider the facts and circumstances as they existed during the period of delay. In determining whether [alleged infringer], another private party, or the public will be prejudiced as a result of any unreasonably long delay in filing the claims of the patent(s) asserted in this case, consider whether [alleged infringer] or others invested time, money, and effort in developing, manufacturing, or selling products now covered by the patent(s) asserted in this case during the period of unreasonably long delay, whether other private parties have done so and may be potentially subject to infringement, and whether the time when the public will be able to freely practice the invention(s) now covered by the patent(s) asserted in this case was unduly and unfairly postponed as a result of delay.

You may also consider whether [patent holder] intentionally or deliberately delayed the time when it filed the claim(s) of the patent(s) and whether [alleged infringer] or the public was aware that patent applications were pending that did or potentially could have covered the invention.

#### Authorities

35 U.S.C. § 282; *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159 (1938); *Gen. Talking Pictures Corp. v. W. Elec. Co.*, 304 U.S. 175 (1938); *Webster Elec. Co. v. Splitdorf Elec. Co.*, 264 U.S. 463 (1924); *Woodbridge v. United States*, 263 U.S. 50 (1923); *Kendall v. Winsor*, 62 U.S. 322 (1859); *Symbol Techs., Inc. v. Lemelson Med., Educ. & Research Found., L.P.*, 277 F.3d 1361, 1363 (Fed. Cir. 2002) (“[T]he equitable doctrine of laches may be applied to bar enforcement of patent claims that issued after an unreasonable and unexplained delay in prosecution even though the applicant complied with pertinent statutes and rules.”); *Symbol Techs., Inc. v. Lemelson Med., Educ. & Research Found., L.P.*, 301 F. Supp. 2d 1147 (D. Nev. 2004) (patent claims unenforceable because eighteen- to thirty-nine-year delay in prosecuting patents was unreasonable and unjustified), *aff’d*, 422 F.3d 1378 (Fed. Cir. 2005); *see also In re Bogese II*, 303 F.3d 1362 (Fed. Cir. 2002) (affirming patent board’s order of forfeiture of patent rights after twelve continuation applications over eight-year period and failure to advance prosecution of application).

## **B.5. Equitable Defenses**

### **5.5 UNCLEAN HANDS**

The owner of a patent may be barred from enforcing the patent against an infringer where the owner of the patent acts or acted inequitably, unfairly, or deceitfully towards the infringer or the Court in a way that has immediate and necessary relation to the relief that the patent holder seeks in a lawsuit. This is referred to as “unclean hands,” and it is a defense that [alleged infringer] contends precludes any recovery by [patent holder] in this lawsuit.

You must consider and weigh all the facts and circumstances to determine whether you believe that, on balance, [patent holder] acted in such an unfair way towards [alleged infringer] or the Court in the matters relating to the controversy between [patent holder] and [alleged infringer] that, in fairness, [patent holder] should be denied the relief it seeks in this lawsuit. [Alleged infringer] must prove unclean hands by a preponderance of the evidence.

#### Authorities

35 U.S.C. § 282; *Keystone Driller Co. v. Gen. Excavator Co.*, 290 U.S. 240 (1933) (affirming dismissal of patent holder’s complaints for unclean hands from suppressing evidence of prior use in another litigation); *Aptix Corp. v. Quickturn Design Sys., Inc.*, 269 F.3d 1369 (Fed. Cir. 2001) (affirming district court’s finding of unclean hands when inventor added new material to signed and dated pages, but vacating judgment of unenforceability because unclean hands do not nullify grant of personal property).



## B.6 Patent Damages

### 6.1 DAMAGES—INTRODUCTION

If you find that [alleged infringer] infringed any valid claim of the [ ] patent, you must then consider what amount of damages to award to [patent holder]. I will now instruct you about the measure of damages. By instructing you on damages, I am not suggesting which party should win this case, on any issue. If you find that [alleged infringer] has not infringed any valid claim of the patent, then [patent holder] is not entitled to any damages.

The damages you award must be adequate to compensate [patent holder] for the infringement. They are not meant to punish an infringer. Your damages award, if you reach this issue, should put [patent holder] in approximately the same financial position that it would have been in had the infringement not occurred.

[Patent holder] has the burden to establish the amount of its damages by a preponderance of the evidence. In other words, you should award only those damages that [patent holder] establishes that it more likely than not suffered. While [patent holder] is not required to prove the amount of its damages with mathematical precision, it must prove them with reasonable certainty. You may not award damages that are speculative, damages that are only possible, or damages that are based on guesswork.

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 convoyed 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. But, regardless of the type of damages you may choose to award, you must be careful to ensure that award is no more or no less than the value of the patented invention.

[Add if patent holder is under a RAND obligation: Because [patent holder] committed to license the patent on Reasonable and Non-Discriminatory (“RAND”) terms, you must ensure that any damages award is consistent with and does not exceed the amount permitted under [patent holder's] RAND obligations.]

I will give more detailed instructions regarding damages shortly. Note, however, that [patent holder] is entitled to recover no less than a reasonable royalty for each infringing [sale; fill in other infringing act].

#### Committee Comments and Authorities

See 35 U.S.C. § 284; *Ericsson, Inc. v. D-Link Sys.*, 773 F.3d 1201, 1226 (Fed. Cir. 2014) (“What is taken from the owner of a utility patent (for purposes of assessing damages under § 284) is only the patented technology, and so the value to be measured is only the value of the infringing features of an accused product.”); *Virnetx, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1326 (Fed. Cir. 2014) (“No matter what the form of the royalty, a patentee must take care to seek only those damages attributable to the infringing features.”); *Calico Brand, Inc. v. Ameritek Imps., Inc.*, 527

Fed. Appx. 987, 996 (Fed. Cir. 2013) (“lost profits must be tied to the intrinsic value of the patented feature”); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869 (Fed. Cir. 2010) (“the trial court must carefully tie proof of damages to the claimed invention's footprint in the market place”); *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1381-82 (Fed. Cir. 2003); *Integra Lifesciences I, Ltd. v. Merck KGaA*, 331 F.3d 860, 870 (Fed. Cir. 2003); *Grain Processing Corp. v. Am. Maize-Prods. 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, 1545 (Fed. Cir. 1995) (en banc); *Lam, Inc. v. Johns-Manville Corp.*, 718 F.2d 1056, 1065 (Fed. Cir. 1983).

A patent holder is not entitled to damages that are remote or speculative. *See, e.g., Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009) (vacating and remanding jury award as excessive); *Lam*, 718 F.2d at 1067 (holding that lost profits, as well as the harm to the goodwill of the entire market stemming from the infringer's inferior product, were not remote or speculative, and thus recoverable). The Federal Circuit has opined, in *dicta*, that “remote consequences, such as a heart attack of the inventor or loss in value of shares of common stock of a patentee corporation caused indirectly by infringement are not compensable.” *Rite-Hite*, 56 F.3d at 1546. While a patent holder is not required to prove its damages with mathematical precision, it must prove them with reasonable certainty. *Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360 (Fed. Cir. 1991).

When the amount of damages cannot be ascertained with precision, any doubts regarding the amount must be resolved against the alleged infringer. *Lam*, 718 F.2d at 1064. Any such adverse consequences must rest on the alleged infringer when the inability to ascertain lost profits is due to the infringer's own failure to keep accurate records. *Id.*

## B.6 Patent Damages

### 6.2 LOST PROFITS—“BUT FOR” TEST

[This instruction should only be given in the event the patent holder is seeking lost profits damages, in whole or in part.]

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].

[Patent holder] is entitled to lost profits if it establishes each of the following:

- (1) That there was a demand for the patented [product] [method] [product produced by the method].
- (2) That there were no available, acceptable, noninfringing substitute products, or, if there were, its market share of the number of the sales made by [alleged infringer] that [patent holder] would have made, despite the availability of other acceptable noninfringing substitutes.
- (3) That [patent holder] had the manufacturing and marketing capacity to make any infringing sales actually made by [alleged infringer] and for which [patent holder] seeks an award of lost profits—in other words, that [patent holder] was capable of satisfying the demand.
- (4) The amount of profit that [patent holder] would have made if [alleged infringer] had not infringed.

#### Committee Comments and Authorities

35 U.S.C. § 284; *Aro Mfg. Co. v. Convertible Top Co.*, 377 U.S. 476, 502-07 (1964); *Ericsson, Inc. v. Harris Corp.*, 352 F.3d 1369, 1377-79 (Fed. Cir. 2003); *Micro Chem., Inc. v. Lextron, Inc.*, 318 F.3d 1119, 1123 (Fed. Cir. 2003); *Gargoyles, Inc. v. United States*, 113 F.3d 1572, 1577-78 (Fed. Cir. 1997); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1545 (Fed. Cir. 1995) (en banc); *BIC Leisure Prods., Inc. v. Windsurfing Int’l, Inc.*, 1 F.3d 1214, 1218-19 (Fed. Cir. 1993); *Carella v. Starlight Archery*, 804 F.2d 135, 141 (Fed. Cir. 1986); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 552 (Fed. Cir. 1984); *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1156 (6th Cir. 1978).

The four-factor “but for” test was first articulated in *Panduit*, 575 F.2d at 1156, and has since been adopted by the Federal Circuit. *See, e.g., Rite-Hite*, 56 F.3d at 1545. It is not, however, the only available method for proving lost profits. *Id.*; *see also BIC*, 1 F.3d at 1218-19. Once a patent holder has shown the four elements of the *Panduit* test, the burden then shifts to alleged infringer to show that patent holder’s “but for” causation analysis is unreasonable under the specific circumstances. *Rite-Hite*, 56 F.3d at 1545.

### **LOST PROFITS—DEMAND**

Demand for the patented product can be proven by significant sales of a patent holder’s patented product or significant sales of an infringing product containing the patented features.

#### Authorities

*DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1330 (Fed. Cir. 2009).

### **LOST PROFITS—NONINFRINGEMENT SUBSTITUTES—ACCEPTABILITY**

To be an “acceptable, [noninfringing] substitute,” a product must have the advantages of the patented invention that were important to people who purchased an alleged infringer’s product. If purchasers of an alleged infringer’s product were motivated to buy that product because of features available only from that product and a patent holder’s patented product, then some other, alternative product is not an acceptable substitute, even if it otherwise competed with a patent holder’s and an alleged infringer’s products. On the other hand, if the realities of the marketplace are that competitors other than the patentee would likely have captured the sales made by the infringer, despite a difference in the products, then the patentee is not entitled to lost profits on those sales.

#### Authorities

*Am. Seating Co. v. USSC Group*, 514 F.3d 1262, 1270 (Fed. Cir. 2008) (“[B]uyers must view the substitute as equivalent to the patented device.”); *Standard Havens Prods., Inc. v. Gencor Indus.*, 953 F.2d 1360, 1373 (Fed. Cir. 1991); *SmithKline Diagnostics, Inc. v. Helena Lab. Corp.*, 926 F.2d 1161, 1166 (Fed. Cir. 1991).

### **LOST PROFITS—NONINFRINGEMENT SUBSTITUTES—AVAILABILITY**

An alternative product may be considered “available” as a potential substitute even if the product was not actually on sale during the infringement period. Factors suggesting the alternative was available include whether the material, experience, and know-how for the alleged substitute were readily available at the time of infringement. Factors suggesting the alternative was not available include whether the material was of such high cost as to render the alternative unavailable and whether an alleged infringer had to design or invent around the patented technology to develop an alleged substitute.

## Authorities

*Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999) (holding that an unused, but available, noninfringing process was an acceptable substitute); *Micro Chem., Inc. v. Lextron, Inc.*, 318 F.3d 1119, 1123 (Fed. Cir. 2003) (“The record shows that Lextron did not have the necessary equipment, know-how, and experience to make the [alternative] machine at the time of infringement.”).

## **LOST PROFITS—CAPACITY**

A patent holder is only entitled to lost profits for sales it could have actually made. In other words, [patent holder] must show that it had the manufacturing and marketing capability to make the sales it said it lost. This means [patent holder] must prove it is more probable than not that it could have made and sold, or could have had someone else make or sell for it, the additional products it says it could have sold but for the infringement.

### Authorities

*Fonar Corp. v. Gen. Elec. Co.*, 107 F.3d 1543, 1553 (Fed. Cir. 1997) (finding that the patent holder, a young company, would have expanded to meet the increased demand created by the success of the patented product); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 554 (Fed. Cir. 1984).

## **LOST PROFITS—AMOUNT OF PROFIT**

A patent holder may calculate its lost profits on lost sales by computing the lost revenue for sales it claims it would have made but for the infringement and subtracting from that figure the amount of additional costs or expenses it would have incurred in making those lost sales, such as cost of goods, sales costs, packaging costs, and shipping costs. Certain fixed costs that do not vary with increases in production or scale, such as taxes, insurance, rent, and administrative overhead, should not be subtracted from a patent holder's lost revenue.

### Authorities

*Paper Converting Mach. Co. v. Magna-Graphics Corp.*, 745 F.2d 11 (Fed. Cir. 1984).

## LOST PROFITS—MARKET SHARE

If a patent holder establishes it would have made some, but not all, of an alleged infringer's sales but for the infringement, the amount of sales that the patent holder lost may be shown by proving the patent holder's share of the relevant market, excluding infringing products. A patent holder may be awarded a share of profits equal to its market share even if there were noninfringing substitutes available. In determining a 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

*State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1557 (Fed. Cir. 1989); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 1 F.3d 1214, 1218-19 (Fed. Cir. 1993); *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).

## **B.6 Patent Damages**

### **6.3 LOST PROFITS—COLLATERAL SALES**

[This instruction should only be given in the event that patent holder is seeking lost profits from collateral sales.]

In this case, [patent holder] is seeking lost profits from sales of [ ], which [patent holder] contends it would have sold along with the product it sells that competes with the infringing products [ ]. These products sold along with the competitive product are called collateral products.

To recover lost profits on sales of such collateral products, [patent holder] must establish two things. First, [patent holder] must establish 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 competitive product together must be analogous to components of a single assembly or parts of a complete machine, or, in other words, they must constitute a single 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.

#### Committee Comments and Authorities

The relationship required to recover lost profits on collateral sales is outlined in *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1550 (Fed. Cir. 1995) (en banc) (denying recovery for lost profits on collateral sales where nonpatented product lacked a functional relationship to the patented product); *see also State Indus., Inc. v. Mar-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.6 Patent Damages

### 6.4 LOST PROFITS—PRICE EROSION

[This instruction should only be given in the event that patent holder contends it should be compensated for price erosion.]

[Patent holder] can recover additional damages if it can establish that it is more likely than not that, if there had been no infringement, [patent holder] would have been able to charge higher prices for some of its products. If this fact is established, you may award as additional damages the difference between:

- (A) the amount of profits [patent holder] would have made by selling its product at the higher price, and
- (B) the amount of profits [patent holder] actually made by selling its product at the lower price [patent holder] actually 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 that were lost because of the infringement. In calculating [patent holder]'s total losses from price erosion, you must take into account any drop in sales that would have resulted from charging a higher price.

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

#### Authorities

*Compare Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336, 1357-58 (Fed. Cir. 2001) (upholding denial of price-erosion damages where patentee failed to show how higher prices would have affected demand for the patented product), *with Ericsson, Inc. v. Harris Corp.*, 352 F.3d 1369, 1377-79 (Fed. Cir. 2003) (upholding award of price-erosion damages where patentee offered sufficient proof of an inelastic market that would support price increases without a drop in sales of the patented product); *see also Vulcan Eng'g Co. v. FATA Aluminum, Inc.*, 278 F.3d 1366, 1377 (Fed. Cir. 2002); *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).

## B.6 Patent Damages

### 6.5 REASONABLE ROYALTY—ENTITLEMENT

If you find that [patent holder] has established infringement, [patent holder] is entitled to at least a reasonable royalty to compensate it for that infringement. If you find that [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 you must award [patent holder] a reasonable royalty for all infringing sales for which it has not been awarded lost profits damages.

#### Authorities

35 U.S.C. § 284; *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009) (vacating and remanding jury award as excessive); *Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc.*, 246 F.3d 1336 (Fed. Cir. 2001); *Fromson v. W. Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1998); *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).

## B.6 Patent Damages

### 6.6 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. A reasonable royalty is the amount of royalty payment that a patent holder and the alleged infringer would have agreed to in a hypothetical negotiation taking place at a time prior to when the infringement first began. In considering this hypothetical negotiation, you should focus on what the expectations of the patent holder and the alleged infringer would have been had they entered into an agreement at that time, and had they acted reasonably in their negotiations. In determining this, you must assume that both parties believed the patent was valid and infringed and that both parties were willing to enter into an agreement. The reasonable royalty you determine must be a royalty that would have resulted from the hypothetical negotiation, and not simply a royalty either party would have preferred. Evidence of things that happened after the infringement first began can be considered in evaluating the reasonable royalty only to the extent that the evidence aids in assessing what royalty would have resulted from a hypothetical negotiation. Although evidence of the actual profits an alleged infringer made may be used to determine the anticipated profits at the time of the hypothetical negotiation, the royalty may not be limited or increased based on the actual profits the alleged infringer made.

#### Authorities

*Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011) (25% “rule of thumb” inadmissible); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 (Fed. Cir. 2010) (per curiam) (licenses must be related to patent at issue to be relevant to a reasonable royalty); *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); *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371 (Fed. Cir. 2001); *Trans-World Mfg. Corp. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552 (Fed. Cir. 1984).

## B.6 Patent Damages

### 6.7 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 value that the claimed invention contributes to the accused product.
- (2) The value that factors other than the claimed invention contribute to [the accused product].
- (3) Comparable license agreements, such as those covering the use of the claimed invention or similar technology.

[Add if a Standard Essential Patent or a patent otherwise subject to a RAND obligation is involved] You have heard evidence that the asserted patent is a standard essential patent, that is, the [industry standard] cannot be practiced without infringing the patent. If you agree that the patent is essential to the [standard], you must ensure that your damages award reflects only the value of the patented invention and not the additional value that resulted from the patent's inclusion in the [standard]. In other words, you may not consider the success of the standard itself in determining a reasonable royalty for the patent(s)-in-suit.]

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 the alleged infringer would have been willing to pay and the patent holder would have been willing to accept, acting as normally prudent business people.

#### Committee Comments and Authorities

The so-called “*Georgia-Pacific*” factors, which can be considered in appropriate cases to inform the hypothetical negotiations, include the following:

- (1) The royalties received by the patentee for the licensing of the patent-in-suit, proving or tending to prove an established royalty
- (2) The rates paid by the licensee 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) The licensor's established policy and marketing program to maintain his or her 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 the licensor and licensee, 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 the licensee, the existing value of the invention to the licensor as a generator of sales of his 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 the licensor, and the benefits to those who have used the invention.
- (11) The extent to which the 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 the patentee) and a licensee (such as the 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.

The Federal Circuit has made it clear that the *Georgia Pacific* factors are not mandatory. *See, e.g., Energy Transp. Group, Inc. v. William Demant Holding A/S*, 697 F.3d 1342, 1357 (Fed. Cir. 2012) (“[T]his court does not endorse *Georgia-Pacific* as setting forth a test for royalty

calculations, but only as a list of admissible factors informing a reliable economic analysis.”). But if they are used, the jury should be instructed only on the factors that are relevant to the evidence before the jury. *Ericsson, Inc. v. D-Link Sys.*, 773 F.3d 1201, 1231 (Fed. Cir. 2014) (stating that “the district court erred by instructing the jury on multiple *Georgia-Pacific* factors that are not relevant, or are misleading, on the record before it”); *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011) (25% “rule of thumb” inadmissible); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 (Fed. Cir. 2010) (per curiam) (licenses must be related to patent at issue to be relevant to a reasonable royalty); *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).

If a Standard Essential Patent is involved, the jury must be instructed to separate out the value of the patented invention from any value that arises from the fact that the patent is essential to a standard:

Because SEP holders should only be compensated for the added benefit of their inventions, the jury must be told to differentiate the added benefit from any value the innovation gains because it has become standard essential. Although the jury, as the fact finder, should determine the appropriate value for that added benefit and may do so with some level of imprecision, we conclude that they must be told to consider the difference between the added value of the technological invention and the added value of that invention's standardization.

*Ericsson, Inc. v. D-Link Sys.*, 773 F.3d at 1233.

## B.6 Patent Damages

### 6.8 DATE OF COMMENCEMENT OF DAMAGES—PRODUCTS

In determining the amount of damages, you must determine when the damages began. Damages commence on the date that [alleged infringer] has both infringed and been notified of the alleged infringement of the [ ] patent [choose those that apply]:

Alternative A:

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

Alternative B:

If you find that [patent holder] sells a product that includes the claimed invention, you must determine whether [patent holder] 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. [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] 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] [chose A] does not sell a product covered by the [ ] patent [or chose B] sells 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].]

#### Committee Comments and 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. J. Baker, Inc.*, 86 F.3d 1098, 1108-09 (Fed. Cir. 1996); *Am. Med. Sys. v. Med. 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).

Notice through marking is constructive notice. See *Maxwell*, 86 F.3d at 1111-12 (holding that when 95% of patented product offered for sale was marked by licensee retailer with “patent

pending,” even after the patent had been granted and remaining 5% of product remained unmarked, constructive notice had been made under 35 U.S.C. § 287(a) where patentee demonstrated efforts to correct licensee’s mistakes).

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.



## C. Appendix

### GLOSSARY

Some of the terms in this glossary will be defined in more detail in the legal 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. 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 an Examiner or independently by the patent applicant during the patent application examination process.

**Anticipation:** A situation in which a claimed invention describes an earlier invention and, therefore, is not considered new and is not entitled to be patented.

**Assignment:** A transfer of patent rights 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 paragraph. 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 landowner 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. A dependent claim does not stand alone and refers to one or more other claims. A dependent claim incorporates whatever the other referenced claim or claims say.

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

**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 an 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, or sells 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 a significant part 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 object suitable for noninfringing 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."

**Nonobviousness:** One of the requirements for securing a patent. To be valid, the subject matter of the invention must not have been obvious to a person of ordinary skill in the field 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 Examiner to the patent applicant in the course of the application examination process.

**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, or selling an invention for a term of 20 years from the date the patent application was filed (or 17 years from the date the patent issued). 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 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:** Previously known subject matter in the field of a claimed invention for which a patent is being sought. It includes issued patents, publications, and 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.

**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.”

**Royalty:** A royalty is a payment made to the owner of a patent by a nonowner 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.

Model Patent Jury Instructions  
for the Northern District of California

June 17, 2014

Working Committee

Professor Mark Lemley  
Kathi Lutton David  
McIntyre Matthew  
Powers  
Honorable Ronald Whyte  
James Yoon

## I. Introduction

These Model Patent Jury Instructions have been adopted by the Northern District of California and have been revised to account for changes in the law as of June 1, 2014. However, several patent cases are pending before the Supreme Court and further modifications may be required.

Additionally, Congress has amended the patent laws in the America Invents Act (“AIA”), signed by the President on September 16, 2011. Most notably, the First Inventor to File Provision of the AIA redefines Prior Art for those patent applications filed under the First Inventor to File system. The prior art jury instructions provided in this model set of instructions are therefore inapplicable to any claimed invention having an effective filing date on or after March 16, 2013.

The court is indebted to the Working Committee which spent many hours drafting the original model instructions and subsequent revisions. The court specially recognizes the contributions of Martin Fleisler who acted as chair of the Committee prior to his recent passing.

The instructions have been prepared to assist judges in communicating effectively and in plain English with jurors in patent cases. The instructions are models and are not intended to be used without tailoring. They are not substitutes for the individual research and drafting that may be required in a particular case.

These instructions include only instructions on patent law. They will need to be supplemented with standard instructions on, among other things, the duties of the judge and jury, the consideration of evidence, the duty to deliberate, and the return of a verdict. The Ninth Circuit’s Manual of Model Civil Jury Instructions (download from [Civil\\_Jury\\_Instructions\\_2014.pdf](#) or [Civil\\_Jury\\_Instructions\\_2014.wpd](#)) is a good reference for standard instructions for civil cases.

The instructions use the terms “patent holder” and “alleged infringer” in brackets. The names of the parties should be substituted for these terms as appropriate. Other language is bracketed as it may not be appropriate for a particular case. Empty brackets signify additional case specific information to be added, such as patent or claim numbers.

Suggested revisions to these instructions may be sent to the Honorable Ronald M. Whyte at the e-mail address: [Ronald\\_Whyte@cand.uscourts.gov](mailto:Ronald_Whyte@cand.uscourts.gov) or at his U.S. mail address: U.S. Court Building, 280 S. First Street, San Jose, California 95113.

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### *A.1. Preliminary Instructions*

## **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 persons believed to be infringers by 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.

After the applicant files the application, a PTO patent examiner reviews the patent application to determine whether the claims are patentable and whether the specification adequately describes the invention claimed. In examining a patent application, the patent examiner reviews records available to the PTO 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.]<sup>7</sup> 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

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<sup>7</sup> <sup>1</sup>The preceding two sentences are inapplicable to any post-AIA claims, i.e., to any claimed invention having an effective filing date on or after March 16, 2013.



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 case involves a United States patent obtained by [inventor], and transferred by [inventor] to [patent holder]. 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. [[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. [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.]

You may hear evidence that [alleged infringer] has its own patent(s) or that [alleged infringer] improved on the [ ] patent. While this evidence is relevant to some issues you will be asked to decide, a party can still infringe even if it has its own patents in the same area. You will be instructed after trial as to what, if any, relevance these facts have to the particular issues in this case. Meanwhile, please keep an open mind.

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. If this is done, the instructions intended to be given after the close of evidence could be adapted and given as preliminary instructions. This, of course, would not negate the need to give complete instructions at the close of evidence.]

## *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 likely true than not. On other issues you must use a higher standard and decide whether it is highly probable that something is true.

[Patent holder] will present its evidence on its contention that [some] [the] claims of the [ ] patent have been [and continue to be] infringed by [alleged infringer] [and that the infringement has been [and continues to be] willful.] 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 likely than not that [alleged infringer] has infringed that claim. [To persuade you that any infringement was willful, [patent holder] must prove that it is highly probable that the infringement was willful.]

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 put on evidence responding to [patent holder]'s infringement [and willfulness] 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 [or lack of willfulness].

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.

[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.

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

### **2.1 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. As I mentioned, the patent claims are numbered sentences at the end of the patent that describes 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.

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 3.5 "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. Infringement*

#### **3.1 INFRINGEMENT – 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. To prove infringement of any claim, [patent holder] must persuade you that it is more likely than not that [alleged infringer] has infringed that claim.

#### 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).

### B.3. Infringement

## 3.2 DIRECT INFRINGEMENT

A patent's claims define what is covered by the patent. A [product] [method] directly infringes a patent if it is covered by at least one claim of the patent.

Deciding whether a claim has been directly infringed is a two-step process. The first step is to decide the meaning of the patent claim. I have already made this decision, [and I will instruct you later as to the meaning of the asserted patent claims] [and I have already instructed you as to the meaning of the asserted patent claims]. The second step is to decide whether [alleged direct infringer] has [made,] [used,] [sold,] [offered for sale] or [imported] within the United States a [product] [method] covered by a claim of the [ ] patent.<sup>28</sup> If it has, it infringes. You, the jury, make this decision.

[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.]

[You have heard evidence about both [patent holder]'s commercial [[product] [method]] and [alleged infringer]'s accused [[product] [method]]. However, in deciding the issue of infringement you may not compare [alleged infringer]'s accused [[product] [method]] to [patent holder]'s commercial [[product] [method]]. Rather, you must compare the [alleged infringer]'s accused [[product] [method]] to the claims of the [ ] patent when making your decision regarding infringement.]<sup>39</sup>

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

There are two ways in which a patent claim may be directly infringed. A claim may be "literally" infringed, or it may be infringed under the "doctrine of equivalents." The following instructions will provide more detail on these two types of direct infringement. [You should note, however, that what are called "means-plus-function" requirements in a claim are subject to different rules for deciding direct infringement. These separate rules apply to claims [ ]. I will describe these separate rules shortly.]

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<sup>28</sup> Consistent with the policy of these instructions not to propose instructions on issues that arise only rarely, we have not proposed instructions on international infringement under sections 35 U.S.C. 271(f) and (g). If those issues arise, the reference in this instruction to infringement "within the United States" should be modified accordingly. *See Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437 (2007); *Bayer AG v. Housey Pharms. Inc.*, 340 F.3d 1367 (Fed. Cir. 2003).

<sup>39</sup> This instruction is appropriate in cases where the plaintiff sells a commercial product and contends that such product practices at least one of the asserted patent claims.

## 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).

### B.3. Infringement

#### 3.3 LITERAL INFRINGEMENT

To decide whether [alleged infringer]’s [product] [method] literally infringes a claim of the [ ] patent, you must compare that [product] [method] with the patent claim and determine whether every requirement of the claim is included in that [product] [method]. If so, [alleged infringer]’s [product] [method] literally infringes that claim. 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. You must decide literal infringement for each asserted claim separately.

[If the patent claim uses the term “comprising,” that patent claim is to be understood as an open claim. An open claim is infringed as long as every requirement in the claim is present in [alleged infringer]’s [product] [method]. The fact that [alleged infringer]’s [product] [method] also includes other [parts] [steps] will not avoid infringement, as long as it has every requirement in the patent claim.]

[If the patent claim uses the term “consisting of,” that patent claim is to be understood as a closed claim. To infringe a closed claim, [alleged infringer]’s [product] [method] must have every requirement in the claim and no other [parts] [steps].]

[If the patent claim uses the term “consisting essentially of,” that patent claim is to be understood as a partially closed claim. A partially closed claim is infringed as long as every requirement in the claim is present in [alleged infringer]’s [product] [method]. The fact that [alleged infringer]’s [product] [method] also includes other [parts] [steps] will not avoid infringement so long as those [parts] [steps] do not materially affect the basic and novel properties of the invention. If [accused infringer]’s [product] [method] includes other [parts] [steps] that do change those basic and novel properties, it does not infringe.<sup>10]</sup>

[If [alleged infringer]’s [product] [method] does not itself include every requirement in the patent claim, [alleged infringer] cannot be liable for infringement merely because other parties supplied the missing elements, unless [accused infringer] directed or controlled the acts by those parties.] [Alleged infringer] does not direct or control someone else’s action merely because [alleged infringer] entered into a business relationship with that person. Instead, [alleged infringer] must specifically instruct or cause that other person to perform each step in an infringing manner, so that every step is attributable to [alleged infringer] as controlling party.

[If one party controls and makes use of a system that contains all the requirements of the claim, that party may be an infringer even though the parts of the system do not all operate in the same place or at the same time.]<sup>11]</sup>

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<sup>10</sup> Generally, only one of the three preceding paragraphs will be appropriate, depending on the transition used in the claim; the others should be omitted. In cases in which more than one claim is at issue, and the claims use different transitions, more than one paragraph will be used.

<sup>11</sup> The final sentence of this instruction is appropriate in cases involving system claims, but not method claims. *Centillion Data Sys., LLC v. Qwest Comm’ns Int’l*, 631 F.3d 1279 (Fed. Cir. 2011).

## Authorities

*MicroStrategy Inc. v. Bus. Objects, S.A.*, 429 F.3d 1344, 1352-53 (Fed. Cir. 2005); *Netword, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353 (Fed. Cir. 2001); *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 532 (Fed. Cir. 1996); *Ecolab, Inc. v. FMC Corp.*, 535 F.3d 1369 (Fed. Cir. 2009); *Cross Med. Prods. v. Medtronic Sofamor Danek*, 424 F.3d 1293 (Fed. Cir. 2005); *BMC Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007).

### *B.3. Infringement*

#### **3.4 INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS**

If you decide that [alleged infringer]’s [product] [method] does not literally infringe an asserted patent claim, you must then decide whether that [product] [method] infringes the asserted claim under what is called 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 not substantial as of the time of the alleged infringement.

Changes in technique or improvements made possible by technology developed after the patent application is filed may still be equivalent for the purposes of the doctrine of equivalents if it still meets the other requirements of the doctrine of equivalents set forth in this instruction.

[One way to decide whether any difference between a requirement of an asserted claim and a [part] [step] of the [product] [method] is not substantial is to consider whether, 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. 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. The fact that a [part] [step] of the [product] [method] performs the same function as the claim requirement is not, by itself, sufficient to show known interchangeability.]

[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.]<sup>12</sup>

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<sup>12</sup> If this instruction is applicable in a given case, then the court should instruct the jury that if [alleged infringer] has offered evidence sufficient 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

[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., Inc. 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); *Abraxis Bioscience, Inc. v. Mayne Pharma (USA) Inc.*, 467 F.3d 1370, 1379-82 (Fed. Cir. 2006); *Pfizer, Inc. v. Teva Pharms., USA, Inc.*, 429 F.3d 1364, 1378 (Fed. Cir. 2005); *Johnston & Johnston Assoc. v. R.E. Service Co.*, 285 F.3d 1046 (Fed. Cir. 2002) (en banc); *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).

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have been obvious from the prior art. See *Fiskares, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1323 (Fed. Cir. 2000); *Ultra-Tex Surfaces, Inc. v. Hill Bros. Chem. Co.*, 204 F.3d 1360, 1364-66 (Fed. Cir. 2000); *Streamfeeder, LLC v. Sure-Feed Sys., Inc.*, 175 F.3d 974, 981-84 (Fed. Cir. 1999).



### *B.3. Infringement*

#### **3.5 MEANS-PLUS-FUNCTION CLAIMS – LITERAL INFRINGEMENT<sup>13</sup>**

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.

As an example, the term “means for processing data” might be understood to encompass a variety of different ways of making a calculation, including not only a computer or calculator but a pencil and paper or even the human brain. But because the phrase is a means-plus-function requirement, we interpret that phrase not to cover every possible means for processing data, but instead to cover the actual means disclosed in the patent for processing data and other means that are equivalent to it.

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 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 that the differences between the structure described in the [ ] patent and the structure in the [accused product] are not substantial. The [patent holder] must also show that

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<sup>13</sup> 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.”

the structure was available on the date the [ ] patent was granted.<sup>14</sup>

### Authorities

35 U.S.C. § 112(6); *Frank's Casing Crew & Rental Tools, Inc. v. Weatherford Int'l, 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).

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<sup>14</sup> There is an important difference between what can be an equivalent under § 112(6) and what can be an equivalent under the doctrine of equivalents. An equivalent structure or act under § 112(6) cannot embrace technology developed after the issuance of the patent because the literal meaning of a claim is fixed upon its issuance. *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1310 (Fed. Cir. 1998); *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999). Although new matter cannot be added to a patent application after it has been filed, current Federal Circuit law nevertheless uses the patent issuance date, as opposed to the effective filing date, to distinguish what constitutes an “after arising equivalent.” An after arising equivalent infringes, if at all, under the doctrine of equivalents and could infringe under the doctrine of equivalents and could infringe under the doctrine of equivalents without infringing literally under § 112(6). Furthermore, under § 112(6) the accused device must perform the identical function as recited in the claim element while the doctrine of equivalents may be satisfied when the function performed by the accused device is only substantially the same. *Al-Site*, 174 F.3d. at 1320-21

### *B.3. Infringement*

#### **3.6 MEANS-PLUS-FUNCTION CLAIMS – INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS**

[No model instruction is provided since an instruction on this subject is necessarily case specific. However, a means-plus-function requirement can be met under the doctrine of equivalents if the function is not the same but is equivalent (*see, e.g., WMS Gaming Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1353 (Fed. Cir. 1999) or the corresponding structure in the accused product is later developed technology. *See Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1310 (Fed. Cir. 1998); *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999).]

*B.3. Infringement*

**3.7 LIMITATIONS ON THE DOCTRINE OF EQUIVALENTS**

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

### B.3. Infringement

#### 3.8 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.

If you find someone has directly infringed the [ ] patent, then contributory infringement exists if:

- (1) [Alleged infringer] supplied an important component of the infringing part of the [product] or [method];
- (2) The component is not a common component suitable for non-infringing use; and
- (3) [Alleged infringer] supplied the component with the knowledge of the [ ] patent and knowledge that the component was especially made or adapted for use in an infringing manner.

A “common component suitable for non-infringing use” is a component that has uses [other than as a component of the patented product][other than in the patented method], and those other uses are 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 All., 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).

### B.3. Infringement

#### 3.9 INDUCING PATENT INFRINGEMENT

[Patent holder] argues that [alleged infringer] has actively induced another to infringe the [ ] patent. In order for the [alleged infringer] to induce infringement, [alleged infringer] must have induced another to directly infringe a claim of the [ ] patent; if there is no direct infringement by anyone, there can be no induced infringement. In order to be liable for inducement of infringement, [alleged infringer]<sup>15</sup> must:

1. have intentionally taken action that actually induced direct infringement;
2. have been aware of the [ ] patent;
3. have known that the acts it was causing would infringe the patent; and
4. not have had a good faith belief the patent was invalid.

If the four requirements just stated are not met, [alleged infringer] cannot be liable for inducement unless it actually believed that it was highly probable its actions would encourage infringement of a patent it believed to be valid and that it deliberately chose to avoid learning the truth. To prove inducement, it is not enough that [accused infringer] was merely indifferent to the possibility that its actions might encourage infringement of a valid patent. Nor is it enough that [accused infringer] took a risk that was substantial and unjustified.

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 [accused infringer] had a good-faith belief that the patent would be held invalid][, 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, \_\_\_ (2011); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304-06 (Fed. Cir. 2006) (en banc) (quoting *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936 (2005)); *Broadcom Corp. v. Qualcomm, Inc.*, 543 F.3d 683 (Fed. Cir. 2008); *Limelight Networks, Inc. v. Akamai Techs.*, 134 S.Ct. 2111, 572 U.S. \_\_\_ (2014); *Commil USA v. Cisco Sys.*, 720 F.3d 1361 (Fed. Cir. 2013).

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<sup>15</sup> [Alleged Infringer] in this instance refers to the alleged inducer infringer, not the alleged direct infringer.

### B.3. Infringement

#### 3.10 WILLFUL INFRINGEMENT

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 the [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, the [patent holder] must persuade you that it is highly probable that [alleged infringer] acted with reckless disregard of the claims of the [patent holder]'s [patent].

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; [and]
- (2) 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].<sup>16</sup>

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.

#### 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

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<sup>16</sup> This bracketed language should only be included if the alleged infringer relies on advice of counsel. There is no affirmative obligation to obtain opinion of counsel. *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007) (en banc).

(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).

[Note to judges: the Federal Circuit has held that “the judge may when the defense is a question of fact or a mixed question of law and fact allow the jury to determine the underlying facts relevant to the defense in the first instance, for example, the questions of anticipation or obviousness. But, consistent with this court's holding today, the ultimate legal question of 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). So the jury’s finding on the subjective prong *does not mean* that infringement was willful; it is the obligation of the judge to independently evaluate the objective basis for the underlying defense.]



### *B.4.1 Validity*

#### **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.

[During this case, the [alleged infringer] has submitted prior art that was not considered by the United States Patent and Trademark Office (PTO) during the prosecution of the [ ] patent. The [alleged infringer] contends that such prior art invalidates certain claims of the [ ] patent. In deciding the issue of invalidity, you may take into account the fact that the prior art was not considered by the PTO when it issued the [ ] patent. Prior art that differs from the prior art considered by the PTO may carry more weight than the prior art that was considered and may make the [alleged infringer's] burden of showing that it is highly probable that a patent claim is invalid easier to sustain.

#### Authorities

*Microsoft Corp. v. i4i Ltd. P'ship*, 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).

## B.4.2 Validity—Adequacy of Patent Specification

### 4.2a WRITTEN DESCRIPTION REQUIREMENT

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); *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); *Univ. of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 926-928 (Fed. Cir. 2004).

## B.4.2 Validity—Adequacy of Patent Specification

### 4.2b ENABLEMENT

A patent claim is invalid if the patent at the time it was originally filed did not contain a description of the claimed invention that is sufficiently full and clear to enable a person of ordinary skill in the field at the time to make and use the full scope of the invention. This is known as the “enablement” requirement.

The patent may be enabling even though it does not expressly state some information if a person of ordinary skill in the field could make and use the invention without having to do excessive experimentation. In determining whether excessive experimentation is required, you may consider the following factors:

- the scope of the claimed invention;
- the amount of guidance presented in the patent;
- the amount of experimentation necessary;
- the time and cost of any necessary experimentation;
- how routine any necessary experimentation is in the field of [identify field]; whether
- the patent discloses specific working examples of the claimed invention; the nature
- and predictability of the field; and
- the level of ordinary skill in the field of [identity field].

The question of whether a patent is enabling is judged as of the date the original application for the patent was first filed.<sup>17</sup>

#### 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. Res. 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).

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<sup>17</sup> Where a claim is the result of a continuation-in-part application and the priority date is disputed, this language will need to be revised to reflect the concept of effective filing date.

## B.4.2 Validity—Adequacy of Patent Specification

### 4.2c BEST MODE<sup>18</sup>

A patent claim is invalid if the patent does not disclose what [the inventor] [any of the inventors] believed was the best way to carry out the claimed invention at the time the patent application was filed. This is known as the “best mode” requirement. It ensures that the public obtains a full disclosure of the best way to carry out the claimed invention known to [the inventor] [any of the inventors] at the time the [original] patent application was first filed. The disclosure of the best mode must be detailed enough to enable the persons of ordinary skill in the field of [identity] field to carry out that best mode without excessive experimentation.

The best mode requirement focuses on what [the inventor] [any of the inventors] believed at the time the [original] patent application was first filed. It does not matter whether the best mode contemplated by [the inventor] [any of the inventors] was, in fact, the best way to carry out the invention. The question is whether the patent includes what [the inventor] [any of the inventors] believed was the best mode at the time the [original] patent application was filed. If [the inventor did not believe] [none of the inventors believed] there was a best way to carry out the invention at the time that application was filed, there is no requirement that the patent describe a best mode. Although a patent specification must disclose the best mode, it may disclose other modes as well and need not state which of the modes disclosed is best. If [the inventor] [any of the inventors] believed there was a better way to carry out the invention and the patent does not disclose it, the patent is invalid.

#### Authorities

35 U.S.C. § 112(1); *Pfizer, Inc. v. Teva Pharms. USA, Inc.*, 518 F.3d 1353, 1364-64 (Fed. Cir. 2008); *Cardiac Pacemaker, Inc. v. St. Jude Medical, Inc.*, 381 F.3d 1371, 1378-79 (Fed. Cir. 2004); *Glaxo Inc. v. Novopharm Ltd.*, 52 F.3d 1043, 1049-52 (Fed. Cir. 1995); *Transco Prods. v. Performance Contracting*, 38 F.3d 551 (Fed. Cir. 1994); *Wahl Instruments v. Acvious*, 950 F.2d 1575 (Fed. Cir. 1991); *Chemcast Corp. v. Arco Indus. Corp.*, 913 F.2d 923, 926-28 (Fed. Cir. 1990); *Spectra-Physics Inc. v. Coherent, Inc.*, 827 F.2d 1524 (Fed. Cir. 1987).

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<sup>18</sup> Applies only to civil actions commenced prior to September 16, 2011, the enactment date of the AIA. For civil actions commenced on or after September 16, 2011, Section 15 of the AIA (amended 35 U.S.C. § 282) provides "that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be ... held invalid."

### *B.4.3 Validity—The Claims*

#### **4.3a1 ANTICIPATION<sup>19</sup>**

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. In patent law, these previous devices, methods, publications or patents are called “prior art references.” If a patent claim is not new we say it is “anticipated” by a prior art reference.

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]:

[– if the claimed invention was already publicly known or publicly used by others in the United States before [insert date of conception unless at issue];]

[– if the claimed invention was already patented or described in a printed publication anywhere in the world before [insert date of conception unless at issue]. [A reference is a “printed publication” if it is accessible to those interested in the field, even if it is difficult to find.];]

[– if the claimed invention 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;]

[– if the claimed invention was already described in another issued U.S. patent or published U.S. patent application that was based on a patent application filed before [insert date of the patent holder’s application filing date] [or] [insert date of conception unless at issue];]

[– if [named inventor] did not invent the claimed invention but instead learned of the claimed invention from someone else;]

[– if the [patent holder] and [alleged infringer] dispute who is a first inventor, the person who first conceived of the claimed invention and first reduced it to practice is the first inventor. If one person conceived of the claimed invention first, but reduced to practice second, that person is the first inventor only if that person (a) began to reduce the claimed invention to practice before the other party conceived of it and (b) continued to work

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<sup>19</sup> This Section 4.3a1 is inapplicable to any post-AIA claims, i.e., to any claimed invention having an effective filing date on or after March 16, 2013.

diligently to reduce it to practice. [A claimed invention is “reduced to practice” when it has been tested sufficiently to show that it will work for its intended purpose or when it is fully described in a patent application filed with the PTO].]

[Since it is in dispute, you must determine a date of conception for the [claimed invention] [and/or] [prior invention]. Conception is the mental part of an inventive act and is proven when the invention is shown in its complete form by drawings, disclosure to another or other forms of evidence presented at trial.]

#### 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 Sci., 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); *Am. 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.4.3 Validity—The Claims*

#### **4.3a2 STATUTORY BARS<sup>20</sup>**

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

[– if the claimed invention was already patented or described in a printed publication anywhere in the world before [insert date that is one year before 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.];]

[– if 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;]

[– if 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.];]

[– if 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 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

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<sup>20</sup> This Section 4.3a2 is inapplicable to any post-AIA claims, i.e., to any claimed invention having an effective filing date on or after March 16, 2013.

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).



### B.4.3 Validity—The Claims

#### 4.3b OBVIOUSNESS<sup>21</sup> - (Alternative 1)

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]]. The court, however, is charged with the responsibility of making the determination as to whether a patent claim was obvious based upon your determination of several factual questions.

First, you must decide the level of ordinary skill in the field that someone would have had [at the time the claimed invention was made] [as of the effective filing date of the claimed invention]<sup>1622</sup>. In deciding the level of ordinary skill, you should consider all the evidence introduced at trial, including:

- (1) the levels of education and experience of persons working in the field;
- (2) the types of problems encountered in the field; and
- (3) the sophistication of the technology.

[Patent holder] contends that the level of ordinary skill in the field was [ ]. [Alleged infringer] contends that the level of ordinary skill in the field was [ ].

Second, you must decide the scope and content of the prior art. [Patent holder] and [alleged infringer] disagree as to whether [identify prior art reference(s)] should be included in the prior art you use to decide the validity of claims [ ] of the [ ] patent. In order to be considered as prior art to the [ ] patent, these references must be reasonably related to the claimed invention of that patent. A reference is reasonably related if it is in the same field as the claimed invention or is from another field to which a person of ordinary skill in the field would look to solve a known problem.

Third, you must decide what difference, if any, existed between the claimed invention and the prior art.

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<sup>21</sup> This instruction provides the jury with an instruction on the underlying factual questions it must answer to enable the court to make the ultimate legal determination of the obviousness question. The court, not the jury, should make the legal conclusion on the obviousness question based on underlying factual determinations made by the jury. *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 427 (2007) (“The ultimate judgment of obviousness is a legal determination.”); see *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1343 (Fed. Cir. 2007). It is anticipated that these factual issues will be presented to the jury as specifically as possible. For example, if the only dispute between the parties is whether a particular reference is with the “scope and content” of the prior art, that is the only *Graham* factor that should be presented to the jury. As another example, if the only factual dispute between the parties on the “difference between the prior art and the claimed invention” is whether a prior art reference discloses a particular claim limitation, that is the only issue that should be presented to the jury on that *Graham* factor. The introductory comment to the sample verdict form discusses further the functions of the judge and jury in determining obviousness.

<sup>22</sup> The “effective filing date of the claimed invention” option is applicable to any post-AIA claims, i.e., to any claimed invention having an effective filing date on or after March 16, 2013.

Finally, you must determine which, if any, of the following factors have been established by the evidence:

- [(1) commercial success of a product due to the merits of the claimed invention];]
- [(2) a long felt need for the solution provided by the claimed invention];]
- [(3) unsuccessful attempts by others to find the solution provided by the claimed invention];]
- [(4) copying of the claimed invention by others];]
- [(5) unexpected and superior results from the claimed invention]]
- [(6) acceptance by others of the claimed invention as shown by praise from others in the field or from the licensing of the claimed invention];]
- [(7) other evidence tending to show nonobviousness];]
- [(8) independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it]; and]
- [(9) other evidence tending to show obviousness].]

#### 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).

### 4.3b OBVIOUSNESS<sup>23</sup> – (Alternative 2)

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 claimed invention was made] [as of the effective filing date of the claimed invention]<sup>24</sup> [as of [insert date]]. This means that even if all of the requirements of the claim cannot be found in a single prior art reference that would anticipate the claim or constitute a statutory bar to that claim, a person of ordinary skill in the field of [identify field] who knew about all this prior art would have come up with the claimed invention.

The ultimate conclusion of whether a claim is obvious should be based upon your determination of several factual decisions.

First, you must decide the level of ordinary skill in the field that someone would have had [at the time the claimed invention was made] [as of the effective filing date of the claimed invention]. In deciding the level of ordinary skill, you should consider all the evidence introduced at trial, including:

- (1) the levels of education and experience of persons working in the field; (2)  
the types of problems encountered in the field; and
- (3) the sophistication of the technology.

[Patent holder] contends that the level of ordinary skill in the field was [ ]. [Alleged infringer] contends that the level of ordinary skill in the field was [ ].

Second, you must decide the scope and content of the prior art. [Patent holder] and [alleged infringer] disagree as to whether [identify prior art reference(s)] should be included in the prior art you use to decide the validity of claims [ ] of the [ ] patent. In order to be considered as prior art to the [ ] patent, these references must be reasonably related to the claimed invention of that patent. A reference is reasonably related if it is in the same field as the claimed invention or is from another field to which a person of ordinary skill in the field would look to solve a known problem.

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<sup>23</sup> This instruction provides the jury with an instruction on how to analyze the obviousness question and reach a conclusion on it in the event that the Court decides to allow the jury to render an advisory verdict on the ultimate question of obviousness. However, the court, not the jury, should make the legal conclusion on the obviousness question based on underlying factual determinations made by the jury. *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 427(2007) (“The ultimate judgment of obviousness is a legal determination.”); *see Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1343 (Fed. Cir. 2007). The introductory comment to the sample verdict form discusses further the functions of the judge and jury in determining obviousness.

<sup>24</sup> The “effective filing date of the claimed invention” option is applicable to any post-AIA claims, i.e., to any claimed invention having an effective filing date on or after March 16, 2013.

Third, you must decide what difference, if any, existed between the claimed invention and the prior art.

Finally, you should consider any of the following factors that you find have been shown by the evidence:

- [(1) commercial success of a product due to the merits of the claimed invention];]
- [(2) a long felt need for the solution provided by the claimed invention];]
- [(3) unsuccessful attempts by others to find the solution provided by the claimed invention];]
- [(4) copying of the claimed invention by others];]
- [(5) unexpected and superior results from the claimed invention];]
- [(6) acceptance by others of the claimed invention as shown by praise from others in the field or from the licensing of the claimed invention];]
- [(7) other evidence tending to show nonobviousness];]
- [(8) independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it] [; and]
- [(9) other evidence tending to show obviousness].]

[The presence of any of the [list factors 1-7 as appropriate] may be considered by you as an indication that the claimed invention would not have been obvious [at the time the claimed invention was made] [as of the effective filing date of the claimed invention], and the presence of the [list factors 8-9 as appropriate] may be considered by you as an indication that the claimed invention would have been obvious at such time. Although you should consider any evidence of these factors, the relevance and importance of any of them to your decision on whether the claimed invention would have been obvious is up to you.]

A patent claim composed of several elements is not proved obvious merely by demonstrating that each of its elements was independently known in the prior art. In evaluating whether such a claim would have been obvious, you may consider whether [the alleged infringer] has identified a reason that would have prompted a person of ordinary skill in the field to combine the elements or concepts from the prior art in the same way as in the claimed invention. There is no single way to define the line between true inventiveness on the one hand (which is patentable) and the application of common sense and ordinary skill to solve a problem on the other hand (which is not patentable). For example, market forces or other design incentives may be what produced a change, rather than true inventiveness. You may consider whether the change was merely the predictable result of using prior art elements according to their known functions, or whether it was the result of true inventiveness. You may also consider whether there is some teaching or

suggestion in the prior art to make the modification or combination of elements claimed in the patent. Also, you may consider whether the innovation applies a known technique that had been used to improve a similar device or method in a similar way. You may also consider whether the claimed invention would have been obvious to try, meaning that the claimed innovation was one of a relatively small number of possible approaches to the problem with a reasonable expectation of success by those skilled in the art. However, you must be careful not to determine obviousness using the benefit of hindsight; many true inventions might seem obvious after the fact. You should put yourself in the position of a person of ordinary skill in the field [at the time the claimed invention was made] [as of the effective filing date of the claimed invention] and you should not consider what is known today or what is learned from the teaching of the patent.

#### 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).

### 4.3c INVENTORSHIP

[[Alleged infringer] can meet its burden of proving that a patent is invalid by showing that it fails to name all actual inventors and only the actual inventors. This is known as the “inventorship” requirement.]

or

[To obtain correction of the inventors listed on the patent, or to prove a claim for [type of state law claim that requires proof of patent law inventorship], [plaintiff] must show that it is highly probable that [s]he is an actual inventor of the patent.]<sup>25</sup>

To be an inventor, one must make a significant contribution to the conception of one or more claims of the patent.<sup>26</sup> Persons may be inventors even though they do not physically work together or make the same type or amount of contribution, or contribute to the subject matter of each claim of the patent. However, merely helping with experimentation by carrying out the actual inventor’s instructions or explaining the actual inventor’s well-known concepts or the current state of the art does not make someone an inventor.

#### Authorities

35 U.S.C. § 102(f) and 35 U.S.C. § 256; *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1349-50 (Fed. Cir. 1998); *Hess v. Advanced Cardiovascular Sys.*, 106 F.3d 976, 980 (Fed. Cir. 1997); *Burroughs Wellcome Co. v. Barr Lab.*, 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).

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<sup>25</sup> The former paragraph is appropriate where the defendant in an infringement suit claims that the patent is invalid for failure to name the correct inventors. The latter paragraph is appropriate when a plaintiff brings state-law claims that depend on the plaintiff proving his or her status as an inventor. *Shum v. Intel Corp.*, 499 F.3d 1272 (Fed. Cir. 2007). Those claims must apply the federal patent law standard. *Univ. of Colo. Found. v. Am. Cyanamid*, 196 F.3d 1366 (Fed. Cir. 1999). Fraud and unjust enrichment claims are examples, if the basis of the claim is that the plaintiff in fact invented the subject matter of the patent. Correction of inventorship is not an issue for the jury, and may be ordered in one set of circumstances if the omission of an inventor is without deceptive intention, but not in another set of circumstances. *Stark v. Advanced Magnetics, Inc., et al.*, 119 F.3d 1551 (Fed. Cir. 1997).

<sup>26</sup> Alleged infringer, in order to meet its burden of proof, must present corroborating evidence of a contemporaneous disclosure that would enable one skilled in the field to make the claimed invention. Corroborating evidence may take many forms and is evaluated under a rule of reason analysis. The court should tailor instructions to the specific facts of the case. See *Linear Tech. Corp. v. Impala Linear Corp.*, 379 F.3d 1311 (Fed. Cir. 2004); *Univ. of Colo. Found., Inc. v. Am. Cyanimid Co.*, 342 F.3d 1298 (Fed. Cir. 2003).

## B.5. 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 those 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.

#### 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. Am. 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. 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 for infringing sales, [patent holder] must show that but for the infringement there is a reasonable probability that it would have made sales that [alleged infringer] made of the infringing product. [Patent holder] must show the share of [alleged infringer]’s sales that it would have made if the infringing product had not been on the market.

#### 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); *Versata Software, Inc. v. SAP Am., Inc.*, 717 F.3d 1255, 1265 (Fed. Cir. 2013); *Presidio Components, Inc. v. Am. Tech. Ceramics Corp.*, 702 F.3d 1351, 1360 (Fed. Cir. 2012).



## B.5. Patent Damages

### 5.3 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];
- (2) that there were no acceptable non-infringing substitutes for the [product] [method] for which [patent holder] seeks lost profits, or, if there were, the number of sales made by [alleged infringer] that [patent holder] would have made despite the availability of any acceptable non-infringing substitutes. An acceptable non-infringing substitute may involve modifying the [alleged infringer's] product to avoid infringement by adding an available alternative or by removing the patented feature from the product altogether.

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 and potential customers would have believed that the alternative was an acceptable substitute. Factors suggesting that the alternative was not available include whether the material was of such high cost as to render the alternative unavailable, whether potential customers would have believed that the alternative was an acceptable substitute and whether [alleged infringer] had to design or invent around the patented technology to develop an alleged substitute;

- (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; and
- (4) the amount of profit that [patent holder] would have made if [alleged infringer] had not infringed.

#### Authorities

*Versata Software, Inc. v. SAP Am., Inc.*, 717 F.3d 1255, 1264 (Fed. Cir. 2013); *Presidio Components, Inc. v. Am. Tech. Ceramics Corp.*, 702 F.3d 1351, 1360-61 (Fed. Cir. 2012).

## *B.5. Patent Damages*

### **5.3a LOST PROFITS – MARKET SHARE**

One way [patent holder] may prove the number of sales it would have made if the infringement had not happened is to prove its share of the relevant market excluding infringing products. You may award [patent holder] a share of profits equal to that market share.

In deciding [patent holder]'s market share, you must decide which products are in [patent holder]'s market. Products are in the same market if they are 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 than 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).

## *B.5. Patent Damages*

### **5.4 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.

#### 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. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1157-58 (6th Cir. 1978).

## B.5. Patent Damages

### 5.5 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. Tritech 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. Patent Damages*

### **5.6 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).

## *B.5. Patent Damages*

### **5.7 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 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 0.01 times the base revenue of \$200. By contrast, if you find the rate to be 5%, the royalty would be \$10, or the rate of 0.05 times the base revenue of \$200. These numbers are only examples, and are not intended to suggest the appropriate royalty rate.

Instead of a percentage royalty, you may decide that the appropriate royalty that would have resulted from a hypothetical negotiation is a fixed number of dollars per unit sold. If you do, the royalty would be that fixed number of dollars times the number of units sold.

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. However, in a circumstance in which the patented feature is the reason customers buy the whole product, the base revenue could be the value of the whole product. Even if the patented feature is not the reason for customer demand, the value of the whole product could be used if, for example, the value of the patented feature could not be separated out from the value of the whole product. In such a case, however, the rate resulting from the hypothetical negotiation would be a lower rate because it is being applied to the value of the whole product and the patented feature is not the reason for the customer’s purchase of the whole product.

Another 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

*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).

## B.5. Patent Damages

### 5.8 DATE OF COMMENCEMENT – PRODUCTS<sup>21,27</sup>

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

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

[Since [patent holder] sells a product that includes the claimed invention but has not marked that product with the patent number, you must determine the date that [alleged infringer] received actual written notice of the [ ] patent and the specific product alleged to infringe;]

[Since [patent holder] [marks the product] or [does not sell a product covered by the patent], then damages begin without the requirement for actual notice under the following circumstances:

If the [ ] patent was granted before the infringing activity began, damages should be calculated as of the date you determine that the infringement began; or

If the [ ] patent was granted after the infringing activity began as determined by you, 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); *Am. Med. Sys. v. Med. 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).

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<sup>27</sup> This instruction may be used when the claim is an apparatus or product claim and [alleged infringer] is a direct infringer. Different rules may apply if the claim is a method claim or [alleged infringer] is an inducer or contributory infringer



## *B.5. Patent Damages*

### **5.9 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 Med., 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.

**Anticipation:** A situation in which a claimed invention describes an earlier invention and, therefore, is not considered new and is not entitled to be patented.

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

**Best Mode:** The best way the inventor actually knew to make or use the invention at the time of the patent application. If the applicant had a best mode as of the time the application was first filed, it must be set forth in the patent specification.

**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 paragraph. 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. A dependent claim does not stand alone and refers to one or more other claims. A dependent claim incorporates whatever the other referenced claim or claims say.

**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 the examination process 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 the application process of an earlier application which repeats some or all 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 or sells 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.”

**Nonobviousness:** One of the requirements for securing a patent. To be valid, 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.

**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 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:** Previously known subject matter in the field of a claimed invention for which a patent is being sought. It includes issued patents, publications, and 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 in which a patent is reexamined by the PTO to determine whether one or more of the claims are patentable with respect to 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.”

**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.

## C.2. Appendix

### COMMENTS REGARDING USE OF SAMPLE VERDICT FORM

The following sample verdict form is provided for guidance in preparing an appropriate special verdict form tailored for your specific case. The sample is for a hypothetical case in which the patent holder alleges direct and indirect infringement of a single claim of one patent and seeks a combination of lost profits and a reasonable royalty for the allegedly infringing sales. The alleged infringer raises a number of invalidity defenses. No issue is raised, however, as to the conception date of the claimed invention. The issue of willfulness has not been bifurcated.

The form requires the jury to make specific findings on the bases for the affirmative defenses of “anticipation” and “statutory bars.”

The form also requires the jury to make factual determinations underlying a conclusion of “obviousness” or “nonobviousness.” It is expected that these issues will be presented to the jury as specifically as possible. For example, if the only dispute between the parties is whether a particular reference is within the “scope and content” of the prior art, that is the only question on that *Graham* factor that should be presented to the jury. As another example, if the only factual dispute between the parties on the “differences between the prior art and the claimed invention” is whether a prior art reference discloses a particular claim limitation, that is the only issue that should be presented to the jury on that *Graham* factor.

This form also provides two alternative section 11’s on obviousness. One asks the jury to only answer the underlying factual questions. The other permits the jury to give an advisory verdict on the ultimate question of obviousness. It must be remembered, however, that the ultimate question of obviousness is a question of law for the court. *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 427 (2007) (“The ultimate judgment of obviousness is a legal determination.”); see *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1343 (Fed. Cir. 2007). Both alternatives are designed to focus the parties and the court on the factual disputes on the obviousness question. For example, the form requires that each party specify exactly what it contends constitutes the scope and content of the prior art. Although trial courts have often permitted the jury to reach the final conclusion of obviousness without specifying its underlying factual determinations, such an approach is not recommended. The verdict form should require the jury’s finding on each factual issue so that the trial judge may make the final determination on the obviousness question. As Judge Michel pointed out in his dissent in *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339 (Fed. Cir. 2001):

The issue presented in this appeal derives from the common, if unfortunate, practice of allowing the jury to render a general verdict on the ultimate legal conclusion of obviousness without requiring express findings on the underlying factual issues through a special verdict or special interrogatories under Fed. R. Civ. P. 49. Nevertheless, since the inception of our court, we have recognized that a court may submit this legal question to a jury and that doing so by general verdict rather than by Rule 49 is not ordinarily an abuse of discretion. We have emphasized, however, that there is no question that the judge must remain the

ultimate arbiter on the question of obviousness.

*Id.* at 1358 (internal citations and quotation marks omitted). The fact that the verdict form allows the jury to give an advisory conclusion on obviousness should not be construed as suggesting that the court defer to the jury's ultimate determination on obviousness. The law is clear that the ultimate question is a legal one for the court.

C.3. Appendix

**SAMPLE VERDICT FORM**

When answering the following questions and filling out this Verdict Form, please follow the directions provided throughout the form. Your answer to each question must be unanimous. Some of the questions contain legal terms that are defined and explained in detail in the Jury Instructions. Please refer to the Jury Instructions if you are unsure about the meaning or usage of any legal term that appears in the questions below.

We, the jury, unanimously agree to the answers to the following questions and return them under the instructions of this court as our verdict in this case.

**FINDINGS ON INFRINGEMENT CLAIMS**

(The questions regarding infringement should be answered regardless of your findings with respect to the validity or invalidity of the patent.)

**A. Direct Infringement**

1. Has Patent Holder proven that it is more likely than not that every requirement of claim 1 of its patent is included in Alleged Infringer’s accused product?

Yes \_\_\_\_\_ No \_\_\_\_\_

If your answer to question 1 is “yes,” go to question 3. If your answer to question 1 is “no,” go to question 2.

**B. Infringement Under the Doctrine of Equivalents**

2. Has Patent Holder proven that it is more likely than not that the accused product includes parts that are identical or equivalent to every requirement of claim 1 of Patent Holder’s patent? In other words, for any requirement that is not literally found in the Alleged Infringer’s accused product, does the accused product have an equivalent part to that requirement?

Yes \_\_\_\_\_ No \_\_\_\_\_

**C. Contributory Infringement**

3. Has Patent Holder proven that it is more likely than not: (i) that Direct Infringer infringed claim 1 of Patent Holder’s patent; (ii) that Alleged Infringer supplied an important component of the infringing part of the product; (iii) that the component was not a common component suitable for non-infringing use; and (iv) that Alleged Infringer supplied the component with knowledge of the patent and knowledge that the component was especially made or adapted for use in an infringing manner?

Yes \_\_\_\_\_ No \_\_\_\_\_

**D. Inducing Infringement**

4. Has Patent Holder proven that it is more likely than not: (i) that Direct Infringer infringed claim 1 of Patent Holder’s patent; (ii) that Alleged Infringer took action that actually induced that infringement by Direct Infringer; and (iii) that Alleged Infringer was aware of the patent and believed that its actions would encourage infringement of a valid patent, or alternatively that it was willfully blind as to whether its actions would encourage infringement of the patent?

Yes \_\_\_\_\_ No \_\_\_\_\_

**E. Willful Infringement**

5a. Has the Patent Holder proven that it is highly probable that from an objective point of view the defenses put forth by Alleged Infringer failed to raise any substantial question with regard to infringement, validity or enforceability of the patent claim?

Yes \_\_\_\_\_ No \_\_\_\_\_

[If the answer to question 5a is “yes,” answer question 5b. If your answer to question 5a is “no,” go to question 6.]

5b. Has the Patent Holder proven that it is highly probable that the 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?

**FINDINGS ON INVALIDITY DEFENSES**

(The questions regarding invalidity should be answered regardless of your findings with respect to infringement.)

**A. Written Description Requirement**

6. Has Alleged Infringer proven that it is highly probable that the specification of the Patent Holder’s patent does not contain an adequate written description of the claimed invention?

Yes \_\_\_\_\_ No \_\_\_\_\_

**B. Enablement**

7. Has Alleged Infringer proven that it is highly probable that the specification of the Patent Holder’s patent does not contain a description of the claimed invention that is sufficiently full and clear to enable persons of ordinary skill in the field to make and use the invention?

Yes \_\_\_\_\_ No \_\_\_\_\_

**C. Best Mode**



8. Has Alleged Infringer proven that it is highly probable that the patent does not disclose what the inventor believed was the best way to carry out the claimed invention at the time the patent application was filed?

Yes \_\_\_\_\_ No \_\_\_\_\_

#### **D. Anticipation**

9. Has Alleged Infringer proven that it is highly probable that claim 1 of Patent Holder's patent was "anticipated," or, in other words, not new?

Yes \_\_\_\_\_ No \_

[If the answer is "yes," check any reason below that is applicable:

\_\_\_\_\_ The claimed invention was already publicly known or publicly used by others in the United States before the date of conception of the claimed invention.

\_\_\_\_\_ The claimed invention was already patented or described in a printed publication anywhere in the world before the date of conception.

\_\_\_\_\_ The claimed invention was already made by someone else in the United States before the date of conception and that other person had not abandoned the invention or kept it secret.

\_\_\_\_\_ The claimed invention was already described in another issued U.S. patent or published U.S. patent application that was based on a patent application filed before the date of conception.

\_\_\_\_\_ The named inventor did not invent the claimed invention but instead learned of the claimed invention from someone else.

\_\_\_\_\_ The named inventor was not the first inventor of the claimed invention.]

#### **E. Statutory Bar**

10. Has Alleged Infringer proven that it is highly probable that claim 1 of Patent Holder's patent was not filed within the time required by law?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer is "yes," check any reason below that is applicable:

\_\_\_\_\_ The claimed invention was already patented or described in a printed publication anywhere in the world at least one year before the filing date of the patent application.

\_\_\_\_\_ The claimed invention was already being openly used in the United States at least one year before the filing date of the patent application and that use was not primarily an experimental use to test whether the invention worked for its intended purpose which was controlled by the inventor.

\_\_\_\_\_ A device or method using the claimed invention was sold or offered for sale in the United States and the claimed invention was ready for patenting at least one year before the filing date of the patent application and that offer or sale was not primarily for experimental purposes to test whether the invention worked for its intended purpose and which was controlled by the inventor.

\_\_\_\_\_ Patent Holder had already obtained a patent on the claimed invention in a foreign country before the original U.S. application, and the foreign application was filed at least one year before the U.S. application.

## F. Obviousness

[Alternative 1 – Jury decides underlying factual issues only]

11. The ultimate legal conclusion on the obviousness question will be made by the court. However, in order for the court to do so, you must answer the following preliminary factual questions:

a. What was the level of ordinary skill in the field that someone would have had at the time the claimed invention was made? (check the applicable answer)

\_\_\_\_\_ set forth Alleged Infringer's contention, e.g., an individual with at least 3 years of experience in both furniture design and manufacture]

\_\_\_\_\_ [set forth Patent Holder's contention, e.g., anyone who has worked in the field of furniture design or manufacture for at least two years]

\_\_\_\_\_ [other, specify \_\_\_\_\_]

b. What was the scope and content of the prior art at the time of the claimed invention? (check the applicable answer)

\_\_\_\_\_ [set forth what the Alleged Infringer has offered as the invalidating prior art, e.g., '123 patent on fixed sitting device with four legs, general knowledge in field of industrial design that a horizontal surface may be held parallel to the ground using three legs and common knowledge that a person can easily move an object weighing under 25 pounds]

\_\_\_\_\_ [set forth what the Patent Holder asserts was within the scope and content of the prior art, e.g., '123 patent on fixed sitting device with four legs]

\_\_\_\_\_ [other, specify \_\_\_\_\_]

c. What difference, if any, existed between the claimed invention and the prior art at the time of the claimed invention?

\_\_\_\_\_ [set forth the Alleged Infringer's contention as to the difference, e.g., no difference between scope of invention and what is known in prior art]

\_\_\_\_\_ [set forth the Patent Holder's contention as to the difference, e.g., only 3 legs on a sitting device and portability]

\_\_\_\_\_ [other, specify \_\_\_\_\_]

d. Which of the following factors has been established by the evidence with respect to the claimed invention: (check those that apply)[verdict form should list only those factors for which a *prima facie* showing has been made]:

\_\_\_\_\_ commercial success of a product due to the merits of the claimed invention

\_\_\_\_\_ a long felt need for the solution that is provided by the claimed invention

\_\_\_\_\_ unsuccessful attempts by others to find the solution that is provided by the claimed invention

\_\_\_\_\_ copying of the claimed invention by others

\_\_\_\_\_ unexpected and superior results from the claimed invention

\_\_\_\_\_ acceptance by others of the claimed invention as shown by praise from others in the field or from the licensing of the claimed invention

\_\_\_\_\_ independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it

[\_\_\_\_\_ other factor(s) indicating obviousness or nonobviousness—describe the factor(s)\_\_\_\_\_]

[Alternative 2 - Jury decides underlying factual issues and renders advisory verdict on obviousness]

11. The ultimate conclusion that must be reached on the obviousness question is whether Alleged Infringer has proven that it is highly probable that the claimed invention would have been obvious to a person of ordinary skill in the field at the time the patent application was filed. In order to properly reach a conclusion the following preliminary questions must be answered:

a. What was the level of ordinary skill in the field that someone would have had at the time the claimed invention was made? (check the applicable answer)

\_\_\_\_\_ [set forth Alleged Infringer's contention, e.g., an individual with at least 3 years of experience in both furniture design and manufacture]

\_\_\_\_\_ [set forth Patent Holder's contention, e.g., anyone who has worked in the field of furniture design or manufacture for at least two years]

\_\_\_\_\_ [other, specify \_\_\_\_\_]

b. Was [disputed reference] within the scope and content of the prior art at the time of the claimed invention? (check only if reference was within the scope and content of the prior art)

\_\_\_\_\_ [set forth the prior art reference [alleged infringer] has offered as prior art that the [patent holder] disputes as being in the scope and content of the prior art. If there is more than one reference in dispute, each disputed reference should be listed separately.]

c. What difference, if any, existed between the claimed invention and the prior art at the time of the claimed invention?

\_\_\_\_\_ [set forth the Alleged Infringer's contention as to the difference, e.g., no difference between scope of invention and what is known in prior art]

\_\_\_\_\_ [set forth the Patent Holder's contention as to the difference, e.g., only 3 legs on a sitting device and portability]

\_\_\_\_\_ [other, specify \_\_\_\_\_]

d. Which of the following factors has been established by the evidence with respect to the claimed invention: (check those that apply)[verdict form should list only those factors for which a *prima facie* showing has been made]

\_\_\_\_\_ commercial success of a product due to the merits of the claimed invention

\_\_\_\_\_ a long felt need for the solution that is provided by the claimed invention

\_\_\_\_\_ unsuccessful attempts by others to find the solution that is provided by the claimed invention

\_\_\_\_\_ copying of the claimed invention by others

\_\_\_\_\_ unexpected and superior results from the claimed invention

\_\_\_\_\_ acceptance by others of the claimed invention as shown by praise from others in the field or from the licensing of the claimed invention

\_\_\_\_\_ independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it

[\_\_\_\_\_ other factor(s) indicating obviousness or nonobviousness—describe the factor(s) \_\_\_\_\_]

After consideration of the answers to the preliminary questions above, do you find that the Alleged Infringer has proven that it is highly probable that the claim of Patent Holder's patent would have been obvious to a person of ordinary skill in the field at the time the patent application was filed?

Yes \_\_\_\_\_ No \_\_\_\_\_

### G. Inventorship

12. Has Alleged Infringer proven that it is highly probable that Patent Holder's patent fails to meet the requirement to name all actual inventors and only the actual inventors?

Yes \_\_\_\_\_ No \_\_\_\_\_

**FINDINGS ON DAMAGES (IF APPLICABLE)**

If you answered question 1, 2, 3 or 4 “yes” and questions 6, 7, 8, 9, 10, 11 and 12 “no,” proceed to answer the remaining questions. If you did not so answer, do not answer the remaining questions and proceed to check and sign the verdict form.

13. What lost profits, if any, did Patent Holder show it more likely than not suffered as a result of sales that it would with reasonable probability have made but for Alleged Infringer’s infringement?

\$ \_\_\_\_\_

14. For those infringing sales for which Patent Holder has not proved its entitlement to lost profits, what has it proved it is entitled to as a reasonable royalty:

- a) on-going royalty payment of (1) \$ [per unit sold] or \_\_\_\_\_% of \$ \_\_\_\_\_ in total sales; or
- b) one-time payment of \$ \_\_\_\_\_ for the life of the patent.

---

You have now reached the end of the verdict form and should review it to ensure it accurately reflects your unanimous determinations. The Presiding Juror should then sign and date the verdict form in the spaces below and notify the Security Guard that you have reached a verdict. The Presiding Juror should retain possession of the verdict form and bring it when the jury is brought back into the courtroom.

---

DATED: \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_  
Presiding Juror

## **AIPLA's Model Patent Jury Instructions**

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### Disclaimer

The Model Jury Instructions are provided as general assistance for the litigation of patent issues. While efforts have been and will be made to ensure that the Model Jury Instructions accurately reflect existing law, this work is not intended to replace the independent research necessary for formulating jury instructions that are best suited to particular facts and legal issues. AIPLA does not represent that the information contained in the Model Jury Instructions is accurate, complete, or current. The work could contain typographical errors or technical inaccuracies, and AIPLA reserves the right to add, change, or delete its contents or any part thereof without notice.

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## **I. Introduction**

### The 2012 Version

In the Winter of 2010, the Patent Litigation Committee of the American Intellectual Property Law Association once again undertook the task of updating the APLA Model Patent Jury Instructions ("Instructions") to take into account changes to the law since the previous version of the Instructions were published. The Instructions were originally created in 1997 and were updated previously in 2005 and 2008. A Subcommittee was formed to review recent case law and make any necessary changes to the Instructions to conform to the significant changes in patent law over the last several years. The Subcommittee also continued its effort to simplify the Instructions and to improve the formatting so that the electronic version of the Instructions is easier to navigate. The current revision includes case law through June 30, 2012.

One of the fundamental goals of the Instructions is to provide a model set of jury instructions that would not be biased in favor of either the patent owner or the accused infringer. The Instructions are not intended to address every conceivable issue that might arise in patent litigation, however. Instead, Instructions are provided on those issues that most typically arise in patent litigation and that have clear precedential support. Even so, it is incumbent upon the litigants to tailor these Instructions to the specific issues in their particular case and to simplify the tasks for the Court and the jury by not providing superfluous Instructions. Of course, it is also intended that these Instructions will be used in conjunction with other instructions dealing with non-patent issues such as credibility and that the trial court will further the jury's understanding of these Instructions by relating the legal principles in the Instructions to the particular factual contentions of the parties.

To further these goals and to enhance the litigants' ability to customize the Instructions to a particular case, these revised Instructions continue the use of bracketed terminology for certain consistent terms. This mechanism permits the litigants to use the find and replace feature of a word processing program to insert case specific facts. Examples of the consistent terms are:

[subject matter]  
[the patentee]  
[the Plaintiff]  
[the Defendant]  
[full patent number]  
[abbreviated patent number]  
[claims in dispute]  
[allegedly infringing product]  
[invention date]  
[U.S. filing date]  
[critical date]  
[anticipating patent]  
[alleged analogous art]  
[alleged prior publication]

[alleged device on sale]  
[infringement notice date]  
[lawsuit filing date]  
[beginning infringement date]  
[collateral products]  
[the Plaintiff's product]

In addition to these “find and replace” terms, brackets were also used to indicate where various terminology could be used to customize the Instructions to a particular case. For example, to take into account the differences between product and method patents, there will be instructions that include “[product] [method]” and the like. Other examples include “[product][system],” “[importing][selling][offering for sale][using]” and “[method][process].”

The Subcommittee at large substantially completed the revisions to the 2008 instructions in August 2011. Additional research was later done to update the case law through June 30, 2012 and the AIPLA Board of Directors approved the Instructions for publication in July 2012. These Instructions, however, do not take into account all of the changes to U.S. Patent Law brought about by the America Invents Act, signed by the President on September 16, 2011. The changes enacted in this law go into effect at various times over the next 18 months after enactment and these Instructions should be updated by litigants to take into account any of the changes that have gone into effect.

July 2012  
Scott J. Pivnick  
Chair, Model Patent Jury Instructions Subcommittee  
Patent Litigation Committee  
American Intellectual Property Law Association

## **Preliminary Jury Instructions**

Members of the jury:

Now that you have been sworn, I have the following preliminary instructions for your guidance on the nature of the case and on your role as jurors.

### **A. The Nature of the Action and the Parties**

This is a patent case. The patents involved in this case relate to [subject matter] technology. [BRIEFLY DESCRIBE TECHNOLOGY INVOLVED].

During the trial, the parties will offer testimony to familiarize you with this technology. For your convenience, the parties have also prepared a Glossary of some of the technical terms to which they may refer during the trial, which will be distributed to you.

[The Plaintiff] is the owner of a patent, which is identified by the Patent Office number: [full patent number] (which may be called “the [abbreviated patent number] patent”); [IDENTIFY ADDITIONAL PATENTS]. This patent may also be referred to as “[the Plaintiff]’s patent.” [The Defendant] is the other party here.

#### **i. United States Patents**

Patents are granted by the United States Patent and Trademark Office (sometimes called the “PTO”). A patent gives the owner the right to exclude others from making, using, offering to sell, or selling [[the patented invention] [a product made by the patented process]] within the United States or importing it into the United States. During the trial, the parties may offer testimony to familiarize you with how one obtains a patent from the PTO, but I will give you a general background here.

To obtain a patent, an application for a patent must be filed with the PTO. The application includes a specification, which should have a written description of the invention telling what the invention is, how it works, and how to make and use it so as to enable others skilled in the art to do so. [The specification should also describe what the inventor believed at the time of filing to be the best way of making his or her invention.]<sup>28</sup> The specification concludes with one or more numbered sentences or paragraphs. These are called the “claims” of the patent. The purpose of the claims is to particularly point out what the applicant regards as the invention and to define the scope of the patent owner’s exclusive rights.

After an application for a patent is filed with the PTO, the application is reviewed by a trained PTO examiner. The examiner reviews (or examines) the patent application to determine whether the claims are patentable and whether the specification adequately describes the

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<sup>28</sup> Only include for cases filed pre-AIA.

invention claimed. In examining a patent application, the patent examiner searches records available to the PTO for what is referred to as “prior art,” and he or she also reviews prior art submitted by the applicant. When the parties are done presenting evidence, I will give you more specific instructions as to what constitutes prior art in this case. But generally prior art is technical information and knowledge that was known to the public either before the invention by the applicant or more than a year before the filing date of the patent application. The patent examiner considers, among other things, whether each claim defines an invention that is new, useful, and not obvious in view of this prior art.

Following the prior art search and examination of the application, the patent examiner advises the applicant in writing what the patent examiner has found and whether any claim is patentable (in other words, “allowed”). This writing from the patent examiner is called an “office action.” More often than not, the initial office action by the patent examiner rejects the claims. The applicant then responds to the office action and sometimes changes the claims or submits new claims. This process may go back and forth between the patent examiner and the applicant for several months or even years until the patent examiner is satisfied that the application and claims are patentable. At that time, the PTO “issues” or “grants” a patent with the allowed claims.

The collection of papers generated by the patent examiner and the applicant during this time of corresponding back and forth is called the “prosecution history.” You may also hear the “prosecution history” referred to as the “file history” or the “file wrapper.”

## **ii. Patent Litigation**

Someone is said to be infringing on claims of a patent when they, without permission from the patent owner, import, make, use, offer to sell, or sell [[the patented invention] [a product made by the patented process]], as defined by the claims, within the United States before the term of the patent expires. A patent owner who believes someone is infringing on the exclusive rights of the patent may bring a lawsuit like this to attempt to stop the alleged infringing acts and to potentially recover damages, which generally is money paid by the infringer to the patent owner to compensate for the harm caused by the infringement. The patent owner must prove infringement of the claims of the patent. The patent owner must also prove the need for damages.

A patent is presumed to be valid. In other words, it is presumed to have been properly granted. But that presumption of validity can be overcome if clear and convincing evidence is presented that proves the patent is invalid. One example of a way in which the presumption may be overcome is if the PTO has not considered, for whatever reason, invalidating prior art that is presented to you. Someone sued for allegedly infringing a patent can deny engaging in infringing activities and also can defend by proving the asserted claims of the patent are invalid [and/or unenforceable, if the patent owner unfairly procured the patent in some way. This will be discussed further below]. The accused infringer must prove invalidity [or unenforceability] by clear and convincing evidence. I will discuss more of this topic later.

I will now briefly explain the parties' basic contentions in more detail.

## B. Contentions of the Parties

[The Plaintiff] contends that [the Defendant] makes, uses, offers to sell, or sells a [[product] [method]] that infringes [claim(s) in dispute] of the [abbreviated patent number] patent. [The Plaintiff] must prove that [the Defendant] infringes the [abbreviated patent number] patent by a preponderance of the evidence. That means that [the Plaintiff] must show that it is more likely that [the Defendant]'s [allegedly infringing product] infringes than it does not infringe.

There are two ways in which a patent claim can be directly infringed.<sup>29</sup> First, a claim can be literally infringed. Second, a claim can be infringed under what is called the “doctrine of equivalents.” To determine infringement, you must compare the accused [[product] [method]] with each claim from the [abbreviated patent number] that [the Plaintiff] asserts is infringed. It will be my job to tell you what the language of the patent claims mean. You must follow my instructions as to the meaning of the patent claims.

A patent claim is literally infringed only if [the Defendant]'s [[product] [method]] includes each and every [[element] [method step]] in that patent claim. If [the Defendant]'s [[product] [method]] does not contain one or more [[elements] [method steps]] in that claim, [the Defendant] does not literally infringe that claim. You must determine literal infringement with respect to each patent claim individually.

Under the doctrine of equivalents, you may find that [the Defendant]'s [[product] [method]] infringes a claim of the [abbreviated patent number] patent even if not every [[element] [step]] of that claim is present in [the Defendant]'s [[product] [method]]. However, to do so, you must find that there is an equivalent [[component] [part] [method step]] in [the Defendant]'s [[product] [method]] for each [[element] [method step]] of the patent claim that is not literally present in [the Defendant]'s [[product] [method]]. [The Plaintiff] must prove that it is more likely than not that [the Defendant]'s [[product] [method]] contains the equivalent of each element of the claimed invention that is not literally present in the [allegedly infringing product].

[The Defendant] denies that it is infringing the [abbreviated patent number] patent. [The Defendant] also contends that the [abbreviated patent number] patent is invalid [and/or unenforceable]. [INSERT BRIEF DESCRIPTION OF THE PARTICULAR INVALIDITY AND UNENFORCEABILITY DEFENSES BEING ASSERTED].

Invalidity of the asserted patent claim(s) is a defense to infringement. Therefore, even though the PTO examiner has allowed the claims of the [abbreviated patent number] patent, you, the jury, have the ultimate responsibility for deciding whether the claims of the [abbreviated

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<sup>29</sup> This section and below should be modified in accordance with the patent owner’s infringement contentions, e.g., where the doctrine of equivalents is not at issue.

patent number] patent are valid, in other words, whether the claims were properly allowed by the PTO. [The Defendant] must prove the facts underlying its invalidity argument(s) by clear and convincing evidence in order to overcome the presumption of validity. Clear and convincing evidence means that it is highly probable that the fact is true. This is a higher standard than the more likely than not standard but it is not so high as the standard used in criminal law, which is evidence beyond a reasonable doubt.

### **C. Trial Procedure**

We are about to commence the opening statements in the case. Before we do that, I want to explain the procedures that we will be following during the trial and the format of the trial. This trial, like all jury trials, comes in six phases. We have completed the first phase, which was to select you as jurors. We are now about to begin the second phase, the opening statements. The opening statements of the lawyers are statements about what each side expects the evidence to show. The opening statements are not evidence for you to consider in your deliberations.

The evidence comes in the third phase, when the witnesses will take the witness stand and the documents will be offered and admitted into evidence. In the third phase, [the Plaintiff] goes first in calling witnesses to the witness stand. These witnesses will be questioned by [the Plaintiff]'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. After [the Plaintiff] has presented its witnesses, [the Defendant] will call its witnesses, who will also be examined and cross-examined. The parties may present the testimony of a witness by reading from their deposition transcript or playing a videotape of the witness's deposition testimony. A deposition is the sworn testimony of a witness taken before trial and is entitled to the same consideration as if the witness had testified at trial.

The evidence often is introduced piecemeal, meaning that all of the evidence relating to an issue is not presented all at one time, but at different times during the trial. So you need to keep an open mind as the evidence comes in. You are to wait until all the evidence comes in before you make any decisions. In other words, keep an open mind throughout the entire trial.

After we conclude the third phase, the lawyers again have an opportunity to talk to you in what is called "closing argument," which is the fourth phase. Again, what the lawyers say is not evidence. The closing arguments are not evidence for you to consider in your deliberations.

The fifth phase of the trial is when I read you the jury instructions. In that phase, I will instruct you on the law. I have already explained to you a little bit about the law. But in the fifth phase of the trial, I will explain the law in much more detail.

Finally, in the sixth phase of the trial it will be time for you to deliberate. You can then evaluate the evidence, discuss the evidence among yourselves and make a decision in the case. You are the judges of the facts, and I decide questions of law. I will explain the rules of law that apply to this case, and I will also explain the meaning of the patent claim language. You must follow my explanation of the law and the patent claim language even if you do not agree with me. Nothing I say or do during the course of the trial is intended to indicate what your verdict should be.



## **II. Glossary of Patent Terms**

**Application** – The initial papers filed by the applicant in the United States Patent and Trademark Office (also called the Patent Office or PTO).

**Claims** – The numbered sentences or paragraphs appearing at the end of the patent that define the invention. The words of the claims define the scope of the patent owner's exclusive rights during the life of the patent.

**File wrapper** – See “prosecution history” below.

**License** – Permission to use the patented invention(s), which may be granted by a patent owner (or a prior licensee) in exchange for a fee called a “royalty” or other compensation.

**Office action** – Communication from the patent examiner regarding the specification (see definition below) and/or the claims in the patent application.

**Ordinary skill in the art** – The level of experience, education, and/or training generally possessed by those individuals who work in the area of the invention at the time of the invention.

**Patent Examiners** – Personnel employed by the PTO in a specific technical area-who review (examine) the patent application to determine (1) whether the claims of a patent application are patentable over the prior art considered by the examiner, and (2) whether the specification/application-describes the invention with the required specificity.

**Prior art** – Knowledge that is available to the public either prior to the invention by the applicant or more than one year prior to the filing date of the application. [Insert additional types of prior art if applicable, e.g., nonpublic art.]

**Prosecution history** – The written record of proceedings between the applicant and the PTO, including the original patent application and later communications between the PTO and applicant. The prosecution history may also be referred to as the “file history” or “file wrapper” of the patent during the course of this trial.

**References** – Any item of prior art used to determine patentability.

**Specification** – The information that appears in the patent and concludes with one or more claims. The specification includes the written text, the claims, and the drawings. In the specification, the inventor describes the invention, how it works, and how to make and use it.

[Others to be agreed upon between the parties]

## **III. Glossary of Technical Terms**

[To be agreed upon between the parties]

## **IV. Post-Trial Instructions**<sup>30</sup>

### **1. Summary of Patent Issues**

I will now summarize the issues that you must decide and for which I will provide instructions to guide your deliberations. You must decide the following [three] main issues:

1. Whether [the Plaintiff] has proved that [the Defendant] infringed Claim[s] [claims in dispute] of the [abbreviated patent number] patent.
2. Whether [the Defendant] has proved that Claim[s] [claims in dispute] of the [abbreviated patent number] patent are invalid.
3. What amount of damages, if any, [the Plaintiff] has proved.

[LIST ANY OTHER PATENT ISSUES]

### **2. Claim Construction**

#### **2.0 Claim Construction – Generally**

Before you decide whether [the Defendant] has infringed the claims of [the Plaintiff]’s patent or whether [the Plaintiff]’s patent is invalid, you will have to understand the patent claims. The patent claims are numbered sentences at the end of the patent. The patent claims involved here are [claims in dispute], beginning at column \_\_\_\_, line \_\_\_\_ of the patent, which is exhibit \_\_\_\_ in evidence. The claims are intended to define, in words, the boundaries of the invention. Only the claims of the patent can be infringed. Neither the written description, nor the drawings of a patent can be infringed. Each of the claims must be considered individually. You must use the same claim meaning for both your decision on infringement and your decision on invalidity.

35 U.S.C. § 112; *Source Search Techs., LLC v. LendingTree, LLC*, 588 F. 3d 1063, 1075 (Fed. Cir. 2009); *Comput. Docking Station Corp. v. Dell, Inc.*, 519 F. 3d 1366, 1373 (Fed. Cir. 2008); *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc); *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1286 (Fed. Cir. 2002); *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F. 3d 1343, 1351 (Fed. Cir. 2001); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (en banc), *aff’d*, 517 U.S. 370 (1996); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 882 (Fed. Cir. 1988).

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<sup>30</sup> AIPLA drafted the model instructions assuming the litigated issues included in the instructions will be submitted to the jury. AIPLA is not suggesting that the parties have a right to a jury trial on all issues included in the instructions. The instructions used in your case should be tailored to the specific issues being litigated.

## 2.1 Claim Construction for the Case

It is my job as judge to provide to you the meaning of any claim language that must be interpreted. You must accept the meanings I give you and use them when you decide whether any claim of the patent has been infringed and whether any claim is invalid. I will now tell you the meanings of the following words and groups of words from the patent claims.

[READ STIPULATIONS AND COURT’S CLAIM CONSTRUCTIONS]

*Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (en banc) *aff’d*, 517 U.S. 370 (1996).

## 2.2 Construction of Means-Plus-Function Claims for the Case<sup>31</sup>

The following clause used in claim(s) \_\_\_\_\_ of the [abbreviated patent number] patent is in a special form called a [“means-plus-function”] [“step-plus-function”] clause:

“\_\_\_\_\_”. This clause requires a special interpretation. Those words do not cover all [[means] [steps]] that perform the recited function of “\_\_\_\_\_”, but cover only the [[structure] [step]] described in the patent specification and drawings that performs the function of “\_\_\_\_\_” or an equivalent of that [[structure] [step]]. The court has found that the [[structure] [step]] in the patent specification that performs that function is: “\_\_\_\_\_.” You must use my interpretation of the means-plus-function [[element] [step]] in your deliberations regarding infringement and validity, as further discussed below.

35 U.S.C. § 112; *Chi. Bd. Of Options Exch., Inc. v. Int’l Sec. Exch., LLC*, 677 F.3d 1361, 1366-69 (Fed. Cir. 2012); *Mettler-Toledo, Inc. v. B-Tek Scales, LLC*, 671 F.3d 1291, 1295-96 (Fed. Cir. 2012); *JVW Enters., Inc. v. Interact Accessories, Inc.*, 424 F.3d 1324, 1330-32 (Fed. Cir. 2005); *Utah Med. Prods., Inc. v. Graphic Controls Corp.*, 350 F.3d 1376, 1381 (Fed. Cir. 2003); *Carroll Touch, Inc. v. Electro Mech. Sys., Inc.*, 15 F.3d 1573, 1578 (Fed. Cir. 1993); *Valmont Indus., Inc. v. Reinke Mfg. Co., Inc.*, 983 F.2d 1039, 1042 (Fed. Cir. 1993).

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<sup>31</sup> Instruction 2.2 is intended to address possible jury confusion. In Instruction 2.1, the court provides its construction of any terms for which a construction is needed. This should include its construction of any limitations governed by 35 U.S.C. § 112 ¶ 6. Where the limitation uses the phrase “means for” or “step for,” a jury may nonetheless incorrectly conclude that the limitation includes any component or any step that accomplishes the specified function. To avoid confusing the jury, we recommend use of Instruction 2.2. Where the limitation is governed by 35 U.S.C. § 112 ¶ 6 but does not use the phrase “means for” or “step for,” consideration should be given to whether Instruction 2.2 is unnecessary.

### 3. Infringement

#### 3.0 Infringement – Generally

Questions \_\_\_\_\_ through \_\_\_\_\_ of the Verdict Form read as follows: [READ TEXT OF INFRINGEMENT VERDICT QUESTIONS].

I will now instruct you as to the rules you must follow when deciding whether [the Plaintiff] has proven that [the Defendant] infringed any of the claims of the [abbreviated patent number] patent.

Patent law gives the owner of a valid patent the right to exclude others from importing, making, using, offering to sell, or selling [[the patented invention] [a product made by a patented method]] within the United States during the term of the patent. Any person or business entity that has engaged in any of those acts without the patent owner's permission infringes the patent. Here, [the Plaintiff] alleges that [the Defendant]'s [allegedly infringing product] infringes claim[s] [claims in dispute] of [the Plaintiff]'s [abbreviated patent number] patent.

You have heard evidence about both [the Plaintiff]'s commercial [[product] [method]] and [the Defendant]'s accused [[product] [method]]. However, in deciding the issue of infringement you may not compare [the Defendant]'s accused [[product] [method]] to [the Plaintiff]'s commercial [[product] [method]]. Rather, you must compare the [Defendant]'s accused [[product] [method]] to the claims of the [abbreviated patent number] patent when making your decision regarding infringement.

A patent may be infringed directly or indirectly. Direct infringement results if the accused [[product][method]] is covered by at least one claim of the patent. Indirect infringement results if the defendant induces another to infringe a patent or contributes to the infringement of a patent by another.

35 U.S.C. § 271; *Merial Ltd. v. CIPLA Ltd.*, 681 F.3d 1283, 1302-03 (Fed. Cir. 2012); *WiAV Sols. LLC v. Motorola, Inc.*, 631 F.3d 1257, 1264 (Fed. Cir. 2010); *WordTech Sys., Inc. v. Integrated Network Sols., Inc.*, 609 F.3d 1308, 1313-18 (Fed. Cir. 2010).

#### 3.1 Direct Infringement - Knowledge of the Patent and Intent to Infringe are Immaterial

In this case, [the Plaintiff] asserts that [the Defendant] has directly infringed the patent. [the Defendant] is liable for directly infringing [the Plaintiff]'s patent if you find that [the Plaintiff] has proven that it is more likely than not that [the Defendant] made, used, imported, offered to sell, or sold the invention defined in at least one claim of [the Plaintiff]'s patent.

Someone can directly infringe a patent without knowing of the patent or without knowing that what they are doing is an infringement of the patent. They also may directly infringe a patent even though they believe in good faith that what they are doing is not an infringement of any patent.

35 U.S.C. § 271(a); *Global-Tech Appliances, Inc. v. SEB, S.A.*, 563 U.S. \_\_\_, n.2, 131 S. Ct. 2060, 2065 n.2 (2011); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 35 (1997); *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1330 (Fed. Cir. 2001); *Seal-Flex, Inc. v. Athletic Track & Court Constr.*, 172 F.3d 836, 842 (Fed. Cir. 1999); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 889 (Fed. Cir. 1988).

### **3.2 Direct Infringement – Literal Infringement**

To determine literal infringement, you must compare the accused [[product] [method]] with each claim that [the Plaintiff] asserts is infringed, using my instructions as to the meaning of the patent claims.

A patent claim is literally infringed only if [the Defendant]'s [[product] [method]] includes each and every [[element] [method step]] in that patent claim. If [the Defendant]'s [[product] [method]] does not contain one or more [[elements] [method steps]] recited in a claim, [the Defendant] does not literally infringe that claim.

You must determine literal infringement with respect to each patent claim individually.

The accused [[product] [method]] should be compared to the invention described in each patent claim it is alleged to infringe. The same [[element] [method step]] of the accused [product] [method] may satisfy more than one element of a claim.

*Intellectual Sci. & Tech. v. Sony Elect.*, 589 F.3d 1179, 1183 (Fed. Cir. 2009); *Hutchins v. Zoll Med. Corp.*, 492 F. 3d 1377, 1380 (Fed. Cir. 2007); *BMC Res. v. Paymentech, L.P.*, 498 F.3d 1373, 1381-82 (Fed. Cir. 2007); *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1330-31 (Fed. Cir. 2001); *Gen. Mills, Inc. v. Hunt-Wesson, Inc.*, 103 F.3d 978, 981 (Fed. Cir. 1997); *Martin v. Barber*, 755 F.2d 1564, 1567 (Fed. Cir. 1985); *Amstar Corp. v. Envirotech Corp.*, 730 F.2d 1476, 1481-82 (Fed. Cir. 1984).

#### **3.2.1 Direct Infringement – Joint Infringement**

In this case, [the Defendant] asserts that it has not directly infringed the [abbreviated patent number] because it did not perform each step of a claimed method or did not perform all the steps of making, selling, offering for sale, or importing [allegedly infringing product] because [another party] performed some of the steps.

However, if you find that it is more likely than not that [the other party] performed the steps on behalf of [the Defendant], you should consider such steps to have been performed by [the Defendant]. In determining whether [the other party] performed the steps on behalf of [the Defendant], you should consider whether [the Defendant] exercised control or direction over [the other party] when it performed such steps. If [the other party] was not acting at the direction of or under the control of [the Defendant], then [the Defendant] did not perform the steps and is not liable for direct infringement.

If you find that [the Defendant] and [the other party] have a contract that requires [the other party] to perform a step [[steps]] of the claimed method on [the Defendant]'s behalf, then

you should find that [the Defendant] has granted [the other party] authority to act on [the Defendant]'s behalf and that [the other party] has agreed to so act.

*Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008); *BMC Res. v. Paymentech, L.P.*, 498 F.3d 1373, 1381-82 (Fed. Cir. 2007).

NOTE: The Federal Circuit is currently considering joint infringement en banc. On April 21, 2011, the Federal Circuit granted a petition for rehearing en banc in *Akamai Techs., Inc. v. Limelight Networks, Inc.* The Court ordered additional briefing on the following question: "If separate entities each perform separate steps of a method claim, under what circumstances would that claim be directly infringed and to what extent would each of the parties be liable?" See Order at <http://www.cafc.uscourts.gov/images/stories/opinions-orders/2009-1372%20order.pdf>. A similar question was posed for the en banc hearing in *McKesson Tech v. Epic Sys. Corp.* case as it relates to induced and contributory infringement. Oral arguments were heard for both matters in November 2011 but as of June 30, 2012, no opinions had been issued. It is suggested that counsel check the status of these opinions prior to using the instructions on joint, induced or contributory infringement.

### **3.3 Inducing Patent Infringement**

In this case, [the Defendant] is accused of inducing [another entity] to directly infringe [the Plaintiff]'s patent, either literally or under the doctrine of equivalents. To prove this allegation, [the Plaintiff] must establish it is more likely than not that:

1. [the Defendant] aided, instructed, or otherwise acted with the intent to cause acts by [alleged direct infringer] that would constitute direct infringement of the patent;
2. [the Defendant] knew of the patent, or showed willful blindness to the existence of the patent, at that time;
3. [the Defendant] knew, or should have known, that its actions would result in infringement of at least one claim of the patent; and
4. [alleged direct infringer] infringed at least one patent claim.

To find willful blindness: (1) [the Defendant] must have subjectively believed that there was a high probability that a patent existed covering [the accused product/process] and (2) [the Defendant] must have taken deliberate actions to avoid learning of the patent.

To find that [the Defendant] induced infringement, it is not necessary to show that [the Defendant] has directly infringed as long as you find that someone has directly infringed. However, if there is no direct infringement by anyone, [the Defendant] cannot have induced infringement of the patent.

35 U.S.C. § 271(b); *Global-Tech Appliances, Inc., v. SEB, S.A.*, 563 U.S. \_\_\_, 131 S. Ct. 2060 (2011); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304-05 (Fed. Cir. 2006) (en banc) (quoting *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936 (2005));

*Metabolite Labs., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1365 (Fed. Cir. 2004); *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1342 (Fed. Cir. 2003); *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed. Cir. 1990); *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1468-69 (Fed. Cir. 1990).

### **3.4 Contributory Infringement**

[The Plaintiff] asserts that [the Defendant] has contributed to infringement by another person.

To establish contributory infringement, [the Plaintiff] must prove that it is more likely than not that [the Defendant] had knowledge of the patent, and that:

1. someone other than [the Defendant] has directly infringed the [abbreviated patent number] patent;
2. [the Defendant] sold, offered for sale, or imported within the United States a component of the infringing product or an apparatus for use in the infringing process;
3. the component or apparatus is not a staple article or commodity of commerce capable of substantial non-infringing use;
4. the component or apparatus constitutes a material part of the patented invention; and
5. [the Defendant] knew that the component was especially made or adapted for use in an infringing [[product] [method]].

A “staple article or commodity of commerce capable of substantial non-infringing use” is something that has uses [[other than as a part or component of the patented product] [other than in the patented method]], and those other uses are not occasional, farfetched, impractical, experimental, or hypothetical.

To find contributory infringement, it is not necessary to show that [the Defendant] has directly infringed as long as you find that someone has directly infringed. However, if there is no direct infringement by anyone, [the Defendant] cannot have contributed to the infringement of the patent.

35 U.S.C. § 271(c); *Toshiba Corp. v. Imation Corp.*, 681 F.3d 1358, 1362 (Fed. Cir. 2012) ; *R+L Carriers, Inc. v. DriverTech LLC*, 681 F.3d 1323, 1336-37 (Fed. Cir. 2012); *Spanion, Inc. v. Int’l Trade Comm’n*, 629 F.3d 1331, 1353 (Fed. Cir. 2010); *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321, 1326 (Fed. Cir. 2010).

### **3.5 Literal Infringement of Means-Plus-Function Claims**

The court has instructed you that claims \_\_\_\_\_ through \_\_\_\_\_ of the [abbreviated patent number] patent contain [[means-plus-function] [step-plus-function]] clauses. To show

infringement, [the Plaintiff] must prove that it is more likely than not that the [[part of the Defendant's product] [step in the Defendant's method]] that performs the function of “\_\_\_\_\_” is identical to, or equivalent to, the [[structure] [step]] described in the specification for performing the identical function.

In deciding whether [the Plaintiff] has proven that [the Defendant]’s [[product] [method]] includes structure covered by a [[means-plus-function] [step-plus-function]] requirement, you must first decide whether the [[product] [method]] has any [[structure] [step]] that performs the function [step] I just described to you. If not, the claim containing that means-plus-function [or step-plus-function] requirement is not infringed.

(Alternative I) If you find that [the Defendant]’s accused [[product] [method]] performs the claimed function, you must next identify the [[structure] [step]] in [the Defendant]’s [accused product] that perform[s] this function. After identifying that [[structure] [step]], you must then determine whether [the Plaintiff] has shown that that [[structure] [step]] is either identical to, or equivalent to, any [[structure] [step]] identified in the patent specification as performing the function of “\_\_\_\_\_.” If they are the same or equivalent, the [[means-plus-function] [step-plus-function]] requirement is satisfied by that [[structure] [step]] of the [accused product]. If all the other requirements of the claim are satisfied by structures found in the [accused product], the [accused product] infringes the claim.

(Alternative II to be used in place of I) If you find that [the Defendant]’s accused [[product] [method]] performs the claimed function [step], you must next identify the [[structure] [act]] in [the Defendant]’s [accused product or accused process] that perform[s] this function [step]. After identifying that [[structure] [act]], you must then determine whether [the Plaintiff] has shown that that [[structure] [act]] is either identical to, or equivalent to, \_\_\_\_\_ [court to identify the corresponding structure [or acts] of the means-plus-function [or step-plus-function] limitation, which the court determined as part of the claim construction] If the structure [act] in the accused product is the same or equivalent to the structure I identified, the [[means-plus-function] [step-plus-function]] requirement is satisfied by that [[structure] [step]] of the [accused product]. If all the other requirements of the claim are satisfied by structures found in the [accused product], the [accused product] infringes the claim.

Whether the [[structure] [act]] of the accused product is equivalent to a [[structure] [act]] described in the patent specification is decided from the perspective of a person of ordinary skill in the art. If a person of ordinary skill in the art would consider the differences between the [[structure] [act]] found in [the Defendant]’s product and a [[structure] [act]] described in the patent specification to be insubstantial, the [[structures] [acts]] are equivalent.

35 U.S.C. § 112; *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1457 (Fed. Cir. 1998) (en banc); *In re Donaldson Co., Inc.*, 16 F.3d 1189, 1193 & 1195 (Fed. Cir. 1994) (en banc); *Chi. Bd. Options Exch., Inc. v. Int’l. Sec. Exch., LLC*, 677 F.3d 1361, 1366-69 (Fed. Cir. 2012); *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1304-05 (Fed. Cir. 2011); *Gen. Protecht Grp., Inc. v. Int’l Trade Comm’n.*, 619 F.3d 1303, 1312-13 (Fed. Cir. 2010); *Baran v. Med. Device Tech., Inc.*, 616 F.3d 1309, 1316-17, (Fed. Cir. 2010); *Intellectual Sci. & Tech., Inc. v. Sony Elecs., Inc.*, 589 F.3d 1179, 1183 (Fed. Cir. 2009); *Applied Med.*



*Res. Corp. v. U.S. Surgical Corp.*, 448 F.3d 1324, 1333-34 (Fed. Cir. 2006); *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1307-09 (Fed. Cir. 1998).

### **3.6 Infringement of Dependent Claims**

There are two different types of claims in the patent. One type of claim is called an independent claim. The other type of claim is called a dependent claim.

An independent claim is a claim that does not refer to any other claim of the patent. An independent claim must be read separately from the other claims to determine the scope of the claim.

A dependent claim is a claim that refers to at least one other claim in the patent. A dependent claim incorporates all of the elements of the claim to which the dependent claim refers, as well as the elements recited in the dependent claim itself.

For example, [Independent Claim] is an independent claim and recites several elements. [Dependent Claim] is a dependent claim that refers to [Independent Claim] and includes an additional element. [IDENTIFY THE DIFFERENCES BETWEEN [Independent Claim] AND [Dependent Claim]]. [Dependent Claim] requires each of the elements of [Independent Claim], as well as the additional elements identified in [Dependent Claim] itself.

To establish literal infringement of [Dependent Claim], [the Plaintiff] must show that it is more likely than not that the [the Defendant]'s [[product] [method]] includes each and every element of [Dependent Claim].

If you find that the [Independent Claim] from which [Dependent Claim] depends is not literally infringed, then you cannot find that [Dependent Claim] is literally infringed.

*Wolverine World Wide v. Nike Inc.*, 38 F.3d 1192, 1196-99 (Fed. Cir. 1994) (citing *Johnston v. IVAC Corp.*, 885 F.2d 1574, 1577-89 (Fed. Cir. 1989)); *Wilson Sporting Goods v. David Geoffrey & Assocs.*, 904 F.2d 677, 685-86 (Fed. Cir. 1990); *Wahpeton Canvas Co., Inc. v. Frontier, Inc.*, 870 F.2d 1546, 1552-53 nn.9&10 (Fed. Cir. 1989); *Shatterproof Glass Corp. v. Libbey-Owens Ford Co.*, 758 F.2d 613, 626 (Fed. Cir. 1985).

### **3.7 Infringement of Open Ended or “Comprising” Claims**

The preamble to claim \_\_\_\_\_ uses the phrase [RECITE THE PREAMBLE “\_\_\_\_\_ comprising”]. The word “comprising” means “including the following but not excluding others.”

If you find that [the Defendant]'s [[product] [method]] includes all of the elements in claim \_\_\_\_\_, the fact that [the Defendant]'s [[product] [method]] might include additional [[components] [method steps]] would not avoid literal infringement of a claim that uses “comprising” language so long as the presence of the additional [[components] [method steps]] does not negate an element of the claim.

*Invitrogen Corp. v. Biocrest Mfg. LP*, 327 F.3d 1364, 1368 (Fed. Cir. 2003); *AFG Indus. v. Cardinal IG Co.*, 239 F.3d 1239, 1244-45 (Fed. Cir. 2001); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1271 (Fed. Cir. 1986); *AB Dick Co. v. Burroughs Corp.*, 713 F.2d 700, 703 (Fed. Cir. 1983).

### **3.8 Infringement by Supply of all or a Substantial Portion of the Components of a Patented Invention to Another Country (271(f)(1))**

[Plaintiff] asserts that [Defendant] infringed the [abbreviated patent number] patent by supplying [or causing to be supplied] all or a substantial portion of the components of the patented product from the United States to another country and actively inducing the assembly of those components into a product that would infringe the [abbreviated patent number] patent if they had been assembled in the United States.

To show infringement under Section 271(f)(1), [the Plaintiff] must prove that it is more likely than not that (1) the product, as it was intended to be assembled outside the United States, [included][would have included] all limitations of at least one of claims \_\_\_\_ of the [abbreviated patent number] patent, (2) [Defendant] supplied [or caused to be supplied] components from the United States that made up all or a substantial portion of the invention of any one of claims \_\_\_\_\_ of the [abbreviated patent number] patent, and (3) [Defendant] specifically intended to induce the combination of the components into a product that would infringe the [abbreviated patent number] patent if the components had been combined in the United States.

35 U.S.C. § 271(f)(1); *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.* 576 F.3d 1348, 1359-67 (Fed. Cir. 2009); *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 453-56 (2007); *Minn. Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1304-05 (Fed. Cir. 2002).

### **3.9 Infringement by Supply of Components Especially Made or Adapted for Use in the Patented Invention to Another Country (271(f)(2))**

[Plaintiff] asserts that [Defendant] infringed the [abbreviated patent number] patent by supplying [or causing to be supplied] [a component][components] of an invention covered by at least one claim of the [abbreviated patent number] patent from the United States to a foreign country, where the exported component[s] [was][were] especially made or especially adapted for use in an invention covered by the [abbreviated patent number] patent and [has][have] no substantial non-infringing use[s], and where [Defendant] knew the component[s] [was][were] especially made or adapted for use in the patented invention and intended for the component[s] to be combined in a way that would have infringed the [abbreviated patent number] patent if the combination had occurred in the United States.

To show infringement under Section 271(f)(2), [the Plaintiff] must prove that it is more likely than not that the (1) [Defendant] actually supplied the components from the United States to a foreign country or caused them to be supplied from the United States to a foreign country, (2) [Defendant] knew or should have known that the components were especially made or adapted for use in a product that infringes the [abbreviated patent number] patent, (3) those components have no substantial non-infringing use, and (4) [Defendant] intended for the components to be combined into that product . It is not necessary for you to find that the

components actually were combined into an infringing product, as long as you find that [Defendant] intended the components to be combined into a product that would have infringed the [abbreviated patent number] patent if they had been combined in the United States.

35 U.S.C. § 271(f)(2); *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.* 576 F.3d 1348, 1359-67 (Fed. Cir. 2009); *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 453-56 (2007); *Waymark Corp. v. Porta Sys. Corp.*, 245 F.3d 1364, 1367-69 (Fed. Cir. 2001); *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1257-58 (Fed. Cir. 2000)

### **3.10 Infringement by Import, Sale, Offer for Sale or Use of Product Made by Patented Process (271(g))**

[Plaintiff] asserts that [Defendant] infringed the [abbreviated patent number] patent by [importing][selling][offering for sale][using] a product that was made by a process covered by one or more claims of the [abbreviated patent number] patent.

To show infringement under Section 271(g), [the Plaintiff] must prove that it is more likely than not that the (1) [Defendant] [imported][sold][offered for sale][used] a product that was made by a process that includes all steps of at least one claim of the [abbreviated patent number] patent, (2) the product was made between [issue date of patent] and [expiration date of patent][date of trial], (3) [Defendant] [imported][sold][offered for sale][used] the product between [issue date of patent] and [expiration date of patent][date of trial].

You must decide whether the evidence presented at trial establishes that the product [imported][sold][offered for sale][used] by the Defendant was “made by” the patented process. However, you must find that the product [imported][sold][offered for sale][used] by the Defendant was not “made by” by the patented process if you find that either (a) the product [imported][sold][offered for sale][used] was materially changed by later processes, or (b) the product is only a trivial or non-essential part of another product.<sup>32</sup>

35 U.S.C. § 271(g); *Amgen Inc., v. F. Hoffman-La Roche Ltd.*, 580 F.3d 1340 (Fed. Cir. 2009); *Mycogen Plant Sci., Inc. v. Monsanto Co.*, 252 F.3d 1306 (Fed. Cir. 2001); *Biotec Biologische Naturvenpackungen GmbH v. BioCorp., Inc.*, 249 F.3d 1341 (Fed. Cir. 2001); *Eli Lilly & Co. v. Am. Cyanamid Co.*, 82 F.3d 1568 (Fed. Cir. 1996); *Bio-Tech. Gen. Corp. v. Genentech, Inc.*, 80 F.3d 1553 (Fed. Cir. 1996).

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<sup>32</sup> In cases where the patentee is unable to determine the process by which the product at issue is made, and the prerequisites of 35 U.S.C. § 295 are satisfied, the presumption of Section 295 may also need to be included in this instruction, requiring the accused infringer to rebut a presumption that the product was made by the patented process.

### **3.11 Direct Infringement – Infringement Under the Doctrine of Equivalents**

If you decide that [the Defendant]’s [[product] [method]] does not literally infringe an asserted patent claim, you must then decide whether it is more probable than not that [[product] [method]] infringes the asserted claim under what is called 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 equivalent to those requirement(s) of the claim that are not literally present in the [[product][method]]. If the [[product] [method]] is missing an equivalent [[part] [step]] to even one [[part] [step]] 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 an equivalent [[part] [step]] to that individual claim requirement(s) that are not literally present in the [[product][method]].

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 not substantial as of the time of the alleged infringement. One way to decide whether any difference between a requirement of an asserted claim and a [[part] [step]] of the [[product] [method]] is not substantial is to consider whether, 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. 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. Further, the same [[element] [method step]] of the accused [[product] [method]] may satisfy more than one element of a claim.

*Warner-Jenkinson Co., Inc. 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); *Johnson & Johnston Assoc. v. R.E. Service Co.*, 285 F.3d 1046, 1053-54 (Fed. Cir. 2002) (en banc); *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); *Datascope Corp. v. SMEC, Inc.*, 776 F.2d 320, 325 (Fed. Cir. 1985).

### **3.12 Limitations on the Doctrine of Equivalents – Prior Art**

You may not find that [the Defendant]’s [[product] [method]] infringes the patent claim under the “doctrine of equivalents” if by doing so the patent claim would cover [[products]

[methods]] that were already in the prior art. Defendant has the burden of coming forward with evidence to show that it was in the prior art.<sup>33</sup>

*DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1322-24 (Fed. Cir. 2009); *Fiskars, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1323 (Fed. Cir. 2000); *Conroy v. Reebok Int'l, Ltd.*, 14 F.3d 1570, 1576-77 (Fed. Cir. 1994); *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 677, 683-85 (Fed. Cir. 1990).

### **3.13 Limitations on the Doctrine of Equivalents – Prosecution History Estoppel**

In this case, you are instructed that the doctrine of equivalents analysis cannot be applied to some of the elements of the asserted claims. These elements are:

[list Elements on a claim by claim basis]

Consequently, each of the elements above must be literally present within [the Defendant]'s [[product] [method]] for there to be infringement of the claim.

As for the remaining elements of the asserted claims not listed above, you are permitted to find these elements with the doctrine of equivalents analysis that I instructed you on earlier.

[THE ABOVE INSTRUCTION ASSUMES THAT THE COURT HAS DETERMINED THAT PROSECUTION HISTORY ESTOPPEL APPLIES AS A MATTER OF LAW FOR CERTAIN CLAIM ELEMENTS, I.E., THAT AN AMENDMENT TO THE CLAIM WAS MADE FOR REASONS RELATED TO PATENTABILITY AND THE PRESUMPTION OF SURRENDER OF EQUIVALENTS HAS NOT BEEN REBUTTED].

*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, 30-34 (1997); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359, 1366-67 (Fed. Cir. 2003) (en banc).

### **3.14 Limitations on the Doctrine of Equivalents – Subject Matter Dedicated to the Public**

When a patent discloses subject matter but does not include it within its claims, the patentee has dedicated that unclaimed subject matter to the public. If [the patent] discloses, but does not claim, subject matter alleged to be equivalent to an element of the patent claim, then the

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<sup>33</sup> Although “ensnarement” is a question of law, a court may obtain an advisory verdict on this question necessitating inclusion of Instruction 3.12. In particular, the Federal Circuit has held that the question of whether the scope of a claim under the doctrine of equivalents ensnares the prior art is “ultimately . . . a question of law for the court, not the jury, to decide,” but “[i]f a district court believes that an advisory verdict would be helpful, and that a ‘hypothetical’ claim construct would not unduly confuse the jury as to equivalence and validity, then one may be obtained under Federal Rule of Civil Procedure 39(c).” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1324 (Fed. Cir. 2009).

[[component] [step]] alleged to be equivalent in [the Defendant]'s [[product] [method]] cannot be an equivalent to that element of the patent claim for purposes of infringement under the doctrine of equivalents doctrine. This is true even if the failure to claim the subject matter was wholly unintentional. In this case, you are instructed that subject matter from the patent has been dedicated to the public and the doctrine of equivalents analysis cannot be applied to the following elements of the asserted claims:

[LIST ELEMENTS ON A CLAIM BY CLAIM BASIS]

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

*Pfizer, Inc. v. Teva Pharms., USA, Inc.*, 429 F.3d 1364, 1378-79 (Fed. Cir. 2005); *Toro Co. v. White Consol. Indus., Inc.*, 383 F.3d 1326 (Fed. Cir. 2004); *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046, 1054-55 (Fed. Cir. 2002) (en banc).

#### **4. Summary of Invalidity Defense**

[The Defendant] contends that the asserted claim[s] of the patent[s]-in-suit are invalid. [The Defendant] must prove that it is highly probable that each asserted claim is invalid.

Claims of an issued patent may be found to be invalid. Thus, you must determine whether each of [the Plaintiff]'s claims is invalid.

[The Defendant] contends that patent claims [insert claim numbers] are invalid for the following reasons:

[Insert invalidity contentions]

I will now instruct you in more detail why [the Defendant] alleges that the asserted claim[s] of the [abbreviated patent numbers] is/are invalid.

#### **5. Prior Art**

##### **5.0 Prior Art Defined**

Prior art includes any of the following items received into evidence during trial:

1. any [product] [method] that was publicly known or used by others in the United States before the patented invention was made;
2. patents that issued more than one year before the filing date of the patent, or before the invention was made;
3. publications having a date more than one year before the filing date of the patent, or before the invention was made;

4. any [product] [method] that was in public use or on sale in the United States more than one year before the patent was filed;
5. any [product] [method] that was made by anyone before the named inventors created the patented [product] [method] where the [product] [method] was not abandoned, suppressed, or concealed.

[ADD ANY ADDITIONAL TYPES OF PRIOR ART]

In this case, [the Defendant] contends that the following items are prior art: [identify prior art by name]

35 U.S.C. § 102.

### **5.1 Prior Art Considered or Not Considered by the USPTO**

When a party challenging the validity of a patent relies on prior art that was considered by the Examiner during the prosecution of the application which resulted in the issued patent, that party's ability to satisfy its highly probable evidence burden may be more difficult. When a party challenging the validity of a patent presents evidence that was not considered by the Examiner during the prosecution of the application which resulted in the issued patent, such new evidence may be given more weight and may make it easier to satisfy that party's highly probable evidence burden.

*Microsoft Corp. v. i4i Ltd. P'ship.*, 564 U.S. \_\_\_, 131 S. Ct. 2238, 2251 (2011); *SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1355-56 (Fed. Cir. 2000); *Grp. One, Ltd. v. Hallmark Cards, Inc.*, 407 F.3d 1297, 1306 (Fed. Cir. 2005).

### **5.2 Invalidity of Independent and Dependent Claims**

[As I stated earlier] there are two different types of asserted claims in the patent. One type of claim is called an independent claim. The other type of claim is called a dependent claim.

An independent claim is a claim that does not refer to any other claim of the patent. An independent claim must be read separately from the other claims to determine the scope of the claim.

A dependent claim is a claim that refers to at least one other claim in the patent. A dependent claim includes all of the elements of the claim to which the dependent claim refers, as well as the elements recited in the dependent claim itself.

For example, [Independent Claim] is an independent claim and recites several elements. [Dependent Claim] is a dependent claim that refers to [Independent Claim] and includes an additional element. [IDENTIFY THE DIFFERENCES BETWEEN [Independent Claim] AND [Dependent Claim]]. [Dependent Claim] requires each of the elements of [Independent Claim], plus the additional elements identified in [Dependent Claim] itself.

You must evaluate the invalidity of each asserted claim separately. However, if you find that a dependent claim is invalid, then you cannot find the independent claim to which that dependent claim refers is not invalid. Conversely, an independent claim can be found invalid, even though a dependent claim to which it refers is valid.

*Comparer Corp. v. Antec. Inc.*, 596 F.3d 1343, 1350 (Fed. Cir. 2010); *Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331, 1344 (Fed. Cir. 2009); *Ormco Corp. v. Align Tech., Inc.*, 498 F.3d 1307, 1319 (Fed. Cir. 2007).

### **5.3 Person of Ordinary Skill in the Art**

The question of invalidity of a patent claim is determined from the perspective of a person of ordinary skill in the art in the field of the asserted invention as of [date].

## **6. Anticipation**

### **6.0 Anticipation**

If a device or process has been previously invented and disclosed to the public, then it is not new, and therefore the claimed invention is “anticipated” by the prior invention. Simply put, the invention must be new to be entitled to patent protection under the U.S. patent laws. To prove anticipation, [the Defendant] must prove that it is highly probable that the claimed invention is not new.

In this case, [the Defendant] contends that [some/all of] the claims of the [abbreviated patent number] patent are anticipated. [DESCRIBE BRIEFLY EACH BASIS FOR THE DEFENDANT'S INVALIDITY DEFENSE, FOR EXAMPLE: “First, [the Defendant] contends that the invention of claims 1, 2, and 3 of the \_\_\_\_ patent was described in the July, 1983 article published by Jones in THE JOURNAL OF ENDOCRINOLOGY.”]

To anticipate a claim, each and every element in the claim must be present in a single item of prior art, and arranged or combined in the same way as recited in the claim. You may not combine two or more items of prior art to find anticipation. In determining whether every one of the elements of the claimed invention is found in the prior [[publication] [patent] [etc.]], you should take into account what a person of ordinary skill in the art would have understood from his or her review of the particular [[publication] [patent] [etc.]].

[OPTIONAL – NEEDED ONLY IF INHERENCY IS AN ISSUE; In determining whether the single item of prior art anticipates a patent claim, you should take into consideration not only what is expressly disclosed in the particular item of prior [[publication] [invention] [etc.]], but also what is inherently present or disclosed in that prior art or what inherently results from its practice. Prior art inherently anticipates a patent claim if the missing element or feature would be the natural result of following what the prior art teaches to persons of ordinary skill in the art. A party claiming inherent anticipation must prove that it is highly probable that the claim is inherently anticipated. Evidence outside of the prior art reference itself [including experimental testing] may be used to show that the elements not expressly disclosed in the reference are actually present. Mere probabilities are not enough. It is not required, however,



that persons of ordinary skill actually recognized the inherent disclosure at the time the prior art was first known or used. Thus, the prior use of the patented invention that was unrecognized and unappreciated can still be an invalidating anticipation.

You must keep these requirements in mind and apply them to each kind of anticipation you consider in this case. There are additional requirements that apply to the particular categories of anticipation that [the Defendant] contends apply in this case. I will now instruct you about those.

*Net MoneyIN, Inc. v. Verisign, Inc.*, 545 F.3d 1359, 1369-70 (Fed. Cir. 2008); *Toro Co. v. Deere & Co.*, 355 F.3d 1313, 1320-1321 (Fed. Cir. 2004); *Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1377-1378 (Fed. Cir. 2003); *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999); *Atlas Powder Co. v. IRECO Inc.*, 190 F.3d 1342, 1347-1348 (Fed. Cir. 1999); *Glaverbel Societe Anonyme v. Northlake Mktg. & Supply, Inc.*, 45 F.3d 1550, 1554 (Fed. Cir. 1995); *Minn. Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1565 (Fed. Cir. 1992); *Cont'l Can Co. USA v. Monsanto Co.*, 948 F.2d 1264, 1267-1269 (Fed. Cir. 1991); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988).

### **6.1 Prior Public Knowledge**

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim was publicly known by others in the United States before it was invented by the inventor(s).

[IF THERE IS A FACTUAL ISSUE TO BE RESOLVED BY THE JURY AS TO THE DATE OF INVENTION OF THE PATENT CLAIMS IN SUIT, THE JURY SHOULD BE INSTRUCTED HERE AS TO HOW THEY SHOULD DETERMINE THAT DATE OF INVENTION. OTHERWISE, THE COURT SHOULD INSTRUCT THE JURY AS FOLLOWS: “You are instructed that the invention defined by claim \_\_\_\_ of the [abbreviated patent number] patent was invented on [invention date].”]

A patent claim is invalid if the invention defined in that claim was publicly known by others in the United States before it was invented by [the patentee].

35 U.S.C. § 102(a); *Minnesota Mining and Manuf. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1301, 1306 (Fed. Cir. 2002); *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1369 (Fed. Cir. 2000); *Woodland Tr. v. Flowertree Nursery*, 148 F.3d 1368, 1370 (Fed. Cir. 1998).

### **6.2 Prior Public Use**

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim [was publicly used by others in the United States before it was invented by [the patentee]] [was publicly used in the United States more than one year before [the patentee] filed his patent application on [effective filing date]].

[IF THERE IS A FACTUAL ISSUE TO BE RESOLVED BY THE JURY AS TO THE DATE OF INVENTION OF THE PATENT CLAIMS IN SUIT, THE JURY SHOULD BE INSTRUCTED HERE AS TO HOW THEY SHOULD DETERMINE THAT DATE OF INVENTION. OTHERWISE, THE COURT SHOULD INSTRUCT THE JURY AS FOLLOWS: “You are instructed that the invention defined by claim \_\_\_\_ of the [abbreviated patent number] patent was invented on [invention date].”]

A patent claim is invalid if more than one year before the filing date of the patent an embodiment of the claimed invention was both: (1) accessible to the public or commercially exploited in the United States; and (2) ready for patenting.

An invention was in public use if the claimed invention was accessible to the public or commercially exploited. Factors relevant to the determination of whether a use was public include the nature of the activity that occurred in public; public access to the use; confidentiality obligations imposed upon observers; commercial exploitation; and the circumstances surrounding testing and experimentation. An invention is publicly used if it is used by the inventor or by a person who is not under any limitation, restriction, or obligation of secrecy to the inventor. The absence of affirmative steps to conceal the use of the invention is evidence of a public use. However, secret use by a third party is not public, unless members of the public or employees of the third party have access to the invention.

In order to be a public use, the invention also must have been ready for patenting at the time of the alleged public use. An invention is ready for patenting either when it is reduced to practice or when the inventor has prepared drawings or other descriptions of the invention sufficient to allow a person of ordinary skill in the art to make or use the invention. An invention is reduced to practice when it has been (1) constructed or performed within the scope of the patent claims; and (2) determined that it works for its intended purpose. The claimed invention is ready for patenting when there is reason to believe it would work for its intended purpose.

35 U.S.C. § 102(a), (b); *Clock Spring, L.P. v. Wrapmaster, Inc.*, 560 F.3d 1317, 1325-27 (Fed. Cir. 2009); *Am. Seating Co. v. USSC Grp., Inc.*, 514 F.3d 1262, 1267 (Fed. Cir. 2008); *Invitrogen Corp. v. Biocrest Manuf., L.P.*, 424 F.3d 1374, 1379-82 (Fed. Cir. 2005); *SmithKline Beecham Corp. v. Apotex Corp.*, 365 F.3d 1306, 1316-20 (Fed. Cir. 2004); *Netscape Commc’ns Corp. v. Konrad*, 295 F.3d 1315, 1320-23 (Fed. Cir. 2002); *Cooper v. Goldfarb*, 154 F.3d 1321, 1327 (Fed. Cir. 1998) (as to reduction to practice); *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 840 F.2d 902, 906 (Fed. Cir. 1988); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1265-67 (Fed. Cir. 1986); *Kinzenbaw v. Deere & Co.*, 741 F.2d 383, 390-91 (Fed. Cir. 1984); *TP Lab., Inc. v. Prof’l Positioners, Inc.*, 724 F.2d 965, 970-72 (Fed. Cir. 1984); *WL Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1549-50 (Fed. Cir. 1983); *In re Smith*, 714 F.2d 1127, 1134-37 (Fed. Cir. 1983).

### **6.3 On Sale Bar**

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim was on sale in the United

States more than one year before [the patentee] filed his U.S. patent application on [U.S. filing date].

A patent claim is invalid if more than one year before the filing date of the patent an embodiment of the claimed invention was both (1) subject to commercial offer for sale in the United States; and (2) ready for patenting.

A commercial “offer for sale” was made if another party could make a binding contract by simply accepting the offer. An invention was subject to an “offer for sale” if the claimed invention was embodied in an item that was actually sold or offered for sale. It is not required that a sale was actually made. The essential question is whether there was an attempt to obtain a commercial benefit from the invention. While the invention need not be ready for patenting at the time of the offer, there can be no offer for sale until such time as the invention is conceived. An invention is conceived when the inventor(s) forms in his mind a definite and permanent idea of the complete and operative invention, as it will be used in practice.

The invention also must have been “ready for patenting” more than one year before the filing date of the patent. An invention is ready for patenting either when it is reduced to practice or when the inventor has prepared drawings or other descriptions of the invention sufficient to allow a person of ordinary skill in the art to make or use the invention. An invention is reduced to practice when it has been (1) constructed or performed within the scope of the patent claims; and (2) determined that it works for its intended purpose. The claimed invention is ready for patenting when there is reason to believe it would work for its intended purpose.

35 U.S.C. § 102(b); *Pfaff v. Wells Elecs.*, 525 U.S. 55, 67-68 (1998); *August Tech v. Camtek*, 655 F.3d 1278, 1288-89 (Fed. Cir. 2011); *Atlanta Attachment Co., v. Leggett & Platt, Inc.*, 516 F.3d 1361, 1365 (Fed. Cir. 2008); *Bd. of Educ. ex rel Bd. Of Trs. of Fla. State Univ. v. Am. Bioscience, Inc.*, 333 F.3d 1330, 1338 (Fed. Cir. 2003) (as to conception); *Allen Eng’g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1352-55 (Fed. Cir. 2002); *Linear Tech. Corp. v. Micrel, Inc.*, 275 F.3d 1040, 1047-54 (Fed. Cir. 2001); *Robotic Vision Sys., Inc., v. View Eng’g, Inc.*, 249 F.3d 1307, 1312 (Fed. Cir. 2001); *Grp. One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041, 1045-49 (Fed. Cir. 2001); *Cooper v. Goldfarb*, 154 F.3d 1321, 1327 (Fed. Cir. 1998) (as to reduction to practice).

#### **6.4 Experimental Use**

[The Plaintiff] contends that \_\_\_\_\_ should not be considered [[a prior public use of the invention] [placing the invention on sale]] because that [[use] [sale]] was experimental. The law recognizes that the inventor must be given the opportunity to develop the invention through experimentation. Certain activities are experimental if they are a legitimate effort to test claimed features of the invention or to determine if the invention will work for its intended purpose. So long as the primary purpose is experimentation, it does not matter that the public used the invention or that the inventor incidentally derived profit from it.

Only experimentation by or under the control of the inventor of the patent [or his assignee] qualifies for this exception. Experimentation by [third party], for its own purposes,

does not. The experimentation must relate to the features of the claimed invention, and it must be for the purpose of technological improvement, not commercial exploitation. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of experimentation. A test done primarily for marketing, and only incidentally for technological improvement, is not an experimental use.

If you find that [the Defendant] has shown that it is highly probable that there was a [[prior public use] [prior sale]], then the burden is on [the Plaintiff] to come forward with evidence showing that the purpose of [the prior public use] [prior sale] was experimental. You may find that \_\_\_\_\_ does not constitute [[a prior public use of the invention][placing the invention on sale]] if the evidence provided by [the Plaintiff] regarding the experimental use prevents [the Defendant] from meeting its burden of establishing that it is highly probable that there was a [[prior public use][prior sale]].

*City of Elizabeth v. Am. Nicholson Pavement Co.*, 97 U.S. 126, 134-35 (1877); *Clock Spring, L.P. v. Wrapmaster, Inc.*, 560 F.3d 1317, 1327 (Fed. Cir. 2009); *Lisle Corp. v. A.J. Mfg. Co.*, 398 F.3d 1306, 1316 (Fed. Cir. 2005); *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1353-55 (Fed. Cir. 2002); *LaBounty Mfg., Inc. v. U.S. Int'l Trade Comm'n*, 958 F.2d 1066, 1071-72 (Fed. Cir. 1992); *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 549-51 (Fed. Cir. 1990); *U.S. Envtl. Prods. Inc. v. Westall*, 911 F.2d 713, 716 (Fed. Cir. 1990); *In re Hamilton*, 882 F.2d 1576, 1580-83 (Fed. Cir. 1989); *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 840 F.2d 902, 906 (Fed. Cir. 1988); *Hycor Corp. v. Schlueter Co.*, 740 F.2d 1529, 1535-37 (Fed. Cir. 1984); *Pennwalt Corp. v. Akzona Inc.*, 740 F.2d 1573, 1580-81 (Fed. Cir. 1984); *In re Smith*, 714 F.2d 1127, 1134-37 (Fed. Cir. 1983).

## 6.5 Printed Publication

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim was described in a printed publication [[more than one year before [the patentee] filed the U.S. patent application on [U.S. filing date]] [before [the patentee] invented the invention]].

A patent claim is invalid if the invention defined by that claim was described in a printed publication [[before it was invented by [the patentee]] [more than one year prior to the filing date of the U.S. application]].

[IF THERE IS A FACTUAL ISSUE TO BE RESOLVED BY THE JURY AS TO THE DATE OF INVENTION OF THE PATENT CLAIMS IN SUIT, THE JURY SHOULD BE INSTRUCTED HERE AS TO HOW THEY SHOULD DETERMINE THAT DATE OF INVENTION. OTHERWISE, THE COURT SHOULD INSTRUCT THE JURY AS FOLLOWS: “You are instructed that the invention defined by claim \_\_\_\_ of the [abbreviated patent number] patent was invented on [invention date].”]

A printed publication must have been maintained in some tangible form, such as [[printed pages] [typewritten pages] [magnetic tape] [microfilm] [photographs] [internet publication] [photocopies]], and must have been sufficiently accessible to persons interested in the subject matter of its contents. [**Where accessibility is disputed:** Information is publicly accessible if it

was distributed or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter exercising reasonable diligence can locate it.] It is not necessary for the printed publication to have been available to every member of the public. An issued patent is a printed publication. A published patent application is a printed publication as of its publication date.

The disclosure of the claimed invention in the printed publication must be complete enough to enable one of ordinary skill in the art to use the invention without undue experimentation. In determining whether the disclosure is enabling, you should take into account what would have been within the knowledge of a person of ordinary skill in the art [[one year before the application for the [abbreviated patent number] patent was filed] [at the time the invention of the [abbreviated patent number] patent was made]], and you may consider evidence that sheds light on the knowledge such a person would have had.

35 U.S.C. § 102(a), (b); *In re NTP, Inc.*, 654 F.3d 1279, 1296-97 (Fed. Cir. 2011); *Orion IP v. Hyundai Motor Am.*, 605 F.3d 967 (Fed. Cir. 2010); *In re Lister*, 583 F.3d 1307, 1311-12 (Fed. Cir. 2009); *Kyocera Wireless Corp. v. Int'l Trade Comm.*, 545 F.3d 1340, 1350 (Fed. Cir. 2008); *Finisar Corp. v. DirectTV Grp., Inc.*, 523 F.3d 1323, 1334 (Fed. Cir. 2008); *SRI Int'l, Inc. v. Internet Sec. Sys., Inc.*, 511 F.3d 1186 (Fed. Cir. 2008); *In re Klopfenstein*, 380 F.3d 1345, 1352 (Fed. Cir. 2004); *Glaverbel Societe Anonyme v. Northlake Mktg. & Supply, Inc.*, 45 F.3d 1550, 1554-55 (Fed. Cir. 1995); *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991); *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1568-69 (Fed. Cir. 1988); *Akzo N.V. v. U.S. Int'l Trade Comm'n*, 808 F.2d 1471, 1479 (Fed. Cir. 1986); *In re Hall*, 781 F.2d 897, 898-899 (Fed. Cir. 1986); *In re Donohue*, 766 F.2d 531, 533-34 (Fed. Cir. 1985); *Studiengesellschaft Kohle mbH v. Dart Indus., Inc.*, 726 F.2d 724, 727 (Fed. Cir. 1984).

## 6.6 Prior Invention<sup>34</sup>

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim was invented by another person, [third party], before [the patentee] invented his invention.

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<sup>34</sup> In cases where priority of invention is an issue to be submitted to the jury, further instructions will be required. For example, the jury will need to consider not only the dates when the respective inventions were conceived, but also when the inventions were reduced to practice. An inventor who claims to be the first to conceive of a prior invention but was the last to reduce to practice must also show reasonable diligence from a time just before the other party entered the field until his own reduction to practice in order for the "prior invention" to anticipate the claimed invention in suit.

A patent claim is invalid if the invention defined by that claim was invented by another person in the United States before it was invented by the patentee[, and that other person did not abandon, suppress, or conceal the invention].

[The Defendant] must show that it is highly probable *either* that before [the patentee] invented his invention, [third party] reduced to practice a [[product] [method]] that included all of the elements of claim \_\_\_\_ of the [abbreviated patent number] patent or that [third party] was first to conceive the invention and that he exercised reasonable diligence in later reducing the invention to practice. In addition, [the Defendant] must show that [third party]'s device was sufficiently developed that one skilled in the art would have recognized that it would work for its intended purpose.

[If the prior invention was abandoned, suppressed, or concealed, it does not anticipate the [abbreviated patent number] patent. However, it is not necessary that [the patentee] had knowledge of that prior invention.<sup>35</sup>

An invention was not abandoned, suppressed, or concealed unless (1) the prior inventor actively concealed the invention from the public or (2) the prior inventor unreasonably delayed in making the invention publicly known. Generally, an invention was not abandoned, suppressed, or concealed if the invention was made public, sold, or offered for sale, or otherwise used for a commercial purpose. A period of delay does not constitute abandonment, suppression, or concealment if the prior inventor was engaged in reasonable efforts to bring the invention to market.]

35 U.S.C. § 102(a), (g); *Teva Pharm. Indus. v. Astrazeneca Pharms. LP*, 661 F.3d 1378 (Fed. Cir. 2011); *Solvay S.A. v. Honeywell Int'l. Inc.*, 622 F.3d 1367, 1376 (Fed. Cir. 2010); *Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373, 1381 (Fed. Cir. 2002); *Dow Chem. Co. v. Astro-Valcour, Inc.*, 267 F.3d 1334, 1343 (Fed. Cir. 2001); *Monsanto Co. v. Mycogen Plant Sci., Inc.*, 261 F.3d 1356, 1361-63 (Fed. Cir. 2001); *Apotex USA, Inc. v. Merck & Co.*, 254 F.3d 1031, 1035-40 (Fed. Cir. 2001); *E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1436-37 (Fed. Cir.1988); *Kimberly-Clark Corp. v. Johnson & Johnson*, 745 F.2d 1437, 1444-46 (Fed. Cir. 1984).

## 6.7 Prior Patent

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim was patented by [third party]

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<sup>35</sup> If abandonment, suppression or concealment are at issue in the case, these terms should be defined for the jury. *See Dow Chem. Co. v. Astro-Valcour Inc.*, 267 F.3d 1334, 1342 (Fed. Cir. 2001); *Checkpoint Sys., Inc. v. United States Int'l Trade Comm'n*, 54 F.3d 756, 761-62 (Fed. Cir. 1995).

[[before it was invented by [the patentee]] [more than one year before [the patentee] filed his United States patent application on [U.S. filing date]]].

A patent claim is invalid if the invention defined by that claim was patented in the United States or a foreign country [[before it was invented by [the patentee]] [more than one year before [the patentee] filed his United States patent application]].

[IF THERE IS A FACTUAL ISSUE TO BE RESOLVED BY THE JURY AS TO THE DATE OF INVENTION OF THE PATENT CLAIMS IN SUIT, THE JURY SHOULD BE INSTRUCTED HERE AS TO HOW THEY SHOULD DETERMINE THAT DATE OF INVENTION. OTHERWISE, THE COURT SHOULD INSTRUCT THE JURY AS FOLLOWS: “You are instructed that the invention defined by claim \_\_\_\_\_ of the [abbreviated patent number] patent was invented on [invention date].”]

35 U.S.C. § 102(a)-(b); *Adv. Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1287–83 (Fed. Cir. 2000); *In re Carlson*, 983 F.2d 1032, 1035-36 (Fed. Cir. 1992).

## **6.8 Prior U.S. Application**

[The Defendant] contends that claim \_\_\_\_\_ of the [abbreviated patent number] patent was anticipated because the invention defined in that claim was described in United States [[published patent application] [patent]] [[published application number] [anticipating patent number]], and because [[the published patent application [published application number]] [application for the [anticipating patent number] patent] was filed before [the patentee] made his invention.

A claim of the [abbreviated patent number] patent would be invalid if the invention defined by that claim was described in a [[published United States patent application] [United States patent]] filed by another person before the invention was made by [the patentee].

[IF THERE IS A FACTUAL ISSUE TO BE RESOLVED BY THE JURY AS TO THE DATE OF INVENTION OF THE PATENT CLAIMS IN SUIT, THE JURY SHOULD BE INSTRUCTED HERE AS TO HOW THEY SHOULD DETERMINE THAT DATE OF INVENTION. OTHERWISE, THE COURT SHOULD INSTRUCT THE JURY AS FOLLOWS: “You are instructed that the invention defined by claim [\_\_\_\_] of the [abbreviated patent number] patent was invented on [invention date].”]

35 U.S.C. §§ 102(e)(1) and (2); *In re Giacomini*, 612 F.3d 1380, 1383–84 (Fed. Cir. 2010); *Sun Studs, Inc. v. ATA Equip. Leasing, Inc.*, 872 F.2d 978, 983-84 (Fed. Cir. 1989) (*overruled on other grounds*); *In re Wertheim*, 646 F.2d 527, 536-37 (C.C.P.A. 1981).

## **7. Obviousness**

### **7.0 Obviousness**

[The Defendant] contends that claim(s) [numbers] of the [abbreviated patent number] patent are invalid because the claimed invention(s) is “obvious.”

A claimed invention is invalid as “obvious” if it would have been obvious to a person of ordinary skill in the art of the claimed invention at the time the invention was made. Unlike anticipation, which allows consideration of only one item of prior art, obviousness may be shown by considering more than one item of prior art.

In deciding obviousness, you must avoid using hindsight; that is, you should not consider what is known today or what was learned from the teachings of the patent. You should not use the patent as a road map for selecting and combining items of prior art. You must put yourself in the place of a person of ordinary skill in the art at the time the invention was made.

The following factors must be evaluated to determine whether [the Defendant] has established that the claimed invention(s) is obvious:

1. the scope and content of the prior art relied upon by [the Defendant];
2. the difference or differences, if any, between each claim of the [abbreviated patent number] patent that [the Defendant] contends is obvious and the prior art;
3. the level of ordinary skill in the art at the time the invention of the [abbreviated patent number] patent was made; and
4. additional considerations, if any, that indicate that the invention was obvious or not obvious.

Each of these factors must be evaluated, although they may be analyzed in any order, and you must perform a separate analysis for each of the claims.

[The Defendant] must prove that obviousness is highly probable.

I will now explain each of the four factors in more detail.

*KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 405 and 421 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *Otsuka Pharm. Co., Ltd. v. Sandoz, Inc.*, 678 F.3d 1280, 1296 (Fed. Cir. 2012); *Leapfrog Enters., Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1161-62 (Fed. Cir. 2007); *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 662-63 (Fed. Cir. 2000); *Arkies Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 955 (Fed. Cir. 1997); *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 716 (Fed. Cir. 1991); *Nutrition 21 v. U.S.*, 930 F.2d 867, 871 n.2 (Fed. Cir. 1991); *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 764 (Fed. Cir. 1988); *Structural Rubber Prods. Co. v. Park Rubber Co.*, 749 F.2d 707, 718-19 (Fed. Cir. 1984); *Orthopedic Equip. Co. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1382-83 (Fed. Cir. 1983); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538-40 (Fed. Cir. 1983).

### **7.1 The First Factor: Scope and Content of the Prior Art**

The prior art that you considered previously for anticipation purposes is also prior art for obviousness purposes. The prior art includes the following items received into evidence during the trial:



[LIST PRIOR ART STIPULATED TO BY THE PARTIES].

[IF PARTIES DISPUTE THE PRIOR ART, USE THE FOLLOWING]. You must determine what is the prior art that may be considered in determining whether the [abbreviated patent number] patent is obvious. A prior art reference may be considered if it discloses information designed to solve any problem or need addressed by the patent or if the reference discloses information that has obvious uses beyond its main purpose that a person of ordinary skill in the art would reasonably examine to solve any problem or need addressed by the patent. [ADD INSTRUCTIONS ON PRIOR ART CONTENTIONS, E.G., PUBLICATION AND ON-SALE BAR]

*KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1742 (2007); *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664-65 (Fed. Cir. 2000); *Wang Labs., Inc. v. Toshiba Corp.*, 993 F.2d 858, 864 (Fed. Cir. 1993); *In re Clay*, 966 F.2d 656, 658-59 (Fed. Cir. 1992); *In re Wood*, 599 F.2d 1032, 1036-37 (C.C.P.A. 1979).

## **7.2 The Second Factor: Differences Between the Claimed Invention and the Prior Art**

You should analyze whether there are any relevant differences between the prior art and the claimed invention from the view of a person of ordinary skill in the art at the time of the invention. Your analysis must determine the impact, if any, of such differences on the obviousness or nonobviousness of the invention as a whole, and not merely some portion of it.

In analyzing the relevance of the differences between the claimed invention and the prior art, you do not need to look for precise teaching in the prior art directed to the subject matter of the claimed invention. You may take into account the inferences and creative steps that a person of ordinary skill in the art would have employed in reviewing the prior art at the time of the invention. For example, if the claimed invention combined elements known in the prior art and the combination yielded results that were predictable to a person of ordinary skill in the art at the time of the invention, then this evidence would make it more likely that the claim was obvious. On the other hand, if the combination of known elements yielded unexpected or unpredictable results, or if the prior art teaches away from combining the known elements, then this evidence would make it more likely that the claim that successfully combined those elements was not obvious.

Importantly, a claim is not proved obvious merely by demonstrating that each of the elements was independently known in the prior art. Most, if not all, inventions rely on building blocks long since uncovered, and claimed discoveries almost of necessity will likely be combinations of what is already known. Therefore, you should consider whether a reason existed at the time of the invention that would have prompted a person of ordinary skill in the art in the relevant field to combine the known elements in the way the claimed invention does. The reason could come from the prior art, the background knowledge of one of ordinary skill in the art, the nature of any problem or need to be addressed, market demand, or common sense. You may also consider whether the problem or need was known, the possible approaches to solving

the problem or addressing the need were known and finite, and the solution was predictable through use of a known option.

If you find that a reason existed at the time of the invention to combine the elements of the prior art to arrive at the claimed invention, this evidence would make it more likely that the claimed invention was obvious. Again, you must undertake this analysis separately for each claim that [the Defendant] contends is obvious.

*KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1742-43 (2007); *Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1351 (Fed. Cir. 2008); *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1536-37 (Fed. Cir. 1983); *Medtronic, Inc., v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563, 1567-68 (Fed. Cir. 1983).

### **7.3 The Third Factor: Level of Ordinary Skill**

The determination of whether a claimed invention is obvious is based on the perspective of a person of ordinary skill in the [pertinent art field]. The person of ordinary skill is presumed to know all prior art that you have determined to be reasonably relevant. The person of ordinary skill is also a person of ordinary creativity that can use common sense to solve problems.

[IF THE PARTIES HAVE AGREED TO THE LEVEL OF ORDINARY SKILL IN THE ART, THEN THE INSTRUCTION SHOULD INCLUDE: “[The Plaintiff] and [the Defendant] contend that the level of ordinary skill in the art is [insert proposal].”

[IF THE PARTIES HAVE NOT AGREED TO THE LEVEL OF ORDINARY SKILL IN THE ART, THEN THE INSTRUCTION SHOULD CONTINUE AS FOLLOWS].

When determining the level of ordinary skill in the art, you should consider all the evidence submitted by the parties, including evidence of:

1. the level of education and experience of persons actively working in the field at the time of the invention, including the inventor;
2. the types of problems encountered in the art at the time of the invention; and
3. the sophistication of the technology in the art at the time of the invention, including the rapidity with which innovations were made in the art at the time of the invention.

*KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1742-43 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 666-67 (Fed. Cir. 2000); *Envtl Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 696-97 (Fed. Cir. 1983).

### **7.4 The Fourth Factor: Factors Indicating Nonobviousness**

Before deciding the issue of obviousness, you must also consider certain factors, which, if established, may indicate that the invention would not have been obvious. No factor alone is

dispositive, and you must consider the obviousness or nonobviousness of the invention as a whole.

[USE ONLY THOSE INSTRUCTIONS THAT ARE APPROPRIATE.]

1. Were products covered by the claim commercially successful due to the merits of the claimed invention rather than due to advertising, promotion, salesmanship, or features of the product other than those found in the claim?
2. Was there long felt need for a solution to the problem facing the inventors, which was satisfied by the claimed invention?
3. Did others try, but fail, to solve the problem solved by the claimed invention?
4. Did others copy the claimed invention?
5. Did the claimed invention achieve unexpectedly superior results over the closest prior art?
6. Did others in the field, or [the Defendant] praise the claimed invention or express surprise at the making of the claimed invention?
7. Did others accept licenses under [abbreviated patent number] patent because of the merits of the claimed invention?

Answering any, or all, of these questions “yes” may suggest that the claim was not obvious. These factors are only relevant to obviousness if there is a connection, or nexus, between them and the invention covered by the patent claims. Even if you conclude that some of the above indicators have been established, those factors should be considered along with all the other evidence in the case in determining whether [the defendant] has proven that the claimed invention would have been obvious as of [invention date].

*Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *United States v. Adams*, 383 U.S. 39, 52 (1966); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 894-95 (Fed. Cir. 1984); *Envtl. Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 697 (Fed. Cir. 1983); *WL Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1555-56 (Fed. Cir. 1983); *Stratoflex, Inc., v. Aeroquip Corp.*, 713 F.2d 1530, 1538-39 (Fed. Cir. 1983).

## **8. Enablement**

[The defendant] contends that claim[s] \_\_\_\_ of the [abbreviated patent number] patent [is] [are] invalid for lack of enablement. [The defendant] bears the burden of establishing lack of enablement by the highly probable standard.

A patent must disclose sufficient information to enable or teach persons of ordinary skill in the field of the invention, at the time the [priority] patent application was filed, to make and

use the full scope of the claimed invention without undue experimentation. This requirement is known as the enablement requirement. If a patent claim is not enabled, it is invalid.

In considering whether a patent complies with the enablement requirement, you must keep in mind that patents are written for persons of ordinary skill in the field of the invention. Thus, a patent need not expressly state information that persons of ordinary skill would be likely to know or could obtain.

The fact that some experimentation may be required for a person of ordinary skill to practice the claimed invention does not mean that a patent does not meet the enablement requirement. Factors that you may consider in determining whether persons of ordinary skill in the field of the invention would require undue experimentation to make and use the full scope of the claimed invention include:

1. the quantity of experimentation necessary;
2. the amount of direction or guidance disclosed in the patent;
3. the presence or absence of working examples in the patent;
4. the nature of the invention;
5. the state of the prior art;
6. the relative skill of those in the art;
7. the predictability of the art; and
8. the breadth of the claims.

If you find that [the defendant] has proven that it is highly probable that the [abbreviated patent number] patent does not enable the invention[s] of claims \_\_\_\_\_, then you must find that the claim[s] [is] [are] invalid.

35 U.S.C. § 112; *Strech, Inc. v. Research & Diagnostic Sys.*, 665 F.3d 1269, 1288-89 (Fed. Cir. 2012); *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296, 1305-07 (Fed. Cir. 2010); *ALZA Corp. v. Andrx Pharms., LLC*, 603 F.3d 935, 939-43 (Fed. Cir. 2010); *Martek Biosciences Corp. v. Nutrinova, Inc.*, 579 F.3d 1363, 1377-79 (Fed. Cir. 2009); *Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 999-1002 (Fed. Cir. 2008); *Liebel-Flarsheim Co. v. Medrad, Inc.*, 481 F.3d 1371, 1380 (Fed. Cir. 2007); *AK Steel Corp. v. Sollac & Ugine*, 344 F.3d 1234, 1244 (Fed. Cir. 2003); *Durel Corp. v. Osram Sylvania Inc.*, 256 F.3d 1298, 1306 (Fed. Cir. 2001); *Union Pac. Res. 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); *Nat'l Recovery Techs., Inc. v. Magnetic Separation Sys., Inc.*, 166 F.3d 1190, 1195-98 (Fed. Cir. 1999); *Enzo Biochem, Inc. v. Calgene, Inc.*, 188 F.3d 1362, 1371 (Fed. Cir. 1999); *In re Wands*, 858 F.2d 731, 737 (Fed. Cir. 1988).

## 9. Written Description Requirement

The [Defendant] contends that claim[s] \_\_\_\_ of the [abbreviated patent number] patent [is] [are] invalid for failure to satisfy the written description requirement. [The defendant] bears the burden of establishing lack of written description by the highly probable standard of proof.

A patent must contain a written description of the [product or process] claimed in the patent. The written description requirement helps to ensure that the patent applicant actually invented the claimed subject matter. To satisfy the written description requirement, the patent specification must describe each and every limitation of a patent claim, in sufficient detail, although the exact words found in the claim need not be used.

The written description requirement is satisfied if persons of ordinary skill in the field of the invention would recognize, from reading the patent specification, that the inventor possessed the subject matter finally claimed in the patent. The written description requirement is satisfied if the specification shows that the inventor possessed his or her invention as of the date the [priority] patent application was filed, even though the claims themselves may have been changed or new claims added since that time.

It is unnecessary to spell out every detail of the invention in the specification, and specific examples are not required; only enough must be included in the specification to convince persons of ordinary skill in the art that the inventor possessed the full scope of the invention. In evaluating whether the specification has provided an adequate written description, you may take into account such factors as (i) the nature and scope of the patent claims, (ii) the complexity, predictability, and maturity of the technology at issue, (iii) the existing knowledge in the relevant field, and (iv) the scope and content of the prior art.

If you find that [the defendant] has proven that it is highly probable that the [abbreviated patent number] patent does not contain a written description of the invention[s] of claims \_\_\_\_, then you must find that the claim[s] [is] [are] invalid.

35 U.S.C. § 112; *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs.*, 670 F.3d 1171, 1188-89 (Fed. Cir. 2012); *Streck, Inc. v. Research & Diagnostic Sys.*, 665 F.3d 1269, 1284-87 (Fed. Cir. 2012); *Atl. Research Mktg. Sys. v. Troy*, 659 F.3d 1345, 1353-55 (Fed. Cir. 2011); *Bos. Sci. Corp. v. Johnson & Johnson*, 647 F.3d 1353, 1361-63 (Fed. Cir. 2011); *Crown Packaging Tech. v. Ball Metal Bev. Container Corp.*, 635 F.3d 1373, 1379-80 (Fed. Cir. 2011); *Centocor Ortho Biotech, Inc. v. Abbott Labs.*, 636 F.3d 1341, 1347-48 (Fed. Cir. 2011); *Ariad Pharms., Inc. v. Mass. Instit. of Tech.*, 598 F.3d 1336, 1351-52 (Fed. Cir. 2010) (en banc); *Research Corp. Techs., Inc. v. Microsoft Corp.*, 627 F.3d 859, 870 (Fed. Cir. 2010); *Laryngeal Mask Co. v. Ambu A/S*, 618 F.3d 1367, 1373-74 (Fed. Cir. 2010); *Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.*, 563 F.3d 1358, 1366 (Fed. Cir. 2009); *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1306 (Fed. Cir. 2008); *Falko-Gunter Faulkner v. Inglis*, 448 F.3d 1357, 1366 (Fed. Cir. 2006); *Kao Corp. v. Unilever U.S., Inc.*, 441 F.3d 963, 968 (Fed. Cir. 2006); *Monsanto Co. v. Scruggs*, 459 F.3d 1328, 1336 (Fed. Cir. 2006); *Univ. of Rochester v. G.D. Searle & Co., Inc.*, 358 F.3d 916, 922-928 (Fed. Cir. 2004); *Enzo Biochem, Inc. v. Gen-Probe Inc.*, 323 F.3d 956, 964 (Fed. Cir. 2002) (en banc).

## 10. Unenforceability (Inequitable Conduct)

[INTRODUCTORY NOTE: “Inequitable conduct is an equitable issue committed to the discretion of the trial court and reviewed by [the Federal Circuit] under an abuse of discretion standard.” *Flex-Rest, LLC v. Steelcase, Inc.*, 455 F.3d 1351, 1357 (Fed. Cir. 2006). Because there is no right to trial by jury on this equitable issue, the court may try this issue, or any part thereof, with an advisory jury. If the court elects to try the issue with an advisory jury, the court should consider whether to charge the jury on the entire issue, or to charge the jury solely on the materiality and/or intent to deceive issues. The verdict form should have separate questions on each of the issues on which the jury has been charged, i.e., materiality, intent, and/or balancing the equities where the jury is rendering a finding on inequitable conduct. In cases alleging inequitable conduct based on the failure to disclose information to the Patent & Trademark Office, it is respectfully suggested that the court consider carefully whether to use an advisory jury. The issues are complex and potentially confusing because the clear-and-convincing-evidence standard applies to the inequitable conduct defense while the preponderance-of-the-evidence standard applies to the issue of whether the Patent and Trademark Office would have issued the patent “but for” the failure to disclose, as required by *Therasense, Inc. v. Becton Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011).]

### 10.1 Inequitable Conduct – Generally

[The Defendant] contends that [the Plaintiff] may not enforce the [abbreviated patent number] patent against [the Defendant] because individuals substantively involved in the prosecution of the [abbreviated patent number] patent engaged in inequitable conduct before the Patent and Trademark Office during prosecution of that patent.

Applicants for a patent have a duty to prosecute patent applications in the Patent and Trademark Office with candor, good faith, and honesty. This duty of candor and good faith extends to all inventors named on a patent application, all patent attorneys and patent agents involved in preparing and prosecuting the application, and every other individual involved in a substantial way with the prosecution of the patent application. An intentional failure to meet this duty of candor and good faith is referred to as “inequitable conduct.”

[In this case, [the Defendant] asserts that [DESCRIBE BRIEFLY EACH BASIS FOR [THE DEFENDANT]'S UNENFORCEABILITY DEFENSE].]

[The Defendant] must prove inequitable conduct by the highly probable standard. To determine whether the [abbreviated patent number] patent was obtained through inequitable conduct, you must determine (1) whether an individual or individuals having this duty of candor and good faith [engaged in affirmative acts of egregious misconduct or] withheld or misrepresented information, or submitted false information, that was material to the examination of the patent application, and (2) that this individual or individuals acted with the specific intent to deceive or mislead the Patent and Trademark Office.

*Therasense, Inc. v. Becton Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc); *Avid Identification Sys., Inc. v. Crystal Import Corp.*, 603 F.3d 967, 973-74 (Fed. Cir. 2010); *eSpeed, Inc. v. BrokerTec USA, L.L.C.*, 480 F.3d 1129, 1135 (Fed. Cir. 2007); *Dig. Control, Inc. v.*

*Charles Mach. Works*, 437 F.3d 1309, 1313 (Fed. Cir. 2006); *Purdue Pharma L.P. v. Endo Pharm., Inc.*, 438 F.3d 1123, 1128 (Fed. Cir. 2006); *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1233 (Fed. Cir. 2003).

## **10.2 Materiality (Non-disclosure cases only)**

[Defendant] contends that \_\_\_\_\_ was information [known to] [misrepresented by] an individual having the duty of good faith and candor to the Patent and Trademark Office, and that such information was [withheld from] [misrepresented to] the Patent and Trademark Office during the prosecution of the [abbreviated patent number] patent. If you find that an individual having this duty of good faith and candor [withheld] [misrepresented] information when applying for the [abbreviated patent number] patent, you must determine whether that information was material information.

Information is material if “but for” the individual’s [failure to disclose] [misrepresentation of] the information during the prosecution, the Patent and Trademark Office would not have allowed one or more claims of the [abbreviated patent number] patent. In other words, information is material if it is more likely than not that the Patent and Trademark office would not have allowed one or more claims of the [abbreviated patent number] patent if it had been aware of the [withheld] [true] information. To decide whether the Patent and Trademark Office would not have allowed one or more claims if it had been aware of the [withheld] [true] information, you should use the broadest reasonable interpretation of the claim or claims under consideration and apply the more likely than not standard, as the Patent and Trademark Office would have done.

If you decide that the Patent and Trademark Office would not have allowed one or more claims applying this standard, then the individual’s [failure to disclose] [misrepresentation of] the information during the prosecution is material, whether or not you also find the claims invalid under the standards for finding claims invalid in this lawsuit. This does not change the [Defendant]’s overall burden, however, to prove its inequitable conduct defense by the highly probable standard of proof.

*Therasense, Inc. v. Becton Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc).

## **10.3 Materiality (Affirmative Egregious Misconduct cases only)**

In this case, [the Defendant] alleges that [individual(s) accused of inequitable conduct] engaged in affirmative acts of egregious misconduct during the prosecution of the [abbreviated patent number] patent. Specifically, [the Defendant] alleges [summarize alleged affirmative acts of egregious misconduct]. If you find that it is highly probable that [accused individual(s)] engaged in the conduct as alleged by [the Defendant], and that the conduct rises to the level of affirmative egregious misconduct, then you are instructed that the misconduct was material. To assist you in your deliberation, examples of affirmative acts of egregious conduct would be perjury, including filing an unmistakably false affidavit in the Patent and Trademark Office during prosecution of the [abbreviated patent number] or fabricating evidence presented to the Patent and Trademark Office during prosecution of the [abbreviated patent number]. Affirmative acts of egregious conduct may also include deliberately planned and executed

schemes to defraud the Patent and Trademark Office. On the other hand, examples of things that do not rise to the level of affirmative acts of egregious conduct would be mere nondisclosure of prior art references to the Patent and Trademark Office or failure to mention prior art references in an affidavit during prosecution of the [abbreviated patent number].

*Therasense, Inc. v. Becton Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc).

#### **10.4 Intent to Deceive or Mislead**

If you determine that material information was withheld from or misrepresented to the Patent and Trademark Office, or that [accused individual(s)] engaged in affirmative egregious misconduct, you must next determine whether this was done with a specific intent to deceive or mislead the Patent and Trademark Office. Intent to deceive the Patent and Trademark Office may be found from direct evidence. You may also infer deceptive intent from the facts and surrounding circumstances. For example, when a patentee has knowingly misrepresented a material fact or submitted false material information, and when the natural consequence of those intentional acts would be to deceive the Patent and Trademark Office, an inference that [the accused individual(s)] intended to deceive the Patent and Trademark Office may be appropriate.

When the individual having a duty of good faith and candor has deliberately withheld or misrepresented known material information from the Patent and Trademark Office, you may find that he or she acted with intent to deceive the Patent and Trademark Office if and only if that is the single most reasonable inference to be drawn from the evidence. If there are multiple reasonable inferences that may be drawn, you cannot find an intent to deceive. You may not infer that the individual acted with intent to deceive based solely on the fact or facts that the information withheld was material, or even highly material, or that the individual has not provided a good faith explanation for the withholding. Nor may you infer intent solely on the basis of gross negligence or negligence in withholding material information. For example, it is not enough that the individual knew of a reference, should have known of its materiality, and decided not to submit it to the Patent and Trademark Office. Instead, you need to determine that the individual knew of the withheld or misrepresented information, knew the information was material, and made a deliberate and conscious decision to withhold or misrepresent the information. In determining whether there was an intent to deceive or mislead the Patent and Trademark Office, you should consider the totality of the circumstances, including the nature of the conduct and whether that conduct occurred in good faith.

*Therasense, Inc. v. Becton Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011)(en banc); *Larson Mfg. Co. of S.D. v. Aluminart Prods. Ltd.*, 559 F.3d 1317, 1340-41 (Fed. Cir. 2009); *Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366, 1368 (Fed. Cir. 2008); *eSpeed, Inc. v. BrokerTec USA, L.L.C.*, 480 F.3d 1129, 1137-38 (Fed. Cir. 2007); *Purdue Pharma L.P. v. Endo Pharm. Inc.*, 438 F. 3d 1123, 1133-34 (Fed. Cir. 2006); *PerSeptive Biosystems, Inc. v. Pharmacia Biotech, Inc.*, 225 F.3d 1315, 1319-20 (Fed. Cir. 2000); *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1180-82 (Fed. Cir. 1995).



## 11. Damages

### 11.0 Damages – Generally

If you find that the accused [[device] [method]] infringes any of the claims of the [abbreviated patent number] patent, and that those claims are not invalid, you must determine the amount of damages to be awarded [the Plaintiff] for the infringement. On the other hand, if you find that each of the asserted patent claims is either invalid or is not infringed, then you need not consider damages in your deliberations.

[The Plaintiff] must prove each element of its damages – including the amount of the damages – by a preponderance of the evidence which means it is more likely than not that [the Plaintiff] has proven its damages.

If proven by the Plaintiff, the amount of those damages must compensate [the Plaintiff] for the infringement. The purpose of a damage award is to put [the Plaintiff] in about the same financial position it would have been in if the infringement had not happened. But, the damage award cannot be less than a reasonable royalty. You may not add anything to the amount of damages to punish an accused infringer or to set an example. You also may not add anything to the amount of damages for interest.

The fact that I am instructing you on damages does not mean that the Court believes that one party or the other should win in this case. My instructions about damages are for your guidance only in the event you find in favor of [the Plaintiff].

*Powell v. Home Depot U.S.A., Inc.*, 663 F.3d 1221, 1238 (Fed. Cir. 2011); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 868 (Fed. Cir. 2010); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1325 (Fed. Cir. 2009); 35 U.S.C. § 284 (2004); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 507 (1964); *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F. 3d 1370, 1381-82 (Fed. Cir. 2003); *Vulcan Eng'g Co. v. FATA Aluminum, Inc.*, 278 F.3d 1366, 1376 (Fed. Cir. 2002); *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-1109 (Fed. Cir. 1996); *Hebert v. Lisle Corp.*, 99 F.3d 1109, 1119 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1544-45 (Fed. Cir. 1995); *Wang Labs., Inc. v. Toshiba Corp.*, 993 F.2d 858, 870 (Fed. Cir. 1993); *Fromson v. W. Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1988), *overruled on other grounds by Knorr-Bremse Systeme Fuer Nutzfahrzeuge v. Dana Corp.*, 383 F.3d 1337, 1342 (Fed. Cir 2004); *Del Mar Avionics, Inc. v. Quinton Instrument Co.*, 836 F.2d 1320, 1326 (Fed. Cir. 1987).

### 11.1 Date Damages Begin

#### 11.1.1 Alternate A – When the Date of the Notice of Infringement is Stipulated

The date that [the Plaintiff] first notified [the Defendant] of its claim of patent infringement is the date for the start of damages calculations. The parties agree that date is [infringement notice date].

### **11.1.2 Alternate B – When the Date of the Notice of Infringement is Disputed – Product Claims**

The date that [the Plaintiff] first notified [the Defendant] of its claim for patent infringement is the date for the start of damages. The parties do not agree on that date, and it is up to you to determine what that date is. [The Plaintiff] must prove that it is more likely than not that the [Defendant] actually was notified of the claim for patent infringement as of the date alleged by [the Plaintiff].

[The Plaintiff] can give notice in two ways. The first way is to give notice to the public in general. [The Plaintiff] can do this by marking substantially all of the products that it sold which included the patented invention, or including on the labeling of substantially all of the products, the word “patent” or the abbreviation “PAT” with the number of the patent. [The Plaintiff] also may give notice by marking substantially all of the products with “Patent” or “Pat” and a free, internet address where there is a posting that connects the product with the patent number. [Licensees of the [abbreviated patent number] patent who use the patented invention must also mark substantially all of their products that include the patented invention with the patent number.] This type of notice starts from the date [the Plaintiff] [and its licensees] began to mark substantially all of its products that use the patented invention with the patent number. If [the Plaintiff] [and its licensees] did not mark substantially all of those products with the patent number, then [the Plaintiff] did not provide notice in this way.

A second way [the Plaintiff] can give notice of its patent[s] is to notify [the Defendant] with a specific claim that the [allegedly infringing product] infringed the [abbreviated patent number] patent. This type of notice starts from the date [Defendant] received the notice. If you find that [the Plaintiff], before filing this lawsuit, did not properly mark its products and did not notify [the Defendant] with a specific charge that the [allegedly infringing product] infringed, then [the Plaintiff] can only recover damages for infringement that occurred after it sued [the Defendant] on [lawsuit filing date].

[IF THERE IS AN ISSUE OF FACT AS TO THE ADEQUACY OF THE PATENTEE’S MARKING, ADDITIONAL INSTRUCTIONS WILL BE REQUIRED].

### **11.1.3 Alternate C – When the Date Damages Begin is the Date the Lawsuit was Filed**

The date that damages begin to be calculated in this case is the date this lawsuit was filed, which is [the lawsuit filing date].

35 U.S.C. § 287(a); *Funai Elec. Co., Ltd. v. Daewoo Elecs. Corp.*, 616 F.3d 1357, 1373-74 (Fed. Cir. 2010); *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1345 (Fed. Cir. 2001); *Lans v. Dig. Equip. Corp.*, 252 F.3d 1320, 1327-28 (Fed. Cir. 2001); *Crystal Semiconductor Corp. v. TriTech Microelecs. Int’l, Inc.*, 246 F.3d 1336, 1353 (Fed. Cir. 2001); *Amsted Indus., Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 184-87 (Fed. Cir. 1994); *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062, 1066 (Fed. Cir. 1987).

## 11.2 Two Types of Damages – Lost Profits and Reasonable Royalty

There are two types of damages for patent infringement. The first type of patent damages is lost profits. Briefly, lost profits damages give a patent owner the additional profits that it would have made if there had been no infringement. You may hear this referred to as the “but for” test – which means, “what profits would the patent owner have made ‘but for’ the alleged infringement?” The second type of patent damages is called reasonable royalty. A reasonable royalty is the reasonable amount that someone wanting to use the patented invention would have agreed to pay to the patent owner and the patent owner would have accepted. A reasonable royalty is the minimum amount of damages that a patent owner can receive for an infringement.

## 11.3 Lost Profits – “But-For” Test

[The Plaintiff] is seeking lost profits damages in this case. To prove lost profits damages, [the Plaintiff] must show by a preponderance of evidence that, but for [the Defendant]’s infringement, [the Plaintiff] would have made additional profits through the sale of all or a portion of the sales of [the allegedly infringing products] made by [the Defendant]. Thus, part of your job is to determine what the customers who purchased the [allegedly infringing product] [from the Defendant] would have done if the alleged infringement had not occurred. It is important to remember that the profits I have been referring to are the profits allegedly lost by [the Plaintiff], not the profits, if any, made by [the Defendant] on the allegedly infringing sales.

*Siemens Med. Sols. USA, Inc. v. Saint-Gobain Ceramics & Plastics, Inc.*, 637 F.3d 1269, 1289 (Fed. Cir. 2011); *Am. Seating Co. v. USSC Grp., Inc.*, 514 F.3d 1262 (Fed. Cir. 2008); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 507 (1964); *Micro Chem. v. Lextron, Inc.*, 318 F.3d 1119, 1122-1125 (Fed. Cir. 2003); *Ferguson Beauregard/Logic Controls v. Mega Sys., L.L.C.*, 350 F.3d 1327, 1345-46 (Fed. Cir. 2003); *Ericsson, Inc. v. Harris Corp.*, 352 F.3d 1369, 1377 (Fed. Cir. 2003); *Tate Access Floors, Inc. v. Maxcess Techs., Inc.*, 222 F.3d 958, 971 (Fed. Cir. 2000); *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999); *King Instruments Corp. v. Perego*, 65 F.3d 941, 952 (Fed. Cir. 1995); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1577 (Fed. Cir. 1989); *Ryco, Inc. v. Ag-Bag Corp.*, 857 F.2d 1418, 1428 (Fed. Cir. 1988); *King Instrument Corp. v. Otari Corp.*, 767 F.2d 853, 863-64 (Fed. Cir. 1985); *Paper Converting Mach. Co. v. Magna-Graphics Corp.*, 745 F.2d 11, 21 (Fed. Cir. 1984); *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1365 (Fed. Cir. 1984); *Central Soya Co. v. Geo A Hormel & Co.*, 723 F.2d 1573, 1578-79 (Fed. Cir. 1983).

## 11.4 Lost Profits – Panduit Factors

[The Plaintiff] has proven its lost profits if you find that [the Plaintiff] has proven each of the following factors by the more likely than not standard:

1. the demand for the patented [[product] [method]],
2. absence of acceptable non-infringing substitutes,

3. that [the Plaintiff] had the manufacturing and marketing ability to make all or a part of the infringing sales actually made by [the Defendant], and
4. the amount of profit that [the Plaintiff] would have made if it were not for [the Defendant]'s infringement.

I will now explain each of these factors.

*Siemens Med. Sols. USA, Inc. v. Saint-Gobain Ceramics & Plastics, Inc.*, 637 F.3d 1269, 1287 (Fed. Cir. 2011); *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1329 (Fed. Cir. 2009); *Tate Access Floors, Inc. v. Maxcess Techs., Inc.*, 222 F.3d 958, 971 (Fed. Cir. 2000); *Gargoyles, Inc. v. United States*, 113 F.3d 1572, 1577-79 (Fed. Cir. 1997); *Stryker Corp. v. Intermedics Orthopedics, Inc.*, 96 F.3d 1409, 1417-18 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1545 (Fed. Cir. 1995); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1577 (Fed. Cir. 1989); *Yarway Corp. v. Eur-Control USA, Inc.*, 775 F.2d 268, 275 (Fed. Cir. 1985); *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1156 (6th Cir. 1978).

### **11.5 Lost Profits – Panduit Factors – Demand**

The first factor asks whether there was demand for the patented product in the relevant market. [The Plaintiff] can prove demand for the patented product by showing significant sales of [the Plaintiff]'s own patented product. [The Plaintiff] also can prove demand for the patented product by showing significant sales of [the Defendant]'s products that are covered by the patent in suit. To use sales of [the Defendant]'s products as proof of this demand, however, [the Plaintiff]'s and [the Defendant]'s product must be sufficiently similar to compete against each other in the same market or market segment. You also should not consider sales of products mainly due to advertising and marketing, and unpatented features of the products as evidence of demand for the patented product.

*DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1330 (Fed. Cir. 2009); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1548-49 (Fed. Cir. 1995); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 1 F.3d 1214, 1218-19 (Fed. Cir. 1993); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1165 n.3 (Fed. Cir. 1991); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 552 (Fed. Cir. 1984).

### **11.6 Lost Profits – Panduit Factors – Acceptable Non-Infringing Substitutes**

The second factor asks whether there were non-infringing, acceptable substitutes for the patented products in the market place. If the realities of the marketplace are that competitors other than [the Plaintiff] would likely have captured some or all of the sales made by the infringer, even despite a difference in the products, then [the Plaintiff] is not entitled to lost profits on those sales.

To be an acceptable substitute, the products must have had one or more of the advantages of the patented invention that were important to the actual buyers of the infringing products, not the public in general. The acceptable substitutes also must not infringe the patent because they

were licensed under the patent or they did not include all the features required by the patent. The acceptable substitutes, in addition, must have been available during the damages period. An acceptable non-infringing substitute is available if, during the damages period, a competitor or [the Defendant] had all the necessary equipment, materials, know-how, and experience to design and manufacture the substitute and sell such substitute instead of its infringing sales at the time those infringing sales were made. If you determine that some of [the Defendant]'s customers would just as likely have purchased a non-infringing acceptable product, then [the Plaintiff] has not shown it lost those sales but for [the Defendant]'s sales.

Even if you find that [the Plaintiff]'s and [the Defendant]'s products were the only ones with the advantages of the patented invention, it still remains [the Plaintiff]'s burden to prove that it in fact would have made the [the Defendant]'s infringing sales.

*DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1331-32 (Fed. Cir. 2009); *Am. Seating Co. v. USSC Grp., Inc.*, 514 F.3d 1262, (Fed. Cir. 2008); *Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1372-73 (Fed. Cir. 2008); *Grain Processing Corp. v. Am. Maize Prods. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999); *Gargoyles, Inc. v. United States*, 113 F.3d 1572, 1577-1578 (Fed. Cir. 1997); *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 939 F.2d 1540, 1545-46 (Fed. Cir. 1991); *Standard Havens Prods., Inc. v. Gencor Indus.*, 953 F.2d 1360, 1373 (Fed. Cir. 1991); *Kaufman Co. v. Lantech, Inc.*, 926 F.2d 1136, 1142-43, 1143 n.17 (Fed. Cir. 1991); *SmithKline Diagnostics, Inc. v. Helena Lab. Corp.*, 926 F.2d 1161, 1166 (Fed. Cir. 1991); *TWM Mfg. Co. v. Dura Corp.*, 789 F.2d 895, 901-902 (Fed. Cir. 1986).

### **11.7 Lost Profits – Market Share**

If you find that there were other acceptable non-infringing substitute products in the market, then [the Plaintiff] may be entitled to lost profits on a portion of [the Defendant]'s infringing sales. The burden is on [the Plaintiff] to prove that it is more likely than not that the patented product competed in the same market as [the Defendant]'s infringing product, and that [the Plaintiff] would have made a portion of the infringing sales equal to at least [the Plaintiff]'s share of that market but for [the Defendant]'s infringement. It is not necessary for [the Plaintiff] to prove that [the Plaintiff] and [the Defendant] were the only two suppliers in the market for [the Plaintiff] to demonstrate entitlement to lost profits. The burden is on [the Plaintiff], however, to show that it is more likely than not that it would have sold that portion had [the Defendant]'s product never existed. In a two-supplier market, the burden is on [the Plaintiff] to show that its product competed in the same market with the [the Defendant]'s product and that it would have made those sales if the infringement had not occurred .

*DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1330 (Fed. Cir. 2009); *Crystal Semiconductor Corp. v. Tritech Microelects. Int'l, Inc.*, 246 F.3d 1336, 1353-1357 (Fed. Cir. 2001); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 1 F.3d 1214 (Fed. Cir. 1993); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1577-78 (Fed. Cir. 1989).

### **11.8 Lost Profits – Panduit Factors – Capacity**

The third factor asks whether [the Plaintiff] had the manufacturing and marketing ability to actually make the sales it allegedly lost due to [the Defendant]'s infringement. [The Plaintiff]

must prove that it could have supplied the additional patented products needed to make the sales [the Plaintiff] said it lost, or that someone working with [the Plaintiff] could have supplied the additional patented products. [The Plaintiff] also must prove that it had the ability to market and sell those additional patented products.

*Wechsler v. Macke Int'l Trade, Inc.*, 486 F.3d 1286, 1293 (Fed. Cir. 2007); *Gargoyles, Inc. v. United States*, 113 F.3d 1572, 1577-1578 (Fed. Cir. 1997); *Fonar Corp. v. Gen. Elec. Co.*, 107 F.3d 1543, 1553 (Fed. Cir. 1997); *Kearns v. Chrysler Corp.*, 32 F.3d 1541, 1551 (Fed. Cir. 1994); *Datascope Corp. v. SMEC, Inc.*, 879 F.2d 820, 825 (Fed. Cir. 1989); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 554 (Fed. Cir. 1984).

### **11.9 Lost Profits – Panduit Factors – Amount of Profit Incremental Income Approach**

[The Plaintiff] may calculate the amount of its lost profits by calculating its lost sales for the patented product and subtracting from that amount any additional costs or expenses that [the Plaintiff] would have had to pay to make the lost sales. This might include additional costs for making the products, and additional sales costs, additional packaging costs, additional shipping costs, etc. Any costs that do not change when more products are made, such as taxes, insurance, rent and administrative overhead, should not be subtracted from the lost sales amount. The amount of lost profits cannot be speculative but it need not be proved with unerring certainty.

*Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1572 (Fed. Cir. 1996); *Oiness v. Walgreen Co.*, 88 F.3d 1025, 1030 (Fed. Cir. 1996); *Beatrice Foods Co. v. New England Printing & Lithographing Co.*, 923 F.2d 1576, 1579 (Fed. Cir. 1991); *Kalman v. Berlyn Corp.*, 914 F.2d 1473, 1482-1483 (Fed. Cir. 1990); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1579-1580 (Fed. Cir. 1989); *Ryco, Inc. v. Ag-Bag Corp.*, 857 F.2d 1418, 1428 (Fed. Cir. 1988); *Del Mar Avionics, Inc. v. Quinton Instrument Co.*, 836 F.2d 1320, 1327 (Fed. Cir. 1987); *King Instrument Corp. v. Otari*, 767 F.2d 853, 863-864 (Fed. Cir. 1985); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 554-555 (Fed. Cir. 1984); *Paper Converting Mach. Co. v. Magna-Graphics Corp.*, 745 F.2d 11, 22 (Fed. Cir. 1984); *Bio-Rad Labs., Inc. v. Nicolet Inst. Corp.*, 739 F.2d 604 (Fed. Cir. 1984); *Lam, Inc. v. Johns-Manville Corp.*, 718 F.2d 1056, 1065 (Fed. Cir. 1983).

### **11.10 Lost Profits – Price Erosion**

[The Plaintiff] is entitled to recover additional damages if it can show that it is more likely than not that, but for [the Defendant]'s infringement, [the Plaintiff] [[would have been able to charge higher prices] [would not have had to lower its prices]] for its patented products. If you find that [the Plaintiff] has met its burden of proof, then you may award as additional damages an amount equal to the difference between the profits that [the Plaintiff] would have made at the higher price and the profits [the Plaintiff] actually made selling its patented products at the lower price that [the Plaintiff] charged for its patented product. This type of damage is referred to as price erosion damages.

If you find that [the Plaintiff] suffered price erosion damages, then you also may use the higher price that [the Plaintiff] would have charged in determining [the Plaintiff]'s lost sales and

lost profits due to [the Defendant]’s infringement. However, if you calculate price erosion or lost profits damages using the higher price for the patented product, then you also must take into account any decrease in [the Plaintiff]’s sales that might have occurred due to the higher price for the patent products. In order to award lost profits based on price erosion, it is not required that [the Plaintiff] knew that [the Defendant]’s competing product infringed the patent, if [the Plaintiff] reduced its price to meet [the Defendant]’s prices.

*Automated Merch. Sys., Inc. v. Crane Co.*, 357 F. App’x 297, 300-01 (Fed. Cir. 2009); *Ericsson, Inc. v. Harris Corp.*, 352 F.3d 1369, 1378-1379 (Fed. Cir. 2003); *Vulcan Eng’g Co. v. FATA Aluminum, Inc.*, 278 F.3d 1366, 1377 (Fed. Cir. 2002); *Minn. Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1578-1579 (Fed. Cir. 1992); *Amstar Corp. v. Envirotech Corp.*, 823 F.2d 1538, 1543 (Fed. Cir. 1987); *Lam, Inc. v. Johns-Manville Corp.*, 718 F.2d 1056, 1065 (Fed. Cir. 1983).

### **11.11 Lost Profits – Cost Escalation**

[The Plaintiff] can recover additional damages if it can show that it also lost profits because its costs – such as additional marketing costs – went up as a result of [the Defendant]’s infringement of [the Plaintiff]’s patent. [The Plaintiff] must prove that it was more likely than not that its costs went up because of [the Defendant]’s actions, and not for some other reason.

*Fiskars, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1324-1325 (Fed. Cir. 2000); *Minco, Inc. v. Combustion Eng’g, Inc.*, 95 F.3d 1109, 1120 (Fed. Cir. 1996); *Roton Barrier, Inc. v. Stanley Works*, 79 F.3d 1112, 1120 (Fed. Cir. 1996).

### **11.12 Lost Profits – Collateral Sales**

In this case, [the Plaintiff] contends that the patented product is ordinarily sold along with other products, namely [collateral products]. These other products are called “collateral products.” It is part of your job to determine whether [the Plaintiff] has proved that it is entitled to damages for the lost sales of any collateral products.

To recover lost profits for lost sales of any collateral products, [the Plaintiff] must prove two things. First, [the Plaintiff] must prove that it is more likely than not that it would have sold the collateral products but for the infringement. Second, the collateral products and the patented product must be so closely related that they effectively act or are used together for a common purpose. Damages for lost collateral sales, if any, are calculated in the same way as for calculating lost profits on the patented product.

*Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 507 (1964); *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1333 (Fed. Cir. 2009); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1549-51 (Fed. Cir. 1995); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1580 (Fed. Cir. 1989); *Kori Corp. v. Wilco Marsh Buggies & Draglines, Inc.*, 761 F.2d 649, 656 (Fed. Cir. 1985); *Paper Converting Mach. Co. v. Magna-Graphics Corp.*, 745 F.2d 11, 22-23 (Fed. Cir. 1984).

### **11.13 Lost Profits – Doubts Resolved Against Infringer**

Any doubts that you may have on the issue of damages due to [the Defendant]'s failure to keep proper records should be decided in favor of [the Plaintiff]. Any confusion or difficulties caused by [the Defendant]'s records also should be held against [the Defendant], not [the Plaintiff].

*DSU Med. Corp. v. JMS Co., Ltd.*, 471 F.3d 1293, 1309 (Fed. Cir. 2006); *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1572-73 (Fed. Cir. 1996); *Lam, Inc. v. Johns-Manville Corp.*, 718 F.2d 1056, 1065 (Fed. Cir. 1983).

### **11.14 Reasonable Royalty - Generally**

If you find that [the Plaintiff] has not proven its claim for lost profits, or if you find that [the Plaintiff] has proven its claim for lost profits for only a portion of the infringing sales, then you must consider the issue of a reasonable royalty. You must decide whether [the Plaintiff] has proven an amount as a reasonable royalty that it could have earned on any infringing sales for which you have not already awarded lost profit damages. A royalty is a payment made to a patent owner by someone else in exchange for the rights to [make, use, sell, or import] a patented product.

The patent law provides that the amount of damages that [the Defendant] should pay [the Plaintiff] for infringing [the Plaintiff]'s patent must be enough to compensate for the infringement, but may not be less than a reasonable royalty for the use of [the Plaintiff]'s invention.

35 U.S.C. § 284; *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1324-25 (Fed. Cir. 2009); *Fromson v. W. Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1998) *overruled on other grounds by Knorr-Bremse Systeme Fuer Nutzfahrzeuge v. Dana Corp.*, 383 F.3d 1337, 1342 (Fed. Cir. 2004); *Minco, Inc. v. Combustion Eng'g, Inc.*, 95 F.3d 1109, 1119 (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).

### **11.15 Reasonable Royalty Definition – Using the "Hypothetical Negotiation" Method**

A reasonable royalty is the royalty that would have resulted from a hypothetical license negotiation between [the Plaintiff] and [the Defendant]. Of course, we know that they did not agree to a license and royalty payment. But, in order to decide on the amount of reasonable royalty damages, you should assume that the parties did negotiate a license just before the infringement began. This is why it is called a “hypothetical” license negotiation. You should assume that both parties to the hypothetical negotiation understood that the patent was valid and infringed and both were willing to enter into a license.

*Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011); *Fujifilm Corp. v. Benun*, 605 F.3d 1366, 1372 (Fed. Cir. 2010); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d



1301, 1324-25 (Fed. Cir. 2009); *Integra Lifesciences I, Ltd. v. Merck KGaA*, 331 F.3d 860, 869-70 (Fed. Cir. 2003); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-81 (Fed. Cir. 1996); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-10 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc); *Wang Labs., Inc. v. Toshiba Corp.*, 993 F.2d 858, 870 (Fed. Cir. 1993).

### **11.16 Relevant Factors if Using the Hypothetical Negotiation Method**

In determining the amount of a reasonable royalty, you may consider evidence on any of the following factors, in addition to any other evidence presented by the parties on the economic value of the patent:

1. Any royalties received by the licensor for the licensing of the patent-in-suit, proving or tending to prove an established royalty.
2. The rates paid by [the Defendant] to license other patents comparable to the [abbreviated patent number] patent.
3. The nature and scope of the license, as exclusive or non-exclusive, or as restricted or non-restricted in terms of its territory or with respect to whom the manufactured product may be sold.
4. The licensor's established policy and marketing program to maintain its right to exclude others from using the patented invention by not licensing others to use the invention, or by granting licenses under special conditions designed to preserve that exclusivity.
5. The commercial relationship between the licensor and the licensee, such as whether or not they are competitors in the same territory in the same line of business.
6. The effect of selling the patented product in promoting sales of other products of the licensee; the existing value of the invention to the licensor as a generator of sales of its non-patented items; and the extent of such collateral sales.
7. The duration of the [abbreviated patent number] patent and the term of the license.
8. The established profitability of the product made under the [abbreviated patent number] patent; its commercial success; and its current popularity.
9. The utility and advantages of the patented invention over the old modes or devices, if any that had been used for achieving similar results.
10. The nature of the patented invention; the character of the commercial embodiment of it as owned and produced by the licensor; and the benefits to those who have used the invention.

11. The extent to which [the Defendant] has made use of the invention; and any evidence that shows 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 businesses to allow for the use of the invention or analogous inventions.
13. The portion of the profit that arises from the patented invention itself as opposed to profit arising from unpatented features, such as the manufacturing process, business risks, or significant features or improvements added by the accused infringer.
14. The opinion testimony of qualified experts.
15. The amount that a licensor and a licensee (such as [the Defendant]) would have agreed upon (at the time the infringement began) if both sides 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 patentee who was willing to grant a license.
16. Any other economic factor that a normally prudent business person would, under similar circumstances, take into consideration in negotiating the hypothetical license.

*Wordtech Sys., Inc. v. Integrated Networks Sols., Inc.*, 609 F.3d 1308, 1319 (Fed. Cir. 2010); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869-73 (Fed. Cir. 2010); *Monsanto Co. v. McFarling*, 488 F.3d 973 (Fed. Cir. 2007); *Tec Air, Inc. v. Denso Mfg. Mich., Inc.*, 192 F.3d 1353, 1362 (Fed. Cir. 1999); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-10 (Fed. Cir. 1996); *TWM Mfg. Co. v. Dura Corp.*, 789 F.2d 895, 898-900 (Fed. Cir. 1986); *Georgia-Pacific Corp. v. United States Plywood Corp.*, 318 F. Supp. 1116 (S.D.N.Y. 1970), *modified and aff'd sub nom.*, *Georgia Pacific Corp. v. United States Plywood Champion Papers, Inc.*, 446 F.2d 295 (2d Cir. 1971).

### **11.17 Reasonable Royalty – Multiple Patents**

If you find that [the Defendant] infringed multiple patents, even by a single infringing act and if you award a reasonable royalty for the infringement, then you may award separate royalties to [the Plaintiff] for each patent that was infringed. You also may consider the number of patent licenses that are needed for the allegedly infringing product and the effect on the hypothetical negotiation of having to pay a royalty for each of those licenses.

*Stickle v. Heublein, Inc.*, 716 F.2d 1550, 1561 n.8 (Fed. Cir. 1983); *Integra Lifesciences I, Ltd. v. Merck KGaA*, 331 F.3d 860, 871 (Fed. Cir. 2003); *Verizon Servs. Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295, 1310 (Fed. Cir. 2007).

### **11.18 Reasonable Royalty - Timing**

Although the relevant date for the hypothetical license negotiation is just before the infringement began, you may consider any actual profits made by [the Defendant] due to its infringement and any commercial success of the patented invention or the infringing products after that date. You may only consider this information, however, if those sales and profits were foreseeable just before the infringement began.

*Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011); *Integra Lifesciences I, Ltd. v. Merck KGaA*, 331 F.3d 860, 869-70 (Fed. Cir. 2003); *Riles v. Shell Expl. & Prod. Co.*, 298 F.3d 1302, 1311 (Fed. Cir. 2002); *Wang Labs., Inc. v. Toshiba Corp.*, 993 F.2d 858, 870 (Fed. Cir. 1993); *Trell v. Marlee Elecs. Corp.*, 912 F.2d 1443, 1446-48 (Fed. Cir. 1990); *Studiengesellschaft Kohle, mbH v. Dart Indus., Inc.*, 862 F.2d 1564, 1570-72 (Fed. Cir. 1988); *Fromson v. W. Litho Plate & Supply Co.*, 853 F.2d 1568, 1575-76 (Fed. Cir. 1988), *overruled on other grounds by Knorr-Bremse Systeme Fuer Nutzfahrzeuge v. Dana Corp.*, 383 F.3d 1337, 1342 (Fed. Cir. 2004).

### **11.19 Reasonable Royalty – Availability of Non-Infringing Substitutes**

In determining a reasonable royalty, you may also consider evidence concerning the availability and cost of non-infringing substitutes for the patented invention. A non-infringing substitute must be a product that does not infringe the patent because it is licensed under the patent or it does not include all the features required by the claims of the patent.

A non-infringing substitute is available if the Defendant had all the necessary equipment, materials, know-how, and experience to design and manufacture the substitute and sell the substitute instead of its infringing product at the time the infringing product was sold. The substitute also must be acceptable to the specific purchasers of the infringing products, not the public in general.

The test is whether buyers of [the Defendant]'s product bought the infringing product because of the patented features. If so, non-infringing products without those patented features would not be “acceptable non-infringing substitutes,” even if they could compete in the marketplace with the patented products.

*Am. Seating Co. v. USSC Grp., Inc.*, 514 F.3d 1262 (Fed. Cir. 2008); *Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1372-73 (Fed. Cir. 2008); *Riles v. Shell Expl. & Prod. Co.*, 298 F.3d 1302, 1312 (Fed. Cir. 2002); *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999).

### **11.20 Reasonable Royalty – Post-Trial**

If you find that [the Defendant] has infringed any of the asserted patents, then you may award a reasonable royalty for [the Defendant]'s use of the patented inventions in the future. This royalty is different from the amount of money that you have been asked to find is owed as damages to [the Plaintiff] as a result of [the Defendant]'s infringement before this trial.

In determining the reasonable royalty that [the Defendant] should pay to continue using the patented technology after this trial, you may consider evidence on any of the following factors:

1. any cost to [the Defendant] attributable to switching from an infringing design to a non-infringing design;
2. any demand for [the Defendant]'s infringing product;
3. any use of the same technology or technology very similar to the invention in new products of [the Defendant];
4. any amount that you have determined is owed to [the Plaintiff] by [the Defendant] for [the Defendant]'s past infringement; and
5. any profits enjoyed by [the Defendant] on the products that you have found to be infringing].

Your award for the future use of the patent should be listed separate from any award for past damages, unless you find that the parties would have negotiated a single royalty for the life of the patent. If you find that the parties would have negotiated a single royalty, you should say so in your verdict.

*Paice LLC v. Toyota Motor Corp.*, 504 F.3d 1293, 1315 (Fed. Cir. 2007); *Amado v. Microsoft Corp.*, 517 F.3d 1353, 1362 (Fed. Cir. 2008); *Paice LLC v. Toyota Corp.*, 609 F. Supp. 2d 620, 624-630 (E.D. Tex. 2009); *Joyal Prods., Inc. v. Johnson Elec. N. Am., Inc.*, 2009 U.S. Dist. LEXIS 15531, \*38, 2009 WL 512156 (D.N.J. Feb. 27, 2009), *aff'd per curiam* by 335 Fed. App'x 48 (Fed. Cir. 2009).

## **12. Willful Infringement**

### **12.1 Willful Infringement - Generally**

[The following instruction should be given only if the patent owner contends willful infringement]

If you find that it is more likely than not that [the Defendant] infringed [the Plaintiff]'s patent, either literally or under the doctrine of equivalents, then you must also determine if this infringement was willful. Willfulness must be proven that it is highly probable that:

1. [The Defendant] was aware of [the Plaintiff]'s patent,
2. [The Defendant] acted despite an objectively high likelihood that its actions infringed a valid patent, and
3. This objectively high likelihood of infringement was either known or so obvious that it should have been known to [the Defendant].

In making the determination of whether [the Defendant] acted despite an objectively high likelihood that its actions infringed a valid patent, you may not consider [the Defendant]'s actual state of mind.

In determining willfulness, you must consider the totality of the circumstances. The totality of the circumstances comprises a number of factors, which include, but are not limited to whether [the Defendant] intentionally copied the claimed invention or a product covered by patent, whether [the Defendant] relied on competent legal advice, and whether [the Defendant] presented a substantial defense to infringement, including the defense that the patent is invalid [or unenforceable].

*Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs., Inc.*, 682 F.3d 1003, 1006-08 (Fed. Cir. 2012); *i4i Ltd. P'Ship. v. Microsoft Corp.*, 598 F.3d 831, 859-60 (Fed. Cir. 2010); *Spine Solutions, Inc. v. Medtronic Sofamor Danek USA, Inc.*, 620 F.3d 1305, 1319 (Fed. Cir. 2010); *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007) (en banc); *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1347 (Fed. Cir. 2004) (en banc).

## **12.2 Willful Infringement – Absence of Legal Opinion**

[The following instruction should be given only if the Defendant does not claim reliance on a legal opinion to rebut willfulness.]

In considering under the totality of the circumstances whether [the Defendant] acted willfully, you may consider as one factor the lack of evidence that [the Defendant] obtained a competent legal opinion. However, you may not assume that merely because [the Defendant] did not obtain a legal opinion, the opinion would have been unfavorable. The absence of a lawyer's opinion, by itself, is insufficient to support a finding of willfulness.

*Spectralytics, Inc. v. Cordis Corp.*, 649 F.3d 1336, 1347-48 (Fed. Cir. 2011); *Aspex Eyewear, Inc. v. Clariti Eyewear, Inc.*, 605 F.3d 1305, 1313 (Fed. Cir. 2010); *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007) (en banc).

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