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 22 *al.*

22 UNITED STATES DISTRICT COURT
 23 NORTHERN DISTRICT OF CALIFORNIA
 24 OAKLAND DIVISION

24 ORACLE USA, INC., *et al.*,

25 Plaintiffs,

26 v.

26 SAP AG, *et al.*,

27 Defendants.

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 SAP AG, SAP America, Inc., and
 TomorrowNow, Inc.

CASE NO. 07-CV-01658 PJH (EDL)

PROPOSED CURATIVE
 INSTRUCTIONS REGARDING
 TESTIMONY RELATED TO
 CONTRIBUTORY INFRINGEMENT

1 On November 9, 2010, the Court ordered the parties to submit their respective
2 proposals regarding a curative jury instruction on testimony relating to contributory
3 infringement. The parties have resolved most, but not all, disputes on this issue and thus submit
4 their competing instructions as Exhibit A and Exhibit B, attached. For the Court's convenience,
5 the parties also attach as Exhibit C a redline comparison of the competing instructions, reflecting
6 the ways in which the parties' proposals differ.

7
8 DATED: November 10, 2010

BINGHAM McCUTCHEN LLP

9 By: /s/ Geoffrey M. Howard
10 Geoffrey M. Howard
11 Attorneys for Plaintiffs
12 Oracle USA, Inc., Oracle International
Corp., and Siebel Systems, Inc.

13 In accordance with General Order No. 45, Rule X, the above signatory attests that
14 concurrence in the filing of this document has been obtained from the signatory below.

15 DATED: November 10, 2010

JONES DAY

16
17 By: /s/ Tharan Gregory Lanier
18 Tharan Gregory Lanier
19 Attorneys for Defendants
20 SAP AG, SAP America, Inc.,
21 and TomorrowNow, Inc.
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EXHIBIT A

2 **CURATIVE INSTRUCTION**
3 **TESTIMONY RELATING TO CONTRIBUTORY INFRINGEMENT**

4 On October 29, 2010, SAP AG and its wholly owned subsidiary SAP America,
5 stipulated to their own liability in this case for contributory copyright infringement. This was a
6 decision made and authorized by SAP AG's Executive Board – the highest decision-making
7 management authority in the company.

8 SAP's stipulation to contributory copyright infringement is included in your
9 binder at Tab 6 (Trial Stipulation and [Proposed] Order Regarding Contributory Infringement).
10 This stipulation is now an Order of the Court. This stipulation means that SAP America and
11 SAP AG have admitted that (1) they knew or had reason to know of the infringing activity of
12 TomorrowNow; and (2) they intentionally materially contributed to or induced the infringing
13 activity. While mere knowledge of infringing conduct is insufficient to show contributory
14 infringement, inaction combined with specific knowledge can in some cases constitute "material
15 contribution."

16 You have heard testimony from four of the five members of SAP AG's Executive
17 Board as it was comprised at all relevant times between December 2004, when SAP AG first
18 considered acquiring TomorrowNow, and March 2007, when Plaintiffs initiated this lawsuit.
19 The five members of the Board between 2004 and 2007 were Mr. Kagermann, Mr. Oswald, Mr.
20 Brandt, Mr. Agassi and Mr. Apotheker. Some of these witnesses, including Mr. Brandt, have
21 testified that they either (1) did not know or have reason to know of the copyright infringement
22 at issue in this case, or (2) knew of the infringement, but directed or put pressure on
23 TomorrowNow to stop the infringement.

24 Any testimony, question or argument that states or suggests that SAP AG
25 (including members of its Executive Board) either did not know or have reason to know of the
26 infringement or did not intentionally materially contribute to or induce the copyright
27 infringement at issue in this case is inconsistent with SAP's stipulation to contributory copyright
28 infringement in this case. To the extent that any such testimony, question or argument is

1 inconsistent with SAP AG's and SAP America's stipulation to liability for contributory
2 copyright infringement, you are to disregard the testimony, question or argument. [One example
3 of argument you should disregard is SAP counsel's statement in opening that "SAP's Board told
4 TN not to download materials onto their own computers but to have them downloaded onto the
5 customer's computer. That was a directive that was given by the Board. But it was not followed
6 through on, and TN did not comply with it." One example of testimony you should disregard is
7 Mr. Brandt's testimony that "we did everything possible in order to have them follow the correct
8 procedure and the respect of the copyright laws."] However, you may consider evidence of the
9 knowledge of particular board members for the limited purpose of evaluating the appropriate
10 amount of damages in this case, and you may take that evidence into account in evaluating the
11 credibility of any witness.

12

13 **Authority:**

14 **Elements of Contributory Infringement:** Dkt. No. 762 (Order RE Motions for Partial
15 Summary Judgment) at 8; Ninth Circuit Manual of Model Jury Instructions, Instruction 17.21
16 (Civil) (modified).

17 **Stipulation:** Dkt. No. 965 (Amended Trial Stipulation and [Proposed] Order No. 1 Regarding
18 Liability, Dismissal of Claims, Preservation of Claims, Preservation of Defenses, and Objections
19 to Evidence at Trial) at ¶ 5 ("SAP and TN retain all defenses to the alleged causation, fact or
20 amount of or entitlement to disgorgement, actual or punitive damages or any other legal or
21 equitable remedy.")

22 **Testimony In This Case:** *See, e.g.*, November 5, 2010 (Volume 4) Tr. 700:5-13 (W. Brandt: "it
23 was stated very clearly in these Board meetings that TomorrowNow's operating procedures had
24 to be changed"); 706:8-18 ("My understanding is that this was a piece of information given to
25 the management of TomorrowNow, that the operating procedures have to be changed . . . in, as
26 far as I can remember, at the end of the first quarter 2005"); 713:25-714:4 ("At the time in 2005,
27 I knew about the risk, the potential risk that TomorrowNow might not follow the copyright laws
28 and that they were not doing this in an adequate way. And we did everything possible in order to

1 have them follow the correct procedure and the respect of the copyright laws.”); 716:11-12 (“We
2 knew that a risk existed and undertook the necessary steps to mitigate the risk.”)
3 **SAP Opening Statement In This Case:** “SAP’s Board told TN not to download materials onto
4 their own computers but to have them downloaded onto the customer’s computer. That was a
5 directive that was given by the Board. But it was not followed through on, and TN did not
6 comply with it.” November 2, 2010 (Volume 2) Tr. 385:5-10.

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EXHIBIT B

CURATIVE INSTRUCTION
TESTIMONY RELATING TO CONTRIBUTORY INFRINGEMENT

On October 29, 2010, SAP AG and its wholly owned subsidiary SAP America, stipulated to their own liability in this case for contributory copyright infringement. This was a decision made and authorized by SAP AG's Executive Board – the highest decision-making management authority in the company.

SAP's stipulation to contributory copyright infringement is included in your binder at Tab 6 (Trial Stipulation and [Proposed] Order Regarding Contributory Infringement). This stipulation is now an Order of the Court. This stipulation means that SAP America and SAP AG have admitted that (1) they knew or had reason to know of the infringing activity of TomorrowNow; and (2) they intentionally induced or materially contributed to the infringing activity. While mere knowledge of infringing conduct is insufficient to show contributory infringement, inaction can in some cases constitute "material contribution."

You have heard testimony from four of the five members of SAP AG's Executive Board as it was comprised at all relevant times between December 2004, when SAP AG first considered acquiring TomorrowNow, and March 2007, when Plaintiffs initiated this lawsuit. The five members of the Board between 2004 and 2007 were Mr. Kagermann, Mr. Oswald, Mr. Brandt, Mr. Agassi and Mr. Apotheker. Some of these witnesses, including Mr. Brandt, have testified that they either (1) did not know or have reason to know of the copyright infringement at issue in this case, or (2) knew of the infringement, but directed or put pressure on TomorrowNow to stop the infringement.

Any testimony, question or argument that states or suggests that SAP AG (including members of its Executive Board) either did not know or have reason to know of the infringement or did not materially contribute to the copyright infringement at issue in this case is inconsistent with SAP's stipulation to contributory copyright infringement in this case. To the extent that any such testimony, question or argument is inconsistent with the pretrial stipulation to liability for contributory copyright infringement, you are to disregard the testimony, question

1 or argument. However, you may consider evidence of the knowledge of particular board
2 members to the extent it is offered to address Plaintiffs’ hypothetical license calculation; you
3 may only consider this evidence for the limited purpose of evaluating the amount of Plaintiffs’
4 damages claim.

5
6 **Authority:**

7 **Elements of Contributory Infringement:** Dkt. No. 762 (Order RE Motions for Partial
8 Summary Judgment) at 8; Ninth Circuit Manual of Model Jury Instructions, Instruction 17.21
9 (Civil) (modified).

10 **Stipulation:** Dkt. No. 965 (Amended Trial Stipulation and [Proposed] Order No. 1 Regarding
11 Liability, Dismissal of Claims, Preservation of Claims, Preservation of Defenses, and Objections
12 to Evidence at Trial) at ¶ 5 (“SAP and TN retain all defenses to the alleged causation, fact or
13 amount of or entitlement to disgorgement, actual or punitive damages or any other legal or
14 equitable remedy.”)

15 **Testimony In This Case:** *See, e.g.*, November 5, 2010 (Volume 4) Tr. 700:5-13 (W. Brandt: “it
16 was stated very clearly in these Board meetings that TomorrowNow’s operating procedures had
17 to be changed”); 706:8-18 (“My understanding is that this was a piece of information given to
18 the management of TomorrowNow, that the operating procedures have to be changed . . . in, as
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EXHIBIT C

CURATIVE INSTRUCTION
TESTIMONY RELATING TO CONTRIBUTORY INFRINGEMENT

On October 29, 2010, SAP AG and its wholly owned subsidiary SAP America, stipulated to their own liability in this case for contributory copyright infringement. This was a decision made and authorized by SAP AG's Executive Board – the highest decision-making management authority in the company.

SAP's stipulation to contributory copyright infringement is included in your binder at Tab 6 (Trial Stipulation and [Proposed] Order Regarding Contributory Infringement). This stipulation is now an Order of the Court. This stipulation means that SAP America and SAP AG have admitted that (1) they knew or had reason to know of the infringing activity of TomorrowNow; and (2) they intentionally ~~induced or~~ materially contributed to <or induced> the infringing activity. While mere knowledge of infringing conduct is insufficient to show contributory infringement, inaction <combined with specific knowledge> can in some cases constitute "material contribution."

You have heard testimony from four of the five members of SAP AG's Executive Board as it was comprised at all relevant times between December 2004, when SAP AG first considered acquiring TomorrowNow, and March 2007, when Plaintiffs initiated this lawsuit. The five members of the Board between 2004 and 2007 were Mr. Kagermann, Mr. Oswald, Mr. Brandt, Mr. Agassi and Mr. Apotheker. Some of these witnesses, including Mr. Brandt, have testified that they either (1) did not know or have reason to know of the copyright infringement at issue in this case, or (2) knew of the infringement, but directed or put pressure on TomorrowNow to stop the infringement.

Any testimony, question or argument that states or suggests that SAP AG (including members of its Executive Board) either did not know or have reason to know of the infringement or did not <intentionally> materially contribute to <or induce> the copyright infringement at issue in this case is inconsistent with SAP's stipulation to contributory copyright infringement in this case. To the extent that any such testimony, question or argument is

1 inconsistent with ~~the pretrial~~<SAP AG’s and SAP America’s> stipulation to liability for
2 contributory copyright infringement, you are to disregard the testimony, question or argument.
3 <[One example of argument you should disregard is SAP counsel’s statement in opening that
4 “SAP’s Board told TN not to download materials onto their own computers but to have them
5 downloaded onto the customer’s computer. That was a directive that was given by the Board.
6 But it was not followed through on, and TN did not comply with it.” One example of testimony
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8 them follow the correct procedure and the respect of the copyright laws.”]>However, you may
9 consider evidence of the knowledge of particular board members ~~to the extent it is offered to~~
10 ~~address Plaintiffs’ hypothetical license calculation; you may only consider this evidence~~ for the
11 limited purpose of evaluating the <appropriate>amount of ~~Plaintiffs’ damages claim.~~<damages
12 in this case, and you may take that evidence into account in evaluating the credibility of any
13 witness.>

14
15 **Authority:**

16 **Elements of Contributory Infringement:** Dkt. No. 762 (Order RE Motions for Partial
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