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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

APPLE INC., a California corporation,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD., a
Korean corporation; SAMSUNG
ELECTRONICS AMERICA, INC., a New
York corporation; and SAMSUNG
TELECOMMUNICATIONS AMERICA,
LLC, a Delaware limited liability company,

Defendants.

Case No. 11-cv-01846-LHK

**(DISPUTED) JOINT PROPOSED
JURY INSTRUCTIONS**

Date: July 24, 2012
Time: 1:30 pm
Place: Courtroom 1, 5th Floor
Judge: Hon. Lucy H. Koh

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PRELIMINARY INSTRUCTIONS

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1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 1**
2 **JURY TO BE GUIDED BY OFFICIAL ENGLISH TRANSLATION/INTERPRETATION**

3 **Apple's Proposed Instruction**

4 **[THIS INSTRUCTION SHOULD BE GIVEN WHEN THE FIRST FOREIGN SPEAKER**
5 **TESTIFIES.]**

6 Languages other than English may be used during this trial. One such language will be Korean.

7 The evidence to be considered by you is only that provided through the official court translators.
8 Although some of you may know Korean, it is important that all jurors consider the same
9 evidence. Therefore, you must accept the English translation. You must disregard any different
10 meaning.

11 **Source**

12 Ninth Circuit Model Civil Jury Instr. - 1.16 (2007 Ed.).

13 **Samsung's Objection to Apple's Instruction**

14 Although Apple's Instruction is similar in many respects, Samsung's Alternative to Apple's
15 Proposed Preliminary Instruction No. 1 is more descriptive and easier for the jurors to
16 understand. The bigger dispute, however, is the time when this instruction will be read. Apple
17 proposes to read this instruction, and the next, Apple's Proposed Preliminary Instruction No. 2,
18 at the time Samsung's first Korean-speaking witness is put on the stand. This proposal will
19 disrupt the trial and unnecessarily call attention to the witness' ethnicity. Samsung's proposal to
20 have this instruction read along with the other preliminary instructions is preferable because it
21 will still inform the jurors that they will hear testimony and see documents in Korean before the
22 first Korean speaking witness takes the stand, but without the disadvantages set forth above. In
23 addition, the instruction will be included in the juror notebooks the Court has requested, which
24 the members of the jury can review at any time, and can reference when the first Korean
25 speaking witness testifies. The preliminary instructions introduce the jury to many different
26 issues they will encounter for the first time when various witnesses get on the stand, and there is
27 no reason to treat this particular issue differently. As a result, Apple's proposal should be
28 denied.

1 **Samsung's Proposed Instruction**

2 Languages other than English may be used during this trial.

3 Witnesses who do not speak English or are more proficient in another language testify through an
4 official court interpreter. Although some of you may know, for example, Korean, it is important
5 that all jurors consider the same evidence. Therefore, you must accept the interpreter's translation
of the witness's testimony. You must disregard any different meaning.

6 **Source**

7 Ninth Circuit Model Civil Jury Instr. – 1.16 and 2.7 (2007 Ed.)

8 **Apple's Objection to Samsung's Instruction**

9 The jury will be asked to comprehend upwards of one hundred separate instructions throughout
10 the course of these proceedings. To facilitate this process, this instruction should be given when
11 the first foreign speaker testifies, providing the appropriate context in which to apply the
instruction. This will also allow the jury to focus on the global instructions at the start of trial
12 without being distracted or confused by instructions that only apply in narrow situations.

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**PROPOSED PRELIMINARY JURY INSTRUCTION NO. 2
USE OF INTERPRETERS IN COURT**

Apple's Proposed Instruction

[THIS INSTRUCTION SHOULD BE GIVEN WHEN THE FIRST FOREIGN SPEAKER TESTIFIES.]

You must not make any assumptions about a witness or a party based solely upon the use of an interpreter to assist that witness or party.

Source

Ninth Circuit Model Civil Jury Instr. - 1.17 (2007 Ed.).

Samsung's Objection to Apple's Instruction

The text of this instruction is the same as that proposed by Samsung, but Apple seeks to have it read just before the first foreign-language speaker testifies. For all the reasons mentioned in Samsung's objection to Apple's Proposed Preliminary Instruction No. 1, however, Apple's proposal to have Apple's Proposed Preliminary Instruction No. 1 and Apple's Proposed Preliminary Instruction No. 2 at the time the first Korean speaking witness takes the witness stand should be denied.

1 **Samsung's Proposed Instruction**

2 You must not make any assumptions about a witness or a party based solely upon the use of an
3 interpreter to assist that witness or party.

4 **Source**

5 Ninth Circuit Model Civil Jury Instr. – 1.17 (2007 Ed.)

6 **Apple's Objection to Samsung's Instruction**

7 The jury will be asked to comprehend and apply upwards of one hundred separate instructions
8 throughout the course of these proceedings. To facilitate this process, this instruction should be
9 given when the first foreign speaker testifies, providing the appropriate context in which to apply
10 the instruction. This will also allow the jury to focus on the global instructions at the start of trial
11 without being distracted or confused by instructions that only apply in narrow situations.
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1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 3**
2 **BENCH CONFERENCES AND RECESSES**

3 **Apple’s Proposed Instruction**

4 **[THIS INSTRUCTION SHOULD BE GIVEN WHEN THE FIRST CONFERENCE**
5 **OCCURS.]**

6 From time to time during the trial, it may become necessary for me to talk with the attorneys out
7 of the hearing of the jury, either by having a conference at the bench when the jury is present in
8 the courtroom, or by calling a recess. Please understand that while you are waiting, we are
9 working. The purpose of these conferences is not to keep relevant information from you, but to
10 decide how certain evidence is to be treated under the rules of evidence and to avoid confusion
11 and error.

12 Of course, we will do what we can to keep the number and length of these conferences to a
13 minimum. I may not always grant an attorney’s request for a conference. Do not consider my
14 granting or denying a request for a conference as any indication of my opinion of the case or of
15 what your verdict should be.

16 **Source**

17 Ninth Circuit Model Civil Jury Instr. - 1.18 (2007 Ed.).

18 **Samsung’s Objection to Apple’s Instruction**

19 The parties only dispute the time this instruction will be given. Apple’s proposal to have this
20 instruction read when the first sidebar conference occurs will again disrupt trial and distract the
21 jury’s attention from their fact evaluating duties. The Bench Conferences and Recesses
22 instruction helpfully introduces the jury to the trial process, what they may see and experience,
23 what might be discussed during conferences, and why. It should be given the beginning of trial,
24 along with the other Preliminary Instructions, and without disrupting it any more than a sidebar
25 conference already does.
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1 **Samsung's Proposed Instruction**

2 From time to time during the trial, it may become necessary for me to talk with the attorneys out
3 of the hearing of the jury, either by having a conference at the bench when the jury is present in
4 the courtroom, or by calling a recess. Please understand that while you are waiting, we are
5 working. The purpose of these conferences is not to keep relevant information from you, but to
6 decide how certain evidence is to be treated under the rules of evidence and to avoid confusion
7 and error.

8 Of course, we will do what we can to keep the number and length of these conferences to a
9 minimum. I may not always grant an attorney's request for a conference. Do not consider my
10 granting or denying a request for a conference as any indication of my opinion of the case or of
11 what your verdict should be.

12 **Source**

13 Ninth Circuit Model Civil Jury Instr. – 1.18 (2007 Ed.)

14 **Apple's Objection to Samsung's Instruction**

15 The jury will be asked to comprehend and apply upwards of one hundred separate instructions
16 throughout the course of these proceedings. To facilitate this process, this instruction should be
17 given when the first bench conference and recess occurs, providing the appropriate context in
18 which to apply the instruction. This will also allow the jury to focus on the core instructions at
19 the start of trial without being distracted or confused by instructions that only apply in narrow
20 situations.

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1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 4**
2 **RULING ON OBJECTIONS**

3 **Apple’s Proposed Instruction**

4 **[THIS INSTRUCTION SHOULD BE GIVEN WHEN THE FIRST OBJECTION IS**
5 **MADE.]**

6 There are rules of evidence that control what can be received into evidence. When a lawyer asks
7 a question or offers an exhibit into evidence and a lawyer on the other side thinks that it is not
8 permitted by the rules of evidence, that lawyer may object. If I overrule the objection, the
9 question may be answered or the exhibit received. If I sustain the objection, the question cannot
10 be answered, and the exhibit cannot be received. Whenever I sustain an objection to a question,
11 you must ignore the question and must not guess what the answer might have been.

12 Sometimes I may order that evidence be stricken from the record and that you disregard or ignore
13 the evidence. That means that when you are deciding the case, you must not consider the
14 evidence that I told you to disregard.

15 **Source**

16 Ninth Circuit Model Civil Jury Instructions – 1.10 (2007 Ed).

17 **Samsung’s Objection to Apple’s Instruction**

18 The parties only dispute the time this instruction will be given. Apple’s proposal to have this
19 instruction read when the first objection is made will again disrupt trial and distract the jury’s
20 attention from their decision making duties. It should be given the beginning of trial, along with
21 the other Preliminary Instructions, and without disrupting the trial.
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1 **Samsung’s Proposed Instruction**

2 There are rules of evidence that control what can be received into evidence. When a lawyer asks
3 a question or offers an exhibit into evidence and a lawyer on the other side thinks that it is not
4 permitted by the rules of evidence, that lawyer may object. If I overrule the objection, the
5 question may be answered or the exhibit received. If I sustain the objection, the question cannot
6 be answered, and the exhibit cannot be received. Whenever I sustain an objection to a question,
7 you must ignore the question and must not guess what the answer might have been.

8 Sometimes I may order that evidence be stricken from the record and that you disregard or
9 ignore the evidence. That means that when you are deciding the case, you must not consider the
10 evidence that I told you to disregard.

11 **Source**

12 Ninth Circuit Model Civil Jury Instructions – 1.10 (2007 Edition)

13 **Apple’s Objection to Samsung’s Instruction**

14 The jury will be asked to comprehend and apply over one hundred separate instructions
15 throughout the course of these proceedings. To facilitate this process, this instruction should be
16 given when the first objection is made, providing the appropriate context in which to apply the
17 instruction. This will also allow the jury to focus on the global instructions at the start of trial
18 without being distracted or confused by instructions that only apply in narrow situations.

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1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 5**
2 **WHAT PATENTS AND TRADE DRESS ARE AND HOW THEY ARE OBTAINED**

3 **Apple’s Proposed Instruction**

4 This case involves disputes relating to United States utility and design patents, and to trade dress.
5 Before summarizing the positions of the parties and the legal issues involved in the dispute, let
6 me explain what patents and trade dress rights are, and how they are obtained.

7 **I. Utility and Design Patents**

8 There are two types of patents in this case: utility patents and design patents. A “utility patent”
9 protects inventions. A utility patent may cover a process, machine, article of manufacture, or
10 composition of matter. A “design patent” protects the way an article of manufacture looks. It
11 covers the shape, configuration, and/or surface ornamentation of the article.

12 A valid patent gives its owner the right to prevent others from making, using, offering to sell,
13 selling, or importing the invention or patented design within the United States during the patent’s
14 term. A violation of this right is called “infringement.” The patent owner can enforce a patent
15 against infringers in federal court.

16 The content and structure of utility and design patents are different. A utility patent has what is
17 called a “specification.” The specification describes what the invention is, how it works, how to
18 make it, and how to use it. The specification concludes with a number of claims. The claims are
19 numbered sentences that define the boundaries of the patent’s protection and notify the public
20 about them.

21 A design patent also has a “specification.” For a design patent, the specification contains
22 drawings of the design and a description of the drawings. It also has a claim, but design patents
23 can only have one claim. The claim generally refers to the drawings and how they are described.
24 The claim defines the patent’s boundaries and notifies the public of those boundaries.

25 For both types of patents, a Patent Office Examiner reviews the application for the patent and
26 determines whether the claimed design or invention is patentable. The Examiner reviews what is
27 called “prior art” either that was in Patent Office records or that was submitted by the applicant.
28 I will give you instructions later on what constitutes prior art. In general, prior art includes
29 things that existed before the claimed invention, that were publicly known, that were used in a
30 publicly accessible way, or that were patented or described in a publication. The Examiner
31 considers whether each claim defines a design or an invention that is new and not obvious in
32 view of the prior art. A patent lists the prior art that the Examiner considered.

33 After the prior art search and examination of the application, the Examiner informs the applicant
34 what the Examiner has found and whether any claim is patentable. This writing from the
35 Examiner is called an “office action.” In the case of a utility patent application, if the Examiner
36 rejects the claims, the applicant may respond and/or change the claims or submit new claims. In
37 the case of a design patent application, if the Examiner rejects the claimed design, the applicant
38 may respond and/or change the drawings. In both cases, the applicant’s response may include
39 arguments about why the Examiner’s initial rejection should be reconsidered.

40 This “patent prosecution” process takes place only between the Examiner and the applicant. The
41 process may go back and forth for some time until the Examiner finds that the requirements for a
42 patent are met. The papers generated during this back and forth make up the “prosecution
43 history.” This material becomes available to the public at the time that the patent issues.

1 The fact that the Patent Office grants a patent does not necessarily mean that any invention or
2 design claimed in the patent deserves the protection of a patent. For example, the Patent Office
3 may not have had available to it all the information that will be presented to you. A company
4 accused of infringement has the right to argue in federal court that a claimed invention or design
5 is invalid because it does not meet the requirements for a patent.

6 **II. Trade Dress**

7 Trade dress is also at issue here. Trade dress is the physical detail and design of a product or its
8 packaging, which indicates the product's source and distinguishes it from the products of others.
9 Trade dress is the product's total image and overall appearance, and may include features such as
10 size, shape, color, color combinations, texture, or graphics. The shape of the old-fashioned
11 Coca-Cola bottle is an example of a trade dress.

12 The owner of a valid trade dress has the right to prevent others from "diluting" or "infringing" it.
13 "Dilution" refers to reducing the capacity of a famous trade dress to identify and distinguish
14 products or services. "Infringement" refers to another company's use of a trade dress similar to
15 the owner's trade dress that is likely to cause confusion in the marketplace.

16 A company acquires the right to exclude others from infringing or diluting its trade dress by
17 being the first to use it in the marketplace, or by using it before the alleged infringer or diluter.
18 Rights in a trade dress are obtained only through commercial use.

19 Once the owner of a trade dress has obtained the right to enforce it, the owner may obtain a
20 certificate of registration issued by the United States Patent and Trademark Office (which is
21 sometimes called the "Patent Office"). If the owner takes that step, when it later brings suit for
22 infringement or dilution, the owner may rely solely on the certificate to prove that the trade dress
23 is protectable. That said, an unregistered trade dress can also provide the owner with the
24 exclusive right to use that trade dress and to prevent others from diluting it.

25 **Source**

26 Adapted from Ninth Circuit Model Jury Instr. – 15.0, 15.2 (2007 Ed.); ABA 3.1.1; N.D. Cal.
27 Model Patent Jury Instr. A.1; The Intellectual Property Owners Ass'n Model Design Patent Jury
28 Instr. 1.1; adapted from instructions in *Nichia Corp. v. Seoul Semiconductor, Ltd.*, No. 3:06-CV-
0162-MMC (JCS), Dkt. No. 912, filed Nov. 8, 2007 (N.D. Cal.).

29 **Samsung's Objection to Apple's Instruction**

30 Samsung objects to Apple's Instruction to the extent it conflates utility and design patents and
31 departs from the Northern District of California's Model Patent Jury Instructions. Samsung's
32 Alternative to Apple's Proposed Preliminary Instruction No. 5 below provides additional detail
33 regarding the patent prosecution process, in particularly the process of obtaining design patents,
34 which would benefit the jury in providing a better foundation for understanding the issues in this
35 litigation. Further, Apple's proposed instruction asserts that a design patent "covers the shape,
36 configuration, and/or surface ornamentation of the article." The statement is contrary to law. A
37 design patent cannot claim the basic shape of an article of manufacture without claiming the
38 surface details or else it improperly intrudes on the province of utility patents. The Federal
39 Circuit made this clear in *Lee v. Dayton-Hudson*, 838 F.2d 1186 (Fed. Cir. 1988), where it
40 rejected a patentee's argument that the surface ornamentation of his design did not matter
41 because the "the novelty of his design resides in its basic configuration, not the surface details."
42 *Id.* at 1188. The Court held that "by obtaining a design patent, not a utility patent, Mr. Lee
43 limited his patent protection to the ornamental design of the article," and that "[d]esign patents
44 do not and cannot include claims to the structural or functional aspects of the article." Indeed,

1 the relevant statutory provisions have been amended to specifically exclude design patent
2 protection for shapes. The design patent statute previously allowed protection for, among other
3 things, “any new, useful, and original shape or configuration of any article of manufacture.” Act
4 of July 8, 1870, c. 230, § 71, 16 Stat. 209. In 1902, that language was removed and replaced by
5 language that is still substantially in place today: “Any person who has invented any new,
6 original, and ornamental design for an article of manufacture . . .” Act of May 9, 1902, c. 783, §
7 4929, 32 Stat. 193. Apple has cited no authority for its instruction. In another instance, Apple
8 has pointed to unclear dicta in a pre-Federal Circuit case that was using language from the 1861
9 version of the statute, which is irrelevant in light of later statutory amendments. Apple also
10 previously cited an unsupported note in the MPEP. While the MPEP is the authoritative guide
11 for such matters as drafting conventions, it cannot confer a property right where one was not
12 created — and indeed has been expressly rejected — by statute. Samsung’s Alternative to
13 Apple’s Proposed Preliminary Instruction No. 5 properly clarifies that design patents include
14 their ornamental design and surface details, in conformity with the statutory history and Federal
15 Circuit law. Apple’s proposed instruction on what trade dress is and how it is obtained is
16 prejudicial and an inaccurate statement of the law as well. First, Apple’s example of a Coca-
17 Cola bottle’s shape is unnecessary and prejudicial as it implies that the shape of any utilitarian
18 object is protectable as trade dress. That is not accurate even for beverage containers, much less
19 electronic devices. *See Talking Rain Beverage Co. v. South Beach Beverage Co.*, 349 F.3d 601,
20 605 (9th Cir. 2003) (affirming trade dress for unadorned water bottle was functional). Second,
21 Apple mischaracterizes trade dresses as absolute property rights by stating that “the owner of a
22 valid trade dress has the right to prevent others from diluting or infringing it.” This ignores the
23 competing policy justifications for trade dress protection. A more balanced approach is found in
24 the Ninth Circuit’s Model Jury Instructions No. 15.4, as reflected in Samsung’s Proposed
25 Preliminary Instruction No. 6.3. Third, Apple’s instruction about the relevance of trade dress
26 registrations is unbalanced and prejudicial. It makes no mention of a defendant’s right to rebut
27 the presumption of a certificate and erroneously suggests instead that registration provides
28 irrefutable and conclusive proof of protectability. *See Vuitton Et Fils S.A. v. J. Young Enterprises,
Inc.*, 644 F. 2d 769, 775 (9th Cir. 1981) (“registration ... shifts the burden of proof from the
plaintiff . . . to the defendant, who must introduce sufficient evidence to rebut the presumption of
plaintiff’s right to such protected use.”). Further, Apple does not provide any explanation of how
unregistered trade dress becomes protectable, further compounding the inaccuracies and
confusion caused by Apple’s misleading suggestion that absolute property rights are conveyed
simply by prior use of a trade dress. The more appropriate overview instruction is found in the
Ninth Circuit’s Model Jury Instructions No. 15, as reflected in Samsung’s Proposed Preliminary
Instructions Nos. 6.1-6.3

1 **Samsung’s Proposed Instruction**

2 Because this case involves disputes relating to patents, let me take a moment to explain what a
3 patent is and how one is obtained.

4 There are two types of patents that have been asserted in this case. The first type is called a
5 “utility patent.” The second type is called a “design patent.”

6 In general terms, a “utility patent” protects the way an article is used and works. It also protects a
7 method or process of making or doing something. A “design patent” protects the way an article
8 looks, but not the way it functions. Both utility and design patents are granted by the U.S. Patent
9 and Trademark Office (sometimes called “the PTO”). The process of obtaining a patent from the
10 PTO is called “patent prosecution.” The PTO is an agency of the federal government and
11 employs examiners who review applications for patents.

12 A utility patent application must be for a “new and useful process, machine, manufacture, or
13 composition of matter, or any new and useful improvements thereof.” A design patent
14 application must be for a “new, original, and ornamental design for an article of manufacture .”
15 The term “ornamental design” refers to the look of an article, including its surface details. Design
16 patents cannot protect the general configuration of an article apart from the surface details.

17 Both utility and design patent applications must include an oath stating that the named inventors
18 are the original and first inventors of the subject matter which is claimed and for which a patent is
19 sought. The oath must also acknowledge the duty to disclose to the Patent Office all information
20 known to the person to be material to patentability, such as any prior art designs.

21 Both utility patent and design patent applications include what is called a “specification.” A
22 specification for a utility patent application is a written description of the claimed invention
23 which must tell what the invention is, how it works, how to make it and how to use it so others
24 skilled in the field will know how to make or use it. The specification for a utility patent
25 application concludes with one or more numbered sentences. These are the patent “claims.”
26 When the utility patent is eventually granted by the PTO, the claims define the boundaries of its
27 protection and give notice to the public of those boundaries.

28 For a design patent, the specification contains one or more drawings of the design, a description
of the drawings, and a single claim that references the drawings. A design patent can have only a
single claim. When the design patent is eventually granted by the PTO, those drawings define the
boundaries of the patent’s protection and are supposed to 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 specifically with respect to utility patents,
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 again 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 when evaluating a utility patent application, whether each claim defines an invention or
design that is new, useful, and not obvious in view of the prior art. Even if a claim is new, it
cannot qualify for a patent if it is obvious. A utility patent lists the prior art that the examiner
considered in deciding to allow the application; this list is called the “cited references.”

1 For design patent applications, the examiner considers, among other things, whether the
2 application is for a novel and non-obvious design. The standard used by the PTO to decide
3 whether a design is novel is whether an average observer would take the design for a different,
4 and not a modified, design already in existence. Even if a design is novel, it cannot qualify for a
5 patent if it is obvious. A design is obvious when differences between the design sought to be
6 patented and the prior art are such that the design as a whole would have been obvious at the time
7 the invention was made to a person having ordinary skill in the art. A design patent will list all
8 the prior art that the examiner considered; this list is called the “references cited.” There may be
9 prior art that is not before the Patent Office examiner and that is therefore not reviewed or
10 considered

11 After the prior art search and examination of the patent application, the patent examiner then
12 informs the applicant in writing what the examiner has found and whether any claim is
13 patentable, and thus will be “allowed.” This writing from the patent examiner is called an “office
14 action.” If the examiner rejects the claims, the applicant then responds and sometimes changes
15 the claims or submits new claims. This process, which takes place only between the examiner
16 and the patent applicant, may go back and forth until the examiner decides that the application
17 and claims meet the requirements for a patent. The papers generated during this time of
18 communicating back and forth between the patent examiner and the applicant make up what is
19 called the “prosecution history.” All of this material becomes available to the public no later than
20 the date when the patent issues. When the patent is eventually granted by the Patent Office, it
21 gives notice to the public of what the Patent Office and the patent applicant regard as the
22 patentable design.

23 After the patent issues, if someone else does make, use, sell, offer to sell, or import the patented
24 invention or design without the patent owner’s permission, the patent owner can sue the alleged
25 violator in federal court. A violation of the patent owner’s rights is called “infringement.” If the
26 patent owner wins, the infringement may be stopped and the patent owner may receive payment
27 from the other party.

28 However, even if the infringer did infringe the patent, the infringer can still win the case if it can
prove that the patent was “invalid,” meaning the PTO made a mistake in issuing it. The fact that
the PTO grants a patent does not necessarily mean that any invention claimed in the patent
actually deserves the protection of a patent. For example, the PTO may not have had available to
it all the prior art that will be presented to you. A person accused of infringing has the right to
argue here in federal court that the patent or patents asserted against them are invalid because
they do not meet the requirements for patentability. Both infringement and invalidity are issues
in this lawsuit.

29 **Source**

30 Adapted from N.D. Cal. Model Patent Jury Instructions, A.1; *Lee v. Dayton-Hudson Corp.*,
31 838 F.2d 1186, 1187-88 (Fed. Cir. 1988) (“[Patentee] argues that the novelty of his design resides
32 in its basic configuration, not the surface details, and points out that the references cited by the
33 Patent and Trademark Office do not show this basic configuration. However, by obtaining a
34 design patent, not a utility patent, Mr. Lee limited his patent protection to the ornamental design
35 of the article: 35 U.S.C. § 171. “Whoever invents any new, original and ornamental design for an
36 article of manufacture may obtain a patent therefor, subject to the conditions and requirements of
37 this title.” Design patents do not and cannot include claims to the structural or functional aspects
38 of the article”); MPEP §§ 1504.02-.03; 37 CFR 1.63; 35 U.S.C. § 171; Act of May 9, 1902, c.
783, § 4929, 32 Stat. 193.

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction misstates the law in several ways. First, the instruction states
3 that “[a] ‘design patent’ protects the way an article looks, but not the way it functions.” This
4 instruction is misleading because design patents protect articles of manufacture that have or
5 serve a function, so long as the overall design of the article is not “dictated by function.” *L.A.*
6 *Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed. Cir. 1993); *see also Hupp v.*
7 *Siroflex of Am., Inc.*, 122 F.3d 1456, 1460 (Fed. Cir. 1997). Second, the assertion in Samsung’s
8 instruction that “[d]esign patents cannot protect the general configuration of an article apart from
9 the surface details” is incorrect under the law. Design patents are “inclusive of ornamental
10 designs of all kinds including surface ornamentation *as well as configuration of goods.*” *In re*
11 *Zahn*, 617 F.2d 261, 268 (C.C.P.A. 1980) (emphasis added); *see also* MPEP § 1502 (“Since a
12 design is manifested in appearance, the subject matter of a design patent application may relate
13 to the configuration or shape of an article, to the surface ornamentation applied to an article, or to
14 the combination of configuration and surface ornamentation.”). Third, Samsung’s instruction
15 concerning the oath required of an applicant is incorrect. 37 C.F.R. 1.68 states that an applicant
16 may submit an oath *or declaration*. In addition, Samsung misstates what the oath requires, *i.e.*,
17 that the declarant *believes that* the named inventors are the original and first inventors”
18 37 C.F.R. 1.63(a)(4). Fourth, Samsung’s instructions regarding specific standards the PTO uses
19 internally are irrelevant to the jury’s assessment of novelty and non-obviousness at this stage.
20 Moreover, Samsung’s description of the PTO standards for novelty and obviousness are
21 incomplete. For instance, Samsung’s instruction regarding the PTO obviousness standards omits
22 the requirement that there must be a primary reference whose “design characteristics of which
23 are basically the same as the claimed design.” MPEP § 1504.03 (*citing In re Rosen*, 673 F.2d
24 388, 391 (C.C.P.A. 1982)). Samsung’s instruction also is incomplete because it includes only
25 instructions regarding design patentability standards without any comparable utility patentability
26 standards. Hence, the jury may attach unwarranted importance to Samsung’s alleged PTO
27 patentability standard for design patents. Apple’s corresponding instruction is a concise and
28 accurate instruction of what patents are and how they are obtained. It correctly specifies that a
“design patent protects the way an article of manufacture looks” and that it can cover “the shape,
configuration, and/or surface ornamentation of the article.” *See Zahn*, 617 F.2d at 268. It also
does not confuse the jury with instructions regarding the specific standards used by the PTO
during the patent examination process.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 6**
2 **SUMMARY OF PATENT CONTENTIONS**

3 **Apple's Proposed Instruction**

4 I will now summarize for you each of the parties' patent infringement claims.

5 **Apple's Utility and Design Patent Claims**

6 Apple accuses Samsung of infringing a number of Apple's utility and design patents. Each
7 Apple patent was obtained by one or more named inventors and is owned by Apple.

8 The three Apple utility patents at issue in this case are:

- 9 • United States Patent Number 7,469,381. The parties and I will often refer to this patent
10 as the "'381," with '381 being the last three numbers of its patent number. This patent is
11 behind Tab __ in your notebooks.
- 12 • United States Patent Number 7,844,915. We may refer to this patent as the "'915
13 patent." It is behind Tab __ in your notebooks.
- 14 • United States Patent Number 7,864,163. We will often refer to this patent as the "'163
15 patent." It is at Tab __ in your notebooks.

16 The Samsung products that Apple accuses of infringing its utility patents are listed behind
17 Tab __ in the Juror Notebooks.

18 Apple also claims that Samsung has infringed four iPhone and iPad-related design patents. The
19 design patents are:

- 20 • United States Patent No. D604,305. This is the "D'305 patent," with D indicating that it
21 is a design patent and '305 being the last three numbers of its patent number. This patent
22 is behind Tab __ in your notebooks.
- 23 • United States Patents No. D504,889. This is the "D'889 patent." It is behind Tab __ in
24 your notebooks.
- 25 • United States Patent No. D593,087, or the "D'087 patent." This is at Tab __.
- 26 • United States Patent No. D618,677. This is the "D'677 patent" and it is behind Tab __.

27 The Samsung products that Apple accuses of infringing its design patents are listed behind
28 Tab __ in the Juror Notebooks.

29 Apple seeks money damages from Samsung for allegedly infringing certain claims of these
30 utility and design patents by making, importing, using, selling, and/or offering for sale the
31 smartphone and tablet products identified in your notebooks. Apple also argues that Samsung's
32 Korean parent SEC actively induced the U.S. Samsung entities (STA and SEA) to infringe.
33 Apple contends that Samsung's infringement has been willful.

34 Samsung denies that it has infringed Apple's design and utility patents and argues that the claims
35 asserted by Apple are invalid. Invalidity is a defense to infringement.

1 **Samsung’s Utility Patent Claims**

2 Samsung accuses Apple of infringing a number of Samsung’s utility patents. Each of Samsung’s
3 utility patents was obtained by one or more named inventors and transferred to Samsung.

4 The six Samsung utility patents at issue in this case are:

- 5 • United States Patent Number 6,928,604, or the “’604 patent.” This patent is behind
6 Tab __ in your notebooks.
- 7 • United States Patent Number 7,447,516, or the “’516 patent.” This is behind Tab __.
- 8 • United States Patent Number 7,456,893, or the “’893 patent.” This is behind Tab __.
- 9 • United States Patent Number 7,577,460, or the “’460 patent.” This is behind Tab __.
- 10 • United States Patent Number 7,675,941, or the “’941 patent.” This is behind Tab __.
- 11 • United States Patent Number 7,698,711, or the “’711 patent.” This is behind Tab __.

12 The Apple iPhone, iPad, and iPod Touch products that Samsung contends infringe various
13 claims of these patents are listed behind Tab __ in your Juror Notebooks.

14 Samsung seeks money damages from Apple for allegedly infringing these utility patents by
15 making, using, selling, offering for sale, and/or importing the products identified in your
16 notebooks. Samsung also alleges that Apple’s infringement has been willful.

17 Apple denies that it has infringed Samsung’s utility patents and argues that the claims asserted
18 by Samsung are invalid and, for the ’516, ’941, and ’604 patents, also unenforceable. Invalidity
19 and unenforceability are defenses to infringement.

20 * * *

21 For each party’s patent infringement claims against the other, the first issue you will be asked to
22 decide is whether the alleged infringer has infringed the claims of the patent holder’s patents.
23 There are a few different ways that a patent may be infringed. I will explain the requirements for
24 each of these types of infringement to you in detail at the conclusion of the case, including any
25 differences between utility patent infringement and design patent infringement.

26 The second issue you will need to decide to resolve each party’s patent infringement claims is
27 whether the patent holder’s patents are invalid. A patent claim may be invalid for a number of
28 reasons, including because it claims subject matter that is not new or that would have been
obvious at the time it was initially invented or designed.

If you decide that any claim of either patent holder’s patents has been infringed and is not
invalid, you will then need to decide the money damages that must be awarded to the patent
holder. For each party’s patent infringement allegations, you will also need to make a finding as
to whether any 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.

I will give you more detailed instructions on all of these issues at the end of the case.

1 **Source**

2 Adapted from N.D. Cal. Model Patent Jury Instr. A.3; The Intellectual Property Owners Ass'n
3 Model Design Patent Jury Instr. 4.

4 **Samsung's Objection to Apple's Instruction**

5 Apple's proposed instruction improperly labels the four design patents at issue as the "four Apple
6 iPhone and iPad-related design patents." Three of the patents are actually entitled "Electronic
7 Device" and the fourth is entitled "Graphical User Interface for a Display Screen or Portion
8 Thereof," so none of them is identified as an iPhone or iPad-related design. Furthermore, the
9 proposed instruction purports to essentially direct a verdict on a key issue. Whether Apple's
10 products embody its design patents is a factual determination that must be left for the jury to
11 decide. That factual issue is disputed by the parties and affects at least the issues of infringement
12 and damages. *See, e.g., Lee v. Dayton-Hudson*, 838 F.2d at 1189 (embodiment-to-accused-
13 device comparison for infringement permissible where "no significant distinction in design has
14 been shown between the patent drawing and its physical embodiment"); *Stryker Corp. v.*
15 *Intermedics Orthopedics, Inc.*, 891 F.Supp. 751, 819-820 (E.D.N.Y. 1995) (sales of commercial
16 embodiment established demand for patented product as required for award of lost profit
17 damages). For example, Apple claims the iPad 2 is an embodiment of the D'889 patent and
18 presumably for that reason calls it an "iPad-related" design patent. D'889 was filed in March
19 2004, approximately six years before the release of the iPad and seven years before the iPad 2.
20 The D'889 therefore could not have been an "iPad-related" design patent for most of its life, and
21 Apple cannot deny Samsung its right to a jury trial on contested factual issues or prejudice the
22 jury by having the Court suggest it is. Apple needs to present evidence to the jury to establish
23 that D'889 is iPad-related. In contrast to this improper instruction, Samsung's Proposed Final
24 Jury Instruction No. 44.1 appropriately instructs the jury on how to determine whether a product
25 is an embodiment of a design patent, and the significance of that fact finding for infringement
26 purposes. In addition, Apple's proposed instruction is biased. For example, the instruction states
27 that each Apple patent "is owned by Apple"; however, each Samsung patent was "transferred to
28 Samsung." Apple also fails to state that Samsung is asserting induced infringement against
Apple, yet Apple's proposed instruction improperly states: "Apple also argues that Samsung's
Korean parent SEC actively induced the U.S. Samsung entities (STA and SEA) to infringe." But
Apple has not alleged inducement for its design or utility patents in its Complaint or any other
pleading and has never included it in response to a Samsung interrogatory directed at Apple's
design or utility patent infringement contentions. It therefore should not be allowed to assert it,
let alone include a jury instruction on it. (*See Samsung's Objections to Apple's Proposed Jury*
Instruction No. 58; see also Dkt No. 1185-3 at 13-15 (Samsung's Motions in Limine) (seeking to
preclude Apple from offering evidence of indirect infringement regarding design patents due to
failure to plead or disclose such a theory).) Apple's instruction also includes a reference to
"Juror Notebooks" as including a list of accused devices. Samsung's Alternative to Apple's
Proposed Preliminary Instruction No. 6 is preferable because it includes all the products and
claims that were timely identified by the parties. Samsung's Instruction will help prevent
confusion at trial should there be disagreement about the products that should be or were
included in the juror notebooks.

1 **Samsung’s Proposed Instruction**

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

3 The parties in this case are Apple Inc. and Samsung Electronics Company Ltd., Samsung
4 Electronics America Inc., and Samsung Telecommunications America LLC. In these Instructions
5 I will refer to Apple Inc. as “Apple,” and I will refer to Samsung Electronics Company Ltd.,
6 Samsung Electronics America Inc., and Samsung Telecommunications America LLC collectively
7 as “Samsung” unless I think it is important to distinguish between these entities for the purposes
8 of a specific Instruction. You must decide the case as to Samsung Electronics Company,
9 Samsung Electronics America, and Samsung Telecommunications America separately regardless
10 of whether I refer to them collectively as “Samsung” or individually.

11 Apple has brought claims against Samsung seeking money damages from Samsung for alleged
12 trade dress infringement and dilution, and utility patent and design patent infringement, relating to
13 Samsung’s smartphone and tablet products. Samsung has denied Apple’s allegations and sought
14 declarations that it does not infringe any of Apple’s rights and that Apple’s trade dress and design
15 and utility patents are invalid.

16 Samsung also has brought claims against Apple for patent infringement relating to Apple’s
17 iPhone, iPad and iPod products. Apple has denied Samsung’s allegations and sought declarations
18 as to Samsung’s claims. Apple further has brought claims of monopolization, and breach of
19 contract associated with Samsung’s assertion of patents that Samsung has declared to be essential
20 to certain wireless telecommunications standards. In addition, Apple seeks a declaration that it is
21 irrevocably entitled to a fair, reasonable and non-discriminatory (“FRAND”) license to those
22 declared essential patents, and which sets forth the FRAND terms and conditions of that license.
23 Samsung has denied Apple’s allegations.

24 Specifically, your job will be to decide the following:

25 **Apple’s Claims**

- 26 1. Whether the Gallery, Contacts, Web Browser or ThinkFree Office applications in the
27 following Samsung products infringe Claim 19 of U.S. Patent No. 7,469,381:
- 28 • Galaxy Tab
 - Galaxy Tab 10.1
 - Captivate
 - Continuum
 - Droid Charge
 - Epic 4G
 - Exhibit 4G
 - Fascinate
 - Galaxy Ace
 - Galaxy Prevail
 - Galaxy S (i9000)
 - Galaxy S 4G
 - Gravity
 - Indulge
 - Infuse 4G
 - Intercept
 - Mesmerize
 - Nexus S
 - Nexus S 4G
 - Replenish

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- Showcase Galaxy S
- Sidekick
- Vibrant
- Galaxy S II (pre-August 26, 2011 versions)

2. Whether the Web Browser application in the following Samsung products infringe Claim 8 of U.S. Patent No. 7,844,915:

- Galaxy Tab
- Galaxy Tab 10.1
- Acclaim
- Captivate
- Continuum
- Droid Charge
- Epic 4G
- Exhibit 4G
- Fascinate
- Galaxy Ace
- Galaxy Prevail
- Galaxy S (i9000)
- Galaxy S 4G
- Gem
- Gravity
- Indulge
- Infuse 4G
- Intercept
- Mesmerize
- Nexus S
- Nexus S 4G
- Replenish
- Showcase Galaxy S
- Sidekick
- Transform
- Vibrant
- Galaxy S II (pre-August 26, 2011 versions)

3. Whether the Web Browser application in the following Samsung products infringe Claim 50 of U.S. Patent No. 7,864,163:

- Galaxy Tab
- Galaxy Tab 10.1
- Acclaim
- Captivate
- Continuum
- Droid Charge
- Epic 4G
- Exhibit 4G
- Fascinate
- Galaxy Ace
- Galaxy Prevail
- Galaxy S (i9000)
- Galaxy S 4G
- Gem
- Gravity
- Indulge

- Infuse 4G
- Intercept
- Mesmerize
- Nexus S
- Nexus S 4G
- Replenish
- Showcase Galaxy S
- Sidekick
- Transform
- Vibrant
- Galaxy S II (pre-August 26, 2011 versions)

4. Whether Samsung infringes:

a. U.S. Patent No. D618,677 by selling the following smartphones;

- Samsung Galaxy Ace (SHW-M240S);
- Samsung Infuse 4G (SGH-1997);
- Samsung Galaxy S i9000 (SHW-M1105);
- Samsung Galaxy Fascinate (SCH-I500) (a/k/a Galaxy Showcase and Galaxy Mesmerize);
- Samsung Galaxy S 4G (SGH-T959V) / Vibrant (SGH-T959).

b. U.S. Patent No. D593,087 by selling the following smartphones;

- Samsung Galaxy Ace (SHW-M240S);
- Samsung Infuse 4G (SGH-1997);
- Samsung Galaxy S i9000 (SHW-M1105);
- Samsung Galaxy Fascinate (SCH-I500) (a/k/a Galaxy Showcase and Galaxy Mesmerize);
- Samsung Galaxy S 4G (SGH-T959V) / Vibrant (SGH-T959)

c. U.S. Patent No. D604,305 by selling the following smartphones;

- Captivate;
- Continuum;
- Droid Charge;
- Epic 4G;
- Fascinate;
- Gem;
- Galaxy S i9000;
- Galaxy S 4G;
- Indulge;
- Infuse 4G;
- Mesmerize;
- Showcase;
- Galaxy S Showcase i500;
- Vibrant.

d. U.S. Patent No. D504,889 by selling the following computer tablet:

- Galaxy Tab 10.1

5. Whether Apple's asserted patent claims are valid;

1 6. Whether Samsung has diluted the iPhone trade dress based on the trade dress Registration
2 No. 3,470,983 by selling the following smartphones:

- 3 • Fascinate
- 4 • Galaxy S 4G
- 5 • Galaxy S Showcase (i500)
- 6 • Infuse 4G
- 7 • Mesmerize
- 8 • Vibrant

9 7. Whether Samsung has diluted the unregistered iPhone trade dress by selling the following
10 smartphones:

- 11 • Fascinate
- 12 • Galaxy Prevail
- 13 • Galaxy S 4G
- 14 • Galaxy S Showcase (i500)
- 15 • Infuse 4G
- 16 • Mesmerize
- 17 • Vibrant

18 8. Whether Samsung has diluted the unregistered iPhone 3G trade dress by selling the
19 following smartphones:

- 20 • Fascinate
- 21 • Galaxy Prevail
- 22 • Galaxy S 4G
- 23 • Galaxy S Showcase (i500)
- 24 • Infuse 4G
- 25 • Mesmerize
- 26 • Vibrant

27 9. Whether Samsung has diluted or infringed the unregistered iPad trade dress by selling the
28 following tablet computers:

- Galaxy Tab 10.1
- Galaxy Tab 10.1 LTE

10. Whether Samsung has diluted or infringed the unregistered iPad 2 trade dress by selling
the following tablet computers:

- Galaxy Tab 10.1
- Galaxy Tab 10.1 LTE

11. Whether Apple's claims are barred by Samsung's defenses.

12. The remedies to which Apple is entitled, if any, as a result.

Samsung's Claims

1. Whether Apple infringes:

- a. Claims 10 and 15 of U.S. Patent No. 7,675,941 by selling the following
smartphone and tablet computer;

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- iPhone 4
- iPad2 3G

b. Claims 17 and 18 of U.S. Patent No. 6,928,604 by selling the following smartphones and tablet computers;

- iPhone 3G
- iPhone 3GS
- iPhone 4
- iPad 3G
- iPad2 3G

c. Claims 15 and 16 of U.S. Patent No. 7,447,516 by selling the following smartphone and tablet computer;

- iPhone 4
- iPad2 3G

d. Claim 9 of U.S. Patent No. 7,698,711 by selling the following;

- iPhone 3G
- iPhone 3GS
- iPhone 4
- iPhone 4S
- iPad 2
- iPod Touch (4th Generation)

e. Claim 1 of U.S. Patent No. 7,577,460 by selling the following; or

- iPhone 3G
- iPhone 3GS
- iPhone 4
- iPhone 4S
- iPad 2
- iPod Touch (4th Generation)

f. Claim 10 of U.S. Patent No. 7,456,893 by selling the following.

- iPhone 3GS
- iPhone 4
- iPhone 4S
- iPad 2
- iPod Touch (4th Generation)

2. Whether Samsung's asserted patent claims are valid;
3. Whether Samsung's asserted patent claims are enforceable;
4. Whether Samsung's claims are barred by Apple's defenses;
5. Whether Samsung has engaged in breach of contract or violated antitrust or unfair competition law in connection with its standards-related conduct or its assertion of patents that it has declared essential to industry standards;
6. The remedies to which Samsung is entitled, if any, as a result.

1 **Source**

2 N.D. Cal. Model Patent Jury Instr. A.3

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4 **Apple's Objection to Samsung's Instruction**

5 Samsung's proposed preliminary instruction is too lengthy and dense. Samsung spends 5 pages
6 in this instruction summarizing the parties' contentions. The instruction contains too much detail
7 to be informative for or comprehensible to the jury. Apple's proposed preliminary instruction
8 Nos. 6-8, by contrast, cover the same ground in half the space. These Apple instructions also
9 summarize the parties' utility patent, design patent, trade dress, antitrust, and contract
10 contentions, but do so in a much more user-friendly format. Apple's proposed preliminary
11 instruction Nos. 6-8 liberally direct the jurors to their notebooks that contain information about
12 the intellectual property and accused products at issue in the case. This format will prove much
13 more effective at aiding jury comprehension, and it will allow the jury to become conversant
14 with the notebook as a resource for the entirety of the trial. Another problem with Samsung's
15 proposed instruction is that the lists of accused products provided by Samsung are incorrect. The
16 Gem is not listed as an accused product for the '381 patent, and the Gravity Smart is not listed
17 for either the '915 or the '163 patents. Samsung then fails to list any of the five Galaxy S II
18 phones that Apple has accused of infringing the D'677 and D'087 patents, and incorrectly lists
19 the Fascinate, Mesmerize, Showcase, and Galaxy Ace as accused products under the D'087
20 patent. Samsung has also omitted the Tab 10.1 LTE from the list of products accused under the
21 D'889 patent. Samsung's listing of the accused products that violate Apple's trade dresses is
22 inaccurate as well.

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**PROPOSED PRELIMINARY JURY INSTRUCTION NO. 6.1
PATENTS AT ISSUE**

Samsung’s Proposed Instruction

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

Source

N.D. Cal. Model Instructions, A.2.

Samsung’s Statement in Support

This instruction is based on the Court’s Model Patent Jury Instruction. The Court’s brief demonstration of one Samsung utility patent and one Apple design patent will help orientate the jury to patents in a balanced and fair way.

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed preliminary instruction is unnecessary. To the extent that the Court wants to show a patent or two to the jury at the beginning of the trial, the Court can do so when giving Apple’s proposed preliminary instruction No. 6. At that point, the Court will already have explained the parts of a patent to the jury. When the Court reads Apple’s proposed preliminary instruction No. 6 and identifies the specific patents that are in the jury notebooks, the Court can also point to a couple of specifications, drawings, and claims. If the Court opts to take this approach, it should point out the parts from an Apple utility patent and an Apple design patent. The Court can also, in the interest of balance, point to a Samsung utility patent.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 6.2**
2 **THE UTILITY PATENTS AT ISSUE IN THIS CASE**

3 **Samsung's Proposed Instruction**

4 There are 9 utility patents asserted in this case. For Apple, they are United States Patent
5 Nos. 7,469,381, 7,844,915, 7,864,163. For Samsung, they are U.S. Patent Nos. 7,675,941;
6 6,928,604; 7,447,516; 7,698,711; 7,577,460; and 7,456,893.

7 Utility patents are often referred to by their last three digits, so the utility patents here will be
8 referred to in shorthand as the '381, '915, '163, '941, '604, '516, '711, 460, and '893 patents.

9 **Samsung's Statement in Support**

10 Samsung proposes a simple instruction informing the jury of the utility patents at issue in this
11 case.

12 **Apple's Objection to Samsung's Instruction**

13 Samsung's proposed preliminary instruction is unnecessary. Pursuant to either party's previous
14 instructions, the Court will have already identified the patents at issue. During the reading of
15 Apple's Proposed Preliminary Instruction No. 6, for instance, the Court would identify the patents
16 to the jurors, and explain that they are often referred to by their last three digits. There is no need
17 to do this two (or more) times.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 6.3**
2 **THE DESIGN PATENTS AT ISSUE IN THIS CASE**

3 **Samsung's Proposed Instruction**

4 There are four design patents asserted in this case. They are United States Patent Nos. D504,889,
5 D593,087, D618,677, and D604,305. Design patents are often referred to by their last three
6 digits, so the design patents here will be referred to in shorthand as the D'889, D'087, D'677, and
7 D'305 patents.

8 The D'677, D'087 and D'889 design patents claim designs for electronic devices. The D'305
9 claims a design for a graphical user interface for a display screen or a portion of a display screen.

10 **Samsung's Statement in Support**

11 Samsung proposes a simple instruction informing the jury of the design patents at issue in this
12 case.

13 **Apple's Objection to Samsung's Instruction**

14 Samsung's proposed preliminary instruction is unnecessary. Pursuant to either party's previous
15 instructions, the Court will have already identified the patents at issue. During the reading of
16 Apple's proposed preliminary instruction No. 6, for instance, the Court would identify the patents
17 to the jurors, and explain that they are often referred to by their last three digits. There is no need
18 to do this two (or more) times.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 7**
2 **SUMMARY OF TRADE DRESS CONTENTIONS**

3 **Apple’s Proposed Instruction**

4 I will now give you an introduction to Apple’s trade dress claims.

5 Apple accuses Samsung of diluting Apple’s Registered Trade Dress No. 3,470,983. A copy of
6 the registration certificate for this trade dress is behind Tab ___ in the Juror Notebooks that you
7 have each received. As you can see, this Apple trade dress relates to the iPhone. The Samsung
8 products that Apple accuses of diluting this registered trade dress are listed behind Tab ___ in
9 your Juror Notebooks.

10 Apple also accuses Samsung of diluting two unregistered trade dresses relating to the iPhone.
11 These Apple trade dresses are described for you behind Tab ___ in your Juror Notebooks. The
12 Samsung products that Apple accuses of diluting these iPhone-related trade dresses are then listed
13 behind Tab ___ in your notebooks.

14 Apple additionally claims that Samsung has diluted and infringed its unregistered trade dress
15 relating to the iPad. This trade dress is described for you behind Tab ___ in the notebooks. The
16 Samsung products that Apple accuses of diluting and infringing its iPad-related trade dress are
17 listed behind Tab ___.

18 For each of Apple’s trade dress dilution and infringement claims, the first issue you will have to
19 decide is whether the Apple trade dress is protectable. An asserted trade dress is only protectable
20 if the trade dress as a whole is both sufficiently distinctive and non-functional.

21 For Apple’s dilution claims, the next issues you will decide are whether Apple’s trade dress was
22 famous before Samsung started selling its accused products, and whether Samsung’s products
23 are likely to cause dilution of the asserted Apple trade dresses. Dilution occurs when the
24 similarity between Samsung’s products and Apple’s trade dress impairs the distinctiveness of the
25 asserted Apple trade dress.

26 Apple’s trade dress infringement claim will require you to resolve different issues. You will
27 need to determine whether Apple’s trade dress had acquired distinctiveness before Samsung
28 started selling its infringing products, and whether Samsung’s products are sufficiently similar to
Apple’s trade dress such that they are likely to cause confusion as to their source.

If you decide that any protectable Apple trade dress has been infringed or willfully diluted by
Samsung, you will then need to decide the money damages to be awarded to Apple.

Samsung denies that it has infringed or diluted any Apple trade dress and argues that each
asserted trade dress is not protectable. If a trade dress is not protectable, that is a defense to
infringement and dilution.

I will give you more detailed instructions on all of these issues at the conclusion of the case.

25 **Samsung’s Objection to Apple’s Instruction**

26 Apple's proposed instruction on trade dress infringement is prejudicial and an inaccurate
27 statement of the law. First, Apple improperly suggests to the jury that the Court has prejudged
28 the issue of trade dress infringement by stating that "... Samsung started selling its infringing
products." The instruction should refer to Samsung selling its "allegedly infringing products."

1 Second, Apple’s question of “whether Samsung’s products are sufficiently similar to Apple’s
2 trade dress such that they are likely to cause confusion as to their source” incorrectly suggests
3 that the likelihood of confusion analysis turns solely on the similarity factor--to the exclusion of
4 the numerous other Sleekcraft factors. Apple’s erroneous instructions should be rejected.
5 Apple's instruction also includes a reference to “Juror Notebooks” as including a list of accused
6 devices. Samsung's alternate Preliminary Instruction No. 6 is preferable because it includes all
7 the products and claims that were timely identified by the parties. Samsung's Instruction will
8 help prevent confusion at trial should there be disagreement about the products that should be or
9 were included in the juror notebooks.
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1 **Samsung's Proposed Instruction**

2 Apple also seeks damages against Samsung for alleged trade dress infringement and dilution
3 arising from Samsung's sale of certain phones and tablet computers. Samsung denies infringing
4 and diluting Apple's trade dresses and contends Apple's trade dresses are invalid. To help you
understand the evidence that will be presented in this case, I will explain some of the legal terms
you will hear during this trial.

5 **Source**

6 Ninth Circuit Model Civil Jury Instr. No. 15.

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8 **Apple's Objection to Samsung's Instruction**

9 Samsung's preliminary proposed instruction is unnecessary. The jury will already have been
10 informed that Apple has sued Samsung for trade dress dilution and infringement based on
11 Samsung's sale of certain phone and tablet computers. Apple's preliminary proposed instruction
No. 7 will have made this clear and/or Samsung's preliminary proposed instruction No. 6 would
have said it. The jury will not need to be told this again within the preliminary instructions,
especially in an instruction that does not actually instruct the jury to do anything.

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1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 7.1**
2 **DEFINITION OF A TRADE DRESS**

3 **Samsung’s Proposed Instruction**

4 Trade dress is the non-functional physical detail and design of a product which identifies the
5 product’s source and distinguishes it from the products of others. Trade dress may include
6 features such as size, shape, color, color combinations, texture, or graphics. In other words, trade
7 dress is the form in which a company presents a product or service to the market, its manner of
8 display.

9 The trade dresses at issue in this case involve certain products sold by Apple. Trade dress rights
10 in product designs are more limited than rights in other types of trade dress because most product
11 designs are intended to make the product more useful or more appealing to consumers and are not
12 intended to identify the source of the product.

13 **Source**

14 Model Instructions No. 15.2 (modified); *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S.
15 205, 213 (2000) (“In the case of product design, as in the case of color, we think consumer
16 predisposition to equate the feature with the source does not exist. Consumers are aware of the
17 reality that, almost invariably, even the most unusual of product designs—such as a cocktail
18 shaker shaped like a penguin—is intended not to identify the source, but to render the product
19 itself more useful or more appealing”); *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532
20 U.S. 23, 29 (2003) (“And in *Wal-Mart*, supra, we were careful to caution against misuse or
21 overextension of trade dress. We noted that “product design almost invariably serves purposes
22 other than source identification.”)

23 **Apple’s Objection to Samsung’s Instruction**

24 Samsung’s preliminary proposed instruction is unnecessary. Apple’s preliminary proposed
25 instruction No. 5 provides the jury with a balanced background definition of trade dress. There
26 is no need to have this type of information repeated. Moreover, Samsung’s proposed instruction
27 has at least three legal errors. First, Samsung omits that trade dress is the “total image and
28 overall appearance,” instead only identifying “types” of features that may make up a trade dress.
29 This is improper, as it gives the incorrect impression that trade dress is evaluated on a feature-by-
30 feature basis. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 765 n.1 (1992) (trade dress of
31 product “is essentially its total image and overall appearance”) (internal quotation omitted).
32 Second, defining “trade dress” as the “non-functional” physical detail and design of a product
33 implies that individual features with a function cannot form part of the claimed trade dress,
34 which is not the law. *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1261 (9th Cir.
35 2001) (functionality of individual features may not preclude trade dress protection if particular
36 integration of elements leaves multitude of alternatives). In fact, the Ninth Circuit explicitly
37 states: “functional elements that are separately unprotectable can be protected together as part of
38 a trade dress.” *Id.* at 1259 (internal citation omitted). Third, Samsung claims that trade dress
39 rights in product designs are “more limited than rights in other types of trade dress.” There is no
40 support for this statement in the law. Samsung cites both *Wal-Mart* and *TrafFix Devices*, but
41 these cases address *protectability*—distinctiveness or functionality—not the extent or rights *once*
42 *protectability is shown*. *TrafFix Devices v. Mktg. Displays, Inc.*, 532 U.S. 23, 29-30, 33-34
43 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 213-15 (2000). In fact, the test for
44 protectability of trade dress is the same for all types of trade dress—the trade dress must be both
45 distinctive and nonfunctional. The cases that Samsung cites do not suggest otherwise. They
46 only state that product design trade dress is not inherently distinctive; instead, the product design
47 must be shown to have acquired distinctiveness, or secondary meaning. Those rulings do not
48 translate to “limited rights” once acquired distinctiveness is shown.

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**PROPOSED PRELIMINARY JURY INSTRUCTION NO. 7.2
HOW A TRADE DRESS IS OBTAINED**

Samsung's Proposed Instruction

A company acquires the right to exclude others from using a trade dress by being the first to use it in the marketplace, or by using it before the alleged infringer. Rights in a trade dress are obtained only through commercial use of the trade dress.

Source

Ninth Circuit Model Civil Jury Instr. No. 15.0 (modified).

Apple's Objection to Samsung's Instruction

Samsung's Preliminary proposed instruction is unnecessary. Apple's preliminary proposed instruction No. 5 already explains to the jury how the owner of a trade dress acquires the right to prevent others from diluting or infringing it. Apple's instruction also provides much more information than Samsung's proposed instruction.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 7.3**
2 **TRADE DRESS LIABILITY—THEORIES AND POLICIES**

3 **Samsung’s Proposed Instruction**

4 The trade dress laws balance three often-conflicting goals: (1) protecting the public from being
5 misled about the nature and source of goods and services, so that the consumer is not confused or
6 misled in the market; (2) protecting the rights of a business to identify itself to the public and its
7 reputation in offering goods and services to the public; and (3) protecting the public interest in
8 fair competition in the market.

9 The balance of these policy objectives vary from case to case, because they may often conflict.
10 Accordingly, each case must be decided by examining its specific facts and circumstances, of
11 which you are to judge.

12 **Source**

13 Model Instructions No. 15.4 (modified).

14 **Apple’s Objection to Samsung’s Instruction**

15 Samsung’s preliminary proposed instruction is unnecessary. The jury needs no explanation at
16 this stage of the policies underlying the trade dress laws. Nor does the jury need to be told again
17 that it should decide this case based on the specific facts in evidence. As with many of
18 Samsung’s proposed instructions, this unnecessary preliminary instruction would only slow down
19 the proceedings. Furthermore, Samsung’s proposed instruction is likely to confuse and mislead
20 the jury because it is adapted from a set of Ninth Circuit model instructions that do not address
21 dilution. First, the instruction suggests that consumer confusion is *always* part of the balance, but
22 consumer confusion is not an element of a trade dress dilution claim. *Mattel, Inc. v. MCA*
23 *Records, Inc.*, 296 F.3d 894, 905 (9th Cir. 2002) (“Dilution, by contrast, does not require a
24 showing of consumer confusion[.]”) Second, the “often-conflicting goals” are tied to the specific
25 remedy sought, not trade dress rights—infringement is a balance between prongs 1 and 3,
26 balancing likelihood of confusion against interest in fair competition, whereas dilution is a
27 balance of 2 and 3, balancing a business’s reputation and right to identify itself against interest in
28 fair competition. (*Compare* Dkt. No. 1158 at 3 (trade dress infringement requires showing of
likelihood of confusion) *with* Dkt. No. 1158 at 8 (trademark or trade dress dilution claim
addresses use that “impairs the distinctiveness” or “harms the reputation” of famous mark).
Conflating these two theories will be misleading.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 7.4**
2 **TRADE DRESS—NO LIABILITY FOR COPYING**

3 **Samsung’s Proposed Instruction**

4 Trade dress law does not prohibit competitors from copying each other’s products. Nor does it
5 protect a company’s innovation and creativity. Rather, trade dress law prohibits the copying of
6 source-identifying trade dress only in order to prevent consumer deception.

7 **Source**

8 *Dastar Corp v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 36 (2003) (“reading §43(a) of
9 the Lanham Act as creating a cause of action for, in effect plagiarism – the use of otherwise
10 unprotected works and inventions without attribution – would be hard .”); *Wal-Mart Stores v.*
11 *Samara Brothers, Inc.*, 529 U.S. 205 (2000) (no cause of action for trade dress violation because
12 asserted trade dress was not source identifying even though Wal-Mart produced ‘knockoffs’ of
13 children’s clothes designed and manufactured by Samara Broths, containing only ‘minor
14 modifications’ of the original designs.); *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,
15 532 U.S. 23, 29 (2001) (The Supreme Court has been ‘careful to caution against misuse or
16 overextension” of trademark related protections into areas traditionally occupied by patent and
17 copyright.”); *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 n. 11
18 (1982) (designs cannot be protected under the Lanham Act unless they “identify the source of the
19 product rather than the product itself”); *Bonito Boats v. Thunder Craft Boats, Inc.*, 489 U.S. 141,
20 157 (1989) (“The defendant . . . may copy plaintiff’s goods slavishly down to the minutest detail;
21 but he may not represent himself as the plaintiff in their sale.”) (internal quotation marks
22 omitted); *Newton v.Thomason*, 22 F.3d 1455, 1463 (9th Cir. 1994) (“must show that, in selecting
23 [accused] name, Appellees intended to profit by confusing consumer”) (internal quotation marks
24 omitted); *Bretford Manufacturing, Inc. v. Smith System Manufacturing Corp.*, 419 F.3d 576, 581
25 (7th Cir. 2005) (“Businesses often think competition unfair, but federal law encourages
26 wholesale copying, the better to drive down prices.”)

27 **Apple’s Objection to Samsung’s Instruction**

28 Samsung’s preliminary proposed instruction is legally incorrect. First, it claims there is “no
liability for copying,” but there *is* liability for copying if one copies protectable trade dress. *See*
China Int’l Travel Servs. (USA) v. China & Asia Travel Serv., Inc., No. 08-cv-01293 JJW (MEJ),
2008 U.S. Dist. LEXIS 106622, at *22 (N.D. Cal. Dec. 18, 2008) (facts of case, including
“blatant copying” of trademark, showed intent to profit from reputation and goodwill). Second,
trade dress law does not prohibit copying “only in order to prevent consumer deception,” as
claimed in the proposed instruction. The Lanham Act specifically addresses copies that are
“likely to cause confusion, or to cause mistake, *or* to deceive.” 15 U.S.C. § 1114 (emphasis
added); *see also* 15 U.S.C. § 1125(a) (civil action for use in commerce “likely to cause
confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of
such person with another person, or as to the origin, sponsorship, or approval of his or her goods,
services, or commercial activities by another person”). Apple’s trade dress dilution claim has
nothing to do with preventing consumer deception, or even confusion, but is aimed at stopping
Samsung from “impair[ing] the distinctiveness” of Apple’s trade dress. (Dkt. No. 1158 at 8; 15
U.S.C. § 1125(c)(2)(B) (“‘dilution by blurring’ is association arising from the similarity between
a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark”).)
The jury is elsewhere instructed on the elements of a trade dress claim and what must be proven.
Here, Samsung is attempting to insert an argumentative and oversimplified response to Apple’s
claims as a separate jury instruction.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 7.5**
2 **TRADE DRESS DILUTION**

3 **Samsung's Proposed Instruction**

4 In this case, Apple contends that Samsung has diluted Apple's trade dresses.

5 "Dilution" means a lessening of the capacity of a famous well-known trade dress to identify and
6 distinguish goods or services as coming from a single source. The purpose of the anti-dilution
7 laws is to protect against erosion of the trade dress' value as a source identifier, or the tarnishment
8 of a trade dress' image. The mere fact that consumers mentally associate the junior user's mark
9 with the senior user's mark is not enough to establish dilution.

10 Dilution is reserved for a limited set of trade dresses that are famous, meaning that they are so
11 widely known that they are like a household name among members of the general public. It will
12 be for you to decide whether Apple's asserted trade dresses are famous enough to be protected
13 under dilution law.

14 **Source**

15 15 U.S.C. § 1125(c)(1); *Perfumbay.com Inc. v. eBay, Inc.*, 506 F.3d 1165, 1179-1180 (9th Cir.
16 2007) ("Dilution is a cause of action invented and reserved for a select class of marks—those
17 marks with such powerful consumer associations that even non-competing uses can impinge
18 their value."); *Thane Intern., Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 911 (9th Cir. 2002)
19 ("[F]or purposes of § 1125(c), a mark usually will achieve broad-based fame only if a large
20 portion of the general consuming public recognizes that mark. Put another way. . . the mark
21 must be a household name.).

22 **Apple's Objection to Samsung's Instruction**

23 Samsung's proposed preliminary instruction is misleading and misstates the law in three ways.
24 First, it refers to tarnishment, which is not at issue in this case. Second, it incorrectly states that
25 association of the junior user's mark with the senior user's mark is not enough to establish
26 dilution, when that is, in fact, the very test for dilution by blurring: 15 U.S.C. § 1125(c)(2)(B)
27 ("dilution by blurring' is association arising from the similarity between a mark or trade name
28 and a famous mark that impairs the distinctiveness of the famous mark"). Third, Samsung's
29 comment that the jury must decide if Apple's trade dresses are "famous enough" is misleading as
30 it suggests multiple levels of fame. This instruction may improperly lead the jury to believe that
31 it could find in favor of Apple on application of the test for fame but nevertheless determine that
32 Apple's trade dress is not "famous enough" for dilution. Fourth, the statement that a famous
33 trade dress is like a "household name" is likely to confuse the jury, as that language logically can
34 only apply to word marks, not trade dress.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 8**
2 **SUMMARY OF ANTITRUST AND CONTRACT CONTENTIONS**

3 **Apple’s Proposed Instruction**

4 Apple has also brought counterclaims against Samsung with respect to seven patents that
5 Samsung declared to an international standard-setting organization called ETSI to be essential to
6 the use of certain industry standards for wireless technologies, and then asserted against Apple.

7 These “declared essential” patents include Samsung’s ’516, ’941, and ’604 patents which I have
8 already described to you. They also include the following Samsung patents:

- 9 • U.S. Patent Number 7,050,410, or the “’410” patent, which is at Tab __.
- 10 • U.S. Patent Number 7,200,792, or the “’792” patent, which is at Tab __.
- 11 • U.S. Patent Number 7,362,867, or the “’867” patent, which is at Tab __.
- 12 • U.S. Patent Number 7,386,001, or the “’001” patent, which is at Tab __.

13 Apple contends that, by asserting these patents against Apple, Samsung both violated the
14 antitrust laws and breached its contractual obligations to timely disclose and then license these
15 patents on fair and reasonable terms. Apple also contends that Samsung’s ’516, ’941, and ’604
16 patents are unenforceable as a result of this conduct.

17 Samsung denies that it has violated the antitrust laws or breached any contractual obligations.

18 For Apple’s allegations regarding these patents, your job will be to decide whether Samsung
19 violated the antitrust laws and whether Samsung breached its contractual obligations. If you
20 decide that Samsung did so, you will then need to decide what money damages to award to
21 Apple. You will also be asked to decide whether Samsung’s conduct bars Samsung from
22 enforcing these patents against Apple.

23 **Samsung’s Objection to Apple’s Instruction**

24 Samsung objects to Apple’s continued use of affirmative defenses, such as breach of contract,
25 and counterclaims, such as its antitrust counterclaims, that are based upon patents which have
26 been dropped by Samsung for reasons that include the Court’s request that the parties narrow the
27 case. Samsung will be prejudiced in responding to defenses based on patents that will not be
28 raised at trial and that were not, for example, the subject of Samsung’s depositions of Apple’s
 experts. Moreover, improperly adding defenses to patent claims no longer at issue specifically
 violates the Court’s direction to narrow the case. *See e.g.* May 10, 2012 Order Regarding
 Parties’ Statements Narrowing Claims to Asserted at Trial.

**PROPOSED PRELIMINARY JURY INSTRUCTION NO. 9
OUTLINE OF TRIAL**

Apple’s Proposed Instruction

The trial will very shortly 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 start. Witnesses will take the stand and the documents will be offered and admitted into evidence.

Apple’s Direct Case

Apple will first present its evidence on its contentions that Samsung has infringed Apple’s utility and design patents, that Samsung has diluted and infringed Apple’s iPhone and iPad related trade dresses, and that Samsung’s infringement and dilution have been willful. Apple also will present its evidence that its unregistered trade dresses are protectable. Apple will additionally put on evidence relating to its damages.

Witnesses will be questioned by Apple’s counsel on direct examination. After the direct examination of a witness, Samsung will have an opportunity to cross-examine the witness.

Samsung’s Response and Direct Case

After Apple has presented its witnesses, Samsung will call its witnesses, who will also be examined and cross-examined. With respect to Apple’s patents and trade dresses, Samsung will put on evidence responding to Apple’s infringement, dilution, and willfulness contentions. Samsung also will present its evidence that the claims of Apple’s asserted patents are invalid, and that the Apple trade dresses are unprotectable. Samsung will also respond to Apple’s assertions with regard to damages.

Samsung will further present its evidence on its contentions that Apple has infringed Samsung’s patents, that Apple’s infringement has been willful, and that Samsung should be awarded a reasonable royalty as damages.

Apple’s Rebuttal and Response

Next, Apple will return and put on evidence responding to Samsung’s contentions that the Apple patents are invalid and that the Apple trade dresses are unprotectable.

With respect to Samsung’s patent claims, Apple will put on evidence responding to Samsung’s infringement, willfulness, and damages assertions. Apple will also present its evidence that the claims of Samsung’s patents are invalid and unenforceable. For Samsung’s “declared essential” patents, Apple will present its evidence that Samsung violated the antitrust laws and breached its contractual obligations.

Samsung’s Rebuttal

Finally, Samsung will return and will put on evidence responding to Apple’s contentions that Samsung’s patent claims are invalid, that Samsung violated the antitrust laws, and that Samsung breached its contractual obligations.

* * *

1 Because the evidence is introduced piecemeal, you need to keep an open mind as the evidence
2 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.

3 After the evidence has been presented, the attorneys will make closing arguments and I will give
4 you final instructions on the law that applies to the case.

Source

5 Adapted from N.D. Cal. Model Patent Jury Instr. A.5.
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7 **Samsung's Objection to Apple's Instruction**

8 Apple's Outline of Trial instruction should not be adopted because it is inaccurate and does not
9 inform the jury of the relative burdens of each party with respect to their claims, counterclaims
10 and affirmative defenses. First, Samsung intends to present its affirmative patent infringement
11 case against Apple before responding to Apple's infringement claims. Apple's Proposed
12 Preliminary Instruction No. 9 states the opposite. Second, Apple's Outline of Trial instruction
13 omits critical information about the relative burdens of the parties to prove their claims and
14 defenses. Giving the burdens before the presentation of evidence will inform and guide the jury
15 through trial. Specifying the relative burdens of the parties is specifically contemplated by N.D.
16 Cal. Model Patent Jury Instr. A.5. Samsung's proposal must be adopted instead.
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1 **Samsung's Proposed Instruction**

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

4 The presentation of evidence will then begin. Witnesses will take the witness stand and the
5 documents will be offered and admitted into evidence. There are two standards of proof that you
6 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.

7 Apple will start by presenting its evidence on its contentions that Samsung has infringed its utility
8 and design patents, diluted its iPhone trade dress, diluted its iPhone 3G trade dress and diluted
9 and infringed its iPad and iPad 2 trade dresses. These witnesses will be questioned by Apple's
10 counsel in what is called direct examination. After the direct examination of a witness is
completed, Samsung has an opportunity to cross-examine the witness. To prove infringement and
dilution of Apple's patent and trade dress claims, Apple must persuade you that it is more likely
than not that Samsung has infringed or diluted.

11 After Apple has presented its witnesses, Samsung will call its witnesses, who will also be
12 examined and cross-examined. Samsung will present its evidence on its contentions that Apple
has infringed its utility patents. Samsung must persuade you that it is more likely than not that
Apple has infringed its utility patents.

13 Samsung will also present its evidence that the asserted claims of Apple's utility and design
14 patents are not infringed and invalid. To prove invalidity of any utility or design patent claim by
Apple, Samsung must persuade you that it is highly probable that the claim is invalid. Samsung
15 will also present evidence that the Apple trade dresses are invalid.

16 Apple will then return and will put on evidence responding to Samsung's contention that the
17 Apple utility and design patents and trade dresses are invalid. Apple will then present its non-
infringement and invalidity defenses on the Samsung utility patents. To prove invalidity of any
18 utility patent claim by Samsung, Apple must persuade you that it is highly probable that the claim
is invalid. Apple will further present its patent exhaustion defense, in which it contends that
19 Samsung authorized the sale of baseband chips incorporated in the accused Apple products under
the Declared-Essential patents, and its defense that Samsung's conduct with respect to standard
20 setting organizations rendered its patents unenforceable or gives Apple the right to a license.
Apple will also present its claims that Samsung has breached contract or violated antitrust or
21 unfair competition law in connection with its standards-related conduct or its assertion of the
Declared-Essential patents. Apple has the burden of showing that it is more likely than not that
22 Samsung's patent rights are exhausted. Apple must prove that it is highly probable that Samsung
waived its rights to enforce certain of its patents and/or violated the antitrust or unfair competition
23 law in connections with its standards-related conduct or its assertion of patents that it has declared
essential to industry standards.

24 Finally, Samsung will rebut Apple's invalidity evidence with respect to the Samsung patents.
25 Samsung will also rebut Apple's patent exhaustion defense and its defenses relating to Samsung's
standard-setting conduct. Samsung will also rebut Apple's contract, antitrust, and unfair
26 competition claims.

27 During the presentation of the evidence, the attorneys will be allowed brief opportunities to
28 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.

1 Because the evidence is introduced piecemeal, you need to keep an open mind as the evidence
2 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.

3 The parties may present the testimony of a witness by playing a videotape of the witness's
4 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.

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

7 **Source**

8 Adapted from N.D. Cal. Model Patent Jury Instructions, A.5; Ninth Circuit Model Civil Jury
9 Instr. No. 15.0.

10 **Apple's Objection to Samsung's Instruction**

11 Apple's proposed preliminary instruction to the jury regarding the basic outline of the trial is
clearer and more concise than Samsung's outline. It is also more balanced and neutral.
12 Samsung's proposed instruction frequently uses subtle distinctions in language that present
Samsung in a more positive light than Apple. For example, Samsung's instruction states that
13 Samsung "will rebut Apple's invalidity evidence," whereas Apple will merely "put on evidence
responding to Samsung's contention" of invalidity (emphasis added). Likewise, Samsung's
14 instruction says that "Samsung will [] present its evidence that the asserted claims of Apple's
utility and design patents are not infringed and invalid," while "Apple will [] present its
15 noninfringement and invalidity defenses on the Samsung utility patents" (emphasis added).
Samsung's consistent use of more active and robust language to describe its actions than the
16 language that it uses to characterize Apple's actions is not fair. Apple's alternative instruction
uses more neutral and balanced language. An additional problem with Samsung's proposed
17 instruction is that its description of the burden of proof is also likely to confuse the jury.
Samsung here refers to the burden of proof on certain issues as whether it "is highly probable
18 that something is true." In many other places, Samsung switches its lexicon and uses the "clear
and convincing evidence" formulation. It would be better for the jury to hear consistent
19 articulations of the burden. Apple's version of this instruction should be adopted.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 10**
2 **INTERPRETATION OF CLAIMS**

3 **Apple’s Proposed Instruction**

4 Before you decide whether either Samsung or Apple has infringed the claims of the other party’s
5 patents or whether those claims are invalid, you will need to understand the patent claims.

6 The utility patent claims are numbered textual sentences at the end of the patent that describe the
7 boundaries of the patent’s protection. It is my job as the judge to explain to you the meaning of
8 any language in the claims that needs interpretation.

9 I have already determined the meaning of certain terms of the claims of the patents asserted here.
10 You have been given a document at Tab ___ of your notebooks reflecting those meanings. You
11 are to apply my definitions of these terms throughout this case. However, my interpretation of
12 the language of the claims should not be taken as an indication that I have a view regarding
13 issues such as infringement and invalidity. Those issues are yours to decide. For claim language
14 where I have not provided you with any meaning, you should apply the claim language’s plain
15 and ordinary meaning.

16 Design patents have a different structure. For each of the asserted Apple design patents, the
17 scope of the claim is defined by the drawings collectively. The scope of the claimed design
18 encompasses its visual appearance as a whole and in particular the overall visual impression it
19 creates. You should consider all of the features of the design patent as a whole and not merely
20 isolated portions of the claimed design.

21 At the end of the trial, when I instruct you in more detail, I will provide further instruction
22 regarding the proper interpretation of the asserted Apple design patents.¹ At this point, I am
23 going to instruct you on how to interpret certain aspects of the asserted Apple design patents:

24 D’305 and D’087 patents. For these design patents, the broken lines in the patent figures form
25 no part of the claimed design.

26 [Show D’305 patent, Fig. 1 and D’087 patent, Fig. 1 to jury.]

27 D’677 patent. The oblique lines appearing in the D’677 patent indicate a transparent,
28 translucent, or highly polished or reflective surface. (The “oblique” lines are the diagonal lines
shown in the figures of the patent.) In addition, the broken lines in the patent figures form no
part of the claimed design for the D’677 patent.

[Show D’677 patent, Fig. 1 to jury.]

D’889 patent. The front surface of the device marked with oblique lines is a transparent surface.
The dotted-line rectangle in the front surface marks an area visible beneath the transparent
surface and is claimed subject matter. The human figure shown in broken lines in Figure 9 forms
no part of the claimed design.

[Show D’889 patent, Fig. 1 to jury.]

¹ Apple reserves the right to modify this instruction once the Court issues an order
regarding claim construction of the design patents.

1 **Source**

2 Adapted from N.D. Cal. Model Patent Jury Instr. B.2.1; The Intellectual Property Owners Ass'n
3 Model Design Patent Jury Instr. 5.

4 **Samsung's Objection to Apple's Instruction**

5 Samsung asserts that its proposed instruction below more concisely and more clearly provides an
6 introduction to patent claims and claim construction. Samsung also believes that different
7 instructions should be provided for design and utility patent claim construction, whereas Apple
8 proposes a single one. With respect to the design patent portion, Apple's instruction is confusing
9 and erroneous in several respects. First, Apple states that the jury "should consider all of the
10 features of the design patent as a whole and not merely isolated portions of the claimed design."
11 While it is correct that "the scope of the claimed design encompasses its visual appearance as a
12 whole," *Contessa v. Conagra*, 282 F.3d 1370, 1377 (Fed. Cir. 2002), it is not accurate to say that
13 all "features" of the design patent are to be considered. The Federal Circuit is clear that
14 functional features are not to be considered as part of the comparison analysis because design
15 patents do not protect them. *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1293-94 (Fed.
16 Cir. 2010). Second, the instructions given for how to read the drafting language of the specific
17 design patents are neither accurate nor appropriate. These patents are the subject of pending and
18 disputed claim constructions on the issues discussed in this instruction. (Dkt Nos. 1089 & 1090.)
19 Specifically, the D'087 patent includes multiple embodiments, with varying uses of broken lines,
20 yet the Apple instruction says only that broken lines "form no part of the design." This could
21 cause confusion to a juror looking at the various embodiments. For the D'677 patent, the
22 description of the broken lines is contrary to the patent itself and the MPEP. The D'677 patent
23 does not specify the purpose of the broken lines in the patent, as required by the MPEP: "As it is
24 possible that broken lines with different purposes may be included in a single application, the
25 description *must* make a visual distinction between the two purposes." MPEP § 1503.02
26 (emphasis added). "Unclaimed subject matter *must* be described as forming no part of the
27 claimed design or of a specified embodiment thereof." MPEP § 1503.02 (emphasis added).
28 Because the subject matter in the D'677 patent is not specified as being unclaimed, it must be
understood to be part of the claimed design. The instruction regarding D'889 is also
inappropriate because nothing in the patent indicates that the surface is transparent, as opposed to
reflective or highly polished. Also, nothing in the patent indicates that the dotted-line rectangle
marks an area underneath a transparent surface. In fact, this instruction is contrary to the USPTO
instruction to design patent applicants that "elements visible behind transparent surfaces should
be shown in light, full lines, not broken lines." USPTO, A Guide to Filing A Design Patent
Application at 14, http://www.uspto.gov/web/offices/com/iip/pdf/brochure_05.pdf. Samsung's
proposed proposal is preferable because it accurately states the applicable drafting convention
rules in general terms without tying them to specific patents, which intrudes on the Court's claim
construction. Samsung's instruction also uses verbatim language from MPEP § 1503.02
regarding oblique lines, broken lines, surface shading, and color drawings. Samsung's
instruction also includes principles of design patents that are crucial for the jury. For example,
design patents do not protect general design concepts, but rather are limited to the specific
images in the drawings. *See, e.g., OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405
(Fed. Cir. 1997) ("We agree with the district court's claim construction, which properly limits the
scope of the patent to its overall ornamental visual impression, rather than to the broader general
design concept of a rocket-like tossing ball."); *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571,
1577 (Fed. Cir. 1995) ("Design patents have almost no scope. The claim at bar, as in all design
cases, is limited to what is shown in the application drawings.") (quoting *In re Mann*, 861 F.2d
1581, 1582, (Fed. Cir. 1988)).

1 **Samsung's Proposed Instruction**

2 Before you decide whether the alleged infringer has infringed the asserted claims of each patent
3 or whether the asserted claims are invalid, you will need to understand the patent claims. As I
4 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 claims that needs interpretation.

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

7 I have already determined the meaning of certain terms of the claims of Apple's '381 and '915
8 patents and Samsung's '711 patent. You have been given a document reflecting those meanings.
9 You are to apply my definitions of these terms throughout this case. However, my interpretation
10 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.

11 **Source**

12 Adapted from N.D. Cal. Model Patent Jury Instr. A.3.

13 **Apple's Objection to Samsung's Instruction**

14 Samsung's proposed preliminary instruction is unnecessary. Under the more streamlined
15 approach advocated by Apple, the Court could give a single instruction that explains claim
16 construction for both design patents and utility patents, and that would refer the jurors to their
notebooks that contain the Court's claim constructions. Apple's proposed preliminary
instruction No. 10 achieves this.

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1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 10.1**
2 **DESIGN PATENT INTERPRETATION OF CLAIMS**

3 **Samsung’s Proposed Instruction**

4 Before you decide whether any particular design patent is or is not infringed, you will need to
5 understand what the design patents claim. The word “claim” is synonymous with the words
6 cover or protect.

7 A design patent only protects the specific ornamental design shown in the drawings or images in
8 the patent. Design patents do not protect general or broad design concepts. Said another way,
9 design patents have almost no scope — they can claim only what appears in their drawings, and
10 nothing else.

11 The design covers the overall visual impression it creates. The scope of a design patent includes
12 all the views and images in the patent, not just particular views or features.

13 For the sake of uniformity and clarity, design patents have to follow particular drafting rules
14 issued by the Patent Office. I will inform you of the relevant rules for the patents at issue here.

- 15 • First, oblique line shading must be used to show transparent, translucent and highly
16 polished or reflective surfaces, such as a mirror. Surfaces that lack oblique lines or other
17 markings must be interpreted to be opaque and non-transparent.
- 18 • Second, broken lines are used in design patents for different reasons. The two most
19 common uses of broken lines are to disclose the environment related to the claimed design
20 and to define the bounds of the claim. As it is possible that broken lines with different
21 purposes may be included in a single application, the description must make a visual
22 distinction between the purposes. Unclaimed subject matter must be described as forming
23 no part of the claimed design, otherwise it is considered a part of the claimed design.
- 24 • Third, surface shading is necessary to distinguish between any open and solid areas of the
25 article. This is of particular importance in the showing of three dimensional articles where
26 it is necessary to delineate plane, concave, convex, raised, and/or depressed surfaces of the
27 subject matter, and to distinguish between open and closed areas. Lack of appropriate
28 surface shading in the drawing as filed may render the design nonenabling and indefinite.
29 Solid black surface shading is not permitted except when used to represent the color black
30 as well as color contrast.
- 31 • Fourth, if color photographs or color drawings are included in the patent application, they
32 will be considered an integral part of the disclosed and claimed design.

33 I will instruct you on specific design patents at a later time.

34 **Source**

35 *OddzOn Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1404 (Fed. Cir. 1997) (“Whether a
36 design patent is infringed is determined by first construing the claim to the design, when
37 appropriate, and then comparing it to the design of the accused device.”) (citations omitted); *id.*
38 at 1405 (“We agree with the district court’s claim construction, which properly limits the scope
39 of the patent to its overall ornamental visual impression, rather than to the broader general design
40 concept of a rocket-like tossing ball.”); *In re Mann*, 861 F.2d 1581 (Fed. Cir. 1988) (“Design
41 patents have almost no scope.”); *Elmer v. I.C.C. Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir.
42 1995) (quoting *In re Mann*); *Minka Lighting, Inc. v. Craftmade Intern., Inc.*, 93 Fed. Appx. 214,
43 217 (Fed. Cir. 2004) (same); *Amini Innovation Corp. v. Anthony Cal., Inc.*, 2004 WL 5545445,

1 *9 (C.D. Cal. Dec. 3, 2004); *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1187-88 (Fed. Cir.
1988).

2 -MPEP § 1503.02:

- 3 • “Oblique line shading must be used to show transparent, translucent and highly polished
4 or reflective surfaces, such as a mirror.”
- 5 • “The two most common uses of broken lines are to disclose the environment related to the
6 claimed design and to define the bounds of the claim.”
- 7 • “As it is possible that broken lines with different purposes may be included in a single
8 application, the description must make a visual distinction between the two purposes.”
- 9 • “Unclaimed subject matter must be described as forming no part of the claimed design or
10 of a specified embodiment thereof.”
- 11 • “Surface shading is also necessary to distinguish between any open and solid areas of the
12 article.”
- 13 • “The drawing figures should be appropriately and adequately shaded to show clearly the
14 character and/or contour of all surfaces represented. See 37 CFR 1.152. This is of
15 particular importance in the showing of three (3) dimensional articles where it is necessary
16 to delineate plane, concave, convex, raised, and/or depressed surfaces of the subject
17 matter, and to distinguish between open and closed areas. Solid black surface shading is
18 not permitted except when used to represent the color black as well as color contrast.”
- 19 • “Lack of appropriate surface shading in the drawing as filed may render the design
20 nonenabling and indefinite under 35 U.S.C. 112,”
- 21 • “If color photographs or color drawings are filed with the original application, color will
22 be considered an integral part of the disclosed and claimed design.”

23 **Apple’s Objection to Samsung’s Instruction**

24 Samsung’s proposed preliminary instruction misstates the law in several ways. First, the
25 instruction states that “[a] design patent only protects the specific ornamental design shown in
26 the drawings or images in the patent.” Samsung inappropriately inserts unnecessary and
27 misleading descriptors such as “only” and “specific” in an attempt to narrow the “scope” of a
28 design patent. The law is clear that a design patent protects the ornamental design as shown in
the drawings in the patent. *See, e.g., Crocs, Inc. v. ITC*, 598 F.3d 1294, 1302 (Fed. Cir. 2010)
 (“Design patents are typically claimed as shown in drawings . . .”); MPEP § 1503.01 (“[A]s a
 rule, the illustration in the drawing views is its own best description.”). Likewise, Samsung’s
 instruction that “design patents have almost no scope” has no foundation in law and would be
 inherently confusing to the jury. Samsung presents this instruction as though it were an
 independent rule that somehow restricts the coverage of design patents to something less than
 what the drawings show. But there is no such rule. Samsung will rely on *In re Mann*, 861 F.2d
 1581 (Fed. Cir. 1988), but this case was not about design patent “scope” or interpretation, or
 design patent infringement at all. Rather, *Mann* dealt with a design patent application that was
 properly rejected because the design had been publicly displayed more than a year before filing.
 Id. at 1582. Thus, Samsung’s favorite Federal Circuit’s comment – that “[d]esign patents have
 almost no scope” *id.* – is dicta. The holding of the case is simply that the public display was not
 exempt as an “experimental use;” it made no sense to consider the display of a design
 experimental because “[t]he only use possible for an ornamental design is its embodiment,

1 exhibition, and observation.” *Id.* at 1581. The out of context instruction that design patents have
2 “almost no scope” would, moreover, confuse the jury as potentially inconsistent with the
3 infringement test that a substantially similar design will infringe. Third, Samsung’s instruction
4 that “[d]esign patents do not protect general or broad design concepts” is gratuitous and
5 unnecessary. The phrase “general or broad design concepts” is confusing and will distract the
6 jury from the task of visually comparing the overall impression of the designs at issue with those
7 of the accused designs. Fourth, Samsung’s purported list of “drafting rules” for design patents is
8 incorrect. Samsung incorrectly states that “[s]urfaces that lack oblique lines or other markings
9 must be interpreted to be opaque and non-transparent.” There is no authority for this assertion.
10 The lack of oblique lines in a design patent means that a transparent or reflective surface is not
11 claimed. But it does not follow that, if a transparent or reflective surface is *not* claimed, an
12 opaque surface must be claimed instead. Moreover, Samsung’s instruction that “[u]nclaimed
13 subject matter must be described as forming no part of the claimed design, otherwise it is
14 considered a part of the claimed design” not only finds no support in the law, it is nonsensical
15 and can only confuse the jury. “Unclaimed subject matter” by definition cannot be “considered a
16 part of the claimed design.” Samsung’s instruction that a design can be “nonenabling and
17 indefinite” should not be given, because enablement and indefiniteness are questions of law, not
18 issues for the jury. *Anthony John Antonious v. Spalding & Evenflo Cos.*, No. 98-1478, 1999 U.S.
19 App. LEXIS 22984, at *20 (Fed. Cir. Aug. 31, 1999) (“Design patents must comply with the
20 requirements of 35 U.S.C. § 112. . . . Whether a claim is indefinite and therefore invalid for
21 violating section 112, P 1, is a question of law, which we review *de novo*.”) (internal citations
22 omitted); *Adang v. Fischhoff*, 286 F.3d 1346, 1353 (Fed. Cir. 2002) (“Enablement is a question
23 of law and is reviewed *de novo*.”). Samsung also incorrectly states that “if color photographs or
24 color drawings are included in the patent application, they will be considered an integral part of
25 the disclosed and claimed design.” This instruction has no support in law. The appropriate
26 construction for a design patent is “the design shown in the [figures of the patent].” *Crocs,
27 Inc. v. ITC*, 598 F.3d 1294, 1302-03 (Fed. Cir. 2010); *see also Payless Shoesource, Inc. v.
28 Reebok Int’l, Ltd.*, 998 F.2d 985, 990 (Fed. Cir. 1993) (accused design compared to claimed
design, not to embodiments of design). With this instruction, Samsung attempts to mislead the
jury regarding the photos of the “035 model” that were submitted with the application of the
D’889 patent. But these photos represented but “one embodiment” of the D’889 patent, not a
replacement for the drawings that depict the patented design. In fact, the PTO “cancelled” the
photos from the D’889 application. Apple’s corresponding instruction, No. 10, is an accurate
and succinct statement of the law of how to interpret a design patent. It properly instructs the
jury that for design patents, the “scope of the claim is defined by the drawings collectively” and
that it “encompasses its visual appearance as a whole and in particular the overall visual
impression it creates.” *See, e.g., Egyptian Goddess v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed. Cir.
2008) (“[A] design is better represented by an illustration ‘than it could be by any description.’”)
(quoting *Dobson v. Dornan*, 118 U.S. 10, 14 (1886)). It also provides tailored instructions for
interpreting each design patent.

1 **PROPOSED PRELIMINARY JURY INSTRUCTION NO. 11**
2 **DESIGN AND UTILITY PATENT TERM GLOSSARY**

3 **Samsung’s Proposed Instruction**

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

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

8 **Amendment:** A patent applicant’s change to one or more claims or to the specification either in
9 response to an office action taken by a Patent Examiner or independently by the patent applicant
10 during the patent application examination process.

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

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

13 **Claim (Design Patent Claim):** The portion of the design patent that defines the design. Each
14 design patent includes a single claim, and only one claim, that includes a single sentence
15 beginning with the expression “The ornamental design for . . .” and refers to the “specification,”
16 which is defined later. The claim defines the scope of the patent holder’s exclusive rights during
17 the life of the design patent.

16 **Claim (Utility Patent Claim):** Each claim of a patent is a concise, formal definition of an
17 invention and appears at the end of the specification in a separately numbered paragraph. In
18 concept, a patent claim marks the boundaries of the patent in the same way that a legal
19 description in a deed specifies the boundaries of land, i.e. similar to a land owner who can prevent
20 others from trespassing on the bounded property, the inventor can prevent others from using what
21 is claimed. Claims may be independent or dependent. An independent claim stands alone. A
22 dependent claim does not stand alone and refers to one or more other claims. A dependent claim
23 incorporates whatever the other referenced claim or claims say.

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

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

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

26 **Drawings (Design Patent):** The drawings are visual representations of the claimed design
27 contained in a patent application and issued patent, and usually include several figures illustrating
28 various aspects of the claimed design. The drawings are part of the specification of a design
29 patent.

1 **Drawings (Utility Patent):** The drawings are visual representations of the claimed invention
2 contained in a patent application and issued patent, and usually include several figures illustrating
3 various aspects of the claimed invention.

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

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

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

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

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

20 **Limitation:** A required part of an invention set forth in a patent claim. A limitation is a
21 requirement of the invention. The word "limitation" is often used interchangeably with the word
22 "requirement."

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

27 **Office Action:** A written communication from the Patent Examiner to the patent applicant in the
28 course of the application examination process.

Ordinary Observer Test: This is the test used to determine whether a design patent is infringed.
It states that "if, in the eye of an ordinary observer, giving such attention as a purchaser usually
gives, two designs are substantially the same, if the resemblance is such as to deceive such an
observer, inducing him to purchase one supposing it to be the other, the first one patented is
infringed by the other." This same standard is also used to determine whether a design patent is
invalid in light of prior art.

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

1 trademarks. It is responsible for examining all patent applications and issuing all patents in the
2 United States.

3 **Prior Art:** Previously known subject matter in the field of a claimed invention for which a patent
4 is being sought. It includes issued patents, publications, and knowledge deemed to be publicly
5 available such as trade skills, trade practices and the like.

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

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

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

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

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

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

24 **Specification (Design Patent):** The information that describes and shows the ornamental design
25 referenced in the claim of the design patent. The specification includes a description and one or
26 more drawings and/or photographs, all of which are incorporated into the claim. In the
27 specification, the one or more drawings and/or photographs must include a sufficient number of
28 views to constitute a complete disclosure of the appearance of the design claimed.

Specification (Utility Patent): 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.

29 **Source**

30 N.D. Cal. Model Patent Jury Instr. C.1; The Intellectual Property Owners Ass’n Designs Rights
31 Committee Model Patent Jury Instructions Glossary.

32 **Samsung’s Statement in Support**

33 Samsung asserts that a glossary would be of great benefit to a jury as it attempts to understand the
34 myriad of patent-related terms in this litigation. Further, Samsung’s definition for the Ordinary
35 Observer Test quotes *Gorham Co. v. White*, 81 U.S. 511, 528 (1871), the seminal case on design
36 patent infringement. The Federal Circuit held in *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d
37 665, 678 (Fed. Cir. 2008) that the “ordinary observer test” as from *Gorham v. White* was the sole
38 test for design patent infringement. Under *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589
F.3d 1233, 1240 (Fed. Cir. 2010), the ordinary observer test was applied to anticipation and

1 obviousness as well. Additional terms such as Claim, Drawings, Specification and the rest are
2 included to orient the jury to common patent terminology.

3 **Apple’s Objection to Samsung’s Glossary**

4 Samsung’s proposed “glossary” is unnecessary, inaccurate, incomplete, and misstates the law in
5 several ways. It is also redundant in that it repeats, often incorrectly, concepts addressed
6 elsewhere in the instructions. First, its definitions of “anticipation” and “nonobviousness” relate
7 only to utility patents, and fail to account for design patent standards. Likewise, Samsung’s
8 definition of “reads on” is misleading as it does not account for design patents. It is also
9 extraneous in light of Samsung’s definitions of “elements” and “limitation.” Second, its
10 definition of “infringement” is inaccurate as it inappropriately limits all infringement – rather
11 than just direct infringement – to acts “within the United States.” *See, e.g.*, 35 U.S.C. § 271(b)
12 (no territorial limitation on inducement). Third, its definition of the “ordinary observer test” is
13 also misleading. Its sole reliance on an excerpt from *Gorham Co. v. White*, 81 U.S. 511 (1871),
14 does not adequately inform the jury regarding the proper application of the test. Indeed,
15 Samsung’s instruction that “[t]his same standard is also used to determine whether a design
16 patent is invalid in light of prior art” underscores the confusion as an ordinary observer cannot be
17 induced into “purchasing” a prior art patent. Other definitions suffer from similar defects.
18 Samsung’s definition of “patent” is also inaccurate with respect to the statement that “[w]hen the
19 patent expires, the right to make, sue, or sell the invention is dedicated to the public.” The
20 expiration of a patent does not convey any rights to do anything in particular. Samsung’s
21 definition of “reduction to practice” does not account for “constructive reduction to practice.”
22 Samsung’s definition of “specification (design patent)” is also misleading as it references
23 “photographs” when none of the asserted design patents include photographs in their
24 specification. This is merely an inappropriate attempt by Samsung to highlight the cancelled
25 appendix of photographs in the D’889 prosecution history. Because Samsung’s proposed
26 “glossary” is incomplete, redundant, and misstates the law, it should not be part of the Court’s
27 preliminary jury instructions.
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INSTRUCTIONS AT THE CLOSE OF EVIDENCE

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GENERAL CIVIL INSTRUCTIONS

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 12**
2 **BURDENS OF PROOF--GENERALLY**

3 **Apple's Proposed Instruction**

4 The law recognizes three kinds of burdens of proof:

5 (1) When a party has the burden of proof on any claim or affirmative defense by a
6 preponderance of the evidence, it means you must be persuaded by the evidence
7 that the claim or affirmative defense is more probably true than not true;

8 (2) When a party has the burden of proving any claim or defense by clear and
9 convincing evidence, it means you must be persuaded by the evidence that the
10 claim or defense is highly probable. This is a higher standard of proof than proof
11 by a preponderance of the evidence; and

12 (3) The third kind of burden of proof is referred to as "beyond a reasonable
13 doubt." But this burden of proof is involved in criminal cases and is not required
14 in this case.

15 **Source**

16 Adapted from Ninth Circuit Model Civil Jury Instr. - 1.3, 1.4 (2007 Ed.).

17 **Samsung's Objection to Apple's Instruction**

18 Apple's Proposed Final Instruction No. 12 departs from the Ninth Circuit Model Rules because it
19 introduces the "beyond a reasonable doubt" standard to the jury, along with the "preponderance
20 of the evidence" and "clear and convincing evidence" standards used in civil cases. Each of those
21 standards is set forth and defined in Samsung's two proposed instructions below, and there is no
22 reason to confuse the issue by introducing the criminal standard as well.
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1 **Samsung’s Proposed Instruction**

2 When a party has the burden of proof on any claim or affirmative defense by a preponderance of
3 the evidence, it means you must be persuaded by the evidence that the claim or affirmative
4 defense is more probably true than not true.

4 You should base your decision on all of the evidence, regardless of which party presented it.

5 **Source**

6 Ninth Circuit Model Civil Jury Instr. – 1.3 (2007 Ed.)

7 **Apple’s Objection to Samsung’s Instruction**

8 Samsung’s proposed instruction is devoid of context. Rather than discussing the preponderance
9 of the evidence burden of proof in a vacuum, the Court should give a general burden of proof
10 instruction addressing the preponderance of the evidence, clear and convincing evidence, and
11 “beyond a reasonable doubt” standards together. Many jurors may associate a “burden of proof”
12 with the “beyond a reasonable doubt” criminal standard that dominates the media. Having a
13 general burden of proof instruction addressing and distinguishing the “beyond a reasonable
14 doubt” burden will prevent the jury from inadvertently applying the incorrect burden. A general
15 burden of proof instruction also more accurately conveys that proof is a spectrum, with various
16 burdens falling at different places on this spectrum.

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 12.1**
2 **BURDEN OF PROOF—CLEAR AND CONVINCING EVIDENCE**

3 **Samsung’s Proposed Instruction**

4 When a party has the burden of proving any claim or defense by clear and convincing evidence, it
5 means you must be persuaded by the evidence that the claim or defense is highly probable. This
6 is a higher standard of proof than proof by a preponderance of the evidence.

7 You should base your decision on all of the evidence, regardless of which party presented it.

8 **Source**

9 Ninth Circuit Model Civil Jury Instr. – 1.4 (2007 Ed.)

10 **Apple’s Objection to Samsung’s Instruction**

11 Samsung’s proposed instruction is devoid of context and invites jury confusion. Rather than
12 discussing the clear and convincing evidence burden of proof in a vacuum, the Court should give
13 a general burden of proof instruction addressing the preponderance of the evidence, the clear and
14 convincing evidence, and beyond a reasonable doubt standards. Many jurors may associate a
15 “burden of proof” with the “beyond a reasonable doubt” criminal standard that dominates the
16 media. Having a general burden of proof instruction that addresses and distinguishes the “beyond
17 a reasonable doubt” burden will prevent the jury from inadvertently applying the incorrect
18 burden. A general burden of proof instruction also accurately more conveys that proof is a
19 spectrum, with various burdens falling at different places on this spectrum.

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**PROPOSED FINAL JURY INSTRUCTION NO. 13
TWO OR MORE PARTIES—DIFFERENT LEGAL RIGHTS**

Samsung’s Proposed Instruction

You should decide the case as to each party separately. Unless otherwise stated, the instructions apply to all parties.

Source

Ninth Circuit Model Civil Jury Instr. – 1.5 (2007 Ed.)

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction is duplicative in light of Apple’s Proposed Summary of Patent Contentions and Samsung’s Proposed Summary of Contentions instructions which both convey that each party’s claims are separate and to be considered independently. Furthermore, any distinction between different Samsung entities should be addressed as the distinction arises (the approach adopted by Apple’s proposed instructions) so as to provide the jury with sufficient context to appreciate the distinction.

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**PROPOSED FINAL JURY INSTRUCTION NO. 14
CHARTS AND SUMMARIES**

Apple’s Proposed Instruction

You will remember that certain summaries and charts were admitted in evidence. You may use those summaries and charts as evidence, even though the underlying documents and records are not here. [However, the accuracy and authenticity of those summaries and charts have been challenged. It is for you to decide how much weight, if any, you will give to them. In making that decision, you should consider all of the testimony you heard about the way in which they were prepared.]

Source

Eighth Circuit Model Criminal Jury Instructions - 4.12 (2008 Ed.).

Authorities

Fed. R. Evid. 1006, 1008(c); 5 Weinstein’s Evidence ¶¶ 1006, 1008 (1978); *United States v. Rizk*, 660 F.3d 1125, 1130 (9th Cir. 2011) (for charts to be admitted under Rule 1006, material underlying charts do not need to be admitted into evidence as long as they are admissible and made available to opposing party for inspection); *United States v. Meyers*, 847 F.2d 1408, 1412 (9th Cir. 1988) (underlying material must be admissible but need not be admitted); *Keith v. Volpe*, 858 F.2d 467, 479-81 (9th Cir. 1988) (affirming court’s decision to admit summary report under Rule 1006 over challenges that the summary was neither necessary nor trustworthy); *Ford Motor Co. v. Auto Supply Co., Inc.*, 661 F.2d 1171, 1175-76 (8th Cir. 1981) (permitting summaries to be admitted as evidence without admission of the underlying documents as long as the opposing party has had an opportunity to examine and copy the documents at a reasonable time and place and if those underlying documents would be admissible); *United States v. Robinson*, 774 F.2d 261,275- 276 (8th Cir. 1985) (summaries will not be admitted until the court has made a preliminary ruling as to their accuracy); *United States v. King*, 616 F.2d 1034, 1041 (8th Cir. 1980) (admission is within the sound discretion of the trial judge.); *United States v. Possick*, 849 F.2d 332, 339 (8th Cir. 1988) (“voluminous” requirement of Rule 1006 does not require that it literally be impossible to examine all the underlying records, but only that in-court examination would be an inconvenience); *id.* (charts and diagrams admitted under Rule 1006 may be sent to the jury at the district court’s discretion); *id.* at 340 (when this type of exhibit is sent to the jury, a limiting instruction is appropriate, but failure to give an instruction on the use of charts is not reversible error); *United States v. Orłowski*, 808 F.2d 1283, 1289 (8th Cir. 1986) (charts and diagrams admitted under Rule 1006 may be sent to the jury at the district court’s discretion).

Samsung’s Objection to Apple’s Instruction

As the Ninth Circuit’s Model Civil Jury Instruction 2.12, upon which Samsung's proposed instruction is based, highlights, charts, summaries, and demonstratives are “not themselves evidence or proof of any facts.” To the extent the parties’ un-admitted charts, summaries, and demonstratives conflict with underlying evidence, the jury should rely on the underlying substantive evidence, not attorney-created charts, summaries, or demonstratives. Samsung's proposed Instruction explains the proper relationship between summaries and underlying evidence, and ensures that the jury will properly evaluate weight any charts, summaries, and demonstratives in reaching a verdict.

1 **Samsung’s Proposed Instruction**

2 Certain charts and summaries not received in evidence have been shown to you in order to help
3 explain the contents of books, records, documents, or other evidence in the case. They are not
4 themselves evidence or proof of any facts. If they do not correctly reflect the facts or figures
5 shown by the evidence in the case, you should disregard these charts and summaries and
6 determine the facts from the underlying evidence.

5 **Source**

6 Ninth Circuit Model Civil Jury Instr. – 2.12 (2007 Ed.)

7 **Apple’s Objection to Samsung’s Instruction**

8 Samsung’s proposed instruction is at odds with the basic tenets of Fed. R. Ev. 1006. Rule 1006
9 permits a proponent to use “a summary, chart, or calculation to prove the content of voluminous
10 writings, recordings, or photographs that cannot be conveniently examined in court (emphasis
11 added).” All that Rule 1006 requires is that “[t]he proponent must make the originals or
12 duplicates available for examination or copying, or both, by other parties at a reasonable time
13 and place.” Moreover, Rule 1006 gives the court discretion to order the proponent to produce
14 them in court. However, Samsung’s proposed instruction is predicated on the underlying
15 evidence being admitted into evidence. Rule 1006 requires no such thing. Samsung’s
16 instructions undercut the purpose of Rule 1006, which is to avoid requiring the jury to engage in
17 needless, voluminous examination. The Eighth Circuit Model Criminal Jury Instruction – 4.12
18 (2008 Ed.) captures the clear language and purpose of Rule 1006 and should be given to the
19 jury. Ninth Circuit case law has long supported this approach. See Fed. R. Evid. 1006, 1008(c);
20 5 Weinstein’s Evidence ¶¶ 1006, 1008 (1978); *United States v. Rizk*, 660 F.3d 1125, 1130 (9th
21 Cir. 2011) (for charts to be admitted under Rule 1006, material underlying charts do not need to
22 be admitted into evidence as long as they are admissible and made available to opposing party
23 for inspection); *United States v. Meyers*, 847 F.2d 1408, 1412 (9th Cir. 1988) (underlying
24 material must be admissible but need not be admitted); *Keith v. Volpe*, 858 F.2d 467, 479-81 (9th
25 Cir. 1988) (affirming court’s decision to admit summary report under Rule 1006 over challenges
26 that the summary was neither necessary nor trustworthy).
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**PROPOSED FINAL JURY INSTRUCTION NO. 14.1
CHARTS AND SUMMARIES IN EVIDENCE**

Samsung's Proposed Instruction

Certain charts and summaries have been received into evidence to illustrate information brought out in the trial. Charts and summaries are only as good as the underlying evidence that supports them. You should, therefore, give them only such weight as you think the underlying evidence deserves.

Source

Ninth Circuit Model Civil Jury Instr. – 2.13 (2007 Ed.)

Apple's Objection to Samsung's Instruction

Samsung's proposed instruction is odds with the basic tenets of Fed. R. Ev. 1006. Rule 1006 permits a proponent to use "a summary, chart, or calculation to prove the content of voluminous writings, recordings, or photographs that cannot be conveniently examined in court (emphasis added)." All that Rule 1006 requires is that "[t]he proponent must make the originals or duplicates available for examination or copying, or both, by other parties at a reasonable time and place." Moreover, Rule 1006 gives the court discretion to order the proponent to produce them in court. However, Samsung's proposed instruction is predicated on the underlying evidence being admitted into evidence. Rule 1006 requires no such thing. Samsung's instructions undercut the purpose of Rule 1006, which is to avoid requiring the jury to engage in needless, voluminous examination. The Eighth Circuit Model Criminal Jury Instruction – 4.12 (2008 Ed.) captures the clear language and purpose of Rule 1006 and should be given to the jury. Ninth Circuit case law has long supported this approach. See Fed. R. Evid. 1006, 1008(c); 5 Weinstein's Evidence ¶¶ 1006, 1008 (1978); *United States v. Rizk*, 660 F.3d 1125, 1130 (9th Cir. 2011) (for charts to be admitted under Rule 1006, material underlying charts do not need to be admitted into evidence as long as they are admissible and made available to opposing party for inspection); *United States v. Meyers*, 847 F.2d 1408, 1412 (9th Cir. 1988) (underlying material must be admissible but need not be admitted); *Keith v. Volpe*, 858 F.2d 467, 479-81 (9th Cir. 1988) (affirming court's decision to admit summary report under Rule 1006 over challenges that the summary was neither necessary nor trustworthy).

Samsung's Statement in Support

Charts and summaries are admitted into evidence to assist the jury in understanding the "content of voluminous writings, recordings, or photographs that cannot be conveniently examined in court." Fed. R. of Evid. 1006. As such, a party admitting charts or summaries instead of the underlying evidence has the burden of establishing proper foundation. See *United States v. Johnson*, 594 F.2d 1253, 1254-55 (9th Cir. 1979). The Ninth Circuit's Model Civil Jury Instruction 2.13 recognizes that where a party fails to meet that burden, it cannot rely on charts or summaries that conflict with the underlying substantive evidence.

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**PROPOSED FINAL JURY INSTRUCTION NO. 15
RETURN OF VERDICT**

Apple's Proposed Instruction

A verdict form has been prepared for you. After you have reached unanimous agreement on a verdict, your presiding juror will fill in the form that has been given to you, sign and date it, and advise the court that you are ready to return to the courtroom.

Source

Ninth Circuit Model Civil Jury Instr. - 3.3 (2007 Ed.).

Samsung's Objection to Apple's Instruction

Apple's proposed instruction excludes the Ninth Circuit's suggested explanation of the verdict form. In a case that includes multiple utility patents, multiple design patents, trade dress, antitrust and other claims, particularly one that is being tried in a short amount of time, an explanation of the verdict form is very important because it gives the jurors a proper framework around which they should organize their decisionmaking process after hearing so much evidence. In addition, for the same reason, Samsung's Alternative to Apple's Proposed Final Instruction No. 15, reminds the jurors, as they are approaching the verdict form, that their answer to each question must be unanimous. Apple's instruction acknowledges that this is the law but glosses over it by mentioning it in passing. Apple's proposed instruction should not be adopted.

1 **Samsung’s Proposed Instruction**

2 A form of Special Verdict has been prepared for you. [Any explanation of the verdict form may
3 be given at this time.] The answer to each question must be the unanimous answer of the jury.
4 Your foreperson will write the unanimous answer of the jury in the space provided below each
question. When you have finished the Special verdict form, your foreperson will sign and date it,
and advise the court that you are ready to return to the courtroom.

5 **Source**

6 Ninth Circuit Model Civil Jury Instr. – 3.3 (2007 Ed.)

7 **Apple’s Objection to Samsung’s Instruction**

8 There is no need to introduce the details of the verdict form at the stage when this instruction will
9 get read. This would only complicate matters. Apple’s proposed instruction closely matches the
10 Ninth Circuit model, and focuses on the key concepts of unanimity and the role of
the foreperson. Armed with these principles, and after the final substantive instructions get read,
11 the jury will be able to parse the requirements of the verdict form once it is in its hands.
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PROPOSED FINAL JURY INSTRUCTION NO. 16
SUMMARY OF CONTENTIONS

Apple’s Proposed Instruction

I will now again summarize for you 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 explained, Apple accuses Samsung of directly infringing a number of its utility and design patents, and claims that the Samsung Korean parent actively induced its Samsung affiliates in the United States to infringe the patents. Apple contends also that Samsung’s infringement has been willful. Samsung denies that it has infringed the asserted claims of Apple’s patents and argues that, in addition, those claims are invalid.

Your job will be to decide whether Samsung has infringed the asserted claims and claimed designs of the Apple patents and whether each claim or claimed design is invalid. If you decide that any Apple patent claim or claimed design has been infringed and is not invalid, you will then need to decide any money damages to award Apple for the infringement. You will also need to make a finding as to whether any Samsung 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.

Apple also accuses Samsung of diluting and infringing a number of Apple’s iPhone and iPad-related trade dresses. Apple alleges that Samsung’s sale of certain smart phone products and tablets dilute its iPhone and iPad-related trade dresses by impairing their distinctiveness, and that Samsung’s sale of certain tablet computer products infringed its iPad-related trade dress because they are likely to cause confusion as to the source of the Samsung products. Apple seeks money damages from Samsung for this alleged dilution and infringement of its trade dresses. Samsung denies that it has diluted or infringed Apple’s trade dress rights and argues that, in addition, the trade dresses asserted by Apple are not protectable.

Your job is to decide whether each asserted trade dress has been diluted or infringed (or both) by Samsung, and whether each trade dress is protectable. If you decide that any of Apple’s trade dresses are protectable, and that they have been willfully diluted or infringed, you will need to decide any money damages to be awarded to Apple for the dilution and/or infringement.

Samsung also accuses Apple of infringing a number of its utility patents, and argues that Apple’s infringement has been willful. Apple denies that it has infringed the asserted claims of Samsung’s patents and argues that, in addition, those claims are invalid and, for the ’516, ’941, and ’604 patents, also unenforceable. Apple also contends that, by asserting its “declared essential” patents against Apple, Samsung has violated the antitrust laws and breached its contractual obligations to timely disclose and then license these patents on fair and reasonable terms.

Your job will be to decide whether Apple has infringed the asserted claims of the Samsung patents and whether each claim is invalid. If you decide that any Samsung patent claim has been infringed and is not invalid, you will then need to decide any money damages to award Samsung for the infringement. You will also need to make a finding as to whether any Apple 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.

To resolve Apple’s claims regarding Samsung’s “declared essential” patents, you will need to make a finding as to whether Samsung violated the antitrust laws and whether Samsung breached its contractual obligations. If you decide that Samsung violated the antitrust laws or breached its contractual obligations, you will then need to decide what money damages to award to Apple.

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Source

Adapted from N.D. Cal. Model Patent Jury Instr. B.1; The Intellectual Property Owners Ass’n Model Design Patent Jury Instr. 6.

Samsung’s Objection to Apple’s Instruction

Samsung objects to Apple’s proposed instruction and urges the Court to adopt its alternative. Apple’s instruction includes many statements that imply that issues before the jury have been already resolved in its favor. For example, it uses the term “Apple’s iPhone and iPad” related trade dresses, which it must prove. As another example, the statement “Apple alleges that Samsung’s sales of certain smart phone products and tablets dilute its iPhone and iPad-related trade dresses by impairing their distinctiveness” suggests to the jurors that the distinctiveness of Apple’s trade dress has already been determined and that Apple must only prove its alleged dilution. This is improper. The instruction is also one-sided because it buries Samsung’s claims in the middle of a lengthy and biased discussion of Apple’s claims. Apple’s instruction also creates ambiguity and confusion by failing to identify the individual Samsung entities and instead referring vaguely to “Samsung.” The Court should adopt Samsung’s proposed instruction because it is a proper summary and presents each party’s claim in an unbiased and clear fashion. The rest of the instructions can then be used for Apple and Samsung to set forth the details of their various allegations.

1 **Samsung's Proposed Instruction**

2 The parties in this case are Apple Inc. and Samsung Electronics Company Ltd. (sometimes
3 referred to as "SEC"), Samsung Electronics America Inc. (sometimes referred to as "SEA"), and
4 Samsung Telecommunications America LLC (sometimes referred to as "STA"). In these
5 Instructions I will refer to Apple Inc. as "Apple," and I generally will refer to Samsung
6 Electronics Company Ltd., Samsung Electronics America Inc., and Samsung
7 Telecommunications America LLC collectively as "Samsung" for the purposes of a specific
8 Instruction. However, you must consider the evidence and decide the case separately as to
9 Samsung Electronics Company, Samsung Electronics America, and Samsung
10 Telecommunications America, regardless of whether I refer to them collectively as "Samsung" or
11 individually.

12 Apple has brought claims against Samsung seeking money damages from Samsung for alleged
13 trade dress infringement and dilution, and utility patent and design patent infringement, relating to
14 Samsung's smartphone and tablet products. Samsung has denied Apple's allegations, has sought
15 a determination that it does not infringe any of rights of Apple and sought a declaration that
16 Apple's trade dress, design patent, and utility patents are invalid.

17 Samsung also has brought claims against Apple for patent infringement relating to Apple's
18 iPhone, iPad and iPod products. Apple has denied Samsung's allegations, has sought a
19 declaratory judgment as to Samsung's counterclaims and asserted further claims of
20 monopolization, violation of the California Unfair Competition Law, and breach of contract
21 associated with Samsung's assertion of patents that Samsung has declared to be essential to
22 certain wireless telecommunications standards. In addition, Apple seeks a declaration that it is
23 irrevocably entitled to a fair, reasonable and non-discriminatory ("FRAND") license to those
24 essential patents, and which sets forth the FRAND terms and conditions of that license. Samsung
25 has denied Apple's allegations.

26 Specifically, your job will be to decide the following:

27 **Apple's Claims**

- 28 1. Whether the Gallery, Contacts, Web Browser or ThinkFree Office applications in the
following Samsung products infringe Claim 19 of U.S. Patent No. 7,469,381:

- Galaxy Tab
- Galaxy Tab 10.1
- Captivate
- Continuum
- Droid Charge
- Epic 4G
- Exhibit 4G
- Fascinate
- Galaxy Ace
- Galaxy Prevail
- Galaxy S (i9000)
- Galaxy S 4G
- Gravity
- Indulge
- Infuse 4G

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- Intercept
- Mesmerize
- Nexus S
- Nexus S 4G
- Replenish
- Showcase Galaxy S
- Sidekick
- Vibrant
- Galaxy S II (pre-August 26, 2011 versions)

2. Whether the Web Browser application in the following Samsung products infringe Claim 8 of U.S. Patent No. 7,844,915:

- Galaxy Tab
- Galaxy Tab 10.1
- Acclaim
- Captivate
- Continuum
- Droid Charge
- Epic 4G
- Exhibit 4G
- Fascinate
- Galaxy Ace
- Galaxy Prevail
- Galaxy S (i9000)
- Galaxy S 4G
- Gem
- Gravity
- Indulge
- Infuse 4G
- Intercept
- Mesmerize
- Nexus S
- Nexus S 4G
- Replenish
- Showcase Galaxy S
- Sidekick
- Transform
- Vibrant
- Galaxy S II (pre-August 26, 2011 versions)

3. Whether the Web Browser application in the following Samsung products infringe Claim 50 of U.S. Patent No. 7,864,163:

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- Galaxy Tab
- Galaxy Tab 10.1
- Acclaim
- Captivate
- Continuum
- Droid Charge
- Epic 4G
- Exhibit 4G
- Fascinate
- Galaxy Ace
- Galaxy Prevail
- Galaxy S (i9000)
- Galaxy S 4G
- Gem
- Gravity
- Indulge
- Infuse 4G
- Intercept
- Mesmerize
- Nexus S
- Nexus S 4G
- Replenish
- Showcase Galaxy S
- Sidekick
- Transform
- Vibrant
- Galaxy S II (pre-August 26, 2011 versions)

4. Whether Samsung infringes:

a. U.S. Patent No. D618,677 by selling the following smartphone;

- Samsung Galaxy Ace (SHW-M240S);
- Samsung Infuse 4G (SGH-1997);
- Samsung Galaxy S i9000 (SHW-M1105);
- Samsung Galaxy Fascinate (SCH-I500) (a/k/a Galaxy Showcase and Galaxy Mesmerize);
- Samsung Galaxy S 4G (SGH-T959V) / Vibrant (SGH-T959).

b. U.S. Patent No. D593,087 by selling the following smartphones;

- Samsung Galaxy Ace (SHW-M240S);
- Samsung Infuse 4G (SGH-1997);
- Samsung Galaxy S i9000 (SHW-M1105);

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- Samsung Galaxy Fascinate (SCH-I500) (a/k/a Galaxy Showcase and Galaxy Mesmerize);
- Samsung Galaxy S 4G (SGH-T959V) / Vibrant (SGH-T959)

c. U.S. Patent No. D604,305 by selling the following smartphones;

- Captivate;
- Continuum;
- Droid Charge;
- Epic 4G;
- Fascinate;
- Gem;
- Galaxy S i9000;
- Galaxy S 4G;
- Indulge;
- Infuse 4G;
- Mesmerize;
- Showcase;
- Galaxy S Showcase i500;
- Vibrant.

d. U.S. Patent No. D504,889 by selling the following tablet computers:

- Galaxy Tab 10.1

e. Whether Apple's asserted patent claims are valid;

5. Whether Samsung has diluted the iPhone trade dress based on the trade dress Registration No. 3,470,983 by selling the following smartphones:

- Fascinate
- Galaxy S 4G
- Galaxy S Showcase (i500)
- Infuse 4G
- Mesmerize
- Vibrant

6. Whether Samsung has diluted the unregistered iPhone trade dress by selling the following smartphones:

- Fascinate
- Galaxy Prevail
- Galaxy S 4G
- Galaxy S Showcase (i500)
- Infuse 4G
- Mesmerize

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- Vibrant

7. Whether Samsung has diluted the unregistered iPhone 3G trade dress by selling the following smartphones:

- Fascinate
- Galaxy Prevail
- Galaxy S 4G
- Galaxy S Showcase (i500)
- Infuse 4G
- Mesmerize
- Vibrant

8. Whether Samsung has diluted or infringed the unregistered iPad trade dress by selling the following tablet computers:

- Galaxy Tab 10.1
- Galaxy Tab 10.1 LTE

9. Whether Samsung has diluted or infringed the unregistered iPad 2 trade dress by selling the following tablet computers:

- Galaxy Tab 10.1
- Galaxy Tab 10.1 LTE

10. Whether Apple's claims are barred by Samsung's defenses.

11. The remedies to which Apple is entitled, if any, as a result.

Samsung's Claims

7. Whether Apple infringes:

a. Claims 10 and 15 of U.S. Patent No. 7,675,941 by selling the following smartphone and tablet computer;

- iPhone 4
- iPad2 3G

b. Claims 17 and 18 of U.S. Patent No. 6,928,604 by selling the following smartphones and tablet computers;

- iPhone 3G
- iPhone 3GS
- iPhone 4
- iPad 3G

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- iPad2 3G
- c. Claims 15 and 16 of U.S. Patent No. 7,447,516 by selling the following smartphone and tablet computer;
- iPhone 4
 - iPad2 3G
- d. Claim 9 of U.S. Patent No. 7,698,711 by selling the following;
- iPhone 3G
 - iPhone 3GS
 - iPhone 4
 - iPhone 4S
 - iPad 2
 - iPod Touch (4th Generation)
- e. Claim 1 of U.S. Patent No. 7,577,460 by selling the following; or
- iPhone 3G
 - iPhone 3GS
 - iPhone 4
 - iPhone 4S
 - iPad 2
 - iPod Touch (4th Generation)
- f. Claim 10 of U.S. Patent No. 7,456,893 by selling the following.
- iPhone 3GS
 - iPhone 4
 - iPhone 4S
 - iPad 2
 - iPod Touch (4th Generation)

8. Whether Samsung's asserted patent claims are valid;
9. Whether Samsung's asserted patent claims are enforceable;
10. Whether Samsung's claims are barred by Apple's defenses;
11. Whether Samsung has engaged in breach of contract or violated antitrust or unfair competition law in connection with its standards-related conduct or its assertion of patents that it has declared essential to industry standards; and
12. The remedies to which Samsung is entitled, if any, as a result.

1 **Source**

2 N.D. Cal. Model Patent Jury Instr. A.3

3
4 **Apple's Objection to Samsung's Instruction**

5 Samsung's proposed instruction is too lengthy and dense. Samsung again spends 6 pages in this
6 instruction summarizing the parties' contentions. The instruction contains too much detail to be
7 informative for or comprehensible to the jury. Apple's proposed preliminary instruction Nos. 6-
8 8, by contrast, cover the same ground in half the space. These Apple instructions also
9 summarize the parties' utility patent, design patent, trade dress, antitrust, and contract
10 contentions, but do so in a much more user-friendly format. Apple's proposed preliminary
11 instruction Nos. 6-8 liberally direct the jurors to the tabs in their notebooks that contain
12 information about the intellectual property and accused products at issue in the case. This format
13 will prove much more effective at aiding jury comprehension, and it will allow the jury to
14 become conversant with the notebook as a resource for the entirety of the trial. By the time that
15 the presentation of evidence has closed and it is time to read the final instructions to the jury, it
16 will be even less necessary than at the beginning to read this 6-page list to the jury. Another
17 problem with Samsung's proposed instruction is that the lists of accused products provided by
18 Samsung are incorrect. The Gem is not listed as an accused product for the '381 patent, and the
19 Gravity Smart is not listed for either the '915 or the '163 patents. Samsung then fails to list any
20 of the five Galaxy S II phones that Apple has accused of infringing the D'677 and D'087 patents,
21 and incorrectly lists the Fascinate, Mesmerize, Showcase, and Galaxy Ace as accused products
22 under the D'087 patent. Samsung has also omitted the Tab 10.1 LTE from the list of products
23 accused under the D'889 patent. Samsung also incorrectly identifies the products that allegedly
24 violate Apple's trade dresses.
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**PROPOSED FINAL JURY INSTRUCTION NO. 16.1
SUMMARY OF CONTENTIONS**

Samsung’s Proposed Instruction

I will now give you a summary of each side’s contentions in this case with respect to design and utility patent infringement. I will then tell you what each must prove to win on each of its contentions.

Your job is to decide whether the asserted claims of the design or utility patents have been infringed and whether any of the asserted claims are invalid. If you decide that any claim of the asserted patents have been infringed and is not invalid, you will then need to decide any monetary damages to be awarded to either Apple or the Samsung to compensate for the infringement.

Source

Adapted from N.D. Cal. Model Instructions, B.1.

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction is unnecessary. The jury will already have been informed more than once that it will have to decide the parties’ respective claims for patent infringement and that it may have to assess damages. There will be no need to remind the jury again. Apple’s proposed instruction No. 16 will provide the jury with one post-evidence summary of the parties’ contentions as to all claims in the case, not just the patent claims.

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**PROPOSED FINAL JURY INSTRUCTION NO. 16.2
SUMMARY OF UTILITY PATENT CONTENTIONS**

Samsung's Proposed Instruction

I will now give you a summary of the positions of the parties with respect to utility patent infringement.

Apple alleges that the following devices infringe the '381, '915 and '163 utility patents:

Utility Patent(s) Device(s) Accused of Infringing

'381	Gallery, Contacts, Web Browser or ThinkFree Office applications in the Galaxy Tab, Galaxy Tab 10.1, Captivate, Continuum, Droid Charge, Epic 4G, Exhibit 4G, Fascinate, Galaxy Ace, Galaxy Prevail, Galaxy S (i9000), Galaxy S 4G, Gravity, Indulge, Infuse 4G, Intercept, Mesmerize, Nexus S, Nexus S 4G, Replenish, Showcase Galaxy S, Sidekick, Vibrant, Galaxy S II (pre-August 26, 2011 versions)
'915	Web Browser application in the Galaxy Tab, Galaxy Tab 10.1, Acclaim, Captivate, Continuum, Droid Charge, Epic 4G, Exhibit 4G, Fascinate, Galaxy Ace, Galaxy Prevail, Galaxy S (i9000), Galaxy S 4G, Gem, Gravity, Indulge, Infuse 4G, Intercept, Mesmerize, Nexus S, Nexus S 4G, Replenish, Showcase Galaxy S, Sidekick, Transform, Vibrant, Galaxy S II (pre-August 26, 2011 versions)
'163	Web Browser application in the Galaxy Tab, Galaxy Tab 10.1, Captivate, Continuum, Droid Charge, Epic 4G, Exhibit 4G, Fascinate, Galaxy Ace, Galaxy Prevail, Galaxy S (i9000), Galaxy S 4G, Gem, Gravity, Indulge, Infuse 4G, Intercept, Mesmerize, Nexus S, Nexus S 4G, Replenish, Showcase Galaxy S, Sidekick, Transform, Vibrant, Galaxy S II (pre-August 26, 2011 versions)

Each of the Samsung entities deny that any of these devices infringe any Apple patent. Apple bears the burden of proving by a preponderance of the evidence its allegations that each device infringes each separate patent. Therefore, you the jury must determine infringement for each patent separately, considering each individual device separately. You must not consider the patents or devices in groups to determine infringement on that basis.

In addition, each of the Samsung entities argue that the asserted claims of the Apple patents are invalid. To prove invalidity of any utility patent claim, the alleged infringer must persuade you by clear and convincing evidence that the claim is invalid.

1 Samsung alleges that the following devices infringe the '941, '604, '516, '711, '460 and '893
2 utility patents:

3 **Utility Patent(s)** **Device(s) Accused of Infringing**

4 '941	iPhone 4, iPad 2 3G
5 '604	iPhone 3G, iPhone 3GS, iPhone 4, iPad 3G, iPad 2 3G
6 '516	iPhone 4, iPad 2 3G
7 '711	iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4S, and iPod Touch (4th Generation)
8 '460	iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4S, iPad 2, and iPod Touch (4th Generation)
9 '893	iPhone 3GS, iPhone 4, iPhone 4S, iPad 2, and iPod Touch 10 (4th Generation)

11
12 Apple denies that any of these devices infringe any Samsung patent and argues that, in addition,
13 the asserted claims of the Samsung patents are invalid. Samsung bears the burden of proving by a
14 preponderance of the evidence its allegations that each device infringes each separate patent.
Therefore, you the jury must determine infringement for each patent separately, considering each
individual device separately. You must not consider the patents or devices in groups to determine
infringement on that basis.

15 In addition, Apple argues that the asserted claims of the Samsung patents are invalid. To prove
16 invalidity of any utility patent claim, the alleged infringer must persuade you by clear and
convincing evidence that the claim is invalid.

17 Your job will be to decide whether any of the asserted claims of each patent have been infringed
18 and whether those claims are invalid. If you decide that any of the asserted claims has been
19 infringed and is not invalid, you will then need to decide any money damages to be awarded to
20 compensate for 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.

21 **Source**

22 N.D. Cal. Model Patent Jury Instr. A.3, B.1; AIPLA Model Patent Jury Instructions, 3.0;
23 35 U.S.C. § 271; 35 U.S.C. 289; *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*,
162 F.3d 1113, 1116-17 (Fed. Cir. 1998); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d
24 1117, 1124 (Fed. Cir. 1993); *Seal-Flex, Inc. v. Athletic Track & Court Constr.*, 172 F.3d 836,
842 (Fed. Cir. 1999); *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1454 (Fed. Cir.1998)
(*en banc*); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (*en banc*),
25 aff'd, 517 U.S. 370, 374, 116 S.Ct. 1384, 1388, 134 L. Ed. 2d 577 (1996); *Sun Hill Indus., Inc. v.*
Easter Unlimited, Inc., 48 F.3d 1193, 1196 (Fed. Cir. 1995); *Payless Shoesource, Inc. v. Reebok*
26 *Int'l Ltd.*, 998 F.2d 985, 990 (Fed. Cir. 1993); *but see, L.A. Gear, Inc. v. Thom McAn Shoe Co.*,
988 F.2d 1117, 1125-26 (Fed. Cir. 1993) ("When the patented design and the design of the
27 article sold by the patentee are substantially the same, it is not error to compare the patentee's
and the accused articles directly, indeed, such comparison may facilitate application of Gorham
28 criterion of whether an ordinary purchaser would be deceived into thinking that one were the

1 other.”); *Braun, Inc. v. Dynamics Corp. of America*, 975 F.2d 815, 820 n.8 (Fed. Cir. 1992);
2 *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1189 (Fed. Cir. 1988).

3 **Apple’s Objection to Samsung’s Instruction**

4 Samsung’s proposed instruction is unnecessary. First, the information in this long summary of
5 utility patent contentions will already have been provided by the Court (*see* Apple proposed
6 preliminary instruction No. 6), and the jurors will already have their jury binders that contain all
7 of the relevant information about the identity of the patents and the accused products. The Court
8 does not need to slow down the proceedings and repeat this information. Second, the list of
9 accused products provided by Samsung is incorrect. The Gem is not listed as an accused product
10 for the ’381 patent, and the Gravity Smart is not listed for either the ’915 or the ’163 patents.
11 Third, Samsung’s statement that the jury “must not consider the patents or devices in groups to
12 determine infringement on that basis” is overbroad and, in the context of this case, inaccurate.
13 The Federal Circuit has consistently accepted examples and analysis about a subset of accused
14 products that can be extrapolated to many (or sometimes all) infringing products. *See TiVo, Inc.*
15 *v. EchoStar Communications Corp.*, 516 F.3d 1290, 1308 (Fed. Cir. 2008) (permissible to have
16 “expert testifying in detail about a particular device and then stating that the same analysis
17 applies to other allegedly infringing devices that operate similarly, without discussing each type
18 of device in detail”); *Spansion, Inc. v. ITC*, 629 F.3d 1331, 1350 (Fed. Cir. 2010) (court accepted
19 52 models as representative of all semiconductor packages at issue because expert had offered
20 “specific and substantial evidence” about why all other packages would behave similarly);
21 *Intellectual Sci. & Tech., Inc. v. Sony Electronics, Inc.*, 589 F.3d 1179, 1181 (Fed. Cir. 2009)
22 (analyzing all patents using categories created by the district court and representative products
23 that plaintiffs provided pursuant to district court order).
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 16.3**
2 **SUMMARY OF DESIGN PATENT ISSUES**

3 **Samsung's Proposed Instruction**

4 I will now summarize the issues that you must decide and for which I will provide instructions to
5 guide your deliberations with respect to Apple's design patent infringement claims. You must
6 decide the following:

7 1 Whether Apple has proved by a preponderance of the evidence that Samsung
8 Electronics Company, Samsung Electronics America, and/or Samsung Telecommunications
9 America have each infringed any of the D'677, D'087, D'305 and D'889 design patents.

10 2 Whether Samsung has proved by clear and convincing evidence that any of the
11 D'677, D'087, D'305 and D'889 design patents are invalid.

12 3 If you determine that one or more of the D'677, D'087, D'305 and D'889 design
13 patents are infringed and not invalid, what amount of damages Apple has proved by a
14 preponderance of the evidence, if any.

15 **Source**

16 AIPLA Model Jury Instruction 1.

17 **Samsung's Statement in Support**

18 This instruction transitions from the utility patent section to the design patent section when in the
19 proper order. Apple's design patent instructions abruptly jump into interpreting the claim of a
20 design patent without noting the substantive topic change or summarizing the patents and issues
21 to be discussed. Samsung's instruction states the three areas to be covered for design patents —
22 infringement, invalidity, and damages — and states the burden of proof for each. It is based on
23 the AIPLA Model Jury Instruction 1.

24 **Apple's Objection to Samsung's Instruction**

25 Samsung's proposed instruction is repetitive of its and Apple's earlier summaries of the parties'
26 contentions. No further summary is needed.
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UTILITY PATENT JURY INSTRUCTIONS

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 17**
2 **UTILITY PATENTS—INTERPRETATION OF CLAIMS**

3 **Apple’s Proposed Instruction**

4 I will now instruct you how to decide whether each party has proven that the other has infringed
5 any claims of the party’s utility patents. As I mentioned, utility patent claims are numbered
6 sentences at the end of the patent that describe the boundaries of the patent’s protection. Before
7 you decide whether any claim has been infringed or is invalid, you must understand the claim.

8 I have already determined the meaning of any claim language that needs interpretation. You have
9 been given a document at Tab ___ of your notebooks that contains these meanings. You must
10 accept these interpretations. My interpretations should not be taken as an indication that I have a
11 view regarding infringement or invalidity. Those decisions are yours to make.

12 For claim language where I have not provided you with any meaning, you should apply the claim
13 language’s plain and ordinary meaning.

14 **Source**

15 Adapted from N.D. Cal. Model Patent Jury Instr. B.2.1.

16 **Authorities**

17 *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 384-391 (1996); *Phillips v. AWH Corp.*,
18 415 F.3d 1303, 1324 (Fed. Cir. 2005); *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d
19 1298, 1304-13 (Fed. Cir. 1999); *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448 (Fed. Cir. 1998) (*en*
20 *banc*); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 977 (Fed. Cir. 1995) (*en banc*).

21 **Samsung’s Objection to Apple’s Instruction**

22 Samsung objects to Apple’s Instruction to the extent it fails to provide the Court’s interpretation
23 of already-constructed terms. Samsung’s proposal immediately below provides the Court’s
24 interpretation of its already-constructed terms in the body of the instruction itself, as instructed by
25 the Northern District of California’s Model Patent Jury Instructions. Samsung believes that it
26 would be helpful for the jury to have the constructions of the already-constructed terms available
27 in the instruction rather than having to reference a tab in a binder.

1 **Samsung’s Proposed Instruction**

2 Before you decide whether the parties have infringed the claims of the other’s utility patents, or
3 whether the claims are invalid, you will need to understand the patent claims. As I mentioned,
4 the utility patent claims are numbered sentences at the end of the patent that describe the
boundaries of the utility patent’s protection. It is my job as judge to explain to you the meaning
of any language in the claims that needs interpretation.

5 I have interpreted the meaning of some of the language in the utility patent claims involved in this
6 case. You must accept those interpretations as correct. My interpretation of the language should
7 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.

8 **’711 Patent Terms:**

9 ***“applet”***

10 The term “applet” appears in Claim 9 of Samsung’s ’711 Patent. The term “applet” means “an
11 application designed to run within an application module.” This definition is how a person of
ordinary skill in the art in 2005 would define “applet.” An “applet” runs within an application
module rather than within another program, and need not be operating system-independent.

12 **’381 Patent Terms:**

13 ***“edge of [an or the] electronic document”***

14 The disputed term “edge of [an or the] electronic document” appears in claim 19 of Apple’s ’381
15 Patent. “Edge of [an or the] electronic document” has its plain and ordinary meaning. The
16 meaning of “edge of [an or the] electronic document” is not limited to an external boundary, but
may also refer to edges that are internal, such as when an electronic document is embedded in
another electronic document.

17 **’915 Patent Terms:**

18 ***“scrolling a window having a view associated with the event object”***

19 The disputed term “scrolling a window having a view associated with the event object” is found
20 in claim 8 of Apple’s ’915 Patent. “Scrolling a window having a view associated with the event
21 object” has its plain and ordinary meaning. The meaning of “scrolling a window having a view
associated with the event object” is not limited to mean content viewed through the window must
move in the same direction as the user input.

22 ***“invokes”***

23 The disputed term “invokes” is found in claim 8 of Apple’s ’915 Patent. The term “invokes”
24 means “causes” or “causes a procedure to be carried out.”

25 For claim language where I have not provided you with any meaning, you should apply the claim
26 language’s plain and ordinary meaning, as it would have been understood by a person of ordinary
skill in the art. I will provide you with a definition of “a person of ordinary skill in the art in
Instruction No. [Court to insert final number]__.”

1 **Source**

2 N.D. Cal. Model Patent Jury Instr. B.2; *Markman v. Westview Instruments, Inc.*, 517 U.S. 370,
3 384-391 (1996); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1324 (Fed. Cir. 2005); *Pitney Bowes,*
4 *Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1304-13 (Fed. Cir. 1999); *Cybor Corp. v. FAS*
5 *Techs.*, 138 F.3d 1448 (Fed. Cir. 1998) (*en banc*); *Markman v. Westview Instruments, Inc.*, 52
6 F.3d 967, 977 (Fed. Cir. 1995) (*en banc*); Order Construing Disputed Claim Terms of U.S.
7 Patent Nos. 7,698,711; 6,493,002; 7,469,381; 7,663,607; 7,812,828; 7,844,915; and 7,853,891
8 (Dkt. 849).

6 **Apple’s Objection to Samsung’s Instruction**

7 Samsung’s proposed instruction is unnecessary. The Court should not have to read claim
8 constructions to the jury. Apple’s proposed instruction No. 17 will direct the jurors to their
9 binders, which is a more efficient process for the jury and the Court. In addition, to the extent
10 that claim constructions are read—or provided in written format in a binder—the terms from
11 Apple’s asserted patents should get presented first. Finally, the language offered by Samsung is
12 inaccurate and misleading. These terms are not “disputed” anymore; they have been construed
13 by the Court. Samsung’s characterizations are also incorrect. With regard to the “edge” phrase
14 cited by Samsung, this term appears in claim 19 of Apple’s ’381 patent and has its plain and
15 ordinary meaning. It is not limited to an external edge, and may be an internal edge. With
16 regard to the “scrolling” phrase, this term is found in claim 8 of Apple’s ’915 patent and has its
17 plain and ordinary meaning. It is not limited to mean that content viewed through the window
18 must move in the same direction as the user input. It can, for example, mean that a finger swipe
19 to the right will reveal content from the left side of a screen.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 18**
2 **UTILITY PATENTS—INFRINGEMENT GENERALLY**

3 **Apple’s Proposed Instruction**

4 A utility patent may be infringed directly or indirectly. I will explain the difference shortly. To
5 prove infringement of any claim from a patent in suit, the patent holder must persuade you that it
6 is more likely than not that the other side infringed that claim.

7 **Source**

8 Adapted from N.D. Cal. Model Patent Jury Instr. B.3.1.

9 **Authorities**

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

13 **Samsung’s Objection to Apple’s Instruction**

14 Samsung objects to Apple’s Instruction to the extent it fails to provide what is required to prove
15 indirect infringement. Induced infringement is being asserted by each party in this action; thus, a
16 description of the burden of proof required would be helpful to the jury. Samsung’s proposed
17 instruction immediately below provides this description and is preferable to Apple’s Instruction.
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1 **Samsung’s Proposed Instruction**

2 I will now instruct you on the rules you must follow in deciding whether each party has proven
3 that the other party has infringed one or more of the asserted claims of its utility patents.

4 To prove infringement of any of Apple’s claims, Apple must persuade you by a preponderance of
5 the evidence that Samsung has infringed that claim. Each Samsung entity must be considered
6 separately when determining infringement. To prove induced infringement of any of Apple’s
7 claims, Apple must persuade you both that someone else directly infringed that claim, and that
8 Samsung induced that infringement, by a preponderance of the evidence.

9 Likewise, to prove infringement of any of Samsung’s claims, Samsung must persuade you by a
10 preponderance of evidence that Apple has infringed that claim. To prove induced infringement of
11 any of Samsung’s claims, Samsung must persuade you both that someone else directly infringed
12 that claim, and that Apple induced that infringement, by a preponderance of the evidence.

13 I will explain the concepts of direct infringement and inducing infringement in a moment.

14 **Source**

15 N.D. Cal. Model Patent Jury Instr. B.3.1; *Warner-Lambert Co. v. Teva Pharm. USA, Inc.*,
16 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005); *Seal-Flex, Inc. v. Athletic Track and Court Constr.*,
17 172 F.3d 836, 842 (Fed. Cir. 1999); *Morton Int’l, Inc. v. Cardinal Chem. Co.*, 5 F.3d 1464, 1468-
18 69 (Fed. Cir. 1993).

19 **Apple’s Objection to Samsung’s Instruction**

20 Samsung’s proposed instruction regarding the burden of proof for patent infringement is flawed
21 for three reasons. First, it is unnecessarily long and convoluted. There is no need for all the
22 excess verbiage in Samsung’s proposal. Apple’s more concise proposed instruction No. 18
23 informs the jury about the governing burden in less than three lines of text. Second, Samsung’s
24 use of the term “preponderance of the evidence”—rather than the more juror-friendly “more
25 likely than not” language offered by Apple and found in the Northern District model—makes
26 Samsung’s proposal unduly legalistic and technical. Third, there is no need to instruct the jury
27 that it must consider infringement separately for each Samsung entity. Apple’s instructions are
28 less confusing in that they refer to “Samsung” collectively unless it makes a difference. Most of
the time it does not. In situations where it makes sense, such as in the context of inducement,
Apple’s instruction refers to the separate Samsung entities. (See Apple proposed instruction
No. 58.) Doing so more generally as Samsung proposes in Instruction No. 18 would confuse the
jury and lead to duplicative and unnecessary effort by the jury.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 19**
2 **UTILITY PATENTS—DIRECT INFRINGEMENT**

3 **Apple’s Proposed Instruction**

4 A product or method directly infringes a utility patent if it is covered by at least one claim of the
5 patent. The first step in deciding whether a claim has been directly infringed is to understand the
6 claim’s meaning. You have already been instructed on the meaning of some claim language.
7 The next step is to decide whether the alleged infringer has made, used, sold, offered for sale, or
8 imported within the United States a product covered by the claim. You make that decision.

9 With one exception, you must decide whether the alleged infringer’s product infringes each
10 asserted claim individually. The exception concerns dependent claims. Dependent claims
11 include all the requirements of an independent claim, plus additional requirements. As a result,
12 if an independent claim is not infringed, its dependent claims are not infringed. But if an
13 independent claim has been infringed, you must still decide whether the additional requirements
14 of its dependent claims have been infringed.

15 You have heard about both sides’ commercial products. In deciding whether a claim has been
16 infringed, you may not compare the alleged infringer’s products to the patent holder’s products.
17 Rather, you must compare the accused products to the claim.

18 Whether the alleged infringer knew its products infringed, or knew of the patent, does not matter
19 in determining direct infringement.

20 There are two ways in which a claim may be directly infringed: “literally” or under the “doctrine
21 of equivalents.” I will now instruct you on both.

22 **Source**

23 Adapted from N.D. Cal. Model Patent Jury Instr. B.3.2.

24 **Authorities**

25 35 U.S.C. § 271; *Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997);
26 *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1310-11 (Fed. Cir.
27 2005); *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d 1314, 1330-34 (Fed. Cir. 2001); *Seal-Flex,*
28 *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).

Samsung’s Objection to Apple’s Instruction

Samsung objects to Apple’s Instruction to the extent it fails to explicitly state that the jury must
consider separately whether each of Samsung’s devices infringe each disputed claim of Apple’s
patents and whether each of Apple’s devices infringe each disputed claim of Samsung’s patents.
Samsung asserts that it’s proposed instruction immediately below will be more helpful for the
jury.

1 **Samsung’s Proposed Instruction**

2 A utility patent’s claims define what is covered by the patent. A product directly infringes a
3 utility patent if it is covered by at least one claim of the patent.

4 Deciding whether a claim has been directly infringed is a two-step process. The first step is to
5 decide the meaning of the utility patent claim. I have already made this decision for some of the
6 patent claims, and I have already instructed you as to the meaning of some of those claims. The
7 second step is to decide whether the accused party has made, used, sold, offered for sale, or
8 imported into the United States a product covered by a claim of the utility patent. If so, it
9 infringes. You, the jury, make this decision.

10 With one exception, you must consider each of the asserted claims of the patent individually, and
11 decide whether the accused party’s product infringes that claim. The one exception to
12 considering claims individually concerns dependent claims. A dependent claim includes all of
13 the requirements of a particular independent claim, plus additional requirements of its own. As a
14 result, if you find that an independent claim is not infringed, you must also find that its dependent
15 claims are not infringed. On the other hand, if you find that an independent claim has been
16 infringed, you must still separately decide whether the additional requirements of its dependent
17 claims have also been infringed.

18 With regards to Samsung’s utility patents, you will hear evidence about Samsung’s commercial
19 products and Apple’s accused products. Likewise, with regards to Apple’s utility patents, you
20 will hear evidence about Apple’s commercial products and Samsung’s accused products.
21 However, in deciding the issue of infringement you may not compare one party’s accused
22 products to the other party’s commercial products. Rather, you must compare the accused
23 product to the claims of the patent when making your decision regarding infringement.

24 You must consider separately whether each of Samsung’s accused devices infringe each disputed
25 claim of Apple’s patents. Samsung’s devices infringe a patent if every element in one of the
26 patent’s claims is found in Samsung’s device.

27 You must also consider separately whether each of Apple’s accused devices infringe each
28 disputed claim of Samsung’s patents. Apple’s devices infringe a patent if every element in one of
the patent’s claims is found in Apple’s device.

Whether or not the accused party knew its product 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.

Source

N.D. Cal. Model Patent Jury Instr. B.3.2; 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); *In re Seagate Tech., LLC*, 497 F. 3d 1360, 1368 (Fed. Cir. 2007) (*en banc*)
 (“patent infringement is a strict liability offense”).

1 **Apple's Objection to Samsung's Instruction**

2 Samsung's proposed instruction is far lengthier than necessary. Apple's proposed instruction
3 No. 19 provides a much more concise and clear explanation of direct infringement. Furthermore,
4 the fourth paragraph of Samsung's Instruction No. 19 refers to Samsung's patents and Apple's
5 accused products before it refers to Apple's patents and Samsung's accused products. That is
6 backwards. Apple should come first.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 20**
2 **UTILITY PATENTS—LITERAL INFRINGEMENT**

3 **Apple's Proposed Instruction**

4 To decide whether an accused product literally infringes a claim, you must compare the product
5 to the claim and determine whether every requirement of the claim is in that product. If so, the
6 product literally infringes. If not, it does not literally infringe. You must decide this for each
7 claim asserted against a product.

8 If the patent claim uses the term "comprising," that patent claim is to be understood as an open
9 claim. The asserted claims for all of the patents in this dispute are to be understood as open
10 claims. An open claim is infringed as long as every requirement in the claim is present in the
11 accused product. The fact that the accused product also includes other parts will not avoid
12 infringement, as long as it has every requirement in the patent claim.

13 **Source**

14 Adapted from N.D. Cal. Model Patent Jury Instr. B.3.3.

15 **Authorities**

16 *MicroStrategy Inc. v. Business Objects, S.A.*, 429 F.3d 1344, 1352-53 (Fed. Cir. 2005); *Netword,*
17 *LLC v. Centraal Corp.*, 242 F.3d 1347, 1353 (Fed. Cir. 2001); *Cole v. Kimberly-Clark Corp.*,
18 102 F.3d 524, 532 (Fed. Cir. 1996); *Ecolab, Inc. v. FMC Corp.*, 569 F.3d 1335 (Fed. Cir. 2009);
19 *Cross Med. Prods. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293 (Fed. Cir. 2005); *BMC*
20 *Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007). Note that the issue of divided
21 infringement is the subject of two en banc cases pending at this writing: *Akamai Techs., Inc. v.*
22 *Limelight Networks, Inc.*, 629 F.3d 1311 (Fed. Cir. 2010) and *McKesson Techs. v. Epic Sys.*
23 *Corp.*, 463 F. App'x 906 (Fed. Cir. May 26, 2011).

24 **Samsung's Objection to Apple's Instruction**

25 The Court should adopt Samsung's proposal that follows.
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1 **Samsung’s Proposed Instruction**

2 To decide whether a product literally infringes an asserted claim of a utility patent, you must
3 compare that product with the patent claim and determine whether every requirement of the claim
4 is included in that product. If so, the product literally infringes that claim. If, however, the
product does not have every requirement in the patent claim, the product does not literally
infringe that claim. You must decide literal infringement for each asserted claim separately.

5 If the patent claim uses the term “comprising,” that patent claim is to be understood as an open
6 claim. The asserted claims for all of the patents in this dispute are to be understood as open
7 claims. An open claim is infringed as long as every requirement in the claim is present in the
accused product. The fact that the accused product also includes other parts will not avoid
infringement, as long as it has every requirement in the patent claim.

8 **Source**

9 N.D. Cal. Model Patent Jury Instr. B.3.3; *MicroStrategy Inc. v. Business Objects, S.A.*, 429 F.3d
10 1344, 1352-53 (Fed. Cir. 2005); *Netword, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353 (Fed.
11 Cir. 2001); *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 532 (Fed. Cir. 1996); *Ecolab, Inc. v.*
12 *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).

13 **Apple’s Objection to Samsung’s Instruction**

14 Samsung’s proposed instruction is lengthier than necessary. Apple’s proposed instruction No. 20
15 provides a more concise explanation of literal infringement. This makes Apple’s proposal more
juror-friendly.

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 21**
2 **UTILITY PATENTS—INFRINGEMENT UNDER THE DOCTRINE OF**
3 **EQUIVALENTS²**

4 **Apple’s Proposed Instruction**

5 If you decide that any accused product does not literally infringe an asserted claim from one of
6 the other side’s asserted utility patents, you must decide whether the product infringes that claim
7 under the “doctrine of equivalents.”

8 An accused product infringes a claim if it has parts or software instructions that are identical or
9 equivalent to the claim requirements. If the product lacks a part or software instructions that is
10 identical or equivalent to even one claim requirement, the product does not infringe. You must
11 look at each requirement of the claim and decide whether the product has a part or a set of
12 instructions that is identical or equivalent to it.

13 A product part or a set of software instructions is equivalent to a claim requirement if a person of
14 ordinary skill in the field would think that the differences between the part or instructions and the
15 requirement were not substantial at the time of alleged infringement. One way to decide this is
16 to look at whether, at the time, the product part or instructions performed substantially the same
17 function, in substantially the same way, to achieve substantially the same result as the claim
18 requirement.

19 You may also consider whether, at the time of alleged infringement, persons of ordinary skill in
20 the field would have known that the part or instructions in the accused product and the claim
21 requirement were interchangeable. Known interchangeability is not required, but it may support
22 a finding of infringement under the doctrine of equivalents. That a product part or instructions
23 perform the same function as the claim requirement is not, by itself, sufficient to show known
24 interchangeability.

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

28 **Source**

Adapted from N.D. Cal. Model Patent Jury Instr. B.3.4.

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 Assocs. v. R.E. Serv. 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).

² Apple does not believe that Samsung should be permitted to rely on the doctrine of equivalents with respect to any of its infringement contentions. Apple reserves the right to modify the instruction if the Court rules in its favor on this issue.

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Samsung’s Objection to Apple’s Instruction

Samsung objects to Apple’s Instruction because Apple does not make it clear that the doctrine of equivalents has only been asserted for Samsung’s ‘460 patent. Because Apple failed to assert a doctrine of equivalents theory for the asserted claims of the ‘381, ‘915, and ‘163 patents in its infringement contentions, it is precluded from doing so now. *MEMC Elec. Materials v. Mitsubishi Materials Silicon Corp.*, 2004 WL 5363616, at *4 (N.D. Cal. 2004) (precluding reliance of doctrine of equivalents theory not disclosed in infringement contentions); *Rambus, Inc. v. Hynix Semiconductor Inc.*, 2008 WL 5411564, at *3 (N.D. Cal. 2008) (same); *Genentech, Inc. v. Amgen*, 289 F.3d 761, 773–74 (Fed. Cir. 2002). In addition, Samsung objects to Apple’s Instruction to the extent it does not contain a paragraph regarding interchangeability. Apple’s Instruction differs from the Northern District of California’s Model Patent Jury Instructions in this regard and Samsung believes it is important for the jury to understand that the fact that a part of the product performs the same function as the claim requirement is not, by itself, sufficient to show known interchangeability. Samsung’s proposed instruction immediately below is preferable because it more closely follows the Northern District of California’s Model Patent Jury Instructions and does not contain attorney argument, as does Apple’s Instruction.

1 **Samsung’s Proposed Instruction**

2 If you decide that the products accused of infringing Samsung’s ’460 patent do not literally
3 infringe, you must then decide whether those products infringe the asserted claim under what is
4 called the “doctrine of equivalents.” Because Apple has not asserted infringement under the
5 doctrine of equivalents for its ’381, ’915 and ’163 patents and Samsung has not asserted
6 infringement under the doctrine of equivalents for its ’893 and ’711 patents, you cannot determine
7 infringement under the doctrine of equivalents for these patents.³ You will only determine
8 whether those patents are literally infringed.

9 If you decide that the accused products do not literally infringe an asserted utility patent claim,
10 you must then decide whether that product infringes the asserted claim under what is called the
11 “doctrine of equivalents.” Certain of Apple’s accused products are accused of utility patent
12 infringement under the “doctrine of equivalents.”

13 Under the doctrine of equivalents, the product can infringe an asserted utility patent claim if it
14 includes parts that are identical or equivalent to the requirements of the claim. If the product is
15 missing an identical or equivalent part to even one requirement of the asserted utility patent
16 claim, the product cannot infringe the claim under the doctrine of equivalents. Thus, in making
17 your decision under the doctrine of equivalents, you must look at each individual requirement of
18 the asserted utility patent claim and decide whether the product has either an identical or
19 equivalent part to that individual claim requirement.

20 A part of a product is equivalent to a requirement of an asserted claim if a person of ordinary skill
21 in the field would think that the differences between the part and the requirement were not
22 substantial as of the time of the alleged infringement.

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

26 One way to decide whether any difference between a requirement of an asserted claim and a part
27 of the product is not substantial is to consider whether, as of the time of the alleged infringement,
28 the part of the product performed substantially the same function, in substantially the same way,
to achieve substantially the same result as the requirement in the patent claim.

29 In deciding whether any difference between a claim requirement and the product is not
30 substantial, you may consider whether, at the time of the alleged infringement, persons of
31 ordinary skill in the field would have known of the interchangeability of the part with the claimed
32 requirement. The known interchangeability between the claim requirement and the part of the
33 product is not necessary to find infringement under the doctrine of equivalents. However, known
34 interchangeability may support a conclusion that the difference between the part in the product
35 and the claim requirement is not substantial. The fact that a part of the product performs the same
36 function as the claim requirement is not, by itself, sufficient to show known interchangeability.

37 ³ Because Apple failed to assert a doctrine of equivalents theory for the asserted claims of
38 the ’381, ’915, and ’163 patents in its infringement contentions, it is precluded from doing so
now. *MEMC Elec. Materials v. Mitsubishi Materials Silicon Corp.*, 2004 WL 5363616, at *4
(N.D. Cal. 2004) (precluding reliance of doctrine of equivalents theory not disclosed in
infringement contentions); *Rambus, Inc. v. Hynix Semiconductor Inc.*, 2008 WL 5411564, at *3
(N.D. Cal. 2008) (same); *Genentech, Inc. v. Amgen*, 289 F.3d 761, 773–74 (Fed. Cir. 2002).

1 **Source**

2 N.D. Cal. Model Patent Jury Instr. B.3.4; *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,
3 535 U.S. 722 (2002); *Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17
4 (1997); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 609 (1950); *Abraxis*
5 *Bioscience, Inc. v. Mayne Pharma (USA) Inc.*, 467 F.3d 1370, 1379-82 (Fed. Cir. 2006); *Pfizer,*
6 *Inc. v. Teva Pharms., USA, Inc.*, 429 F.3d 1364, 1378 (Fed. Cir. 2005); *Johnston & Johnston*
7 *Assoc. v. R.E. Service Co.*, 285 F.3d 1046 (Fed. Cir. 2002) (*en banc*); *Multiform Desiccants,*
8 *Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1480 (Fed. Cir. 1998); *Dolly, Inc. v. Spalding & Evenflo*
9 *Cos.*, 16 F.3d 394, 397 (Fed. Cir. 1994).

10 **Apple’s Objection to Samsung’s Instruction**

11 Samsung’s proposed instruction is lengthier than necessary. Apple’s proposed instruction No. 21
12 offers a shorter explanation of the doctrine of equivalents that is couched in more plain language
13 than Samsung’s proposal. And, although more concise, Apple’s instruction No. 21 contains all
14 of the substance found in the Northern District model. It is missing nothing. Especially in
15 combination with all the other more concise instructions offered by Apple, Apple’s proposal is
16 more juror-friendly. Samsung’s instruction No. 21 also does not refer to “software instructions;”
17 it only speaks of “parts” that might have equivalents. The “parts” terminology does not fit for all
18 the infringement issues in this case. Finally, Apple does not believe that Samsung should be
19 permitted to rely on the doctrine of equivalents with respect to any of its infringement
20 contentions. Samsung did not properly disclose this theory. Accordingly, regardless of which
21 version of the competing instructions the Court adopts, the Court should tailor the language so
22 that it only applies to Apple’s assertion of an infringement theory based on the doctrine of
23 equivalents.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 22**
2 **UTILITY PATENTS— LIMITATIONS ON THE DOCTRINE OF EQUIVALENTS⁴**

3 **Apple’s Proposed Instruction**

4 Because Samsung made certain claim changes or statements during patent prosecution, the
5 doctrine of equivalents analysis cannot be applied to the following requirements of the asserted
6 claims:

- 7 • The limitation requiring “wherein the music background play object includes an
8 application module including at least one applet” in claim 9 of the ’711 patent.
- 9 • The limitations requiring a “first E-mail transmission sub-mode,” a “second E-mail
10 transmission sub-mode,” “displaying an image most recently captured in a camera
11 mode,” “sequentially displaying other images stored in a memory through the use of
12 scroll keys” in claim 1 of the ’460 patent.
- 13 • The limitation requiring “irrespective of a duration” in claim 10 of the ’893 patent.

14 Unless each of these requirements is literally present within Apple’s accused products or
15 methods, there can be no infringement of these claims.

16 **Source**

17 N.D. Cal. Model Patent Jury Instr. B.3.7.

18 **Authorities**

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

22 **Samsung’s Objection to Apple’s Instruction**

23 Samsung objects to Apple’s Instruction because Apple does not make it clear that the doctrine of
24 equivalents has only been asserted for Samsung’s ’460 patent. Because Apple failed to assert a
25 doctrine of equivalents theory for the asserted claims of the ’381, ’915, and ’163 patents in its
26 infringement contentions, it is precluded from doing so now. *MEMC Elec. Materials v.*
27 *Mitsubishi Materials Silicon Corp.*, 2004 WL 5363616, at *4 (N.D. Cal. 2004) (precluding
28 reliance of doctrine of equivalents theory not disclosed in infringement contentions); *Rambus,*
29 *Inc. v. Hynix Semiconductor Inc.*, 2008 WL 5411564, at *3 (N.D. Cal. 2008) (same); *Genentech,*
30 *Inc. v. Amgen*, 289 F.3d 761, 773–74 (Fed. Cir. 2002). In addition, Samsung has not asserted a
31 doctrine of equivalents argument for either the ’711 or ’893 patent; therefore, Apple’s instruction
32 regarding those patents is improper. Regardless, Samsung disputes whether each of the doctrine

33 ⁴ Apple does not believe that Samsung should be permitted to rely on the doctrine of
34 equivalents with respect to any of its infringement contentions. Apple reserves its right to
35 withdraw or modify this instruction if the Court rules in its favor on this issue.

1 of equivalents analysis can be applied to each of the limitations identified by Apple. In sum,
2 Samsung asserts that Apple's instruction is unnecessary and prejudicial to Samsung and should
not be included.

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 23**
2 **UTILITY PATENTS—INVALIDITY—BURDEN OF PROOF**

3 **Apple's Proposed Instruction**

4 I will now instruct you on how to decide whether each party has proven that claims of the other
5 side's utility patents are invalid. For each claim, the alleged infringer must persuade you by
6 clear and convincing evidence that the claim is invalid.

7 **Source**

8 Adapted from N.D. Cal. Model Patent Jury Instr. B.4.1.

9 **Authorities**

10 *Microsoft Corp. v. i4i Ltd. P'ship*, 131 S. Ct. 2238, 2242, 2251 (2011); *Buildex, Inc. v. Kason*
11 *Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988); *Hybritech, Inc. v. Monoclonal Antibodies,*
12 *Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986); *Sciele Pharma Inc. v. Lupin Ltd.*, No. 2012-1228,
13 2012 U.S. App. LEXIS 13513, at *12-14 (Fed. Cir. July 2, 2012) ("Whether a reference was
14 previously considered by the PTO, the burden of proof is the same: clear and convincing
15 evidence of invalidity.").

16 **— OR —**

17 I will now instruct you on how to decide whether each party has proven that claims of the other
18 side's utility patents are invalid. For each claim, the alleged infringer must persuade you by
19 clear and convincing evidence that the claim is invalid.

20 In deciding this issue, you may take into account that each alleged infringer relies on certain
21 prior art that was not considered by the Patent Office when it issued the asserted patents.
22 Although the alleged infringer must persuade you of invalidity by clear and convincing evidence,
23 prior art that was not considered by the Patent Office may carry more weight than prior art that
24 was considered. This may make an alleged infringer's burden of showing invalidity easier to
25 sustain. Conversely, relying on prior art that was considered by the Patent Office may make an
26 alleged infringer's burden of showing invalidity by clear and convincing evidence more difficult
27 to sustain.

28 **Source**

N.D. Cal. Model Patent Jury Instr. B.4.1.

Authorities

Microsoft Corp. v. i4i Ltd. P'ship, 131 S.Ct. 2238, 2242, 2251 (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); *Sciele Pharma Inc. v. Lupin Ltd.*, No. 2012-1228,
2012 U.S. App. LEXIS 13513, at *12-14 (Fed. Cir. July 2, 2012) ("Whether a reference was
previously considered by the PTO, the burden of proof is the same: clear and convincing
evidence of invalidity.").

1 **Samsung's Objection to Apple's Instruction**

2 Samsung objects to Apple's Proposed Final Instruction No. 23 Alternative 1 Instruction in that it
3 fails to provide any guidance on prior art that was considered by the Patent Office. Samsung
4 objects to Apple's Proposed Final Instruction No. 23 Alternative 2 Instruction to the extent it
5 differs from the Northern District of California's Model Patent Jury Instruction. Samsung asserts
6 that its proposed instruction immediately below is preferable to either of Apple's alternative
7 instructions.
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1 **Samsung’s Proposed Instruction**

2 I will now instruct you on the rules you must follow in deciding whether the alleged infringer has
3 proven that the asserted claims of the other party’s utility patents are invalid. Before discussing
4 the specific rules, I want to remind you about the standard of proof that applies to this defense.
To prove invalidity of any utility patent claim, the alleged infringer must persuade you by clear
and convincing evidence that the claim is invalid.

5 During this case, both Apple and Samsung have submitted evidence, including but not limited to,
6 prior art that was not considered by the United States Patent and Trademark Office (PTO) during
7 the prosecution of the patents at issue. Each contends that such prior art invalidates certain claims
8 of the other’s utility patents. In deciding the issue of invalidity, you may take into account the
9 fact that the prior art was not considered by the PTO when it issued the utility patent. Prior art
10 that differs from the prior art considered by the PTO may carry more weight than the prior art that
11 was considered and may make the alleged infringer’s burden of showing by clear and convincing
12 evidence that a utility patent claim is invalid easier to sustain.

13 **Source**

14 N.D. Cal. Model Patent Jury Instr. B.4.1; *Microsoft Corp. v. i4i Ltd. P’ship*, 131 S.Ct. 2238,
15 2242, 2251 (2011); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988);
16 *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986).

17 **Apple’s Objection to Samsung’s Instruction**

18 Samsung’s proposed instruction tells only part of the story regarding the accused infringer’s
19 burden of proof on patent invalidity. Although Samsung follows the Northern District model
20 instruction on this issue, Apple’s two proposed instructions offer more balanced and legally
21 accurate alternatives. Samsung’s instruction begins by correctly stating that the burden of
22 proving invalidity is clear and convincing evidence. The instruction goes on to say that uncited
23 prior art “may carry more weight than the prior art that was considered and may make the
24 alleged infringer’s burden of showing [invalidity] easier to sustain.” There are two problems
25 with this. First, if the Court instructs the jury about the effect of uncited art, it should also make
26 clear that the burden never changes—it always remains clear and convincing. *See Microsoft*
27 *Corp. v. i4i LTD Partnership*, 131 S.Ct. 2238, 2242, 2251 (2011); *Sciele Pharma Inc. v. Lupin*
28 *Ltd.*, No. 2012-1228, 2012 U.S. App. LEXIS 13513, at *12-13 (Fed. Cir. July 2, 2012)
 (“Whether a reference was previously considered by the PTO, the burden of proof is the same:
clear and convincing evidence of invalidity.”). Second, if the jury is told that uncited art may
make the challenger’s burden easier to sustain, it should also be told about the converse: relying
on previously considered art may make the burden more difficult to sustain. *See Sciele Pharma*,
2012 U.S. App. LEXIS 13513, at *15-16 (“Conversely, it may be harder to meet the clear and
convincing burden when the invalidity contention is based upon the same argument on the same
reference that the PTO already considered.”). Samsung’s proposal tells only half the story. The
Court should either tell the full story (alternative 2 in Apple’s proposed instruction No. 23), or
simply state that the burden is clear and convincing evidence, and leave it at that (alternative 1 in
Apple’s proposed instruction No. 23).

1 **PROPOSED FINAL JURY INSTRUCTION NO. 24**
2 **UTILITY PATENTS—WRITTEN DESCRIPTION REQUIREMENT**

3 **Apple’s Proposed Instruction**

4 A utility patent claim is invalid if the patent does not contain an adequate written description of
5 the claimed invention. This requirement is satisfied if a person of ordinary skill in the field
6 reading the original patent application at the time it was filed would have recognized that the
7 application described the claimed invention. A claim requirement need not be expressly
8 disclosed in the application. It is sufficient that a person of ordinary skill would understand that
9 the missing requirement was necessarily implied in the application.

10 **Source**

11 Adapted from N.D. Cal. Model Patent Jury Instr. B.4.2a.

12 **Authorities**

13 35 U.S.C. § 112(1) and (2); *In re Skvorecz*, 580 F.3d 1262, 1269 (Fed. Cir. 2009); *Kao Corp. v.*
14 *Unilever U.S., Inc.*, 441 F.3d 963, 968 (Fed. Cir. 2006); *Chiron Corp. v. Genentech, Inc.*, 363
15 F.3d 1247 (Fed. Cir. 2004); *Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed.
16 Cir. 2000); *Lampi Corp. v. Am. Power Prods., Inc.*, 228 F.3d 1365, 1377-78 (Fed. Cir. 2000);
17 *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1478-80 (Fed. Cir. 1998); *In re Alton*, 76
18 F.3d 1168, 1172 (Fed. Cir. 1996); *Univ. of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 926-
19 928 (Fed. Cir. 2004).

20 **Samsung’s Objection to Apple’s Instruction**

21 Samsung objects to Apple’s Instruction as unnecessary and likely to confuse the jury. In
22 addition, Samsung objects to Apple’s Instruction in that it omits several substantive phrases and
23 sentences from the Northern District of California’s Model Patent Jury Instruction (*e.g.*, “even
24 though the description may not use the exact words found in the claim”), which is prejudicial to
25 Samsung. If the Court chooses to provide an instruction on Written Description, Samsung asks
26 that it follow the Northern District of California’s Model Patent Jury Instruction 4.2a.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 25**
2 **UTILITY PATENTS—ANTICIPATION/STATUTORY BARS**

3 **Apple’s Proposed Instruction**

4 A utility patent claim is invalid if it was not new or if the application for it was not filed by the
5 required time. The claim is invalid if all the claim requirements existed in a single prior art
6 reference that predates the claimed invention or that was dated more than one year before the
7 application was filed. The description in a prior art reference does not have to be in the same
8 words as the claim. But all of the claim requirements must be there, either expressly or
9 implicitly, so that one of ordinary skill in the field looking at it would be able to make and use
10 the claimed invention.

11 Here are ways that either side can show that an asserted claim is invalid because it was not new
12 or because the application for it was not timely filed:

- 13 • If the claimed invention was publicly known or publicly used in the United States before
14 the date of conception of the claim;
- 15 • If the claimed invention was patented or described in a printed publication anywhere in
16 the world before the date of conception of the claim, or more than one year before the
17 effective filing date of the patent;
- 18 • If the claimed invention was made by someone else in the United States before the date
19 of conception of the claim, if that person had not abandoned the invention or kept it
20 secret;

21 If the patent holder and the alleged infringer dispute who is a first inventor, the person
22 who first conceived of the claimed invention and first reduced it to practice is the first
23 inventor. If one person conceived first, but reduced to practice second, that person is the
24 first inventor only if that person (a) began to reduce the claimed invention to practice
25 before the other party conceived of it, and (b) continued to work diligently to reduce it to
26 practice. An invention is “reduced to practice” when it has been tested sufficiently to
27 show that it will work for its intended purpose or when it is fully described in an
28 application filed with the Patent Office.

- 29 • If the claimed invention was described in another U.S. patent or published patent
30 application that was based on a patent application filed before the date of conception of
31 the claim.
- 32 • If the claimed invention was openly used in the United States more than one year before
33 the effective filing date of the patent, and that use was not primarily an experimental use
34 controlled by the inventor to test whether the invention worked for its intended purpose;
- 35 • If a device using the claimed invention was sold or offered for sale in the United States,
36 and was ready for patenting, more than one year before the effective filing date of the
37 patent. The claimed invention was not being sold or offered for sale if the sale or offer
38 was primarily experimental. The claimed invention was ready for patenting if it was
39 actually built, or if the inventor had prepared drawings or other descriptions of the
40 invention that were sufficiently detailed to enable a person of ordinary skill in the field to
41 make and use it based on them.

42 The parties agree that the patents at issue have the following effective filing dates:

- 43 • ’381 patent: January 7, 2007.

- '915 patent: January 7, 2007.
- '163 patent: September 6, 2006.

In deciding whether a reference qualifies as prior art, you may have to determine the date of conception of the claimed invention, and of any alleged prior invention(s) relied on by the accused infringer. Conception is defined as the mental part of an inventive act. It is proven when the invention is shown in its complete form by drawings, disclosure to another, or other forms of evidence presented at trial.

Source

Adapted from N.D. Cal. Model Patent Jury Instr. B.4.3a1, B.4.3a2.

Authorities

35 U.S.C. § 102; *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).

Samsung's Objection to Apple's Instruction

Samsung objects to Apple's Instruction in that it combines Northern District of California's Model Patent Jury Instruction 4.3a1 and 4.3a2, which would be confusing to a jury. Samsung also objects to the Instruction in that it includes alleged "effective filing dates" for the '381, '915, and '163 patents. Samsung does not, as Apple asserts "agree" on these effective filing dates; therefore, at the least, this portion of Apple's Instruction should be stricken. Further, Samsung objects to the Instruction in that it omits the final paragraph from Model Patent Jury Instruction 4.3a2, which lays out the requirements for a claim to be invalid because of a statutory bar. Such an omission would be unduly confusing to a jury. Finally, Samsung objects to Apple's omission of a paragraph regarding enablement of a prior art reference. There are both prior art patents and prior publications at issue here, and Samsung believes an instruction on the presumptions afforded those pieces of prior art would be instructive to the jury. Samsung's Alternative to Apple's Proposed Final Instruction No. 25 and 25.1 below closely follow the Northern District of California's Model Patent Jury Instruction and are preferable to Apple's biased Instruction.

1 **Samsung’s Proposed Instruction**

2 A utility patent claim is invalid if the claimed invention is not new. For the claim to be invalid
3 because it is not new, all of its requirements must have existed in a single device or method that
4 predates the claimed invention, or must have been described in a single previous publication or
5 patent that predates the claimed invention. In patent law, these previous devices, methods,
6 publications or patents are called “prior art references.” If a utility patent claim is not new we say
7 it is “anticipated” by a prior art reference.

8 In order to be anticipating, a prior art reference must enable one of ordinary skill in the art to
9 make the invention without undue experimentation. If the prior art is a patent, there is a
10 presumption that it is enabled. However, if the prior art is a publication, there is a presumption
11 that it is not enabled.

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

16 Here is a list of the ways that the alleged infringer can show that a patent claim was not new:

17 If the claimed invention was already publicly known or publicly used by others in the
18 United States before the date of conception;

19 If the claimed invention was already patented or described in a printed publication
20 anywhere in the world before the date of conception. A reference is a “printed
21 publication” if it is accessible to those interested in the field, even if it is difficult to find;

22 If the claimed invention was already made by someone else in the United States before the
23 date of conception, if that other person had not abandoned the invention or kept it secret;

24 If the claimed invention was already described in another issued U.S. patent or published
25 U.S. patent application that was based on a patent application filed before the date of
26 conception;

27 If the patent holder and alleged infringer dispute who is a first inventor, the person who
28 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 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.

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

33 **Source**

34 N.D. Cal. Model Patent Jury Instr. B.4.3a1; 35 U.S.C. § 102(a), (c), (e), (f) and (g); *Flex-Rest,*
35 *LLC v. Steelcase, Inc.*, 455 F.3d 1351, 1358-60 (Fed. Cir. 2006); *Invitrogen Corp. v. Biocrest*
36 *Mfg., L.P.*, 424 F.3d 1374, 1379-82 (Fed. Cir. 2005); *Apotex U.S.A., Inc. v. Merck & Co.*,
37 *254 F.3d 1031, 1035* (Fed. Cir. 2001); *Mycogen Plant Science, Inc. v. Monsanto Co.*, 243 F.3d

1 1316, 1330 (Fed. Cir. 2001); *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1367-70
2 (Fed. Cir. 2000); *Singh v. Brake*, 222 F.3d 1362, 1366-70 (Fed. Cir. 2000); *Pannu v. Iolab Corp.*,
3 155 F.3d 1344, 1349 (Fed. Cir. 1998); *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d
4 1573, 1576-78 (Fed. Cir. 1997); *Lamb-Weston, Inc. v. McCain Foods, Ltd.*, 78 F.3d 540, 545
5 (Fed. Cir. 1996); *In re Bartfeld*, 925 F.2d 1450 (Fed. Cir. 1985); *Ralston Purina Co. v. Far-Mar-*
6 *Co, Inc.*, 772 F.2d 1570, 1574 (Fed. Cir. 1985); *American Stock Exch., LLC v. Mopies*, 250 F.
7 Supp. 2d 323 (S.D.N.Y. 2003); *In re Wyer*, 655 F.2d 221, 226 (C.C.P.A. 1981); *Impax Labs, Inc.*
8 *v. Aventis Pharms. Inc.*, 468 F.3d 1366, 1381-84 (Fed. Cir. 2006); *Amgen Inc. v. Hoechst Marion*
9 *Roussel, Inc.*, 314 F.3d 1313, 1354 (Fed. Cir. 2003); *Helifix, Ltd. v. Blok-Lok, Ltd.*, 208 F.3d
10 1339, 1346 (Fed. Cir. 2000); *Akzo N.V. v. U.S. Int'l Trade Comm'n*, 808 F.2d 1471, 1479 (Fed.
11 Cir. 1986); *Elan Pharms., Inc. v. Mayo Found.*, 346 F.3d 1051, 1057 (Fed. Cir. 2003)
12 (remanding the case to the district court for a determination of whether the prior art reference
13 enabled persons of ordinary skill to make the invention without undue experimentation); *In re*
14 *Donohue*, 766 F.2d 531, 533 (Fed. Cir. 1985).

15 Apple's Objection to Samsung's Instruction

16 Samsung's proposed instruction Nos. 25 and 25.1 take twice as long to instruct the jury on
17 anticipation than is necessary. By splitting up the different grounds for invalidity under
18 35 U.S.C. Section 102 into one instruction on "anticipation" and one instruction on the "statutory
19 bars," Samsung's instructions double the time the Court needs to spend reading these instructions
20 and doubles the text that the jury must digest. That is a waste. Apple's proposed instruction
21 No. 25 is a more streamlined and concise approach that includes all of the required content from
22 the Northern District model anticipation instructions, but takes up half the space. Apple's
23 proposal in fact provides more information. It informs the jury of the undisputed effective filing
24 dates for the Apple utility patents. In addition, Samsung's contention that "patents" are
25 presumed enabled is overbroad or ambiguous. The Federal Circuit has not held that foreign
26 patents are presumed enabled. Nor has the Federal Circuit held that patent applications, as
27 opposed to issued patents, are presumed enabled. The Court should not therefore give an
28 instruction on enablement as phrased here by Samsung.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 25.1**
2 **UTILITY PATENTS— ANTICIPATION (STATUTORY BAR)**

3 **Samsung’s Proposed Instruction**

4 A patent claim is invalid if the patent application was not filed within the time required by law.
5 This is called a “statutory bar.” For a patent claim to be invalid by a statutory bar, all of its
6 requirements must have been present in one prior art reference dated more than one year before
7 the patent application was filed. Here is a list of ways an alleged infringer can show that the
8 patent application was not timely filed:

- 9 – if the claimed invention was already patented or described in a printed publication
10 anywhere in the world one year before effective filing date of patent application. A
11 reference is a “printed publication” if it is accessible to those interested in the field, even if
12 it is difficult to find.;
- 13 – if the claimed invention was already being openly used in the United States one year
14 before the application filing date and that use was not primarily an experimental use (a)
15 controlled by the inventor, and (b) to test whether the invention worked for its intended
16 purpose;
- 17 – if a device or method using the claimed invention was sold or offered for sale in the
18 United States, and that claimed invention was ready for patenting, one year before the
19 application filing date.

20 For a claim to be invalid because of a statutory bar, all of the claimed requirements must have
21 been either (1) disclosed in a single prior art reference, (2) implicitly disclosed in a reference to
22 one skilled in the field, or (3) must have been present in the reference, whether or not that was
23 understood at the time. The disclosure in a reference does not have to be in the same words as the
24 claim, but all the requirements must be there, either described in enough detail or necessarily
25 implied, to enable someone of ordinary skill in the field of [identify field] looking at the reference
26 to make and use the claimed invention.

27 **Authorities**

28 35 U.S.C. § 102(b) and (d); *Pfaff v. Wells Elec. Inc.*, 525 U.S. 55 (1998); *Schering Corp. v.*
29 *Geneva Pharms.*, 339 F.2d 1273 (Fed Cir. 2003); *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339,
30 1346 (Fed. Cir. 2000); *Abbot Labs. v. Geneva Pharms., Inc.*, 182 F.3d 1315, 1318 (Fed. Cir.
31 1999); *Finnigan Corp. v. Int’l Trade Comm’n*, 180 F.3d 1354 (Fed. Cir. 1999); *J.A. LaPorte,*
32 *Inc. v. Norfolk Dredging Co.*, 787 F.2d 1577, 1581 (Fed. Cir. 1986); *In re Hall*, 781 F.2d 897,
33 898-99 (Fed. Cir. 1986); *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1150 (Fed.
34 Cir. 1983).

35 **Samsung’s Statement in Support**

36 Samsung objects to Apple’s Instruction in that it combines Northern District of California’s
37 Model Patent Jury Instruction 4.3a1 and 4.3a2, which would be confusing to a jury. *See also*
38 *Samsung’s Objection to Apple’s Proposed Final Instruction No. 25.*

39 **Apple’s Objection to Samsung’s Instruction**

40 Samsung’s proposed instruction Nos. 25 and 25.1 take twice as long to instruct the jury on
41 anticipation than is necessary. By splitting up the different grounds for invalidity under 35

1 U.S.C. Section 102 into one instruction on “anticipation” and one instruction on the “statutory
2 bars,” Samsung’s instructions double the time the Court needs to spend reading these instructions
3 and doubles the text that the jury must digest. That is a waste. Apple’s proposed instruction
4 No. 25 is a more streamlined and concise approach that includes all of the required content from
5 the Northern District model anticipation instructions, but takes up half the space. Apple’s
6 proposal in fact provides more information. It informs the jury of the undisputed effective filing
7 dates for the Apple utility patents. In addition, Samsung’s contention that “patents” are
8 presumed enabled is overbroad or ambiguous. The Federal Circuit has not held that foreign
9 patents are presumed enabled. Nor has the Federal Circuit held that patent applications, as
10 opposed to issued patents, are presumed enabled. The Court should not therefore give an
11 instruction on enablement as phrased here by Samsung.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 26**
2 **UTILITY PATENTS—OBVIOUSNESS**

3 **Apple’s Proposed Instruction**

4 A utility patent claim is invalid if the claimed invention would have been obvious to a person of
5 ordinary skill in the field at the time of invention. A claim is obvious if, even though all the
6 claim requirements cannot be found in a single prior art reference (as discussed in my previous
7 instruction), a person of ordinary skill in the relevant field would have come up with the claimed
8 invention.

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

11 First, you must decide the level of ordinary skill in the field at the time the invention was made.
12 In deciding this, you should consider all the evidence introduced at trial, including:

- 13
- 14 (1) the level of education and experience of persons working in the field;
 - 15 (2) the types of problems encountered in the field; and
 - 16 (3) the sophistication of the technology.

17 Second, you must decide the scope and content of the prior art.

18 Third, you must decide what differences existed between the claimed invention and the prior art.

19 Finally, you should consider any of the following factors that you find have been shown by the
20 evidence. Factors (1)-(6) may indicate that the claimed invention would not have been obvious
21 at the time it was made:

- 22 (1) commercial success of a product due to the merits of the claimed invention;
- 23 (2) a long felt need for the solution provided by the claimed invention;
- 24 (3) unsuccessful attempts by others to find the solution provided by the claimed
25 invention;
- 26 (4) copying of the claimed invention by others;
- 27 (5) unexpected and superior results from the claimed invention; and
- 28 (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.

Factor (7) may indicate that the claimed invention would have been obvious at the time it was
made:

- (7) independent invention of the claimed invention by others before or at about the
same time as the named inventor thought of it.

Although you should consider any evidence of these factors, the relevance and importance of any
of them to your decision on obviousness or non-obviousness is up to you.

1 A patent claim with several elements is not obvious merely because each element was
2 independently known in the prior art. In evaluating obviousness, you may consider whether
3 there was a reason for one of ordinary skill in the field to combine prior art elements in the same
4 way the claimed invention combines them. There is no one way to draw the line between true
5 inventiveness, and the application of common sense and ordinary skill.

6 For example, market forces or other incentives may be what produced a change, rather than true
7 inventiveness. You may consider whether the change was the predictable result of using prior art
8 elements according to their known functions, or whether it resulted from true inventiveness. You
9 may also consider whether there was a suggestion in the prior art to make the combination of
10 elements claimed in the patent, and whether the claim applies a known technique that had been
11 used with a similar device. You may also consider whether the claimed invention would have
12 been obvious to try, meaning that the claimed innovation was one of a small number of possible
13 approaches to the problem with a reasonable expectation of success.

14 However, you must always be careful not to determine obviousness using the benefit of
15 hindsight. Many true inventions might seem obvious after the fact. You should put yourself in
16 the position of a person of ordinary skill in the field at the time the claimed invention was made
17 and should not consider what is known today or what is learned from the teaching of the patent.

18 **Source**

19 Adapted from N.D. Cal. Model Patent Jury Instr. B.4.3b; Federal Circuit Bar Association Model
20 Patent Jury Instr. 4.3c.

21 **Authorities**

22 35 U.S.C. § 103; *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *KSR Int'l Co. v. Teleflex, Inc.*,
23 550 U.S. 398, 407 (2007); *Ruiz v. A.B. Chance Co.*, 234 F.3d 654 (Fed. Cir. 2000); *Arkie Lures,*
24 *Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957 (Fed. Cir. 1997); *Specialty Composites v.*
25 *Cabot Corp.*, 845 F.2d 981, 991 (Fed. Cir. 1988); *Windsurfing Int'l, Inc. v. AMF, Inc.*, 782 F.2d
26 995, 1000 (Fed. Cir. 1986); *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 313 (Fed. Cir.
27 1985). *See Novo Nordisk A/S v. Becton Dickinson & Co.*, 304 F.3d 1216, 1219-20 (Fed. Cir.
28 2002); *Wang Labs, Inc. 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).

29 **Samsung's Objection to Apple's Instruction**

30 Samsung objects to Apple's Instruction to the extent it differs from the Northern District of
31 California's Model Patent Jury Instruction. Samsung also disagrees with Apple's omission
32 regarding how any prior art reference must be reasonably related to the claimed invention, as
33 described in the Northern District of California's Model Patent Jury Instruction. This instruction
34 assists the jury in determining which prior art references may be considered when determining
35 obviousness. Therefore, Samsung's Alternative to Apple's Proposed Final Instruction No. 26
36 immediately below, which closely follows the Northern District of California's Model Patent
37 Jury Instruction and is preferable to Apple's Instruction.

1 **Samsung's Proposed Instruction**

2 Not all innovations are patentable. A utility patent claim is invalid if the claimed invention would
3 have been obvious to a person of ordinary skill in the field at the time the application was filed.
4 This means that, even if all of the requirements of the claim cannot be found in a single prior art
5 reference that would anticipate the claim or constitute a statutory bar to that claim, a person of
6 ordinary skill in the field who knew about all this prior art would have come up with the claimed
7 invention.

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

10 First, you must decide the level of ordinary skill in the field that someone would have had at the
11 time the claimed invention was made. In deciding the level of ordinary skill, you should consider
12 all the evidence introduced at trial, including:

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

16 Second, you must decide the scope and content of the prior art. The parties disagree as to
17 whether certain prior art references should be included in the prior art you use to decide the
18 validity of the claims. In order to be considered as prior art, these references must be reasonably
19 related to the claimed invention of that patent. A reference is reasonably related if it is in the
20 same field as the claimed invention or is from another field to which a person of ordinary skill in
21 the field would look to solve a known problem.

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

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

- 26 (1) commercial success of a product due to the merits of the claimed invention;
- 27 (2) a long felt need for the solution provided by the claimed invention;
- 28 (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) independent invention of the claimed invention by others before or at about the
same time as the named inventor thought of it; and
- (8) other evidence tending to show obviousness.

1 The presence of any of factors 1-7 may be considered by you as an indication that the claimed
2 invention would not have been obvious at the time the claimed invention was made, and the
3 presence of factor 8 may be considered by you as an indication that the claimed invention would
4 have been obvious at such time. Although you should consider any evidence of these factors, the
5 relevance and importance of any of them to your decision on whether the claimed invention
6 would have been obvious is up to you.

7 A patent claim composed of several elements is not proved obvious merely by demonstrating that
8 each of its elements was independently known in the prior art. In evaluating whether such a
9 claim would have been obvious, you may consider whether the alleged infringer has identified a
10 reason that would have prompted a person of ordinary skill in the field to combine the elements or
11 concepts from the prior art in the same way as in the claimed invention. There is no single way to
12 define the line between true inventiveness on the one hand (which is patentable) and the
13 application of common sense and ordinary skill to solve a problem on the other hand (which is
14 not patentable). For example, market forces or other design incentives may be what produced a
15 change, rather than true inventiveness. You may consider whether the change was merely the
16 predictable result of using prior art elements according to their known functions, or whether it
17 was the result of true inventiveness. You may also consider whether there is some teaching or
18 suggestion in the prior art to make the modification or combination of elements claimed in the
19 patent. Also, you may consider whether the innovation applies a known technique that had been
20 used to improve a similar device or method in a similar way. You may also consider whether the
21 claimed invention would have been obvious to try, meaning that the claimed innovation was one
22 of a relatively small number of possible approaches to the problem with a reasonable expectation
23 of success by those skilled in the art. However, you must be careful not to determine obviousness
24 using the benefit of hindsight; many true inventions might seem obvious after the fact. You
25 should put yourself in the position of a person of ordinary skill in the field at the time the claimed
26 invention was made and you should not consider what is known today or what is learned from the
27 teaching of the patent.

28 **Source**

N.D. Cal. Model Patent Jury Instr. B.4.3b (Alternative 2); 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); *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).

29 **Apple's Objection to Samsung's Instruction**

30 Samsung's proposed instruction No. 26 is longer than necessary. Apple has provided an
31 obviousness instruction that has all the substantive information that the jury needs to consider,
32 but that is presented in a more concise fashion. Apple's proposed instruction No. 26 also omits
33 needless information that the jury does not need to hear, such as on how to decide whether a
34 reference is properly within the scope and content of the prior art to be considered. This is not in
35 dispute.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 27**
2 **PATENT EXHAUSTION**

3 **Apple's Proposed Instruction**

4 I will now instruct you on how to decide Apple's defense of patent exhaustion. Apple contends
5 that Samsung is barred from enforcing the '516, '914, and '604 patents against Apple's
6 products – including the accused Apple iPhones and iPads – that incorporate baseband chipsets
7 that Intel sold to Apple because Intel was authorized by Samsung to sell those baseband chipsets.

8 To prevail on the defense of patent exhaustion, Apple must prove the following:

9 **First**, that Intel was authorized to sell the baseband chipsets under the terms of the license
10 agreement between Samsung and Intel;

11 **Second**, that the sales were made in the United States. The location of the sale depends
12 on many factors, and you may find that the sale occurred in several places. A sale occurs
13 wherever the "essential activities" of the sale take place. The essential activities include,
14 for example, negotiating the contract and performing obligations under the contract; and

15 **Third**, that the baseband chipsets substantially embody the '516, '914, and/or '604
16 patents. The baseband chipsets embody the relevant patent if they: (i) include all the
17 inventive aspects of the patented device; and (ii) have no reasonable non-infringing use.

18 If you find that Intel acted within the scope of authorization received from Samsung in selling its
19 baseband chipsets to Apple in the United States, and the baseband chipsets substantially embody
20 the '516, '914, and/or '604 patents, then you must find that Samsung is barred from enforcing
21 those patents against Apple's products that incorporate the Intel baseband chipsets.

22 **Authorities**

23 *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617 (2008); *Transcore, LP v. Elec.*
24 *Transaction Consultants Corp.*, 563 F.3d 1271 (Fed. Cir. 2009); *U.S. v. Univis Lens*, 316 U.S.
25 241 (1942); *Adams v. Burke*, 84 U.S. 453 (1873); *Bloomer v. Millinger*, 68 U.S. 340, 350-51
26 (1863); *Litecubes, LLC v. Northern Light Prods., Inc.*, 523 F.3d 1353, 1370-71 (Fed. Cir. 2008);
27 *N. Am. Philips Corp. v. Am. Vending Sales, Inc.*, 35 F.3d 1576, 1579 (Fed. Cir. 1994); *MEMC*
28 *Elec. Materials, Inc. v. Mitsubishi Materials Silicon Corp.*, 420 F.3d 1369, 1377 (2005); *Cyrix*
Corp. v. Intel Corp., 846 F. Supp. 522, 539 (E.D. Tex. 1994) ("Cyrix 1994"); *Intel Corp. v. ULSI*
Sys. Tech., Inc., 995 F.2d 1566, 1568 (Fed. Cir. 1993); *Cornell Univ. v. Hewlett-Packard Co.*,
No. 01-CV-1974, 2008 U.S. Dist. LEXIS 60209 (N.D.N.Y. Aug. 1, 2008).

29 **Samsung's Objection to Apple's Instruction**

30 Samsung objects to Apple's description of the second element of exhaustion. The fundamental
31 initial US sale requirement was recently reaffirmed by the Federal Circuit. *See Ninestar Tech.*
32 *Co. v. Int'l Trade Comm'n*, 667 F.3d 1373 (Fed. Cir. 2012) ("[P]atents are subject to exhaustion
33 upon sale of product or components in the United States."); *see also Fujifilm Corp. v. Benun*, 605
34 F.3d 1366, 1371 (Fed. Cir. 2010). Apple's instruction does not set forth the most important
35 requirement in assessing the location of the sale, which is where the items were delivered.
36 *Minebea Co., Ltd. v. Papst*, 444 F. Supp. 2d 68, 146 (D.D.C. 2006); *Cornell Research Found.,*
37 *Inc. v. Hewlett-Packard Co.*, 2007 WL 4349135, *51 (N.D.N.Y. Jan. 31, 2007).

1 **Samsung’s Proposed Instruction**

2 Apple has also asserted a defense of “patent exhaustion” to Samsung’s claim that Apple infringes
3 Samsung’s ’604 patent, ’516 patent, and ’941 patent. I will now explain the “patent exhaustion”
4 defense to you.

5 Apple claims that Samsung has licensed the use of the ’604, ’516, and ’941 patents to Intel. Apple
6 further claims that since it purchased baseband processor chips from Intel that are covered by the
7 license and that Apple therefore it is not liable for infringing Samsung’s patents. This is called the
8 “patent exhaustion” defense. In other words, Apple claims that Samsung’s licenses to Intel
9 baseband processor exhausts Samsung’s patent rights as to the use of Samsung’s technologies in
10 the Intel chips.

11 Apple has the burden of proving the “exhaustion” defense by a preponderance of the evidence. In
12 order to meet this burden, Apple must show that:

13 **First**, that Intel was authorized to sell the baseband processor chip under the terms of a
14 license agreement between Samsung and Intel. In making your determination, you must evaluate
15 whether the terms of Samsung’s license with Intel authorized the sales of the baseband chips.

16 **Second**, that Intel made an initial sale in the United States of the Intel baseband chips
17 incorporated in the accused products. In evaluating whether the sales took place in the United
18 States, you must consider whether the baseband processor chips were actually delivered to Apple
19 or its contractors in the United States.

20 **Third**, that the Intel baseband processor chips substantially embody the inventions of the
21 ’604 patent, ’516 patent, and ’941 patent.

22 Apple must prove each of these elements to prevail on this defense. If Apple does not prove any
23 one of these elements, you must reject Apple’s affirmative defense and find for Samsung on this
24 issue.

25 **Source**

26 *Quanta Computer, Inc. v. LG Elecs, Inc.*, 553 U.S. 617 (2008); *Ninestar Tech. Co. v. Int’l Trade*
27 *Comm’n*, 667 F.3d 1373 (Fed. Cir. 2012); *Fujifilm Corp. v. Benun*, 605 F.3d 1366 (Fed. Cir.
28 2010); *LaserDynamics, Inc. v. Quanta Storage America, Inc.*, No. 2:06-CV-348-TJW-CE, 2009
U.S. Dist. LEXIS 115848 at *3 (E.D. Tex. 2009); *MedImmune, LLC v. BioPharma, Inc.*, No. C
08-9550 JF HRL, 2011 WL 61191 at *17 (N.D. Cal. 2011); *Wing Shing Prods. Ltd. v. Simatelex*
Manufactory Co., 479 F. Supp. 2d 388, 403 (S.D.N.Y. 2007); *Transocean Offshore Deepwater*
Drilling, Inc. v. Stena Drilling Ltd., 659 F. Supp. 2d 790, 801 (S.D. Tex. 2009); 2009); *Intel*
Corp. v. Broadcom Corp., 173 F. Supp. 2d 201, 222 (D. Del 2001); *Gilson v. Republic of*
Ireland, 787 F.2d 655, 658 (D.C. Cir. 1986); *PPG Industries, Inc. v. Guardian Industries Corp.*,
597 F.2d 1090, 1093 (6th Cir. 1979); *E.I. du Pont de Nemours & Co. v. Shell Oil Co.*, 498 A.2d
1108, 1114 (Del. 1985); *Minebea Co. v. Papst*, 444 F. Supp. 2d 68 (D.D.C. 2006); *Cornell*
Research Found., Inc. v. Hewlett-Packard Co., No. 5:01-CV-1974, 2007 WL 4349135 at *51
(N.D.N.Y. Jan. 31, 2007).

29 **Apple’s Objection to Samsung’s Instruction**

30 Samsung’s proposed instruction misstates the law in two ways. First, the instruction states that,
31 in determining whether a sale occurred in the United States, the jury must consider only
32 “whether the Intel chips were delivered to Apple in the United States.” But that is an incomplete
33 and inaccurate statement of the law, since it describes only one way in which a sale may occur in

1 the United States. The Federal Circuit has made clear that a sale is made at all the locations
2 where the sale’s “essential activities,” including negotiation and performance of the contract for
3 sale or order and payment for the goods, take place. *See, e.g., MEMC Elec. Materials, Inc. v.*
4 *Mitsubishi Materials Silicon Corp.*, 420 F.3d 1369, 1376-77 (2005) (determining the location of
5 a sale by considering where its “essential activities,” such as ordering, packaging, shipping and
6 payment, took place); *North American Philips Corp. v. American Vending Sales, Inc.*, 35 F.3d
7 1576, 1579 (Fed. Cir. 1994) (stating that a sale occurs not only where legal title passes, but also
8 where contracting and performance occur); *Litecubes, LLC v. Northern Light Prods., Inc.*, 523
9 F.3d 1353, 1370-71 (Fed. Cir. 2008) (determining the location of a sale by considering where the
10 customers were located when they contracted for the accused products and where the products
11 were delivered). *Second*, the instruction states that Apple must show that the “only intended use
12 of the baseband processor chips is to practice the patent.” This misstates the law, which is that
13 the chips substantially embody the patents if there are no reasonable non-infringing uses and the
14 inventive elements of the patents are embodied in the chips. *See Quanta Computer, Inc. v. LG*
15 *Electronics, Inc.*, 553 U.S. 617 (2008) (holding that a chip substantially embodied a patent where
16 there was “no reasonable use” for the chip other than to practice the patent, and the chips
17 “embod[ied] the essential features” of the patented invention). Apple’s corresponding
18 instruction No. 27 is an accurate statement of the law of patent exhaustion.
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**PROPOSED FINAL JURY INSTRUCTION NO. 28
EQUITABLE DEFENSES – WAIVER⁵**

Apple’s Proposed Instruction

A patent is not enforceable when the patent holder’s course of conduct indicates to others in the industry that it does not intend to enforce its patents. Apple asserts that Samsung’s failure to timely disclose the existence of its “declared-essential” patents – including the ’604, ’941, and ’516 patents – to ETSI constitutes a waiver of its right to enforce those patents, and renders those patents unenforceable.

You must consider whether Apple has proven by clear and convincing evidence that Samsung’s conduct was inconsistent with an intent to enforce its rights and induced a reasonable belief that such right had been relinquished. To find that Samsung has waived its right to enforce the ’604, ’941, or ’516 patent, Apple must prove that Samsung had a duty to timely disclose the existence of those patents or related patent applications and failed to do so.

Source

Adapted from instructions in *Qualcomm Inc. v. Broadcom Corp.*, No. 05-cv-01958 (S.D. Cal.), as quoted in *Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1020 (Fed. Cir. 2008).

Authorities

Qualcomm Inc. v. Broadcom Corp., 548 F.3d 1004, 1020 (Fed. Cir. 2008); *Wang Labs, Inc. v. Mitsubishi Elec. Am., Inc.*, 103 F.3d 1571, 1580 (Fed. Cir. 1997) (citing *Spindelfabrik Suessen-Schurr Stahlecker & Grill GmbH v. Schubert & Salzer Maschinenfabrik Aktiengesellschaft*, 829 F.2d 1075, 1081 (Fed. Cir. 1987) (“In patent law, an implied license merely signifies a patentee’s waiver of the statutory right to exclude others from making, using, or selling the patented invention.”)).

Samsung’s Objection to Apple’s Instruction

Apple ignores a critical element of waiver as set forth in *Qualcomm v. Broadcom*, the very authority on which it relies: that appropriate circumstances must exist to justify the Court’s decision, sitting in equity, to hold the patents unenforceable. *See Qualcomm*, 548 F.3d at 1012.

⁵ Apple requests that the Court seek an advisory verdict from the jury on the question of waiver. *See, e.g., Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1009 (Fed. Cir. 2008) (addressing advisory jury verdict on waiver in patent infringement case involving the patent owner’s conduct before a standards-setting organization).

1 **Samsung’s Proposed Instruction**

2 **[CONDITIONAL INSTRUCTION ONLY. SAMSUNG DOES NOT BELIEVE**
3 **APPLE’S EQUITABLE CLAIMS SHOULD BE DECIDED BY THE JURY.]**

4 Apple has also asserted a defense of waiver to Samsung’s claim that Apple infringes Samsung’s
5 ’604 patent, ’516 patent, and ’941 patent. In order to prove waiver, Apple must show by clear
6 and convincing evidence that Samsung, with full knowledge of the material facts, intended to
7 relinquish its rights to enforce the ’604, ’941 and ’516 patents.

8 Apple asserts that Samsung’s failure to disclose the existence of the Korean patent applications
9 on which the ’604, ’941 and ’516 patents claim priority constitutes a waiver of its right to enforce
10 these patents and renders the patents unenforceable. To find that Samsung has waived its right to
11 enforce the patents, you must find that each of the following factors is met:

- 12 1. Samsung had a duty to disclose the existence of the Korean patent applications to
13 ETSI as a member of that organization.
- 14 2. The Korean patent applications were in fact essential to an ETSI standard.
- 15 3. Samsung breached its disclosure duty by failing to disclose the Korean patent
16 applications.
- 17 4. Appropriate circumstances exist to justify a finding that the ’604, ’941, and ’516
18 patents are unenforceable against products practicing the ETSI standard, including the accused
19 products.

20 **Source**

21 *Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004 (Fed. Cir. 2008). (“In order to prove waiver,
22 Broadcom must show by clear and convincing evidence either that Qualcomm, with full
23 knowledge of the material facts, intentionally relinquished its rights to enforce the 104 and 767
24 patents or that its conduct was so inconsistent with an intent to enforce its rights as to induce a
25 reasonable belief that such right has been relinquished.”).

26 **Apple’s Objection to Samsung’s Instruction**

27 Samsung’s proposed instruction misstates the law and Apple’s contentions in three ways. First,
28 the instruction states that Apple must prove that Samsung “with full knowledge of the material
facts, intended to relinquish its rights to enforce” its patents. But the Federal Circuit has made
clear that, under the doctrine of implied waiver, Apple may instead prove that Samsung’s
conduct “was so inconsistent with an intent to enforce its rights as to induce a reasonable belief
that such right has been relinquished.” *See, e.g., Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d
1004, 1020-21 (Fed. Cir. 2008). Second, Samsung’s instruction states that Apple must prove
that the undisclosed patent applications “were in fact essential to an ETSI standard.” But that is
not a requirement of waiver, which Apple may prove by showing that Samsung had a duty to
timely disclose patents or applications under the ETSI IPR Policy but failed to do so, regardless
of whether the patents or applications were actually essential to the standard. *See, e.g.,*
Qualcomm, 548 F.3d at 1022 (finding waiver where the undisclosed patents “reasonably might
be necessary” to practice the standard). Indeed, the ETSI IPR Policy—which is similar to the
IPR policy at issue in the *Qualcomm* case—required Samsung to disclose patent applications that
“*might be essential.*” Third, Samsung’s instruction is misleading because it narrowly focuses on
Samsung’s failure to disclose certain Korean patent applications, but Apple’s contentions include
Samsung’s failure to disclose any patents or applications that “might be essential” to those

1 portions of the UMTS standard that Samsung claims are practice by its patents. Apple's
2 corresponding instruction is an accurate statement of the law of waiver and Apple's
3 contentions. *See, e.g., Qualcomm*, 548 F.3d at 1020-22 (describing waiver in the context of
4 conduct before a standards-setting organization).
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 29**
2 **EQUITABLE DEFENSES – EQUITABLE ESTOPPEL⁶**

3 **Apple’s Proposed Instruction**

4 The owner of a patent may forfeit its right to any relief from an alleged infringer where: (1) the
5 patent holder communicates something in a misleading way to the infringing party about the lack
6 of infringement or about not being sued, (2) the alleged infringer relies upon the misleading
7 communication from the patent holder, and (3) the alleged infringer will be materially harmed if
8 the patent holder is allowed to assert a claim relating to the issue that is inconsistent with the
9 patent holder’s prior misleading communication. This is referred to as an “equitable estoppel”
10 and it is a defense that Apple contends precludes any recovery by Samsung with respect to the
11 “declared essential” patents – including the ’604, ’941, or ’516 patents – in this lawsuit. Apple
12 must prove each of these elements is more likely true than not, but even if all these elements are
13 proven, equitable estoppel need not be found if such a finding would be unfair in light of the
14 conduct of the parties.

15 Apple contends that Samsung made communications about its “declared essential” patents before
16 Samsung filed this lawsuit. A communication may be made through written or spoken words,
17 conduct, silence, or a combination of words, conduct, and silence. Conduct may include action or
18 inaction. Whether in fact Samsung communicated with 3GPP and Apple about its “declared
19 essential” patents prior to the filing of this lawsuit, and whether in fact that communication, if you
20 find there to have been any, was misleading, are questions that must be answered by considering
21 the facts and circumstances as they existed at the time.

22 Material harm to Apple can be economic in form. Whether Apple suffered economic prejudice is
23 a question that must be answered by evaluating whether Apple changed its economic position as a
24 result of its reliance on any misleading communication from Samsung about its “declared
25 essential” patents, resulting in losses beyond merely paying for infringement (such as if 3GPP
26 could have drafted the UMTS standard to avoid the allegedly infringing technology if Samsung
27 had timely disclosed the ’604, ’941, or ’516 patents or related patent applications when obligated
28 to do so or had truthfully disclosed its licensing contentions) and whether losses as a result of any
change in economic position could have been avoided.

18 **Source**

19 Adapted from Federal Circuit Bar Association Model Patent Jury Instr. B.5.3.

20 **Authorities**

21 35 U.S.C. § 282; *Gasser Chair Co. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770 (Fed. Cir. 1995) (to
22 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*).

23 **Samsung’s Objection to Apple’s Instruction**

24 Samsung objects to Apple’s description relating to “losses beyond merely paying for
25 infringement,” that “if 3GPP could have drafted the UMTS standard to avoid the allegedly
26 infringing technology if Samsung had timely disclosed...” This statement presupposes that
27 Section 4.1 of the ETSI IPR Policy is violated when an IPR is not declared before the standard is

28 ⁶ Apple requests that the Court seek an advisory verdict from the jury on the question of
equitable estoppel.

1 frozen. It also improperly attempts to shifts Apple’s burden of proving that Apple itself relied to
2 its detriment on a material miscommunication from Samsung and thereby suffered material harm
3 to a generic requirement that Apple merely show that 3GPP “could” have taken a different
4 action, such as by drafting the UMTS standard in a different way. Even if it were sufficient for
5 Apple to focus its proof on alleged reliance and material harm to 3GPP in some generic sense,
6 and it is not, Apple must still prove that 3GPP would necessarily have acted differently, not
7 simply that it “could” have done so.
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1 **Samsung’s Proposed Instruction**

2 **[CONDITIONAL INSTRUCTION ONLY. SAMSUNG DOES NOT BELIEVE APPLE’S**
3 **EQUITABLE CLAIMS SHOULD BE DECIDED BY THE JURY.]**

4 The owner of a patent may forfeit its right to any relief from an alleged infringer where: (1) the
5 patent holder communicates something in a misleading way to the infringing party about the lack
6 of infringement or about not being sued, (2) the alleged infringer relies upon the misleading
7 communication from the patent holder, and (3) due to its reliance, the alleged infringer will be
8 materially harmed if the patent holder is allowed to assert a claim relating to the issue that is
9 inconsistent with the patent holder’s prior misleading communication. This is referred to as an
10 “equitable estoppel” and it is a defense that Apple contends precludes any recovery by Samsung
11 with respect to the ’604, ’941, or ’516 patents. Apple must prove each of these elements by a
12 preponderance of the evidence, but even if all these elements are proven, equitable estoppel need
13 not be found if such a finding would be unfair in light of the conduct of the parties.

14 Apple contends that Samsung made communications about its “declared essential” patents before
15 Samsung filed this lawsuit. A communication may be made through written or spoken words,
16 conduct, silence, or a combination of words, conduct, and silence. Conduct may include action or
17 inaction. Whether in fact Samsung communicated with Apple about its “declared essential”
18 patents prior to the filing of this lawsuit, and whether in fact that communication, if you find there
19 to have been any, was misleading, are questions that must be answered by considering the facts
20 and circumstances as they existed at the time.

21 Material harm to Apple can be economic in form. Whether Apple suffered economic prejudice is
22 a question that must be answered by evaluating whether Apple changed its economic position as a
23 result of its reliance on any misleading communication from Samsung about its “declared
24 essential” patents, resulting in losses beyond merely paying for infringement (such as if Apple
25 could have switched to a noninfringing product if sued earlier) and whether losses as a result of
26 any change in economic position could have been avoided.

27 **Source**

28 Adapted from Federal Circuit Bar Association Model Patent Jury Instr. B.5.3; *A.C. Aukerman*
Co. v. R.L Chaides Const. Co., 960 F.2d 1020 (Fed. Cir. 1992) (*en banc*); 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); *Winbond*
Electronics Corp. v. Int’l Trade Comm’n, 262 F.3d 1363, 1374-75 (Fed. Cir. 2001).

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction misstates the law and Apple’s contentions. In describing the
element of harm to Apple, the instruction suggests that Apple must show that it “could have
switched to a non-infringing product if sued earlier.” That language is out of context because it
addresses a situation where estoppel arises from the patentee’s delay in filing a complaint for
infringement; it does not apply to estoppel in the standard-setting context. Here, Apple’s
contention is that it suffered harm not because of Samsung’s delay in filing suit, but because of
Samsung’s conduct before a standard-setting organization and its assertion of patents that it
contends practice the UMTS standard. *See, e.g.*, Apple’s Amended Answer, Defenses, and
Counterclaims ¶¶ 186-190 (Dkt. No. 381). Apple’s corresponding instruction is an accurate
statement of the law of equitable estoppel and Apple’s contentions in the standard-setting
context. *See, e.g., Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1022-24 (Fed. Cir. 2008)

1 (recognizing that equitable estoppel is applicable to conduct before a standards-setting
2 organization).

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 30**
2 **UTILITY PATENT DAMAGES—GENERALLY**

3 **Apple’s Proposed Instruction**

4 I will instruct you now about monetary damages for the Apple and Samsung utility patent
5 infringement claims. If you find that Samsung or Apple infringed any valid and enforceable
6 claim from any of the other side’s utility patents, you must then determine the amount of money
7 damages to award to each prevailing patent holder.

8 The amount of those damages must be adequate to compensate a patent holder for any
9 infringement. There are two different types of damages that a utility patent holder may be
10 entitled to recover—the profits the patent holder lost due to the infringement, and a reasonable
11 royalty for the infringement. A damages award should put the patent holder in approximately the
12 financial position it would have been in had the infringement not occurred, but in no event may
13 the damages award be less than a reasonable royalty. You should keep in mind that damages are
14 meant to compensate the patent holder and not meant to punish an infringer.

15 Apple seeks to recover its lost profits and, in the alternative, a reasonable royalty. Samsung seeks
16 recovery of a reasonable royalty. Each patent holder has the burden to persuade you of the
17 amount of its damages. You should award only those damages that the patent holder more likely
18 than not suffered. While the patent holder need not prove its damages with mathematical
19 precision, it must prove them with reasonable certainty. A patent holder is not is entitled to
20 damages that are remote or speculative. Both parties are entitled to their total damages,
21 regardless of their other wealth or revenues.

22 **Source**

23 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.1; Federal Circuit Bar Association Model
24 Patent Jury Instr. 6.1; The Intellectual Property Owners Ass’n Model Design Patent Jury Instr.
25 10.1.

26 **Authorities**

27 35 U.S.C. § 284; *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1381-82 (Fed. Cir. 2003);
28 *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*).

29 **Samsung’s Objection to Apple’s Instruction**

30 Apple has, without any justification in its cited authorities or precedent in the model instructions,
31 split the instructions for utility and design damages. The model instructions make no such
32 distinction, and splitting the two is both inefficient and likely only to confuse the jury. Similarly,
33 the phrase “total damages,” which is undefined and vague, would confuse the jury. A confusing
34 or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067 (9th Cir.
35 2000) (explaining that the Court of Appeals examines jury instructions for, among other things,
36 whether they confuse the jury). Similarly, Apple’s proposed instruction, again without any basis
37 in the Model Patent Jury Instructions or its cited authorities, implies that the jury may find that
38 Apple “*or*” Samsung has infringed, but not that *both* have. This instruction misleadingly frames
the issues. Apple’s proposed final line appears in no model instruction, and is improper. Apple
has also changed the language in the model instruction’s “nail” example to be prejudicial (e.g.,
consistently referring to “infringer” rather than the neutral “licensee”) and to suggest that
royalties may be tied to the number of units sold, and not to revenues. This is improper: Apple

1 should not have departed from the model’s example, which was carefully designed to be
2 evenhanded. Also, Apple’s instruction fails to take into account that there are several separate
and independent individual Samsung defendants.

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1 **Samsung’s Proposed Instruction**

2 I will instruct you about the measure of damages for infringement of both utility and design
3 patents. By instructing you on damages, I am not suggesting which party should win on any
4 issue. If you find that the alleged infringer (Samsung Electronics Company, Samsung Electronics
5 America, Samsung Telecommunications America and/or Apple) infringed any valid claim of a
6 patent, you must then determine the amount of money damages to be awarded to the patent
7 holder (Samsung and/or Apple) to compensate it for the infringement. You should evaluate
8 damages separately for each party you find to have infringed, and may not award more than the
9 patent holder seeks.

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

15 The patent holder has the burden to persuade you of the amount of its damages. You should
16 award only those damages caused by the infringement that the patent holder proves it suffered by
17 a preponderance of the evidence. While the patent holder is not required to prove its damages
18 with mathematical precision, it must prove them with reasonable certainty. The patent holder is
19 not entitled to damages that are remote or speculative.

20 **Source**

21 N.D. Cal. Model Patent Jury Instr. B.5.1 (modified).

22 **Apple’s Objection to Samsung’s Instruction**

23 Apple’s and Samsung’s instructions differ in five ways. First, Samsung’s proposed instruction
24 does not accurately state the law. Samsung’s inclusion of the last sentence in the first
25 paragraph—“You should evaluate damages separately for each party you find to have infringed,
26 and may not award more than the patent holder seeks”—deviates from the model instruction and
27 is incorrect. The jury is not limited by Apple’s request for relief, but may award damages
28 consistent with the law and the facts of the case. Second, Samsung’s inclusion of the words
“caused by the infringement” in the third paragraph also deviates from the model rule, and is
inaccurate because the instruction does not apply to infringer’s profits or reasonable royalty
damages. Causation is only an issue for lost profits damages. Third, Apple’s and Samsung’s
instructions differ in that Samsung seeks to instruct on both design and utility patents in a single
set of instructions. Apple divides them for two reasons. In light of the difference in remedies—
in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design patents—it
makes more sense to treat utility and design patent damages separately. Further, it will be easier
for the jury to delve into and address all of the utility liability and damages issues together before
it has to address design patents. Under Apple’s approach, the jury can decide the utility case and
then move forward to the design patent issues, rather than fracturing its analysis between the
two. Apple’s approach results in very little expansion in the number of instructions because
Apple’s instructions refer back to the prior utility instructions. Apple believes this to be more
logical and easier to understand for the jury. Fourth, on top of the greater efficiency to Apple’s
approach, Samsung’s proposed instruction erroneously includes a sentence that points away from
Apple’s right to recover Samsung’s profits under 35 U.S.C. § 289. Specifically, Samsung’s
instruction states: “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.” This statement, while applicable to a
recovery of lost profits or reasonable royalty under 35 U.S.C. § 284 and taken from the Northern

1 District model, is inaccurate as it applies to this case, because Apple is also seeking infringer's
2 profits under 35 U.S.C. § 289. Infringer's profits do not put the patent holder in the same
3 financial position that would have occurred without the infringement. The sentence is
4 unnecessary and is likely to confuse the jury in the unique context of this case. Apple's
5 instruction removes this sentence as it applies to infringement of the design patents. *See* Apple's
6 Proposed Instruction No. 52. Fifth, Samsung's instruction also includes an incomplete and
7 inaccurate statement regarding the availability of remedies. Both parties have proposed separate
8 double counting instructions and these instructions should be used to address this issue. Apple's
9 instructions on the equivalent topic (41 and 57) are also preferable and clearer in two additional
10 respects. They explicitly list the type of remedies that each party claims. Further, they include a
11 final statement that the party claiming damages are entitled to those damages regardless of its
12 general wealth or revenues. Both parties were concerned enough about this issue to bring
13 motions in limine related to it. The equivalent information is easily accessible by the web.
14 These facts by themselves warrant the statement's inclusion.
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**PROPOSED FINAL JURY INSTRUCTION NO. 31
UTILITY PATENT DAMAGES — LOST PROFITS — GENERALLY**

Apple’s Proposed Instruction

In this case Apple seeks to recover lost profits for some of Samsung’s sales of certain products, and other remedies on the rest of Samsung’s sales.

To recover these lost profits, Apple must show that but for Samsung’s infringement, there is a reasonable probability that Apple would have made sales that Samsung made. Apple must show the share of Samsung’s sales that it would have made if Samsung’s infringing products had not been on the market.

Source

Adapted from N.D. Cal. Model Patent Jury Instr. B.5.2.

Samsung’s Objection to Apple’s Instruction

Apple has, without any justification in its cited authorities or precedent in the model instructions, split the instructions for utility and design damages. The model instructions make no such distinction, and splitting the two is both inefficient and likely only to confuse the jury. Also, the phrase “other remedies” is misleading, because the only available alternative remedy is reasonable royalties. A confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other things, whether they confuse the jury). Moreover, Apple substantially diverged from the N.D. Cal. Model Patent Jury Instruction. Specifically, it deleted the final paragraph of that Model, which states that “You must allocate the lost profits based upon the customer demand for the patented feature of the infringing [product] [method]. That is, you must determine which profits derive from the patented invention that [alleged infringer] sells, and not from other features of the infringing [product] [method].” Apple has no authority for such a change. This unjustified departure from the model without precedential authority is improper. *Brown v. Greene*, 577 F.3d 107, 113 (2d Cir. 2009) (“[W]e repeat our suggestion that trial judges should use the model jury instructions when applicable We urge trial courts, in the future, to stick to the model jury instructions regarding this issue.”) (citing *United States v. Viafara-Rodriguez*, 729 F.2d 912, 913-14 (2d Cir. 1984) (“[T]rial judges would be exceedingly well advised to use [the model instructions] rather than impose variations upon it.”)) (internal quotation omitted); *United States v. Wilson-Garcia*, 2012 WL 226032 (W.D. Pa. Jan. 25, 2012) (“It is axiomatic that “trial judges should use the model jury instructions when applicable.”). In addition, Apple employs prejudicial language that assumes Samsung has infringed its patents, such as “but for Samsung’s infringement” and “Samsung’s infringing products.” This language presumes the validity of Apple’s arguments, and unfairly suggests to jurors an outcome favorable to Apple and adverse to Samsung. Finally, Apple’s instruction fails to take into account that there are several separate and independent individual defendants.

1 **Samsung’s Proposed Instruction**

2 In this case, Apple seeks to recover lost profits for some of Samsung’s sales of certain products.
3 Samsung does not seek to recover lost profits for Apple’s sales of allegedly infringing products.

4 To recover lost profits for infringing sale, Apple must show that, but for the infringement, there is
5 a reasonable probability that it would have made sales that Samsung Electronics Company,
6 Samsung Electronics America and Samsung Telecommunications America made of each
7 allegedly infringing product. Apple must show the share of Samsung Electronics Company’s,
8 Samsung Electronics America’s and Samsung Telecommunications America’s sales of each
9 product that it would have made if the allegedly infringing product had not been on the market.

10 You must allocate the lost profits based upon the customer demand for the patented feature or
11 design of each of the allegedly infringing products. That is, you must determine which profits
12 derive from the patented invention or design that Samsung Electronics Company, Samsung
13 Electronics America and Samsung Telecommunications America allegedly sells, and not from
14 other features of these infringing products.

15 **Source**

16 N.D. Cal. Model Patent Jury Instr. B.5.2 (modified).

17 **Apple’s Objection to Samsung’s Instruction**

18 The last paragraph of Samsung’s instruction is not a proper statement of the law, particularly
19 where, as here, the parties and the parties’ experts are applying the *Panduit* factors to determine
20 Apple’s lost profits. The last sentence of the instruction more properly addresses concerns
21 arising where *Panduit* is not being applied or when the “entire market value” rule is being
22 separately invoked. The language derives from *Ferguson Beauregard/Logic Controls, Div. of*
23 *Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1346 (Fed. Cir. 2003) (vacating and
24 remanding lost profits award for entire value of a device containing a first component embodying
25 a first patent, found infringed, as well as a second component embodying a second patent, found
26 not infringed, where profits could fairly be allocated to customer demand for second
27 component). The Federal Circuit has since held that this rule does not apply where, as here, lost
28 profits are evaluated under the *Panduit* factors. See *DePuy Spine, Inc. v. Medtronic Sofamor*
Danek, Inc., 567 F.3d 1314, 1331 (Fed. Cir. 2009) (“Medtronic’s reliance on *Ferguson* fares no
better. *Ferguson* dealt with lost profits under the ‘entire market value’ rule . . . In the present
case, Medtronic challenges the lost-profits award for [the infringing products] under the *Panduit*
factors, not under the ‘entire market value’ rule.”). The distinction is important. *Panduit*
separately addresses the need to tailor a lost profit award to the specifics of the claimed
technology through a robust evaluation of what non-infringing alternatives were available, when
they were available and how they would affect the market. This approach inherently reallocates
sales in light of the availability of non-infringing technology and thus accounts for consumer
demand for patented as compared to the non-patented features. This is consistent with and
required by the Federal Circuit’s decision in *DePuy Spine*, which as the Court already
recognized, focuses initially on the patented product and not on the specific patented features.
(Dkt. No. 1157) (“DuPuy made it very clear that, while evidence of demand for the patented
feature “goes to the availability of acceptable noninfringing substitutes under the second *Panduit*
factor,” under the first *Panduit* factor, the patentee need not show demand for a particular feature
to establish demand for a patented product.”). If used as a whole, Samsung’s proposed
instructions would suggest that the jury reevaluate and reallocate based on the demand for the
technology at least three times, in connection with this instruction, in the first factor of *Panduit*
and finally when evaluating non-infringing alternatives. In comparison, Apple’s corresponding
instructions are an accurate statement of the law of lost profits based on *Panduit*, *DePuy Spine*,

1 *Grain Processing* and the cases that follow them. Finally, if this instruction is used, Samsung’s
2 repeated use of the phrase “of each infringing product” should be stricken as confusing and in
3 error. The language “each infringing product” is not in the Northern District’s model instruction,
4 nor in any other model instruction, and would purportedly require Apple to show a specific
5 allocation for each product. As such, Samsung seeks to exclude all other efforts to allocate, such
6 as the use of the market share that Samsung and competitors enjoy at each carrier or in the
7 market more generally, when accounting for demand and competing products. The Federal
8 Circuit acknowledged the appropriate use of market share for this purpose in *Mor-Flo* and has
9 separately emphasized the flexibility required due to the inherent imprecision that results from
10 reconstructing past events. See *Grain Processing Corp. v. American Maize-Products Co.*, 185
11 F.3d 1341, 1350 (Fed. Cir. 1999) (“courts have given patentees significant latitude to prove and
12 recover lost profits for a wide variety of foreseeable economic effects of the infringement”);
13 *State Industries Inc v. Mor-Flo Indus.*, 883 F.3d 1573, 1578-79 (Fed. Cir. 1983). No case has
14 stated the additional requirement that Samsung seeks to impose and the language “for each
15 allegedly infringing product” should not be stricken.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 32**
2 **UTILITY PATENT DAMAGES — LOST PROFITS — FACTORS TO CONSIDER**

3 **Apple’s Proposed Instruction**

4 To determine whether Apple is entitled to lost profits, you should consider whether Apple has shown:

- 5 (1) that there was a demand for Apple’s patented products;
- 6 (2) that there were no commercially acceptable, non-infringing substitutes available, or, if there were, the number of the sales made by Samsung that Apple would have made despite the availability of other non-infringing substitutes
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- 8 (3) that Apple had the manufacturing and marketing capacity to make the sales that were actually made by Samsung of infringing products for which Apple seeks an award of lost profits; and
- 9
- 10 (4) the amount of profit Apple would have made if Samsung had not infringed.

11 These factors are not the exclusive test for establishing lost profits. The ultimate question you must answer is whether Apple would have made the lost profits that it claims but for Samsung’s infringement of Apple’s patents.

13 **Source**

14 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.3.

15 **Authorities**

16 *Ericsson, Inc. v. Harris Corp.*, 352 F.3d 1369, 1377-79 (Fed. Cir. 2003); *Micro Chem., Inc. v. Lextron, Inc.*, 318 F.3d 1119, 1122-23 (Fed. Cir. 2003); *Gargoyles, Inc. v. U.S.*, 113 F.3d 1572, 1577-78 (Fed. Cir. 1997); *Carella v. Starlight Archery and Pro Line*, 804 F.2d 135, 141 (Fed. Cir. 1986); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 552-53 (Fed. Cir. 1984); *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1156 (6th Cir 1978); *BIC Leisure Prods., Inc. v. Windsurfing Int’l, Inc.*, 1 F.3d 1214, 1218 (Fed. Cir. 1993) (“[T]he Panduit test is an acceptable, though not an exclusive, test for determining ‘but for’ causation”); *Depuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1330 (Fed. Cir. 2009) (“All that the first [Panduit] factor states, and thus requires, is ‘demand for the patented product.’”); *Aro Mfg. Co. v. Convertible Top Replacement Co. Inc.*, 377 U.S. 476, 502-07 (1964); *Beauregard v. Mega Sys., LLC*, 350 F.3d 1327, 1345-46 (Fed. Cir. 2003); *Cent. 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).

23 **Samsung’s Objection to Apple’s Instruction**

24 Apple has, without any justification in its cited authorities or precedent in the model instructions, split the instructions for utility and design damages. The model instructions make no such distinction, and splitting the two is both inefficient and likely only to confuse the jury. A confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other things, whether they confuse the jury). Moreover, Apple has substantially diverged from the N.D. Cal. Model Patent Jury Instruction. Specifically, Apple deleted most of the text of the second factor to consider. See N.D. Cal. Model Patent Jury Instr. 5.3(2) (“An alternative may be

1 considered available as a potential substitute even if it was not actually on sale during the
2 infringement period. Factors suggesting that the alternative was available include whether the
3 material, experience, and know-how for the alleged substitute were readily available. Factors
4 suggesting that the alternative was not available include whether the material was of such high
5 cost as to render the alternative unavailable and whether [alleged infringer] had to design or
6 invent around the patented technology to develop an alleged substitute”). Apple also added an
7 entirely new paragraph without a basis in the model. Apple has no authority for such changes.
8 This unjustified departure from the model without precedential authority is improper. *Brown v.*
9 *Greene*, 577 F.3d 107, 113 (2d Cir. 2009) (“[W]e repeat our suggestion that trial judges should
10 use the model jury instructions when applicable We urge trial courts, in the future, to stick to
11 the model jury instructions regarding this issue.”) (citing *United States v. Viafara-Rodriguez*,
12 729 F.2d 912, 913-14 (2d Cir. 1984) (“[T]rial judges would be exceedingly well advised to use
13 [the model instructions] rather than impose variations upon it.”)) (internal quotation omitted);
14 *United States v. Wilson-Garcia*, 2012 WL 226032 (W.D. Pa. Jan. 25, 2012) (“It is axiomatic that
15 “trial judges should use the model jury instructions when applicable.”). Finally, Apple’s
16 instruction fails to take into account that there are several separate and independent individual
17 defendants.

1 **Samsung’s Proposed Instruction**

2 Apple is entitled to lost profits if it proves all of the following:

- 3 (1) that there was a demand for the patented inventions and designs [alternate: that there
4 was demand for the patented products];
- 5 (2) that there were no non-infringing substitutes for each of the allegedly infringing
6 products, or, if there were, the number of the sales of each product made by
7 Samsung Electronics Company, Samsung Electronics America and Samsung
8 Telecommunications America that Apple would have made despite the availability
9 of other non-infringing substitutes. An alternative may be considered available as a
10 potential substitute even if it was not actually on sale during the infringement period.
11 Factors suggesting that the alternative was available include whether the material,
12 experience, and know-how for the alleged substitute were readily available. Factors
13 suggesting that the alternative was not available include whether the material was of
14 such high cost as to render the alternative unavailable and whether Samsung had to
design or invent around the patented technology to develop an alleged substitute;
- 15 (3) that Apple had the manufacturing and marketing capacity to make any infringing
16 sales actually made by Samsung Electronics Company, Samsung Electronics
17 America and Samsung Telecommunications America and for which Apple seeks an
18 award of lost profits; and
- 19 (4) the amount of profit that Apple would have made if Samsung Electronics Company,
20 Samsung Electronics America and Samsung Telecommunications America had not
21 allegedly infringed.

22 **Source**

23 N.D. Cal. Model Patent Jury Instr. B.5.3 (modified).

24 **Apple’s Objection to Samsung’s Instruction**

25 The parties’ separate proposed instructions on factors to consider for lost profit damages differ in
26 four ways: (1) Samsung’s first indented bullet refers to the “patented invention and design”
27 rather than the “patented product,” which is a violation of *DePuy Spine*; (2) Samsung’s
28 instruction implies that *Panduit* is an exclusive test for lost profit recovery when the Federal
Circuit says it is not; (3) Apple’s instruction addresses the availability and acceptability of a non-
infringing alternative in a separate instruction (discussed below) in a manner more consistent
with Federal Circuit law; (4) Samsung inserts the word “allegedly” into the language of the
model instruction in its proposed instruction No. 32, which improperly emphasizes Samsung’s
position. As to the first issue, the Federal Circuit has made clear that the first factor of *Panduit*
focuses on demand for the patented product, not the specific inventions and designs claimed.
Depuy DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc., 567 F.3d 1314, 1330 (Fed. Cir.
2009). *DePuy Spine* holds that *Panduit* “does not require any allocation of consumer demand”;
it is sufficient to show demand “for a product that is covered by the patent in suit.” *Id.* (“All that
the first [*Panduit*] factor states, and thus requires, is demand for the patented product.”) The
Court already resolved this as part of a *Daubert* ruling in the case. Second, the Federal Circuit
has made clear that “[T]he *Panduit* test is an acceptable, though not an exclusive, test for
determining ‘but for’ causation.” *BIC Leisure Prods., Inc. v. Windsurfing Int’l, Inc.*, 1 F.3d 1214,
1218 (Fed. Cir. 1993). Apple’s corresponding instruction, No. 32, is an accurate statement of the
law of lost profits and captures both of these elements. Third, Apple’s instructions includes the
requirement that non-infringing alternatives be commercially acceptable. Apple’s separate

1 instruction No. 33 (on non-infringing substitutes) is adapted from the N.D. Cal Model Patent
2 Jury Instructions and Federal Circuit Bar Association Model Patent Jury Instructions, and these
3 instructions accurately state the law of the Federal Circuit regarding non-infringing alternatives,
4 a key element of the factual dispute between the parties. *See Grain Processing Corp. v. Am.*
5 *Maize-Products Co.*, 185 F.3d 1341, 1343 (Fed. Cir. 1999) (a non-infringing replacement
6 product is not considered a substitute unless it is “acceptable to all purchasers of the infringing
7 product”); *Am. Seating Co. v. USSC Group*, 514 F.3d 1262, 1270 (Fed. Cir. 2008) (“[B]uyers
8 must view the substitute as equivalent to the patented device.”). Given its significance, the jury
9 should receive a clear and complete explanation of the issue in a single instruction, consistent
10 with the Federal Circuit model instructions. Samsung’s proposal, which is drawn from the
11 Northern District model is nonetheless incomplete. Samsung’s proposed instruction lacks a
12 discussion of whether the substitute is acceptable and who bears the burden of proving this when
13 the alternative is not immediately available when infringement began. *See Grain Processing*
14 *Corp.*, 185 F.3d at 1349. Fifth, Samsung’s proposed instruction adds the word “allegedly” to the
15 fourth factor. This is an improper and unnecessary modification to the Northern District’s model
16 instruction. The jury will only have reached this issue because it has found that Samsung has
17 infringed and the Court’s earlier instruction, introducing damages, makes clear that the Court is
18 taking no position on damages by providing an instruction.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 33**
2 **UTILITY PATENT DAMAGES—LOST PROFITS—**
3 **NON-INFRINGEMENT SUBSTITUTES**

4 **Apple’s Proposed Instruction**

5 A non-infringing alternative may be considered “available” as a potential substitute even if the
6 product was not actually on sale during the infringement period.

7 Factors suggesting the alternative was available include whether the experience and know-how
8 for the alleged substitute were readily available at the time of infringement. Factors suggesting
9 the alternative was not available include whether the alternative was of such high cost as to render
10 the alternative unavailable, and whether Samsung had to design or invent around the patented
11 design to develop an alleged substitute. You may also consider the amount of time it would take
12 for an alleged substitute to be developed and introduced into the market. Apple may obtain lost
13 profits during the period in which Samsung would have been developing an alleged substitute
14 even if you find that it would not have suffered lost sales or profits after a substitute became
15 available.

16 To be commercially acceptable, an alternative must have had the advantages of the patented
17 invention that were important to people who purchased an accused Samsung product.

18 If you find that Samsung’s proposed alternative would not be available or would not be
19 commercially acceptable for some or all of the period in which Samsung infringed, you should
20 determine whether Apple lost sales and profits during this period.

21 If you find that an alleged alternative was not on the market during some or all of the period in
22 which Samsung infringed, you may reasonably infer that it was not available as a non-infringing
23 substitute at that time. But Samsung may overcome this inference by showing that the substitute
24 could have been created and marketed during the period in which it infringed. Mere speculation
25 or conclusory assertions are not sufficient to overcome the inference.

26 **Source**

27 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.3; Federal Circuit Bar Association Model
28 Patent Jury Instr. B.6.2.

29 **Authorities**

30 *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 185 F.3d 1341, 1353 (Fed. Cir. 1999) (holding
31 that an unused, but available, noninfringing process was an acceptable substitute) (“When an
32 alleged alternative is not on the market during the accounting period, a trial court may reasonably
33 infer that it was not available as a noninfringing substitute at that time. *Cf. Rite-Hite Corp. v.*
34 *Kelley Co., Inc.*, 56 F.3d 1538, 1545 (Fed. Cir. 1995). The accused infringer then has the burden
35 to overcome this inference by showing that the substitute was available during the accounting
36 period. *Cf. id.* Mere speculation or conclusory assertions will not suffice to overcome the
37 inference.”); *Micro Chem., Inc. v. Lextron, Inc.*, 318 F.3d 1119, 1123 (Fed. Cir. 2003) (“The
38 record shows that Lextron did not have the necessary equipment, know-how, and experience to
39 make the [alternative] machine at the time of infringement.”); *Am. Seating Co. v. USSC Group*,
40 514 F.3d 1262, 1270 (Fed. Cir. 2008) (“[B]uyers must view the substitute as equivalent to the
41 patented device.”); *Standard Havens Prods., Inc. v. Gencor Indus.*, 953 F.2d 1360, 1373 (Fed.
42 Cir. 1991); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1166 (Fed. Cir.
43 1991).

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2 **Apple’s Statement in Support of Apple’s Related Noninfringing Instruction (No. 33).**

3 Apple’s proposed instruction No. 33 is a complete and accurate statement of non-infringing
4 alternatives, an important factor that the jury will consider under the *Panduit* test. *Panduit*
5 *Corp. v. Stahl Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1156 (6th Cir 1978). All parts of
6 Samsung’s proposed instruction No. 32 regarding non-infringing substitutes have been retained.
7 Apple’s proposed instruction, however, addresses other important areas on the legal
8 requirements for proof of non-infringing alternatives. First, Apple’s instruction explains that a
9 substitute must not simply be available, as Samsung’s proposed instruction states, but must also
10 be “commercially acceptable” and explains this concept consistent with Federal Circuit law. *See*
11 *Grain Processing Corp. v. Am. Maize-Products Co.*, 185 F.3d 1341, 1343 (Fed. Cir. 1999) (a
12 non-infringing replacement product is not considered a substitute unless it is “acceptable to all
13 purchasers of the infringing product”); *Am. Seating Co. v. USSC Group*, 514 F.3d 1262, 1270
14 (Fed. Cir. 2008) (“[B]uyers must view the substitute as equivalent to the patented device.”);
15 *Minnesota Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1578
16 (Fed. Cir. 1992) (affirming defendant failed to establish a “commercially acceptable”
17 noninfringing alternative). Second, Apple’s instruction explains that the need to consider the
18 amount of time that it may take for the alleged substitutes to be developed and introduced in the
19 market. Apple is entitled to lost profits during this period if, as it will show a trial, the
20 alternatives on which Samsung may rely were not immediately available. *See Grain Processing*
21 *Corp.*, 185 F.3d at 1343; *Conceptus, Inc. v. Hologic, Inc.*, 771 F. Supp. 2d 1164, 1179 (N.D. Cal.
22 2010) (finding defendant’s “capacity to ‘implement’ noninfringing alternatives during the period
23 of alleged infringement” relevant to whether non-infringing alternatives were available). Finally,
24 using language directly from the Federal Circuit, Apple’s proposed instruction describes the
25 burden that Samsung bears to show the availability of the alleged alternative during the
26 accounting period. *Grain Processing Corp.*, 185 F.3d at 1349 (“When an alleged alternative is
27 not on the market during the accounting period, a trial court may reasonably infer that it was not
28 available as a noninfringing substitute at that time. *Cf. Rite-Hite Corp. v. Kelley Co., Inc.*, 56
F.3d 1538, 1545 (Fed. Cir. 1995). The accused infringer then has the burden to overcome this
inference by showing that the substitute was available during the accounting period. *Cf. id.* Mere
speculation or conclusory assertions will not suffice to overcome the inference.”). Apple’s
proposed instruction No. 33 is both necessary and appropriate to fully explain the requirements
for proving non-infringing substitutes. Samsung’s proposed instruction omits significant legal
requirements relevant to disputed issues.

19 **Samsung’s Objection to Apple’s Instruction**

20 Apple has, without any justification in its cited authorities or precedent in the model instructions,
21 split the instructions for utility and design damages. The model instructions make no such
22 distinction, and splitting the two is both inefficient and likely only to confuse the jury. A
23 confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067
24 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other
25 things, whether they confuse the jury). Apple has added language without a basis in the model
26 and which is not directly drawn from caselaw, including the phrase “You may also consider the
27 amount of time it would take for an alleged substitute to be developed and introduced into the
28 market. Apple may obtain lost profits during the period in which Samsung would have been
developing an alleged substitute even if you find that it would not have suffered lost sales or
profits after a substitute became available.” Apple also employs prejudicial language that
assumes Samsung has infringed its patents, such as “the period in which Samsung infringed.”
This language presumes the validity of Apple’s arguments, and unfairly suggests to jurors an
outcome favorable to Apple and adverse to Samsung. This unjustified departure from the model
without precedential authority is improper. *Brown v. Greene*, 577 F.3d 107, 113 (2d Cir. 2009)
 (“[W]e repeat our suggestion that trial judges should use the model jury instructions when
applicable We urge trial courts, in the future, to stick to the model jury instructions

1 regarding this issue.”) (citing *United States v. Viafara-Rodriguez*, 729 F.2d 912, 913-14 (2d Cir.
2 1984) (“[T]rial judges would be exceedingly well advised to use [the model instructions] rather
3 than impose variations upon it.”)) (internal quotation omitted); *United States v. Wilson-Garcia*,
4 2012 WL 226032 (W.D. Pa. Jan. 25, 2012) (“It is axiomatic that “trial judges should use the
5 model jury instructions when applicable.”). In addition, Apple’s reference to “patented
6 design[s]” is totally inapposite in a utility patent instruction. Finally, Apple’s instruction fails to
7 take into account that there are several separate and independent individual defendants.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 34**
2 **UTILITY PATENT DAMAGES—LOST PROFITS—AMOUNT OF PROFIT**

3 **Apple’s Proposed Instruction**

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

10 **Source**

11 Adapted from Federal Circuit Bar Association Model Patent Jury Instr. B.6.2.

12 **Authorities**

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

14 **Samsung’s Objection to Apple’s Instruction**

15 Apple has, without any justification in its cited authorities or precedent in the model instructions,
16 split the instructions for utility and design damages. The model instructions make no such
17 distinction, and splitting the two is both inefficient and likely only to confuse the jury. A
18 confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067
19 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other
20 things, whether they confuse the jury). Apple also employs prejudicial language that assumes
21 Samsung has infringed its patents, such as “Apple may calculate its lost profits.” This language
22 presumes the validity of Apple’s arguments, and unfairly suggests to jurors an outcome favorable
23 to Apple and adverse to Samsung. Apple has no authority for such changes. This unjustified
24 departure from the model without precedential authority is improper. *Brown v. Greene*, 577 F.3d
25 107, 113 (2d Cir. 2009) (“[W]e repeat our suggestion that trial judges should use the model jury
26 instructions when applicable We urge trial courts, in the future, to stick to the model jury
27 instructions regarding this issue.”) (citing *United States v. Viafara-Rodriguez*, 729 F.2d 912,
28 913-14 (2d Cir. 1984) (“[T]rial judges would be exceedingly well advised to use [the model
 instructions] rather than impose variations upon it.”)) (internal quotation omitted); *United States*
 v. Wilson-Garcia, 2012 WL 226032 (W.D. Pa. Jan. 25, 2012) (“It is axiomatic that “trial judges
 should use the model jury instructions when applicable.”). Apple’s instruction also fails to take
 into account that there are several separate and independent individual defendants. Finally,
 Apple’s instruction presumes to resolve a factual dispute – whether taxes, insurance, rent, and
 administrative overhead are fixed costs in all circumstances. Samsung disputes this factual
 assertion, and a jury instruction should not be used to settle this factual dispute.

1 **Samsung’s Proposed Instruction**

2 Apple may calculate its lost profits on any lost sales by computing the lost revenue for sales it
3 claims it would have made but for the infringement and subtracting from that figure the amount
4 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. Fixed costs that do not vary with
increases in production or scale should not be subtracted from Apple’s lost revenue, if any.

5 **Source**

6 Federal Circuit Bar Association Model Patent Jury Instr. B.6.2 (modified).

7
8 **Apple’s Objection to Samsung’s Instruction**

9 Apple’s and Samsung’s instructions differ in two respects. First, contrary to the model, Samsung
10 adds “if any” to the last sentence. The statement is not necessary, particularly in light of the
11 introductory instruction that makes clear that the Court is not providing any statement as to
whether damages have been proved. Second, Samsung’s instruction omits the examples of fixed
12 costs, which should not be deducted, while retaining examples of other costs, which should be
13 deducted. This modification from the model is biased and improper. Examples of both types of
14 costs are helpful to the jury and should be included.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 35**
2 **UTILITY PATENT DAMAGES—LOST PROFITS—MARKET SHARE**

3 **Apple’s Proposed Instruction**

4 One way Apple may prove the number of sales it would have made if Samsung’s infringement
5 had not happened is to prove its share of the relevant market excluding the infringing products.
6 You may award Apple a share of profits equal to that market share.

7 In deciding Apple’s market share, you must decide which products are in Apple’s market.
8 Products are in the same market if they are sufficient similar to compete against each other. Two
9 products are sufficiently similar if one does not have a significantly higher price than or possess
10 characteristics significantly different than the other.

11 **Source**

12 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.3a.

13 **Authorities**

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

18 **Samsung’s Objection to Apple’s Instruction**

19 Apple has, without any justification in its cited authorities or precedent in the model instructions,
20 split the instructions for utility and design damages. The model instructions make no such
21 distinction, and splitting the two is both inefficient and likely only to confuse the jury. A
22 confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067
23 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other
24 things, whether they confuse the jury). Apple also employs prejudicial language that assumes
25 Samsung has infringed its patents, such as “if Samsung’s infringement had not happened.” This
26 language presumes the validity of Apple’s arguments, and unfairly suggests to jurors an outcome
27 favorable to Apple and adverse to Samsung. Apple has no authority for such changes. This
28 unjustified departure from the model without precedential authority is improper. *Brown v.*
29 *Greene*, 577 F.3d 107, 113 (2d Cir. 2009) (“[W]e repeat our suggestion that trial judges should
30 use the model jury instructions when applicable We urge trial courts, in the future, to stick
31 to the model jury instructions regarding this issue.”) (citing *United States v. Viafara-Rodriguez*,
32 729 F.2d 912, 913-14 (2d Cir. 1984) (“[T]rial judges would be exceedingly well advised to use
33 [the model instructions] rather than impose variations upon it.”)) (internal quotation omitted);
34 *United States v. Wilson-Garcia*, 2012 WL 226032 (W.D. Pa. Jan. 25, 2012) (“It is axiomatic that
35 “trial judges should use the model jury instructions when applicable.”). Finally, Apple’s
36 instruction fails to take into account that there are several separate and independent individual
37 defendants.

1 **Samsung’s Proposed Instruction**

2 One way Apple may prove the number of sales it would have made if the alleged infringement
3 had not happened is to prove its share of the relevant market excluding infringing products. You
4 may award Apple a share of profits equal to that market share.

4 In deciding Apple’s market share, you must decide which products are in its market. Products are
5 in the same market if they are sufficiently similar to compete against each other. Two products
6 are sufficiently similar if one does not have a significantly higher price than or possess
7 characteristics significantly different than the other.

6 **Source**

7 N.D. Cal. Model Patent Jury Instr. B.5.3a (modified).
8

9 **Apple’s Objection to Samsung’s Instruction**

10 Samsung’s instruction differs from the model and from Apple’s instruction in adding “the
11 alleged infringement” in the first sentence. This is unnecessary and not consistent with the
12 model, which refers to “the infringement.” Apple has stated “Samsung’s infringement” to
13 distinguish it from any infringement allegations made against Apple.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 36**
2 **UTILITY PATENT DAMAGES—REASONABLE ROYALTY—DEFINITION**

3 **Apple’s Proposed Instruction**

4 Both Apple and Samsung seek a reasonable royalty for the infringement of their respective utility
5 patents. If Apple has proven its claim to lost profits for all or a portion of Samsung’s infringing
6 sales, Apple should receive its lost profits for those sales. However, for any sales that infringe
7 Apple’s utility patents where Apple has not proven its claim to lost profits, you must award Apple
8 a reasonable royalty. Samsung does not make a claim for lost profits. You must determine the
9 reasonable royalties to which Samsung is entitled for any Apple sales that infringe Samsung’s
10 asserted patents.

11 In no event should the damages you award to either patent holder for patent infringement be less
12 than a reasonable royalty.

13 A royalty is a payment made to a patent holder in exchange for the right to make, use or sell the
14 invention. The right is called a “license.” A reasonable royalty is the payment for the license that
15 would have resulted from a hypothetical negotiation between the utility patent owner and an
16 infringer taking place when infringement began. Your role is to determine what royalty would
17 have resulted from the hypothetical negotiation. In considering the nature of this negotiation, you
18 must assume that the patent holder and the infringer would have acted reasonably and would have
19 entered into a license agreement. You must also assume that both parties believed that the patent
20 was valid and infringed. Your role is to determine what the results of that hypothetical
21 negotiation would have been. The test for damages is what royalty would have resulted from the
22 hypothetical negotiation and not simply what either party would have preferred.

23 A royalty can be calculated in different ways and it is for you to determine which way is the most
24 appropriate based on the evidence you have heard. One way is to calculate a “running royalty.”
25 For this, you first determine the “base,” *i.e.*, the products on which the infringer will pay. You
26 then determine the “rate” (or percentage of the base) that would have come out of the
27 hypothetical negotiation. For example, if the patent covers a nail that sells for \$2, and the
28 infringer sold 200 nails, the royalty base would be \$400 in revenue. If the rate that you find
29 would have resulted from the hypothetical negotiation is 1%, then the infringer or licensee would
30 pay an running royalty of \$0.02 for each \$2 nail it sold. For the entire royalty base of its \$400 in
31 revenue, the licensee would pay \$4. That is 1% of \$400.

32 If the patent covers only part of the product that the infringer sells, the base would normally only
33 correspond to that feature of the product. For example, for a \$1000 car where the patented
34 invention is on a steering wheel that sells for \$50, the base revenue would be \$50. However, if
35 the patented invention is the reason customers buy the whole product, the base could be the value
36 of the whole product.

37 Another way to calculate a royalty is to determine a one-time lump sum that the infringer would
38 have paid and the patent owner would have accepted at the time of the hypothetical negotiation
39 for a license covering all past and future sales of the licensed product. This differs from payment
40 of a running royalty because the licensee does not pay based on the number or revenues of actual
41 licensed products it sells. When a one-time lump sum is paid, the infringer instead pays a single
42 price up front for the license.

43 It is up to you to decide what type of royalty is appropriate here based on the evidence you heard.

44 **Source**

45 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.6, B.5.7.

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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); *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); *Georgia-Pacific Corp. v. United States Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970).

Samsung’s Objection to Apple’s Instruction

Apple has, without any justification in its cited authorities or precedent in the model instructions, split the instructions for utility and design damages. That is both inefficient and likely only to confuse the jury. A confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other things, whether they confuse the jury). In addition, Apple has “adapted” this instruction from the cited Model Patent Jury Instructions, but this “adaptation” seems to consist of adding language to the Model Instructions in an attempt to gain an advantage – by use of phrases like “Samsung’s infringing sales.” Moreover, Apple’s first paragraph is obviously skewed in favor of finding damages for Apple, with Samsung as an afterthought. “In drafting [civil jury] instructions, a common vice to be avoided is the phrasing of instructions in an argumentative fashion favorable to the side submitting them. Instructions must be objective, not subjective. It is the court, not counsel, who announces them. The judge is the only non-partisan lawyer in the courtroom, from whom the jury may properly expect a dispassionate and unslanted statement of the pertinent law.” 1 Fed. Jury Prac. & Instr. § 7:2 (6th ed.); *see also United States v. Hach*, 162 F.3d 937, 946 (7th Cir. 1998) (the district court was not required to give [defendant's] inaccurate, redundant and combative instructions); *United States v. Matias*, 836 F.2d 744 (2d Cir. 1988) (court has duty to give balanced instructions).

1 **Samsung’s Proposed Instruction**

2 Both Samsung and Apple seek an award of a reasonable royalty for the alleged infringement of
3 their respective patents.

4 If the holder of a patent does not seek lost profits (like Samsung), or has not proved its claim for
5 lost profits, or has proved its claim for lost profits for only a portion of the sales alleged to
6 infringe the patent, then the patent holder should be awarded a reasonable royalty for all
7 infringing sales for which it has not been awarded lost profits damages.

8 A reasonable royalty must be limited to compensation for the amount and type of alleged
9 infringement that actually occurred.

10 **Source**

11 N.D. Cal. Model Patent Jury Instr. B.5.6 (modified); *Oracle Am., Inc. v. Google Inc.*, 798 F.
12 Supp. 2d 1111, 1117 (N.D. Cal. 2011) (citing 35 U.S.C. 284); *ResQNet.com, Inc. v. Lansa, Inc.*,
13 594 F.3d 860, 869 (Fed. Cir. 2010) (“At all times, the damages inquiry must concentrate on
14 compensation for the economic harm caused by infringement of the claimed invention.”).

15 **Apple’s Objection to Samsung’s Instruction**

16 The following sentence in Samsung’s proposed instruction misstates the law: “A reasonable
17 royalty must be limited to compensation for the amount and type of alleged infringement that
18 actually occurred.” First, this language is not in the Northern District of California’s Model
19 Patent Jury Instructions. Second, Samsung cites *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860,
20 869 (Fed. Cir. 2010), as support for this additional language. *ResQNet* simply makes the general
21 statement that, “[a]t all times, the damages inquiry must concentrate on compensation for the
22 economic harm caused by infringement of the claimed invention,” referring to a quote from *Aro*
23 *Mfg. Co. v. Convertible Top Replacement Co., Inc.*, 377 U.S. 476, 507 (1964), which states that
24 “the present statutory rule is that only ‘damages’ may be recovered.” *ResQNet*, 594 F.3d at 869.
25 Samsung’s additional language is an inaccurate reflection of *ResQNet*, improperly repeats
26 general principles already addressed in the first damages instruction, and should be omitted.

27 **Samsung’s Statement in Support**

28 Samsung provides this instruction to clarify the concept of reasonable royalties for the jury.
Apple’s amalgam instruction about a party’s entitlement to reasonable royalties is confusing and
may mislead the jury. A confusing or misleading jury instruction is improper. *Gracie v. Gracie*,
217 F.3d 1060, 1067 (9th Cir. 2000) (reviewing jury instructions to determine clarity).
Samsung’s instruction is clear and focused, explaining when it is appropriate to award a
reasonable royalty and will avoid juror confusion and a possible double recovery. *Barnes v.*
Borough of Pottstown, 1993 WL 239314 (E.D. Pa. June 30, 1993) (“complicated and potentially
confusing” jury instructions are undesirable).

1 **PROPOSED FINAL JURY INSTRUCTION NO. 36.1**
2 **REASONABLE ROYALTY—DEFINITION**

3 **Samsung’s Proposed Instruction**

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

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

22 If the patent covers only part of the product that the infringer sells, then the base would normally
23 be only that feature or component. For example, if you find that for a \$10,000 car, the patented
24 feature is the tires which sell for \$5, the base revenue would be \$5. However, in a circumstance
25 in which the patented feature is the reason customers buy the whole product, the base revenue
26 could be the value of the whole product. Even if the patented feature is not the reason for
27 customer demand, the value of the whole product could be used if, for example, the value of the
28 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.

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

It is up to you, based on the evidence, to decide what type of royalty is appropriate in this case for
Samsung and/or Apple.

24 **Source**

25 N.D. Cal. Model Patent Jury Instr. B.5.7 (modified).

26 **Samsung’s Statement in Support**

27 Samsung provides this instruction to clarify a complicated issue for the jury. Apple’s amalgam
28 instruction is confusing and may mislead the jury. A confusing or misleading jury instruction is
improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067 (9th Cir. 2000) (explaining that the Court of

1 Appeals examines jury instructions for, among other things, whether they confuse the jury).
2 Samsung offers this clear and focused instruction to explain in common sense terms the nature of
3 a reasonable royalty award. *Barnes v. Borough of Pottstown*, 1993 WL 239314 (E.D. Pa. June
4 30, 1993) (“complicated and potentially confusing” jury instructions are undesirable).

5 **Apple’s Objection to Samsung’s Instruction**

6 The parties’ proposed instructions on the definition of reasonable royalty differ in four ways:
7 (1) Samsung’s proposed instruction No. 36.1 only includes two of the three possible ways to
8 calculate a reasonable royalty that a jury will hear during the trial, while Apple’s proposed
9 instruction No. 36 includes all three ways, (2) Samsung’s instruction refers to the “second” way
10 to calculate a royalty, when it should say “additional” way for the same reason; (3) Samsung
11 uses the term “ongoing royalty,” rather than the more accurate term “running royalty”; and
12 (4) Samsung’s proposed instruction misstates the law of the entire market value rule. First, the
13 second paragraph in Samsung’s instruction expresses “ongoing royalties” only in the form of a
14 percentage, but it is not disputed that the jury will hear evidence on three ways to calculate a
15 reasonable royalty: (1) a lump sum, (2) a percentage, and (3) per unit dollar amount. As a result,
16 the jury should receive an instruction consistent with the evidence presented. Apple’s
17 corresponding instruction No. 36 includes this per unit calculation and is therefore more
18 appropriate for this trial. It otherwise adopts and is consistent with the Northern District model.
19 Samsung’s omission wrongly suggests the “per unit” approach is disfavored. Second, if the per
20 unit calculation is included in Samsung’s instruction, the fourth paragraph of proposed
21 instruction No. 36.1 should begin with, “An additional way to calculate a royalty . . .” rather than
22 “A second way to calculate a reasonable royalty . . .” Third, Samsung’s use of the term “ongoing
23 royalty” is less appropriate for the type of pre-verdict royalty contemplated by the instruction.
24 Apple’s use of the term “running royalty” is more accurate. Fourth, Samsung’s instruction
25 misstates the law of the entire market value rule with the inclusion of the following passage:
26 “Even if the patented invention is not the reason for demand, the value of the whole product
27 could be used if the value of the invention cannot be separated out from the value of the product.
28 In such a case, however, the rate from the hypothetical negotiation would be lower because it is
being applied to the value of the whole product and the patented invention is not the reason
customers purchase the whole product.” Under current Federal Circuit precedent, juries cannot
apply the entire market value to accused products for minor patent improvements simply by
asserting a low enough royalty rate. *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1311
(Fed. Cir. 2011); *Lucent Tech’s, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1336 (Fed. Cir. 2009).
Instead, for the entire market value rule to apply, the patentee must prove that the patent-related
feature is the basis for customer demand. *Id.* Apple’s corresponding instruction No. 36 contains
an accurate statement of the law regarding the entire market value rule.

**PROPOSED FINAL JURY INSTRUCTION NO. 37
UTILITY PATENT DAMAGES—REASONABLE ROYALTY—
RELEVANT FACTORS**

Apple’s Proposed Instruction

In determining the outcome of the hypothetical negotiation, you should consider all facts known to the parties at the time infringement began. Some of the factors you may consider are:

- (1) Royalties received by the patent holder for licensing the patent-in-suit, proving or tending to prove an established royalty.
- (2) Rates the infringer paid for using other patents comparable to the patent-in-suit.
- (3) The nature of the license, *i.e.*, exclusive or nonexclusive, restricted or unrestricted in terms of territory or to whom products covered by the patent claim may be sold.
- (4) The patent holder’s policy to maintain its patent monopoly by not licensing others or by granting licenses under special conditions designed to preserve its monopoly.
- (5) The commercial relationship between the patent holder and infringer, such as whether they are competitors in the same territory in the same line of business.
- (6) The effect of selling the patented invention in promoting sales of other products of the infringer, the existing value of the patented invention to the patent holder as a generator of sales of 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 products covered by the patent claim, their commercial success, and their current popularity.
- (9) The advantages and benefits of the patented invention over older modes or devices, if any, that had been used to work on similar problems.
- (10) The nature of the patented invention, the character of the patent holder’s products covered by it, and the benefits to those who have used the invention.
- (11) The extent to which the infringer has made use of the patented invention and any evidence probative of the value of that use.
- (12) The portion of the profit or selling price that was customary in the business or in comparable businesses to allow for use of the invention or analogous inventions.
- (13) The portion of the realizable profits that should be credited to the patented 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 prudent licensor (such as the patent holder) and a prudent licensee (such as the infringer) would have agreed upon at the time infringement began if both had been reasonably and voluntarily trying to reach an agreement.

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

8 **Source**

9 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.6, B.5.7; Adapted from Federal Circuit Bar
10 Association Model Patent Jury Instr. B.6.7.

11 **Authorities**

12 *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011) (“25% rule of thumb”
13 inadmissible); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 (Fed. Cir. 2010) (per curiam)
14 (licenses must be related to patent at issue to be relevant to a reasonable royalty); *Lucent Techs.,
15 Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009), cert. denied, 130 S. Ct. 3324 (2010)
16 (vacating and rewarding jury award as excessive); *Golight, Inc. v. Wal-Mart Stores, Inc.*,
17 355 F.3d 1327, 1338 (Fed. Cir. 2004); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-10 (Fed. Cir.
18 1996); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-81 (Fed. Cir. 1996); *Rite-Hite Corp. v.
19 Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc); *Georgia-Pacific Corp. v. U.S.
20 Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970); 35 U.S.C. § 284; *Crystal
21 Semiconductor Corp. v. Tritech Microelectronics Int’l, Inc.*, 246 F.3d 1336 (Fed. Cir. 2001);
22 *Fromson v. W. Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1998); *Minco, Inc. v.
23 Combustion Eng’g, Inc.*, 95 F.3d 1109, 1119-20 (Fed. Cir. 1996); United States Court of Appeals
24 Fifth Judicial Circuit Pattern Jury Instructions, Instructions 9.8 (1999); *Interactive Pictures
25 Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371 (Fed. Cir. 2001); *Trans-World Mfg. Corp. v. Al
26 Nyman & Sons, Inc.*, 750 F.2d 1552 (Fed. Cir. 1984).

27 **Samsung’s Objection to Apple’s Instruction**

28 Apple has, without any justification in its cited authorities or precedent in the model instructions,
split the instructions for utility and design damages. That is both inefficient and likely only to
confuse the jury. A confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217
F.3d 1060, 1067 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions
for, among other things, whether they confuse the jury). Moreover, Apple has excluded portions
of the model, without explanation. Samsung’s proposed instruction immediately below more
closely adheres to the model instruction, where, for example, the first paragraph reads “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 **Samsung's Proposed Instruction**

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

- 5 (1) The royalties received by the patentee for the licensing of the patent-in-suit, proving
6 or tending to prove an established royalty.
- 7 (2) The rates paid by the licensee for the use of other patents comparable to the patent-
8 in-suit.
- 9 (3) The nature and scope of the license, as exclusive or nonexclusive, or as restricted or
10 nonrestricted in terms of territory or with respect to whom the manufactured product
11 may be sold.
- 12 (4) The licensor's established policy and marketing program to maintain his or her
13 patent monopoly by not licensing others to use the invention or by granting licenses
14 under special conditions designed to preserve that monopoly.
- 15 (5) The commercial relationship between the licensor and licensee, such as whether they
16 are competitors in the same territory in the same line of business, or whether they
17 are inventor and promoter.
- 18 (6) The effect of selling the patented specialty in promoting sales of other products of
19 the licensee, the existing value of the invention to the licensor as a generator of sales
20 of his nonpatented items, and the extent of such derivative or convoyed sales.
- 21 (7) The duration of the patent and the term of the license.
- 22 (8) The established profitability of the product made under the patents, its commercial
23 success, and its current popularity.
- 24 (9) The utility and advantages of the patented property over the old modes or devices, if
25 any, that had been used for working out similar results.
- 26 (10) The nature of the patented invention, the character of the commercial embodiment of
27 it as owned and produced by the licensor, and the benefits to those who have used
28 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

1 been reasonably and voluntarily trying to reach an agreement; that is, the amount
2 which a prudent licensee—who desired, as a business proposition, to obtain a license
3 to manufacture and sell a particular article embodying the patented invention—
4 would have been willing to pay as a royalty and yet be able to make a reasonable
5 profit and which amount would have been acceptable by a prudent patentee who was
6 willing to grant a license.

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

14 **Source**

15 Federal Circuit Bar Association Model Patent Jury Instr. B.6.7 (modified).

16 **Apple’s Objection to Samsung’s Instruction**

17 Apple and Samsung’s instructions differ in only two ways. First, the introductions are different
18 in immaterial ways. Either could be conformed to the other. Second, in the last sentence,
19 Samsung uses the phrase “taking place at a time prior to when the infringement began.” Apple’s
20 instruction states, “taking place when infringement began.” The latter change was made to make
21 the instruction consistent with the Northern District model instruction, which uses the phrase
22 “when the infringing activity first began.”

1 **PROPOSED FINAL JURY INSTRUCTION NO. 38**
2 **UTILITY PATENT DAMAGES— DAMAGES FOR METHOD CLAIMS MUST BE**
3 **CORRELATED TO USE**

4 **Apple's Proposed Instruction**

5 In determining damages for infringement of a patent that claims only a method, the amount of any
6 reasonable royalty must be correlated to the extent the infringing method is actually used by
7 consumers who possess the devices that are capable of being operated in an infringing manner.

8 **Authorities**

9 *Lucent Tech., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1334-35 (Fed. Cir. 2009) (holding “[t]he
10 damages award ought to be correlated, in some respect, to the extent the infringing method is
11 used by consumers” and vacating damages award for method patent where patent holder failed to
12 prove that “the extent to which the infringing method has been used supports the lump-sum
13 damages award”); *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120
14 (S.D.N.Y. 1970) (one fact to be considered in determining a reasonable royalty is “[t]he extent to
15 which the infringer has made use of the invention; and any evidence probative of the value of that
16 use.”).

17 **Samsung's Objection to Apple's Instruction**

18 Apple's proposed instruction is not supported by any model. Instead, Apple has proposed an
19 atypical instruction designed to advance Apple's case. Samsung's corresponding proposed
20 instruction, on the other hand, is based on N.D. Cal. Model Patent Jury Instr. B.5.6. This is a
21 more general instruction, and more appropriate and generally accepted. It says in essence that
22 reasonable royalties must be correlated with the extent and the nature of infringement, as
23 explained in *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869 (Fed. Cir. 2010) (“At all times,
24 the damages inquiry must concentrate on compensation for the economic harm caused by
25 infringement of the claimed invention.”). Apple's self-serving and unfounded instruction is
26 improper and should be rejected.
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PROPOSED FINAL JURY INSTRUCTION NO. 39
UTILITY PATENT DAMAGES—DATE OF COMMENCEMENT—PRODUCTS

Apple’s Proposed Instruction

Apple and Samsung each make damages claims against the other for patent infringement. To determine the amount of damages to award for each claim, you must determine the date on which damages began to accrue. Once you have determined that date, you should calculate the damages that are attributable to sales that occurred on that date and after. This determination should be made for each patent-holder’s utility patent that you find has been infringed.

For each patent that the alleged infringer infringed but for which the patent-holder does not sell a product covered by the patent, you should calculate damages as follows:

- If the patent was granted before the alleged infringer’s infringement began, damages should be calculated as of the date infringement began.
- If the patent was granted after the alleged infringer’s infringement began, damages should be calculated as of the date the patent issued.

For each patent that the alleged infringer infringed and for which the patent-holder does sell a product covered by the patent, you must determine the date that the alleged infringer received actual notice of the patent and the specific product or products alleged to infringe. Damages should be calculated as of that date.

While you may identify an earlier date by which Samsung had notice of Apple’s claims of infringement based on your evaluation of the evidence, Apple’s lawsuit provided Samsung with such notice for the ’381 and ’915 patents no later than April 15, 2011, and for the ’163 patent no later than June 16, 2011.

Source

Adapted from N.D. Cal. Model Patent Jury Instr. B.5.8; Federal Circuit Bar Association Model Patent Jury Instr. B.6.8.

Authorities

35 U.S.C. § 287; *SRI Int’l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997) (“the purpose of the actual notice requirement is met when the recipient is notified, with sufficient specificity, that the patent holder believes that the recipient of the notice may be an infringer. Thus, the actual notice requirement of § 287(a) is satisfied when the recipient is informed of the identity of the patent and the activity that is believed to be an infringement, accompanied by a proposal to abate the infringement, whether by license or otherwise.”); *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, 1111-12 (Fed. Cir. 1996); *American Med. Sys. v. Medical Eng’g Corp.*, 6 F.3d 1523, 1534 (Fed. Cir. 1993); *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062, 1066 (Fed. Cir. 1987); *Cecco Mach. Mfg., Ltd. v. Intercole, Inc.*, 817 F. Supp. 979 (D. Mass. 1992) (actual notice does not require identifying a particular patent by number where plaintiff acted affirmatively to notify his adversary that he had a patent on a given item and the defendant was infringing that patent); *Coupe v. Royer*, 155 U.S. 565, 584-85 (1895) (holding that where plaintiffs presented evidence of actual notice and defendants offered evidence that they did not receive notice, the “court ought to have submitted that question to the jury”); *Minks v. Polaris Indus., Inc.*, 546 F.3d 1364, 1376-77 (Fed. Cir. 2008) (trier of fact must take into account the history of the relationship between the parties when determining whether a communication was “sufficiently specific” to

1 give rise to actual notice); *Funai Elec. Co., Ltd. v. Daewoo Elec. Corp.*, 616 F.3d 1357, 1373
2 (Fed. Cir. 2010) (communication giving rise to actual notice does not need to identify all related
3 products since “ensuing discovery . . . may bring those products within the scope of the notice”).

4 **Samsung’s Objection to Apple’s Instruction**

5 Apple’s proposed instruction is inappropriate because it varies from the models upon which
6 Apple purports to rely by inserting additional argumentative and prejudicial language. For
7 example, it presumes that Samsung infringed its patents (“For each design patent that Samsung
8 infringed . . .”). “In drafting [civil jury] instructions, a common vice to be avoided is the
9 phrasing of instructions in an argumentative fashion favorable to the side submitting them.
10 Instructions must be objective, not subjective. It is the court, not counsel, who announces them.
11 The judge is the only non-partisan lawyer in the courtroom, from whom the jury may properly
12 expect a dispassionate and unslanted statement of the pertinent law.” 1 Fed. Jury Prac. & Instr. §
13 7:2 (6th ed.); *see also United States v. Hach*, 162 F.3d 937, 946 (7th Cir. 1998) (the district court
14 was not required to give [defendant's] inaccurate, redundant and combative instructions); *United*
15 *States v. Matias*, 836 F.2d 744 (2d Cir. 1988) (court has duty to give balanced instructions).
16 Moreover, Apple’s modification of the model instruction to imply that notice merely of a
17 “category of products” – as opposed to allegedly infringing products – is sufficient to trigger
18 damages is unsupported by any law.
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1 **Samsung’s Proposed Instruction**

2 In determining the amount of damages, you must determine when the damages began. Damages
3 commence on the date that the alleged infringer has both infringed and been notified of the
alleged infringement of the patent.

4 If you find that the patent holder sells a product that includes the claimed invention, you must
5 determine the date that the alleged infringer received actual notice of the patent and the specific
6 product alleged to infringe. Actual notice means that the patent holder communicated to the
7 alleged infringer a specific charge of infringement of the patent by a specific accused product or
8 device. The filing of the complaint and counterclaims in this case qualified as actual notice, so
the damages period begins no later than the dates the complaint and counterclaims were filed.
9 The patent holder has the burden of establishing that it is more probable than not the alleged
10 infringer received notice of infringement before the complaint and counterclaims were filed.

11 If you find that the patent holder does not sell a product covered by the patent, damages begin
12 without the requirement for actual notice. If you find that the patent was granted before the
13 infringing activity began, damages should be calculated as of the date you determine that the
14 infringement began. If you find that the patent was granted after the infringing activity began,
15 damages should be calculated as of the date the patent issued.

16 While you may identify an earlier date by which Apple had actual notice of Samsung’s claims of
17 infringement based on your evaluation of the evidence, Samsung’s counterclaims provided Apple
18 such notice by no later than June 16, 2011. With respect to Samsung’s U.S. Patent No.
19 7,577,460, damages should be calculated as of August 18, 2009, because Samsung is asserting
20 only method claims.

21 While you may identify an earlier date by which Samsung Electronics Company, Samsung
22 Electronics America and/or Samsung Telecommunications America had actual notice of Apple’s
23 claims of infringement based on your evaluation of the evidence, Apple’s lawsuit provided
24 Samsung such notice for the ’381, ’915 and D’677 patents by no later than April 15, 2011, and for
25 the ’163, D’305, D’889 and D’087 patents by no later than June 16, 2011.

26 **Source**

27 N.D. Cal. Model Patent Instr. B.5.8 (modified); Federal Circuit Bar Association Model Patent
28 Jury Instr. B.6.8 (modified); *Mformation Techs., Inc. v. Research In Motion Ltd.*, 2011 WL
6357804 (N.D.Cal. Dec. 19, 2011) (Ware C.J.) (“The marking requirements of § 287(a) do not
apply to patents containing only method claims. *Bandag, Inc. v. Gerrard Tire Co.*, 704 F.2d
1578, 1581 (Fed.Cir.1983).”).

29 **Apple’s Objection to Samsung’s Instruction**

30 Samsung’s proposed instruction contains numerous misstatements of law. First, the instruction
31 states that “If you find that the patent holder sells a product that includes the claimed invention,
32 you must determine the date that the alleged infringer received actual notice of the patent and the
33 specific product alleged to infringe. Actual notice means that the patent holder communicated to
34 the alleged infringer a specific charge of infringement of the patent by a specific accused product
35 or device.” But the Federal Circuit law makes clear that actual notice does not require actual
36 notice of all the products. *See Funai Elec. Co. Ltd. v. Daewoo Elec. Corp.*, 616 F.3d 1357, 1373
37 (Fed. Cir. 2010) (communication giving rise to actual notice does not need to identify all related
38 products since “ensuing discovery . . . may bring those products within the scope of the notice”).
This is particularly true where, as here, there is an ongoing relationship between the parties.
Minks v. Polaris Indus., Inc., 546 F.3d 1364 (Fed. Cir. 2008) (“ . . . the [T]he court’s instruction

1 to the jury should have more clearly articulated that, in the context of this ongoing relationship
2 between the parties, knowledge of a specific infringing device is not a legal prerequisite to such a
3 finding.”) Additionally, it is established that notice of the specific patent number is not required
4 to constitute give rise to actual notice. *See Ceeco Mach. Mfg., Ltd. v. Intercole, Inc.*, 817 F.
5 Supp. 979 (D. Mass. 1992) (actual notice does not require identifying a particular patent by
6 number where plaintiff acted affirmatively to notify his adversary that he had a patent on a given
7 item and the defendant was infringing that patent). Apple’s corresponding instruction, No. 39, is
8 an accurate statement of the law of actual notice and reflects the accepted Northern District
9 model instruction on this issue. *See id.* (“[T]he crucial inquiry under the notice statute is not
10 whether the plaintiff precisely stated the patent number or date of issuance to the defendant, but
11 whether the plaintiff has acted affirmatively to notify his adversary of the essential information:
12 that the plaintiff had a patent on a given item and that the defendant is infringing the patent”).
13 These same comments apply to Apple’s proposed instruction No. 56.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 40**
2 **CALCULATING DAMAGES IN CASES OF INDUCEMENT⁷**

3 **Samsung’s Proposed Instruction**

4 Apple asserts that Samsung Electronics Company, Samsung Electronics America and Samsung
5 Telecommunications America have each actively induced another to infringe Apple’s patents.

6 Samsung asserts that Apple has actively induced another to infringe Samsung’s patents.

7 In order to recover damages for induced infringement, the patent holder (Samsung and/or Apple)
8 must either prove that the accused product necessarily infringes the patent in suit or prove acts of
9 direct infringement by others that were induced by the accused infringer. Because the amount of
10 damages for induced infringement is limited by the number of instances of direct infringement,
11 the patent holder must further prove the number of direct acts of infringement of the patent in
12 suit, for example, by showing individual acts of direct infringement or by showing that a
13 particular class of products directly infringes.

14 **Source**

15 N.D. Cal. Model Patent Instr. B.5.9 (modified).

16 **Samsung’s Statement in Support**

17 Samsung offers this proposed instruction properly explaining the burden of proof and damages
18 for a claim of inducement that is adapted from this Court’s Model Patent Jury Instructions.

19 **Apple’s Objection to Samsung’s Instruction**

20 Samsung’s proposed instruction is unnecessary and confusing to the jury regarding a damages (as
21 opposed to a liability) issue that is not in dispute. Both parties have proposed separate
22 instructions regarding the requirements for direct infringement and for inducement. Under the
23 facts and circumstances of this case, if both are proved, there is no further reduction to damages
24 or to the sales that are affected for the jury to evaluate. Apple’s claims are all apparatus or design
25 claims and thus, if the Korean parent company induces infringement, the scope of the induced
26 infringement will overlap entirely with the underlying conduct of the U.S sales subsidiaries.
27 There is no evidence that Samsung’s U.S. sales subsidiaries either modify products before sale or
28 provide separate instructions to users that would affect the determination whether infringement is
29 occurring (such as when method claims are being asserted). Samsung’s devices either infringe or
30 they do not. Further, the parent company either directs the sale of the products or it does not. A
31 separate inquiry into whether some unit sales of the same product do not infringe is both
32 confusing and unwarranted. References to whether a product “necessarily infringes” or to
33 infringement by “a particular class of products” will misdirect the jury regarding the issues that
34 they must decide. Thus, the instruction should not be given.

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⁷ Samsung does not believe that Apple has properly asserted inducement of patent infringement in this case. *See* Samsung’s Motion *In Limine*, No. 3. It includes this instruction solely in the event the Court disagrees.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 41**
2 **UTILITY PATENT DAMAGES—NO DOUBLE COUNTING**

3 **Apple’s Proposed Instruction**

4 While Apple is entitled to monetary relief for each infringing sale by Samsung, it may not recover
5 twice for the same sale. You should award Apple the highest remedy that you find applies to the
6 infringing Samsung sale, whether it is based on Apple’s lost profit or a reasonable royalty.
7 However, once you have awarded Apple a remedy with respect to a Samsung sale, you should not
8 award Apple another remedy with respect to the sale of the same unit.

9 If you award Apple one form of remedy with respect to some but not all of Samsung’s infringing
10 sales, you should award Apple a different remedy with respect to the other Samsung infringing
11 sales if Apple meets the requirements for that remedy.

12 In addition, a single Samsung product could violate more than one of Apple’s intellectual
13 property assets. However, you should award Apple only one form of remedy for each sale that
14 violates Apple’s intellectual property rights. If the sale of a Samsung product violates more than
15 one of Apple’s utility patents, design patents, or trade dresses, you should award Apple the
16 highest remedy that Apple has proven with respect to that sale.

17 **Authorities**

18 *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1291-1292 (Fed. Cir. 2002) (“[W]hen
19 both a design patent and a utility patent have been infringed [the plaintiff] ... is entitled to
20 damages for each infringement, but once it receives profits under § 289 for each sale, [the
21 plaintiff] is not entitled to a further recovery from the same sale”); *Aero Prods. Int’l, Inc. v. Intex
22 Recreation Corp.*, 466 F.3d 1000, 1017-19 (Fed. Cir. 2006) (“Generally, the double recovery of
23 damages is impermissible,” holding that a plaintiff cannot recover damages from a defendant for
24 patent infringement and trademark infringement if the damages were calculated from the sale of
25 the same product by the same defendant); *Nintendo of Am., Inc. v. Dragon Pac. Int’l*, 40 F.3d
26 1007, 1010 (9th Cir. 1994) (“[R]ecover of both plaintiff’s lost profits and disgorgement of
27 defendant’s profits is generally considered a double recovery under the Lanham Act.”).

28 **Samsung’s Objection to Apple’s Instruction**

Apple’s proposed instruction is materially incorrect and otherwise inappropriate. Apple is not
“entitled to monetary relief,” nor is it required to receive the “highest remedy that you find
applies.” Yet, this instruction presupposes that and makes this inference to the jury. None of
Apple’s cited authority supports including language that unduly suggests that Apple is “entitled”
to relief, let alone the “highest remedy,” as such, this instruction is misleading and would be
reversible error if adopted. See *Yan Fang Du v. Allstate Ins. Co.*, 681 F.3d 1118, 1122 (9th Cir.
2012) (“Where there is legal error in instructing the jury in a civil case, reversal is required
unless the error is more probably than not harmless.”). In addition to being incorrect, this
language is prejudicial, and improper for that reason also. 1 Fed. Jury Prac. & Instr. § 7:2 (6th
ed.); see also *United States v. Hach*, 162 F.3d 937, 946 (7th Cir. 1998) (the district court was not
required to give [defendant's] inaccurate, redundant and combative instructions); *United States v.
Matias*, 836 F.2d 744 (2d Cir. 1988) (court has duty to give balanced instructions). The
instruction also assumes a remedy for Apple, but Samsung has asserted utility patents as well.
Samsung’s proposed instruction is reciprocal, and therefore more appropriate.

DESIGN PATENT JURY INSTRUCTIONS

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 42**
2 **DESIGN PATENTS—INTERPRETATION OF PATENT CLAIMS**

3 **Apple’s Proposed Instruction**

4 I will now instruct you about how to decide Apple’s design patent infringement claims. Before
5 you decide whether Samsung has infringed each patent or whether it is invalid, you must
6 understand the patent. Each Apple design patent has one claim that covers the design “as shown
7 and described.” Each design patent then uses multiple drawings to illustrate the claimed design.
8 The drawings collectively define the design claimed by each patent. The scope of the claim
9 encompasses the design’s visual appearance as a whole. It does not cover a general design
10 concept, and is not limited to isolated features of the drawings.

11 When viewing the drawings, keep in mind that all matter depicted in solid lines contributes to the
12 overall appearance of the design. In addition, you should view certain features in the drawings
13 of the Apple design patents in this way:

14 D’305 and D’087 patents. For these patents, the broken lines in the patent figures form no part
15 of the claimed design.

16 [Show D’305 patent, Fig. 1 and D’087 patent, Fig. 1 to jury.]

17 D’677 patent. The oblique lines appearing in the D’677 patent indicate a transparent, translucent,
18 or highly polished or reflective surface. In addition, the broken lines in the patent figures form
19 no part of the claimed design for the D’677 patent. (The “oblique” lines are the diagonal lines
20 shown in the figures of the patent.)

21 [Show D’677 patent, Fig. 1 to jury.]

22 D’889 patent. The front surface of the device marked with oblique lines is a transparent surface,
23 the dotted-line rectangle in the front surface marks an area visible beneath the transparent surface
24 and is claimed subject matter, and the human figure shown in broken lines in Figure 9 forms no
25 part of the claimed design.

26 [Show D’889 patent, Fig. 1 to jury.]

27 **Source**

28 Adapted from N.D. Cal. Model Patent Jury Instr. B.2.1; The Intellectual Property Owners Ass’n
Model Design Patent Jury Instr. 5, 7.2.

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*); *see*
also MPEP § 1503.02; *Unique Indus. v. 965207 Alta. Ltd.*, 722 F. Supp. 2d 1, 10 n.2 (D.D.C.
2009) (broken lines may be considered part of the claimed design, “if it is not clear that the
inventor intended to exclude those portions from the claim”).

1 **Samsung's Objection to Apple's Instruction**

2 Apple has provided inaccurate descriptions of the patents that do not comport with the drafting
3 conventions set forth in the MPEP. Samsung's position is laid out in full above at Apple's
4 Proposed Preliminary Instruction No. 10. In short, the D'087 has multiple embodiments, which
5 makes vague comments about broken lines unhelpful or confusing; the D'677 does not specify
6 what the purpose of the broken lines are so those features must be assumed to be part of the
7 claim; and nothing in the D'889 patent indicates that the broken lines show a feature below a
8 transparent surface. That is not only contrary to the PTO's guide to filing a design patent, but the
9 broken lines are also said to show features not claimed by the patent, which would mean that the
10 front face of the D'889 patent is mostly disclaimed. Samsung's Alternatives to Apple's Proposed
11 Final Instruction No. 42 (found below) are preferable because they state correctly important
12 points of design patent law: that design patents can have only one claim, the claim covers all
13 figures in the patent, and that multiple embodiments are permissible where they are patentably
14 indistinct.

15 **SAMSUNG'S GENERAL OBJECTION TO APPLE'S USE OF THE IPO MODEL JURY
16 INSTRUCTIONS**

17 Nearly all of Apple's design patent instructions are based on the Intellectual Property
18 Organization's model jury instructions. ([http://www.ipo.org/AM/Template.cfm?Section=](http://www.ipo.org/AM/Template.cfm?Section=Home&Template=/CM/ContentDisplay.cfm&ContentID=24722)
19 [Home&Template=/CM/ContentDisplay.cfm&ContentID=24722.](http://www.ipo.org/AM/Template.cfm?Section=Home&Template=/CM/ContentDisplay.cfm&ContentID=24722)) This is a biased source for
20 Apple to use for model instructions. The Vice Chair of the Design Rights Committee, which
21 oversaw drafting of the instructions, is Tracy-Gene Durkin, one of Apple's top design patent
22 prosecuting attorneys whose name is in the file history for all four design patents-in-suit, along
23 with numerous other Apple patents. Apple employee Quin Hoellwarth, who oversees design
24 patents at Apple, is also a member of the Design Rights Committee, as is Perry Saidman, who is
25 a design patent prosecuting attorney for Apple and was Apple's attorney when it filed an amicus
26 brief in *Egyptian Goddess v. Swisa*. See Amicus Br. of Apple in Support of Neither Party, 2008
27 WL 699183, *1 (Fed. Cir. 2008).
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1 **Samsung’s Proposed Instruction**

2 Before you decide whether Samsung Electronics Company, Samsung Electronics America, and/or
3 Samsung Telecommunications America have infringed one or more of the asserted design
4 patents, or whether the design patents are invalid, you will have to understand the design patent
5 claims.

6 Unlike utility patents, a design patent can only have one claim. That claim covers all the figures
7 in the patent. It is permissible to illustrate more than one embodiment of a design in a single
8 design patent application. Multiple embodiments may be presented only if they are directed to
9 substantially the same design and are not patentably distinct from one another.

10 **Source**

11 AIPLA Model Jury Instruction 2; 37 C.F.R. § 1.153; *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543
12 F.3d 665, 679 (Fed. Cir. 2008) (en banc); *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577
13 (Fed. Cir. 1995); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1311-12 (Fed. Cir. 2005) (en banc);
14 *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1285-86 (Fed. Cir. 2002);
15 *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (en banc), aff’d, 517
16 U.S. 370, 374, 116 S.Ct. 1384, 1388 (1996).

17 **Apple’s Objection to Samsung’s Instruction**

18 Samsung’s proposed instruction that “[m]ultiple embodiments may be presented only if they are
19 directed to substantially the same design and are not patentably distinct from one another” is
20 unnecessary and misleading. There is no claim in this case that the asserted designs are invalid
21 based on “multiple embodiments.” Given the absence of such a defense, there is no reason to
22 introduce complexity and possible confusion by the undefined concept of patentably indistinct
23 designs. Apple’s corresponding instruction accurately and concisely summarizes the issues
24 relating to interpretation of the design patents and accurately reflect the law.
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1 **Samsung’s Proposed Instruction**⁸

2 It is my job as a judge to interpret for you what is claimed by the patents. You must accept my
3 interpretations as correct. My interpretations should not be taken as an indication that I have an
4 opinion one way or another regarding the issues of infringement and invalidity. The decisions
regarding infringement and invalidity are yours to make.

5 [READ COURT’S CLAIM CONSTRUCTIONS]

6 **Source**

7 AIPLA Model Jury Instruction 2.1; 37 C.F.R. § 1.152; *Phillips v. AWH Corp.*, 415 F.3d 1303
8 (Fed. Cir. 2005) (en banc); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995)
9 (en banc) *aff’d*, 517 U.S. 370 (1996); *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679-
10 80 (Fed. Cir. 2008) (en banc); *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir.
11 1995).

12 **Apple’s Objection to Samsung’s Instruction**

13 Samsung’s proposed instruction is unnecessary in light of the Federal Circuit’s holding in
14 *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed. Cir. 2008), that “a design is better
15 represented by an illustration ‘than it could be by any description’” (quoting *Dobson v. Dornan*,
16 118 U.S. 10, 14 (1886)). Apple has set forth its reasons why a separate verbal claim construction
17 of the design patents-in-suit is neither needed nor appropriate.
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27 ⁸ Samsung reserves the right to modify this instruction once the Court issues an order
28 regarding claim construction.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 43**
2 **DESIGN PATENT INFRINGEMENT—GENERALLY**

3 **Apple’s Proposed Instruction**

4 A design patent may be infringed directly or indirectly. I will explain the difference shortly.
5 To prove infringement, Apple must persuade you that it is more likely than not that Samsung
6 infringed the patent.

7 **Source**

8 Adapted from The Intellectual Property Owners Ass’n Model Design Patent Jury Instr. 8.1, 8.2.

9 **Samsung’s Objection to Apple’s Instruction**

10 This instruction is improper because it introduces again Apple's untimely allegation that there
11 has been indirect infringement of any design patents. (See Samsung’s Objections to Apple’s
12 Proposed Preliminary Instruction No. 6) This allegation is nowhere found in any pleading or in
13 any interrogatory response designed to elicit Apple's infringement contentions for the design
14 patents. (See Dkt No. 1185-3 at 13-15.)
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 44**
2 **DESIGN PATENTS—DIRECT INFRINGEMENT**

3 **Apple’s Proposed Instruction**

4 To determine direct infringement of a design patent, you must compare the overall appearances
5 of the accused design and the claimed design.

6 Before doing so, you must familiarize yourself with the prior art admitted at trial. In view of this
7 prior art, if you find it more likely than not that the overall appearance of an accused Samsung
8 design is substantially the same as the overall appearance of the claimed Apple design, you must
9 find that Samsung infringed the patent.

10 You should consider any perceived similarities or differences between the patented and accused
11 designs. Minor differences should not prevent a finding of infringement. The use of a mark or a
12 label on an otherwise infringing design will not avoid infringement.

13 You may find the following guidelines helpful to your analysis:

- 14 1. When the claimed design is visually close to prior art designs, small differences between
15 the accused design and the claimed design may be important in analyzing whether the
16 overall appearances of the accused and claimed designs are substantially the same.
- 17 2. If the accused design includes a feature of the claimed design that departs conspicuously
18 from the prior art, you may find that feature important in analyzing whether the overall
19 appearances of the accused and claimed designs are substantially the same.
- 20 3. If the accused design is visually closer to the claimed design than it is to the closest prior
21 art, you may find this comparison important in analyzing whether the overall appearances
22 of the accused and claimed designs are substantially the same.
- 23 4. You do not need to consider the size of the accused products if the asserted design patent
24 does not specify the size of the design.

25 While these guidelines may be helpful, the test for infringement is whether the overall
26 appearances of the accused design and the claimed design are substantially the same. If they are,
27 you must find infringement. Whether Samsung knew its products infringed or even knew of
28 Apple design patents does not matter in determining infringement.

29 **Source**

30 Adapted from The Intellectual Property Owners Ass’n Model Design Patent Jury Instr. 8.3.

31 **Authorities**

32 *Apple Inc. v. Samsung Electronics Co., Ltd.*, No. 11-CV-01846-LHK (Dkt. No. 452) (N.D. Cal.
33 Dec. 2, 2011) at 10-11 (“Under the ordinary observer test, an accused device infringes upon a
34 design patent if in the eye of an ordinary observer, giving such attention as a purchaser usually
35 gives, the design of the accused device and the patented design are substantially the same. The
36 designs are substantially the same, if the resemblance [between the accused device’s design and
37 the patented design] is such as to deceive [an ordinary observer], inducing him to purchase one
38 supposing it to be the other.”) (internal quotations omitted) (citing *Egyptian Goddess, Inc. v.*
39 *Swisa, Unc.*, 543 F.3d 665, 670 (Fed. Cir. 2008) (quoting *Gorham Co. v. White*, 81 U.S. 511, 528
40 (1871)); *id.* at 11 (“This ‘ordinary observer’ test applies to the infringement, anticipation, and
41 obviousness inquiries in the design patent context.”) (citing *Int’l Seaway Trading Corp. v.*

1 *Walgreens Corp.*, 589 F.3d 1233, 1239-40 (Fed. Cir. 2009)); *id.* (“In the infringement analysis,
2 the focus should be on “the overall design” of the patent. For the anticipation and obviousness
3 analysis, the focus should likewise be on “the overall design” of the patent as compared to the
4 prior art.”) (citing *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1239-
5 40 (Fed. Cir. 2009)); *Crocs, Inc. v. ITC*, 598 F.3d 1294, 1304 (Fed. Cir. 2010) (“The proper
6 comparison requires a side-by-side view of the drawings of the [asserted] design and the accused
7 products.”); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1126 (Fed. Cir. 1993)
8 (“Design patent infringement *relates solely to the patented design, and does not require proof of*
9 *unfair competition in the marketplace . . .*”) (emphasis added); *Braun, Inc. v. Dynamics Corp.*,
10 975 F.2d 815, 821 (Fed. Cir. 1992) (“[n]othing in *Gorham* suggests that, in finding design patent
11 infringement, a trier of fact may not as a matter of law rely *exclusively or primarily on a visual*
12 *comparison* of the patented design, as well as the device that embodies the design, and the
13 accused device’s design.”) (emphases added); *Sun Hill Indus., Inc. v. Easter Unlimited, Inc.*,
14 48 F.3d 1193, 1196 (Fed. Cir. 1995) (holding that the trial court recognized that “the patent never
15 mentions color or size or material,” “the court erroneously relied on these unclaimed features of
16 Sun Hill’s GIANT STUFF-A-PUMPKIN in finding infringement”) (citation omitted).

10 **Samsung’s Objection to Apple’s Instruction**

11 Apple's proposed instruction misstates Supreme Court and Federal Circuit law on the proper
12 design patent infringement standard. The seminal case on this issue, *Gorham Co. v. White*, 81
13 U.S. 511 (1871), laid out the precedential 53-word test for what constitutes design patent
14 infringement. As the Supreme Court held:

14 [I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually
15 gives, two designs are substantially the same, if the resemblance is such as to
16 deceive such an observer, inducing him to purchase one supposing it to be the
17 other, the first one patented is infringed by the other.

16 Apple, however, selectively extracts just 3 words out of the test — “substantially the same” —
17 and then ignores how binding Supreme Court precedent has defined those words and how the
18 Federal Circuit has interpreted them over the past 140 years. In stark contrast, Samsung's
19 Proposed Final Instruction No. 44.2, quotes verbatim controlling authority explaining what makes
20 two designs “substantially the same,” as well as what defines the hypothetical ordinary observer,
21 as can be seen from the extensive list of authorities included with Samsung's instruction. Apple
22 may attempt to argue that statements about deceptive similarity do not apply in a patent-to-
23 product comparison and that they only make sense in a product-to-product comparison, but the
24 Federal Circuit consistently uses the language of deception irrespective of what type of
25 comparison is being done. Apple's proposed instruction ignores this critical part of the
26 infringement test and instead focuses predominantly on statements in *Egyptian Goddess* about
27 how to compare prior art to the designs at issue. Apple's instruction leaves it up to the jury to
28 decide infringement using a phrase that is undefined and completely untethered from binding law.
Indeed jurors could have a whole range of ideas about what “substantially the same” means that
does not rise to the level of deceptive similarity. Apple’s proposed instruction is also wrong in its
statement that “[m]inor differences should not prevent a finding of infringement.” The
instruction nowhere states what a “minor difference” is. Under the law, when dealing with
Apple's design patents, some of which cover only one surface of a hand-held electronic device in
a field crowded with prior art, minor differences very well might be significant to the hypothetical
ordinary observer. *See Egyptian Goddess*, 543 F.3d at 678 (“Where there are many examples of
similar prior art designs, as in a case such as *Whitman Saddle [Co.]*, 148 U.S. 674 (1893)],

1 differences between the claimed and accused designs that might not be noticeable in the abstract
2 can become significant to the hypothetical ordinary observer who is conversant with the prior
3 art.”). Apple's instruction also misleadingly states that “[t]he use of a mark or a label on an
4 otherwise infringing design will not avoid infringement,” implying that logos should be ignored
5 for any purpose. This Court has noted that “a logo's placement can be considered when logo
6 placement and appearance are part of the style claimed in the patented designs.” Dkt No. 452 at
7 25 (citing *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624, at *16 n.16 (D. Vt. Aug.
8 31, 2011)). The Court went on to say that “additional writing on the front face of the Samsung
9 phone alters the minimalist style conveyed in the overall design disclosed by the D'677 and D'087
10 patents.” *Id.* at 26. An appropriate instruction in this case needs to take into account that the
11 presence of logos on the Samsung phones can do more in the eye of the ordinary observer than
12 just communicate source. Regardless of what the words say, they are an integral part of the
13 surface ornamentation on a surface with very limited real estate.
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1 **Samsung's Proposed Instruction**

2 Questions _____ through _____ of the Verdict Form read as follows: [READ TEXT OF
3 INFRINGEMENT VERDICT QUESTIONS].

4 I will now instruct you as to the rules you must follow when deciding whether Apple has proven
5 that one or more of the Samsung entities has infringed the D'677, D'087, D'305 and/or D'889
6 design patents.

7 Patent law gives the owner of a valid design patent the right to exclude others from applying the
8 patented design, or any colorable imitation thereof, to any article of manufacture for the purpose
9 of sale, or selling or offering to sell any article of manufacture to which such design or colorable
10 imitation has been applied within the United States during the term of the patent. Any person or
11 company that has engaged in any of those acts without the design patent owner's permission
12 infringes the patent. Here, Apple alleges that the following devices infringe the D'677, D'087,
13 D'305 and D'889 design patents:

14 **Design Patent(s) Device(s) Accused of Infringing**

15

D'677 Samsung Galaxy Ace (SHW-M240S); Samsung Infuse 4G
16 (SGH-1997); Samsung Galaxy S i9000 (SHW-M1105);
17 Samsung Galaxy Fascinate (SCH-I500) (a/k/a Galaxy
18 Showcase and Galaxy Mesmerize); Samsung Galaxy S 4G
19 (SGH-T959V) / Vibrant (SGH-T959).
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D'087 Samsung Galaxy Ace (SHW-M240S); Samsung Infuse 4G
22 (SGH-1997); Samsung Galaxy S i9000 (SHW-M1105);
23 Samsung Galaxy Fascinate (SCH-I500) (a/k/a Galaxy
24 Showcase and Galaxy Mesmerize); Samsung Galaxy S 4G
25 (SGH-T959V) / Vibrant (SGH-T959).
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D'305 Captivate; Continuum; Droid Charge; Epic 4G; Fascinate;
28 Gem; Galaxy S i9000; Galaxy S 4G; Indulge; Infuse 4G;
Mesmerize; Showcase; Galaxy S Showcase i500; and
Vibrant.

D'889 Galaxy Tab 10.1

Each of the Samsung entities deny that any of these devices infringe any Apple design patent. Apple bears the burden of proving by a preponderance of the evidence its allegations that each device infringes each separate patent. Therefore, you the jury must determine infringement for each patent separately, considering each individual device separately. You must not consider the patents or devices in groups to determine infringement on that basis.

Source

AIPLA Model Patent Jury Instructions 3.0; 35 U.S.C. § 289; *Crocs, Inc. v. International Trade Com'n*, 598 F.3d 1294, 1304-06 (Fed. Cir. 2010); *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1116-17 (Fed. Cir. 1998); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1124 (Fed. Cir. 1993).

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction is unnecessary because an overview of Apple’s infringement
3 contentions has been more succinctly provided in Apple’s proposed instructions. Samsung’s
4 proposed instruction is also objectionable because it omits from its list of acts of infringement
5 making, using, or importing into the U.S. Further, its use of the term “any colorable imitation,”
6 without any definition or explanation, is likely to be confusing. In addition, the instruction
7 misstates Apple’s infringement contentions by omitting the five Galaxy S II phones from the
8 accused product list for the D’677 and D’087 patents, and incorrectly listing the Fascinate,
9 Mesmerize, Showcase, and Galaxy Ace as accused products under the D’087 patent. Samsung
10 has also omitted the Tab 10.1 LTE from the list of products accused under the D’889 patent.
11 Samsung’s proposed instruction also adds the factual assertion that “[e]ach of the Samsung
12 entities deny that any of these devices infringe any Apple design patent,” and asserts that patents
or devices cannot be considered in groups for purposes of assessing infringement. This is wrong.
13 *See TiVo, Inc. v. EchoStar Communications Corp.*, 516 F.3d 1290, 1308 (Fed. Cir. 2008)
14 (permissible to have “expert testifying in detail about a particular device and then stating that the
15 same analysis applies to other allegedly infringing devices that operate similarly, without
16 discussing each type of device in detail”); *Spansion, Inc. v. ITC*, 629 F.3d 1331, 1350 (Fed. Cir.
17 2010) (court accepted 52 models as representative of all semiconductor packages at issue because
18 expert had offered “specific and substantial evidence” about why all other packages would
19 behave similarly); *Intellectual Sci. & Tech., Inc. v. Sony Electronics, Inc.*, 589 F.3d 1179, 1181
20 (Fed. Cir. 2009) (analyzing all patents using categories created by the district court and
21 representative products that plaintiffs provided pursuant to district court order).
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 44.1**
2 **DESIGN PATENT DIRECT INFRINGEMENT – LIABILITY MUST BE PROVED FOR**
3 **EACH ENTITY SEPARATELY**

4 **Samsung’s Proposed Instruction**

5 In this case, Apple asserts that Samsung Electronics America, Samsung Telecommunications
6 America, and Samsung Electronics Company have each directly infringed the D’677, D’087,
7 D’305 and D’889 design patents. Even if you determine that a particular device infringes one of
8 the patents, you may not find any of the Samsung entities liable for direct infringement unless
9 Apple proves by a preponderance of the evidence that the particular Samsung entity has, in the
10 United States, made, used, offered to sell, or sold the device. You must determine this liability
11 separately for each Samsung entity and each device.

12 **Source**

13 AIPLA Model Patent Jury Instructions, 3.1; 35 U.S.C. § 289; *BMC Resources v. Paymentech,*
14 *L.P.*, 498 F.3d 1373, 1380-81 (Fed. Cir. 2007); *DeMarini Sports, Inc. v. Worth, Inc.*, 239 F.3d
15 1314, 1330-32 (Fed. Cir. 2001); *Seal-Flex, Inc. v. Athletic Track & Court Constr.*, 172 F.3d 836,
16 842 (Fed. Cir. 1999); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 889
17 (Fed. Cir. 1988); *Crocs, Inc. v. International Trade Com’n*, 598 F.3d 1294, 1304-06 (Fed. Cir.
18 2010).

19 **Samsung’s Statement in Support**

20 This simple instruction states that liability for direct infringement has to be determined
21 separately for each Samsung entity. It also states the burden of proof. This instruction is
22 necessary to help the jury from being confused about whether it is supposed to decide liability
23 for all the Samsung entities as a group or individually. This instruction is based on AIPLA
24 Model Patent Jury Instructions, 3.1.

25 **Apple’s Objection to Samsung’s Instruction**

26 Samsung’s proposed instruction incorrectly omits that Samsung may be liable for infringement if
27 it imports into the U.S. an infringing device. *See* 35 U.S.C. § 271 (a). Apple’s instruction
28 No. 44 accurately summarizes the infringement issues and accurately reflects the law. There is
29 also no dispute here, except in limited circumstances, as to whether the liability of the Samsung
30 entities stands or falls together. When it is necessary to make a distinction, as in the case of
31 inducement, the instructions should reflect that. But there is no reason to confuse the jury at this
32 point with this concept.

1 other.”); *Arminak & Assocs., Inc. v. Saint-Gobain Calmar, Inc.*, 501 F.3d 1314, 1323 (Fed. Cir.
2 2007) (“[T]he purchaser of the patented and accused designs in this case is the purchaser of one
3 of a retail product’s component parts that is thereafter assembled with other parts to make the
4 retail product. To hold that such a purchaser is the appropriate hypothetical ordinary observer
5 fits squarely with our precedent that the ordinary observer is a person who is either a purchaser
6 of, or sufficiently interested in, the item that displays the patented designs and who has the
7 capability of making a reasonably discerning decision when observing the accused item’s design
8 whether the accused item is substantially the same as the item claimed in the design patent.”); *id.*
9 at 1324 (“Specifically, *the question to be addressed* in applying the ordinary observer test *is*
10 *whether the ordinary observer would be deceived* by the accused design because it is
11 substantially similar to the patented design.”) (emphasis added); *Goodyear Tire & Rubber Co. v.*
12 *Hercules Tire & Rubber Co., Inc.*, 162 F.3d 1113, 1117 (Fed. Cir. 1998) (“The measure of
13 infringement of a design patent is deception of the ordinary observer, when such person gives the
14 design the attention usually given by a purchaser of the item bearing the design.”); *id.* (“[T]he
15 focus is on the actual product that is presented for purchase, and the ordinary purchaser of that
16 product. The accused tire, the Hercules Power Trac, is a truck tire. The district court correctly
17 invoked the ordinary trucker or fleet operator who purchases truck tires, as the person from
18 whose viewpoint deceptive similarity to the ’080 design is determined.”); *Crocs, Inc. v.*
19 *International Trade Com’n*, 598 F.3d 1294, 1303 (Fed. Cir. 2010) (“To show infringement under
20 the proper test, an ordinary observer, familiar with the prior art designs, would be deceived into
21 believing that the accused product is the same as the patented design.”); *id.* at 1306 (“These side-
22 by-side comparisons of the ’789 patent design and the accused products suggest that an ordinary
23 observer, familiar with the prior art designs, would be deceived into believing the accused
24 products are the same as the patented design. In one comparison after another, the shoes appear
25 nearly identical. If the claimed design and the accused designs were arrayed in matching colors
26 and mixed up randomly, this court is not confident that an ordinary observer could properly
27 restore them to their original order without very careful and prolonged effort.”); *OddzOn v. Just*
28 *Toys*, 122 F.2d 1396, 1405 (“The patentee ‘must establish that an ordinary person would be
deceived by reason of the common features in the claimed and accused designs which are
ornamental.’”) (quoting *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed. Cir. 1992));
Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 676 (Fed. Cir. 2008) (en banc) (“When the
differences between the claimed and accused design are viewed in light of the prior art, the
attention of the hypothetical ordinary observer will be drawn to those aspects of the claimed
design that differ from the prior art. And when the claimed design is close to the prior art
designs, small differences between the accused design and the claimed design are likely to be
important to the eye of the hypothetical ordinary observer.”); *id.* at 678 (“[D]ifferences between
the claimed and accused designs that might not be noticeable in the abstract can become
significant to the hypothetical ordinary observer who is conversant with the prior art.”).

21 **Apple’s Objection to Samsung’s Instruction**

22 Samsung’s proposed instruction misstates the law and is misleading in several ways. First,
23 beginning with its first sentence, Samsung repeatedly redefines the infringement test from
24 “substantially the same” or “substantially similar” to “deceptively similar.” Samsung relies
25 virtually exclusively on one phrase in the “ordinary observer test” in *Gorham Co. v. White* 81
26 U.S. 511, 528 (1871), to attempt to create a separate requirement for deception. Samsung then
27 paraphrases and re-arranges the words from the quote repeatedly to suggest that there needs to be
28 evidence of deception of a consumer purchasing a Samsung product for an Apple product in
order to prove infringement. This is incorrect. The “such as to deceive” passage of *Gorham* is
simply an elaboration on how similar two designs must be to be “substantially the same.” See
Amini Innovation Corp. v. Anthony California, Inc., 439 F.3d 1365, 1371 (Fed. Cir. 2006) (“the
deception that arises is a result of similarities in the overall design”). No Federal Circuit case has
required evidence of deception, and to suggest such a requirement to the jury would be error. In
fact, in *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1126-34 (Fed. Cir. 1993), the

1 Federal Circuit found patent infringement despite holding that “the district court clearly erred in
2 holding that purchasers of [the accused] shoes would be likely to be confused or deceived or
3 mistakenly think that they were buying the L.A. Gear athletic shoes, despite the substantial
4 similarity of overall design.” Moreover, undue emphasis on the “deceive” term in *Gorham*
5 carries the further risk of misleading the jury into thinking some kind of trickery or dishonesty is
6 required, which it is not. Finally, Samsung’s emphasis on the “purchase” phrase in *Gorham* may
7 mislead the jury away from focusing on and comparing the claimed *designs*. Indeed, Samsung’s
8 statement in instruction No. 46.1 that “[t]he same standard of deceptive similarity that applied to
9 infringement also applies to anticipation” underscores why Samsung’s instruction is nonsensical.
10 An ordinary observer cannot “purchase” a prior art patent with respect to anticipation. Likewise,
11 a determination of whether a patentee practices its own design patents would be nonsensical
12 under Samsung’s formulation; a purchaser would not be deceived into purchasing an Apple
13 product supposing it to be an Apple design. *See also Payless Shoesource, Inc. v. Reebok Int’l*
14 *Ltd.*, 998 F.2d 985, 990 (Fed. Cir. 1993) (“Proper application of the *Gorham* test requires that an
15 accused design be compared to the claimed design, not to a commercial embodiment.”). Second,
16 Samsung’s extraneous “characteristics” of the ordinary observer are wrong. Samsung’s
17 instruction that ordinary observer “gives the same level of attention to those products as a normal
18 purchaser would give in that purchasing context” is not even supported by Samsung’s own case
19 citations, which refer to a purchaser or one “sufficiently interested in[] the item,” and of giving
20 “the design the attention *usually* given” *Arminak & Assocs., Inc. v. Saint-Gobain Calmar,*
21 *Inc.*, 501 F.3d 1314, 1323 (Fed. Cir. 2007); *see also Goodyear Tire & Rubber Co. v. Hercules*
22 *Tire & Rubber Co., Inc.*, 162 F.3d 1113, 1117 (Fed. Cir. 1998). Moreover, Samsung’s
23 instruction that the ordinary observer “is capable of making a reasonably discerning decision
24 when observing the Samsung designs to determine whether they have an appearance that is
25 deceptively similar to the patented designs” inappropriately replaces the test of “substantially the
26 same” with the phrase “deceptively similar” in order once again to mislead the jury into thinking
27 that actual deception is a required element for infringement. Third, Samsung’s last paragraph is
28 incorrect and incomplete. It incorrectly emphasizes focusing on individual aspects of the
designs, and not the overall impressions of the design. *See Egyptian Goddess, Inc. v. Swisa, Inc.*,
543 F.3d 665, 677 (Fed. Cir. 2008) (rejecting point of novelty test as it inappropriately “focused
on whether the accused design has appropriated a single specified feature of the claimed design,
rather than on the proper inquiry, i.e., whether the accused design has appropriated the claimed
design as a whole”). Moreover, Samsung’s instruction is incomplete as it only accounts for
potential differences between the asserted and accused design and not similarities. For instance,
Samsung’s instruction fails to instruct that if the accused design includes “a feature of the
claimed design that departs conspicuously from the prior art,” the design would more likely be
infringing. *Id.* Apple’s corresponding instruction, No. 44, is an accurate statement of the
ordinary observer test. It properly instructs the jury that they themselves, as ordinary observers,
familiar with the prior art presented at trial, determine whether there is substantial similarity
between the overall impressions of the asserted design and the accused design. *Gorham*, 81 U.S.
at 528; *Braun Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 821 (Fed. Cir. 1992) (“Nothing in
Gorham suggests that, in finding design patent infringement, a trier of fact may not as a matter of
law rely exclusively or primarily on a visual comparison of the patented design, as well as the
device that embodies the design, and the accused device’s design.”). It also properly instructs
the jury regarding the role of prior art in the infringement analysis. *See, e.g., Egyptian Goddess*,
543 F.3d at 677-683. It also properly instructs that minor differences and labels are not enough
to escape infringement. *See Crocs v. ITC*, 598 F.3d 1294, 1304 (Fed. Cir. 2010); *L.A. Gear*, 988
F.2d 1117 at 1126. It also properly instructs that size of the accused product is irrelevant if the
asserted design does not specify a size. *See Sun Hill Indus. v. Easter Unlimited Inc.*, 48 F.3d
1193, 1196-97 (Fed. Cir. 1995).

1 **PROPOSED FINAL JURY INSTRUCTION NO. 44.3**
2 **DESIGN PATENT DIRECT INFRINGEMENT—COMPARISONS**

3 **Samsung’s Proposed Instruction**

4 You have heard evidence about certain Apple products and models, such as the various
5 generations of iPhones and iPads, as well as the 035 model. If you determine that any of Apple’s
6 products or models embody an Apple patent design because they are substantially the same as
7 that design and have no material distinctions, you may compare the product or model directly to
8 the accused Samsung products. This may facilitate your determination of whether an ordinary
9 observer would be deceived. However, if you determine that a particular Apple product or model
10 does not embody a patented design, you may not compare it to the accused devices.

11 **Source**

12 *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1189 (Fed. Cir. 1988) (“When no significant
13 distinction in design has been shown between the patent drawing and its physical embodiment, it
14 is not error for the court to view them both, and to compare the embodiment of the patented
15 design with the accused devices.”); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117,
16 1125-26 (Fed. Cir. 1993) (“When the patented design and the design of the article sold by the
17 patentee are substantially the same, it is not error to compare the patentee’s and the accused
18 articles directly, indeed, such comparison may facilitate application of Gorham criterion of
19 whether an ordinary purchaser would be deceived into thinking that one were the other.”);
20 *Braun, Inc. v. Dynamics Corp. of America*, 975 F.2d 815, 820 & n.8 (Fed. Cir. 1992).

21 **Samsung’s Statement in Support**

22 This instruction is based on Federal Circuit law governing when an embodiment can be used in
23 the infringement analysis along with the patent. Both parties will likely ask the jury to compare
24 the accused devices directly to a claimed embodiment of an asserted patent. Apple already did
25 this at the preliminary injunction stage, claiming its iPad 2 was an embodiment of D’889. *See*
26 Dkt. No. 282 at 8 (under seal). Samsung will want to present the 035 model to the jury for
27 infringement comparison purposes. Because the parties have a dispute as to which tangible
28 items are legitimate embodiments of the patents, an instruction is necessary to enable the jurors
29 to decide this factual dispute. This is particularly important because determining whether a
30 device or model is an embodiment of a patent can affect the whole infringement analysis. *See*
31 *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1189 (Fed. Cir. 1988) (“When no significant
32 distinction in design has been shown between the patent drawing and its physical embodiment, it
33 is not error for the court to view them both, and to compare the embodiment of the patented
34 design with the accused devices.”). It can also affect the damages calculation and whether lost
35 profit damages should be awarded. *See, e.g., Stryker Corp. v. Intermedics Orthopedics, Inc.*, 891
36 F.Supp. 751, 819-820 (E.D.N.Y. 1995) (sales of commercial embodiment established demand for
37 patented product as required for award of lost profit damages).

38 **Apple’s Objection to Samsung’s Instruction**

39 Samsung’s proposed instruction is improper because it would undermine the Court’s claim
40 construction decision on whether the 035 model has any effect on the scope of Apple’s D’889
41 patent. As the Court previously found, “the 035 Prototype is not a relevant comparison to
42 establish infringement of the D’889 patent” because its photos were canceled from the D’889
43 application. (Dkt. 1171 at 6.) Instead, “the drawings in the D’889 Patent establish the claimed
44 design.” *Id.* This instruction is objectionable because it fails to emphasize that even if a product
45 comparison may “facilitate” a decision, the proper comparison ultimately is to the patent
46 drawings, not to the product embodiment. Moreover, this instruction is further objectionable for

1 once again misstating the infringement test as deception rather than “substantially the same.”
2 Moreover, Samsung seeks to introduce not the photographs that were submitted with the D’889
3 patent application, but the physical 035 model itself, which was never submitted to the PTO.
4 And because the 035 model has certain features not found in the D’889 patent figures, such as
5 the gap around the front surface pointed to by Samsung and a larger physical size compared to
6 the iPad and Tab 10.1, its use in the infringement comparison would be misleading. *See Lee v.*
7 *Dayton-Hudson Corp.*, 838 F.2d 1186, 1189 (Fed. Cir. 1988) (“When no significant distinction
8 in design has been shown between the patent drawing and its physical embodiment, it is not error
9 for the court to view them both.”).
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 44.4**
2 **DESIGN PATENT DIRECT INFRINGEMENT—ORNAMENTAL VERSUS**
3 **FUNCTIONAL FEATURES**

4 **Samsung’s Proposed Instruction**

5 Design patents do not protect the functional aspects of a design, only the ornamental aspects.
6 Thus, to determine infringement under the ordinary observer test as I have instructed you on
7 previously, you must consider only the ornamental design features of the design patents. You
8 must not consider functional elements for purposes of comparing a design patent to an accused
9 device in deciding infringement. Apple must prove by a preponderance of the evidence that the
10 ordinary observer would be deceived by reason of the common features in the claimed and
11 accused designs that are ornamental. The similarity cannot be a result of any functional features.

12 **[THE FOLLOWING ALTERNATIVE PARAGRAPH TO BE READ IN THE EVENT**
13 **THE COURT ALLOWS THE JURY TO DETERMINE WHICH FEATURES ARE**
14 **FUNCTIONAL FOR INFRINGEMENT PURPOSES.]**

15 Design patents do not protect the functional aspects of a design, only the ornamental aspects.
16 Thus, to determine infringement under the ordinary observer test as I have instructed you on
17 previously, you must consider only the ornamental design features of the design patents. You
18 must not consider functional elements for purposes of comparing a design patent to an accused
19 device in deciding infringement. A feature is functional if the feature is essential to the use or
20 purpose of the article. A design feature also is functional if it affects the cost or quality of the
21 article. If you determine that any of the design patents includes functional features, you cannot
22 find infringement unless Apple proves by a preponderance of the evidence that the ordinary
23 observer would be deceived by reason of the common features in the claimed and accused designs
24 that are ornamental. The similarity cannot be a result of any functional features.

25 **Source**

26 *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825-26 (Fed. Cir. 1992) (“[Where] a design is
27 composed of functional as well as ornamental features, to prove infringement a patent owner
28 must establish that an ordinary person would be deceived by reason of the common features in
29 the claimed and accused designs which are ornamental.”); *OddzOn Prods., Inc. v. Just Toys, Inc.*,
30 122 F.3d 1396, 1405 (Fed. Cir. 1997); *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1293-
31 94 (Fed. Cir. 2010); *id.* at 1296 (“We also agree that, ignoring the functional elements of the
32 tools, the two designs are indeed different.”); *Amini Innovation Corp. v. Anthony Cal. Inc.*,
33 439 F.3d 1365, 1371-72 (Fed. Cir. 2006) (“An aspect is functional ‘if it is essential to the use or
34 purpose of the article or if it affects the cost or quality of the article.’”); *PHG Tech., Inc. v.*
35 *St. John Co., Inc.*, 469 F.3d 1361, 1366 (Fed Cir. 2006); *Berry Sterling Corp. v. Pescor Plastics,*
36 *Inc.*, 122 F.3d 1452, 1456 (Fed Cir. 1997).

37 **Samsung’s Statement in Support**

38 This instruction is based on clear Federal Circuit law that functional features cannot be protected
39 by a design patent. *See Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1293 (Fed. Cir. 2010)
40 (“[W]e have made clear that a design patent, unlike a utility patent, limits protection to the
41 ornamental design of the article.”). It properly informs the jury that they may not consider the
42 similarity of functional features in the infringement analysis and that Apple bears the burden to
43 prove that the ordinary observer would be deceived by similarities in their ornamental features
44 alone, excluding the functional features. *OddzOn Products, Inc. v. Just Toys, Inc.*, 122 F.3d
45 1396, 1405 (Fed. Cir. 1997) (“The patentee ‘must establish that an ordinary person would be
46 deceived by reason of the common features in the claimed and accused designs which are
47 ornamental.’”) (quoting *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed. Cir. 1992).) The

1 instruction is presented as a pair of alternatives depending on whether the Court determines
2 which elements are functional or asks the jury to do so. In either case, it should instruct the jury
3 on the significance of a feature or features being deemed functional because that determination
4 affects the entire infringement analysis. In the event the Court asks the jury to determine which
5 features are functional for the infringement analysis, the second alternate instruction includes
6 Federal Circuit language giving the guidelines for determining functionality. *See, e.g., Amini
7 Innovation Corp. v. Anthony Cal. Inc.*, 439 F.3d 1365, 1371-72 (Fed. Cir. 2006) ("An aspect is
8 functional if it is essential to the use or purpose of the article or if it affects the cost or quality of
9 the article.") (quotation marks omitted).

6 **Apple's Objection to Samsung's Instruction**

7 Samsung's proposed instruction is unnecessary because a finding of functional elements for
8 purposes of an infringement analysis is a claim construction issue for the Court. *Richardson v.
9 Stanley Works, Inc.*, 597 F.3d 1288, 1293 (Fed. Cir. 2010). The Court will decide the manner
10 and language of its instruction to the jury. Moreover, Samsung's instruction requires that the
11 ordinary observer be "deceived" for a finding of infringement, which is not the law. (*See*
12 *Apple's objection to Samsung's proposed instruction No. 44.2.*) Samsung's alternative statement
13 relies on the unfounded proposition that the jury should decide what features are functional.
14 *Richardson*, 597 F.3d at 1293. The alternative statement also misstates the law of functionality.
15 As the Court noted previously, the standard is clear: a design is functional only if it is "dictated
16 by the functionality of the item." (Dkt. No. 452 at 13.) *See L.A. Gear, Inc., v. Shoe Co.*, 88 F.2d
17 1117 at 1123 (Fed. Cir. 1993) ("If the particular design is essential to the use of the article, it
18 cannot be the subject of a design patent."). While Samsung cites to *Amini Innovation Corp. v.
19 Anthony California, Inc.*, 439 F.3d 1365, 1371 (Fed. Cir. 2006), for an "affects the cost or quality
20 of the article" standard of functionality, the *Amini* court was quoting the standard for trade dress
21 functionality, *see Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 (1982), and did not
22 actually apply that standard in its analysis. Samsung has not identified cases that actually apply
23 this "cost or quality" standard in the design patent context, or shown how that standard would be
24 less stringent than the "dictated by function" standard consistently used for design patents.
25 Finally, to the extent the jury is to decide issues of functionality, the instruction must clearly
26 delineate between what Samsung calls a "feature" – *e.g.*, a display screen – and the particular
27 design of such a feature – *e.g.*, the size, shape and location of a display screen. For an element to
28 be deemed "functional," it must be shown that the *particular design* of that element is dictated
by function; Samsung's proposed instruction fails to convey this requirement.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 44.5**
2 **DESIGN PATENT PROSECUTION HISTORY ESTOPPEL**

3 **Samsung’s Proposed Instruction**

4 You are instructed that the scope of a design patent can be limited by what is called “prosecution
5 history estoppel.” As you have already heard, during prosecution of a patent, the patent applicant
6 often makes arguments and amendments in an attempt to convince the Patent Office examiner to
7 grant the patent. The party seeking to obtain a patent may amend his patent claims or submit
8 arguments in order to define or narrow the meaning of the claims to obtain the patent. Once it has
9 done so, it is not entitled to patent coverage that would be broad enough to cover the same feature
10 that was used to distinguish the invention during the prosecution of the patent.

11 You are instructed that prosecution history estoppel applies in the following way:

12 Apple overcame a non-final obviousness rejection by the Patent Office during prosecution of the
13 D’677 patent by claiming that the design disclosed the overall impression of a substantially
14 continuous transparent surface on an electronic device and the substantially smooth or flush
15 transition between the display screen and the rest of the front face of the device. The D’677
16 patent is not entitled to broader coverage than this description.

17 **Source**

18 AIPLA Model Jury Instruction 3.13; *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,
19 535 U.S. 722 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 30-34
20 (1997); *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679-80 (Fed. Cir. 2008) (en banc)
21 (“[A] trial court can usefully guide the finder of fact by addressing a number of other issues that
22 bear on the scope of the claim. Those include such matters as . . . assessing and describing the
23 effect of any representations that may have been made in the course of the prosecution history,”);
24 *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1124-25 (Fed. Cir. 1993) (“As for other
25 patented inventions, reference is made to the prior art and the prosecution history in order to give
26 appropriate weight to the factors that contributed to patentability.”).

27 **Apple’s Objection to Samsung’s Instruction**

28 Samsung’s proposed instruction is unnecessary because prosecution history estoppel may apply
only to claim construction arguments or to limit the doctrine of equivalents for infringement.
29 *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 733-34 (2002). But
30 claim construction is an issue for the Court, and Apple is not alleging infringement by
31 equivalents for its design patents-in-suit. Samsung’s proposed instruction attempts to introduce a
32 new argument that Samsung failed to advance during the design patent claim construction
33 briefing, or anywhere else in this case. Even if an estoppel instruction were needed, Samsung’s
34 proposal is misguided. The prosecution statement cited by Samsung merely points out that two
35 pieces of cited prior art fail to disclose a readily-apparent feature shown in the D’677 patent
36 figures (its edge-to-edge transparent front surface). There was neither a narrowing amendment
37 to avoid the art or any other evidence of a surrender of subject matter. *Festo*, 535 U.S. at 734
38 (“Prosecution history estoppel . . . precludes a patentee from regaining, through litigation,
39 coverage of subject matter relinquished during prosecution of the application for the patent.”)
40 (quoting *Wang Laboratories, Inc. v. Mitsubishi Electronics America, Inc.*, 103 F.3d 1571, 1577-
41 1578 (Fed. Cir. 1997)).

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**PROPOSED FINAL JURY INSTRUCTION NO. 45
DESIGN PATENTS—INVALIDITY BURDEN OF PROOF**

Apple’s Proposed Instruction

I will now instruct you on how to decide whether Samsung has proven that the Apple design patents are invalid. For each patent, Samsung must persuade you by clear and convincing evidence that the design patent is invalid.

Source

Adapted from N.D. Cal. Model Patent Jury Instr. B.4.1; The Intellectual Property Owners Ass’n Model Design Patent Jury Instr. 9.1.

Authorities

Microsoft Corp. v. i4i Ltd. P’ship, 131 S.Ct. 2238, 2242, 2251 (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); *Sciele Pharma Inc. v. Lupin Ltd.*, No. 2012-1228, 2012 U.S. App. LEXIS 13513, at *12-14 (Fed. Cir. July 2, 2012) (“Whether a reference was previously considered by the PTO, the burden of proof is the same: clear and convincing evidence of invalidity.”).

— OR —

I will now instruct you on how to decide whether Samsung has proven that the Apple design patents are invalid. For each patent, Samsung must persuade you by clear and convincing evidence that the design patent is invalid.

In deciding this issue, you may take into account that Samsung relies on certain prior art that was not considered by the Patent Office when it issued the asserted patents. Although Samsung must persuade you of invalidity by clear and convincing evidence, prior art that was not considered by the Patent Office may carry more weight than prior art that was considered. This may make Samsung’s burden of showing that a patent is invalid easier to sustain. Conversely, relying on prior art that was considered by the Patent Office may make Samsung’s burden of showing invalidity by clear and convincing evidence more difficult to sustain.

Source

N.D. Cal. Model Patent Jury Instr. B.4.1; Adapted from The Intellectual Property Owners Ass’n Model Design Patent Jury Instructions 9.1.

Authorities

Microsoft Corp. v. i4i Ltd. P’ship, 131 S.Ct. 2238, 2242, 2251 (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); *Sciele Pharma Inc. v. Lupin Ltd.*, No. 2012-1228, 2012 U.S. App. LEXIS 13513, at *12-14 (Fed. Cir. July 2, 2012) (“Whether a reference was previously considered by the PTO, the burden of proof is the same: clear and convincing evidence of invalidity.”).

1 **Samsung's Objection to Apple's Instruction**

2 Apple's first alternative instruction is not objectionable substantively, though Samsung's
3 Alternative to Apple's Proposed Final Instruction No. 45 immediately below provides a more
4 useful introduction to the invalidity instructions. In the context of design patents, Apple's second
5 alternative instruction is likely to cause more confusion than assistance. If there were just a few
6 prior art references that could be identified by name in the instruction as either disclosed to the
7 PTO or not, that might be useful, but where as here there are a number of patents, publications,
8 and devices, such an instruction will likely serve only to confuse the jury and obscure the
9 standard.

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1 **Samsung’s Proposed Instruction**

2 Once you have considered the issue of infringement, you must consider whether Apple’s patents
3 are valid. Samsung has asserted that each of the Apple design patents is invalid. This means that
4 even if you find that a patent has been infringed, you must still determine whether that patent is
5 actually a valid one. Simply because the US Patent Office issued a design patent does not mean
6 that it is valid. Samsung must prove this by clear and convincing evidence.

7 An issued design patent may be found invalid where:

- 8 (a) it is anticipated by a single earlier design;
- 9 (b) it is obvious in view of one or more earlier designs;
- 10 (c) it is indefinite, which means it is unclear;
- 11 (d) it is the second patent on the same design, which is called double patenting; or
- 12 (e) it is a functional design, not an ornamental one.

13 A design patent with multiple embodiments is invalid even if just one of the embodiment is found
14 to be anticipated or obvious.

15 I will give you more guidance on each of these reasons.

16 **Source**

17 35 U.S.C. §§ 102, 103,171; *In re Klein*, 987 F.2d 1569, 1570 (Fed. Cir. 1993) (citing *Ex Parte*
18 *Appeal No. 315-40*, 152 USPQ2d 71, 72 (TTAB 1965). See each section below for authority.

19 **Apple’s Objection to Samsung’s Instruction**

20 Samsung’s proposed instruction misstates the law in numerous important ways. First, it
21 contradicts the presumption of validity and the heightened standard of proof for invalidity by
22 stating that “[s]imply because the US Patent Office issued a design patent does not mean that it is
23 valid.” See *Microsoft Corp. v. i4i L.P.*, 131 S. Ct. 2238, 2242 (2011). Second, it unnecessarily
24 provides an instruction on indefiniteness, which is an issue for the Court, see *Exxon Research &*
25 *Eng’g Co. v. United States*, 265 F.3d 1371, 1376 (Fed. Cir. 2001) (determining whether a patent
26 complies with 35 U.S.C. § 112(2) presents a question of law “that is drawn from the court’s
27 performance of its duty as the construer of patent claims”), and then proceeds to misstate the
28 indefiniteness standard as simply “unclear.” See *Novo Indus., L.P. v. Micro Molds Corp.*, 350
F.3d 1348, 1353 (Fed. Cir. 2003) (a claim is not indefinite unless “reasonable efforts at claim
construction prove futile” and “it is ‘insolubly ambiguous’ and not ‘amenable to construction’”).
Third, it provides overly-simplified descriptions of the functionality and double patenting
defenses. Moreover, Samsung refers to double patenting and indefiniteness defenses that are not
in the case, having never been properly disclosed by Samsung in discovery. Fourth, the
instruction is unclear in its statement that “Samsung must prove this by clear and convincing
evidence;” exactly what “this” Samsung has to prove is uncertain. Finally, the instruction’s
shorthand statement of the test for obviousness is incorrect in suggesting that any combination of
prior art may be used, without reference to the requirements for primary and secondary
references.

1 **Source**

2 Adapted from N.D. Cal. Model Patent Jury Instr. B.4.3a1, B.4.3a2; The Intellectual Property
3 Owners Ass'n Model Design Patent Jury Instr. 9.3, 9.4.

4 **Authorities**

5 35 U.S.C. § 102; *Apple Inc. v. Samsung Electronics Co., Ltd.*, No. 11-CV-01846-LHK (Dkt.
6 No. 452) (N.D. Cal. Dec. 2, 2011) at 11 (the “ordinary observer” test applies to anticipation)
7 (citing *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1239-40 (Fed. Cir.
8 2009)); *id.* at 18 (“The test for anticipation is the same as the test for infringement, the only
9 difference being that the court compares the patented design with the alleged anticipatory
10 reference rather than with the accused infringing product.”); *id.* at 10-11 (“Under the ordinary
11 observer test, an accused device infringes upon a design patent if “in the eye of an ordinary
12 observer, giving such attention as a purchaser usually gives,” the design of the accused device
13 and the patented design are “substantially the same.” The designs are “substantially the same,
14 if the resemblance [between the accused device’s design and the patented design] is such as to
15 deceive [an ordinary observer], inducing him to purchase one supposing it to be the other.””) (citing
16 *Egyptian Goddess, Inc. v. Swisa, Unc.*, 543 F.3d 665, 670 (Fed. Cir. 2008) (quoting
17 *Gorham Co. v. White*, 81 U.S. 511, 528 (1871)); *id.* at 11 (“For the anticipation and obviousness
18 analysis, the focus should likewise be on ‘the overall design’ of the patent as compared to the
19 prior art.”) (citing *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1239-40 (Fed.
20 Cir. 2009)).

21 **Samsung’s Objection to Apple’s Instruction**

22 ***Apple’s proposed instruction misstates the law of anticipation.*** The Federal Circuit, following
23 Supreme Court precedent, made clear that the same standard used for infringement applies to
24 invalidity. *Int’l Seaway Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1240 (Fed. Cir. 2009) (“In
25 light of Supreme Court precedent and our precedent holding that the same tests must be applied to
26 infringement and anticipation, and our holding in *Egyptian Goddess* that the ordinary observer
27 test is the sole test for infringement, we now conclude that the ordinary observer test must
28 logically be the sole test for anticipation as well.”). Apple instead proposes that the instruction be
based on an old holding that to anticipate, a prior art reference must be “identical in all material
respects to the overall visual impression of the claimed design” to an ordinary observer. This is a
more stringent standard than Apple advocates on the infringement side and it is erroneous.

Apple’s proposed instruction misstates the law and facts regarding the JP’638 reference. First,
the Federal Circuit did not say JP’638 “cannot be used” as an anticipating reference. It said that
because JP’638 is arched from the side view, the Federal Circuit found it distinguishable from
D’087 and therefore rejected this Court’s “ruling that the D’087 patent is *likely anticipated* by the
’638 reference.” *Apple v. Samsung*, 678 F.3d 1314, 1327 (Fed. Cir. 2012) (emphasis added). The
Federal Circuit made no ruling as a matter of fact or law that JP’638 *could not be used* to
anticipate D’087, just that it considered it unlikely on that record. Nor did it consider JP’638 in
comparison to D’677. Yet Apple would have the jury instructed that JP’638 cannot be used to
anticipate “any Apple design patent.” That is wrong. Second, even if the Federal Circuit had
issued a ruling on whether JP’638 was a proper anticipating reference, such “decisions on
preliminary injunctions are just that—preliminary.” *S. Or. Barter Fair v. Jackson County*, 372
F.3d 1128, 1136 (9th Cir. 2004). The Federal Circuit itself said that it’s “mindful that all findings
of fact and conclusions of law at the preliminary injunction stage are subject to change upon the
ultimate trial on the merits.” *Jack Guttman, Inc. v. Kopykake Enterprises, Inc.*, 302 F.3d 1352,

1 1361 (Fed. Cir. 2002); *see also Balboa Instr., Inc. v. Gecko Electronique, Inc.*, 31 F. App'x 658,
2 661 (Fed. Cir. 2002); *N.A.A.C.P. v. North Hudson Regional Fire & Rescue*, 707 F. Supp. 2d 520,
3 541 (D.N.J. 2010) (“[T]he findings of fact and conclusions of law in a ruling on a preliminary
4 injunction are naturally preliminary in nature and thus do not foreclose any findings or
5 conclusions to the contrary in subsequent stages of the litigation”). This is good because the
6 Federal Circuit actually misread this Court's Dec. 2, 2011 order when it said that the Court
7 “expressly refused to compare anything more than the front views of the patent in question and
8 the prior art reference.” *Apple v. Samsung*, at 1327. This Court *did* take the side views into
9 account, saying that “[t]here are some differences between the D'087 and the '638 patents: . . . the
10 side view discloses a slightly convex screen in the '638 patent, whereas the D'087 patent discloses
11 an entirely flat screen,” but finding that these differences may be minor to an ordinary observer.
12 Dkt 452 at 20. The Court simply did not compare the slider portion of JP'638 to the patent, which
13 the Federal Circuit also did not do. In any event, an instruction on JP'638 is contrary to law. The
14 jury should not be confused or cabined by the preliminary findings of either court. Finally,
15 Samsung does not agree to the effective filing dates of the patents where they differ from the
16 actual filing dates. D'087 and D'677 both claim a priority date based on an earlier application,
17 and Samsung should have the right to challenge that priority date at trial. The jury should be told
18 only that the parties agree on the actual filing dates of the patents. Samsung's Proposed Final
19 Instruction Nos. 46.1-46.3 give the anticipation standard in smaller, more manageable chunks and
20 follow Federal Circuit law regarding the ordinary observer test as applied in the anticipation
21 context.
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1 **Samsung’s Proposed Instruction**

2 Before I describe the different ways a design patent can be invalidated, I will instruct you about
3 documents and things called “prior art.” The term “prior art” will be used in several of the
4 following instructions on invalidity. Prior art is also a term used in the infringement test for
5 design patents because the ordinary observer is deemed to know about all the prior art and to view
6 the accused products and Apple patents in light of the prior art. In general, prior art refers to early
7 patents, designs, and devices that were made before Apple’s designs were invented or filed with
8 the Patent Office. That is, these are designs that were already known in the world before Apple’s
9 designs were ever made or submitted to become patents.

10 There are some rules that determine whether you may consider a particular early design as prior
11 art. In some instances, you will need to look to the date the Apple design was made to determine
12 if an early design is prior art; in other instances you will look to the filing date of the Apple
13 design regardless of what the invention date is. Prior art includes any of the following items
14 received into evidence during trial:

15 1 Any design or product that was publicly known or used by others in the United
16 States before the patented Apple design was made;

17 2 Any design or product that was patented or described in a printed publication in
18 the United States or a foreign country before the Apple design was made;

19 3 Any issued United States patent or published United States patent application that
20 was filed before the Apple design was made;

21 4 Any publications, including patents and design registrations, that were published
22 or issued more than one year before the filing date of the Apple patent;

23 5 Any design or product that was in public use or on sale in the United States more
24 than one year before the Apple patent was filed;

25 6 Any design or product that was made by anyone before the named inventors
26 created the patented design or product where the design or product was not abandoned,
27 suppressed, or concealed.

28 An inventor’s own earlier designs can be used as prior art to invalidate his or her later patents.

29 **Source**

30 35 U.S.C. § 102.

31 **Apple’s Objection to Samsung’s Instruction**

32 Samsung’s proposed instruction is part of a four instruction set that is unnecessarily long and
33 complex. Rather than spread Section 102 defenses out amongst four instructions, Apple’s
34 proposed instruction No. 46 explains in one instruction all of the Section 102 grounds for
35 anticipation. That is more efficient and juror-friendly. Samsung’s instruction also misstates the
36 law. First, its loose description of prior art as “early patents, designs, and devices that were
37 *made* before Apple’s designs were invented or filed with the Patent Office” gives the erroneous
38 impression that no publication or public use is required. “[D]esigns that were already known in
the world” gives a similarly erroneous impression about the requirement for publication or use in
the U.S. Second, contrary to Samsung’s proposed instruction, “[a]n inventor’s own earlier
designs” *cannot* be “used as prior art to invalidate his or her later patents” unless their earlier

1 disclosure is a statutory bar. *See Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346,
2 1355-56 (Fed. Cir. 2003) (“One’s own work may not be considered prior art in the absence of a
3 statutory basis.”); *In re Katz*, 687 F.2d 450, 454 (C.C.P.A. 1982) (“[d]isclosure to the public of
4 one’s own work constitutes a bar to the grant of a patent . . . only when the disclosure occurred
5 more than one year prior to the date of the application”). Similarly, Samsung’s proposed sub-
6 instructions (1)-(3) ignore the fact that only prior art “by another” can qualify as prior art under
7 35 U.S.C. 102(a) and (e), and erroneously sweep in “[a]ny design or product” and “[a]ny issued
8 United States patent or published United States patent application.” Third, Samsung’s sub-
9 instruction (6) misstates 35 U.S.C. 102(g)(2), which requires that a prior design be “made *in this*
10 *country by another inventor* who had not abandoned, suppressed, or concealed it.” (Emphasis
11 added.) Sub-instruction (6) also entirely ignores section 102(g)’s guidance on the role of
12 conception, reduction to practice, and reasonable diligence in determining priority of invention.
13 In fact, this Samsung instruction is not relevant to the case and should not be given, where no
14 allegation has been made that Apple’s designs were in fact invented earlier by another.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 46.1**
2 **ANTICIPATION – A SINGLE REFERENCE OR A SINGLE PRODUCT**

3 **Samsung’s Proposed Instruction**

4 Now that you have been instructed about prior art, I’ll explain how it can be used to determine
5 whether a design patent is invalid. In basic terms, the design must be new and novel in light of
6 the prior art. A design that is not new or novel in light of prior art is said to be “anticipated by the
7 prior art.” A design that is “anticipated” is not entitled to patent protection.

8 The same standard of deceptive similarity that applied to infringement also applies to
9 anticipation. Therefore, to find that an Apple design patent is anticipated, Samsung must prove
10 by clear and convincing evidence that a single prior art reference is so similar in appearance to the
11 Apple patent that an ordinary observer would be deceived into believing they were the same
12 design.

13 **Source**

14 Adapted from AIPLA Model Patent Jury Instructions, 6.0; 35 U.S.C. §§ 102,171; *Gorham Co. v.*
15 *White*, 81 U.S. 511, 526-27 (1871); *Int’l Seaway Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1240
16 (Fed. Cir. 2009) (“In light of Supreme Court precedent and our precedent holding that the same
17 tests must be applied to infringement and anticipation, and our holding in *Egyptian Goddess* that
18 the ordinary observer test is the sole test for infringement, we now conclude that the ordinary
19 observer test must logically be the sole test for anticipation as well. In doing so, we will prevent
20 an inconsistency from developing between the infringement and anticipation analyses, and we
21 will continue our well-established practice of maintaining identical tests for infringement and
22 anticipation.”).

23 **Apple’s Objection to Samsung’s Instruction**

24 Samsung’s proposed instruction misstates the law and is misleading in several ways. First, it
25 states that a design “must be new and novel,” which inappropriately suggests that “newness” and
26 “novelty” are distinct requirements, when in fact the statute requires “new.” Moreover, it
27 misleadingly states that “a design that is not new or novel in light of prior art is said to be
28 ‘anticipated by the prior art’” without explaining that anticipation can only be by a *single* item of
29 prior art. *See* 35 U.S.C. § 102; 35 U.S.C. § 171. Finally, Samsung once again injects into its
30 instruction a purported requirement of deception. Apple’s corresponding instruction, No. 46, is
31 an accurate and concise statement of the test for anticipation including the statutory bars,
32 tracking the N.D. Cal. Model Patent Jury Instructions. It also correctly states the test for
33 anticipation without inappropriately suggesting a requirement of deception. *See Hupp v. Siroflex*
34 *of Am., Inc.*, 122 F.3d 1456, 1461 (Fed. Cir. 1997) (“The publication must show the same subject
35 matter as that of the patent, and must be identical in all material respects.”). Also, Samsung’s
36 proposed instruction is part of a four instruction set that is unnecessarily long and complex.
37 Rather than spread Section 102 defenses out amongst four instructions, Apple’s proposed
38 instruction No. 46 explains in one instruction all of the Section 102 grounds for anticipation.
39 That is more efficient and juror-friendly.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 46.2**
2 **DESIGN PATENT ANTICIPATION – PUBLIC USE AND PUBLIC DISPLAY**

3 **Samsung’s Proposed Instruction**

4 A design patent is invalid if, under the deceptive similarity test I have described, the same or
5 substantially the same design was in public use or on public display in this country prior to the
6 time the patented design was invented. In determining whether a design was in public use or on
7 public display, you must consider the activities that occurred in public and how much access and
8 knowledge the public had of the display or use. A public display of a design at a trade show, for
9 example, is generally considered a public use.

10 **Source**

11 35 U.S.C. §102(a) & (b); *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371,
12 1379 (Fed. Cir. 2004); *Continental Plastic Containers v. Owens Brockway Plastic Prods., Inc.*,
13 141 F.3d 1073, 1079 (Fed. Cir. 1998); *Fitzgerald v. Arbib*, 268 F.2d 763 (C.C.P.A. 1959); *In re*
14 *Mann*, 861 F.2d 1581, 1581 (Fed. Cir. 1988); *see also, Baxter Int’l, Inc. v. Cobe Labs., Inc.*, 88
15 F.3d 1054, 1058-59 (Fed. Cir. 1996); *TP Labs., Inc. v. Professional Positioners, Inc.*, 724 F.2d
16 965, 971-72 (Fed. Cir. 1984).

17 **Apple’s Objection to Samsung’s Instruction**

18 Samsung’s proposed instruction is part of a four instruction set that is unnecessarily long and
19 complex. Rather than spread Section 102 defenses out amongst four instructions, Apple’s
20 proposed instruction No. 46 explains in one instruction all of the Section 102 grounds for
21 anticipation. That is more efficient and juror-friendly. Samsung’s instruction also is contrary to
22 law because it refers to the “deceptive similarity” test, which, as discussed in detail in Apple’s
23 objection to Samsung’s proposed instruction Nos. 44.2, 46.1, and 46.2, is not the test for design
24 patent infringement or anticipation. *See also Int’l Seaway Trading*, 589 F.3d at 1340 (“we now
25 conclude that the ordinary observer test must logically be the sole test for anticipation as well”).
26 Samsung’s instruction also fails to mention the requirement for adequate, enabling disclosure of
27 the design in the publication. *In re Paulsen*, 30 F.3d 1475, 1478 (Fed. Cir. 1994) (“the reference
28 must be enabling and describe the applicant’s claimed invention sufficiently to have placed it in
29 possession of a person of ordinary skill in the field of the invention”). Samsung’s instruction
30 also erroneously concludes, without consideration of individual circumstances (such as whether
31 the complete design was displayed) and as a matter of law, that “public display of a design at a
32 trade show” is generally considered a public use.

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PROPOSED FINAL JURY INSTRUCTION NO. 46.3
ANTICIPATION – DATE OF INVENTION

Samsung’s Proposed Instruction

Since the date of invention of the Apple design patents is in dispute in this case, you must determine whether Apple has proved the dates its designs were invented. If you determine that Apple has not proved when its designs were invented, you must assume that it was not until the filing date of the patents.

Source

N.D. Cal. Model Patent Instructions, B.4.3.a1; *Continental Plastic Containers v. Owens Brockway Plastic Prods., Inc.*, 141 F.3d 1073, 1077-79 (Fed. Cir. 1998) (“[D]esign inventions are reduced to practice as soon as an embodiment is constructed”); *Mas v. Root*, 54 F.2d 435, 435 (C.C.P.A. 1932).

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction misstates the law of priority. Samsung’s instruction that “[i]f you determine that Apple has not proved when its designs were invented, you must assume that it was not until the filing date of the patents” ignores that “the date of invention is presumed to be the *filing date of the parent application*” if an earlier invention date is not proven. *Ecolochem, Inc. v. Southern California Edison Co.*, 227 F.3d 1361, 1371 (Fed. Cir. 2000) (emphasis added). This is important as two of the asserted designs (US D618,677 and USD593,087) claim priority to earlier applications filed on January 5, 2007. Also, Samsung’s proposed instruction is part of a four instruction set that is unnecessarily long and complex. Rather than spread Section 102 defenses out amongst four instructions, Apple’s proposed instruction No. 46 explains in one instruction all of the Section 102 grounds for anticipation. That is more efficient and juror-friendly.

1 appearance as the claimed design in the eyes of an ordinary observer, you should consider any of
2 the following factors that you find have been shown by the evidence. These factors may indicate
that the claimed design would not have been obvious at the time it was made:

- 3 (1) commercial success of products covered by the claimed design due to the
4 appearance of the claimed design;
- 5 (2) copying of the claimed design by others;
- 6 (3) acceptance by others of the claimed design as shown by praise from others in the
7 field; and
- 8 (4) whether others expressed surprise or disbelief regarding the claimed design.

8 Although you should consider any evidence of these factors, the relevance and importance of any
9 of them to your decision on obviousness or non-obviousness is up to you.

10 In deciding whether the claimed design was obvious, please keep in mind that a design with
11 several features is not obvious merely because each individual feature was present in prior art
12 designs. You must always be careful not to determine obviousness using the benefit of
13 hindsight. Many truly novel and non-obvious designs might seem obvious after the fact. You
14 should put yourself in the position of a person of ordinary skill in the field at the time the
15 claimed design was made and should not consider what is known today or what is learned from
16 the teaching of the patent.

13 **Source**

14 Adapted from N.D. Cal. Model Patent Jury Instr. B.4.3b; The Intellectual Property Owners Ass'n
15 Model Design Patent Jury Instr. 9.7- 9.10; Federal Circuit Bar Association Model Patent Jury
16 Instr. 4.3c.

17 **Authorities**

18 35 U.S.C. § 103; *Apple Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1329, 1332 (Fed. Cir. 2012)
19 (obviousness analysis requires “a two step process” and must focus on visual appearance, not the
20 “general concept” of a design); *Durling v. Spectrum Furniture Co., Inc.*, 101 F.3d 100, 103 (Fed.
21 Cir. 1996) (“[T]he ultimate inquiry . . . is whether the claimed design would have been obvious
22 to a designer of ordinary skill who designs articles of the type involved.”); *id.* at 103, quoting *In*
23 *re Rosen*, 673 F.2d 388, 391 (C.C.P.A. 1982) (“[O]ne must find a single reference, ‘a something
24 in existence, the design characteristics of which are basically the same as the claimed design.’”);
id., quoting *In re Borden*, 90 F.3d 1570, 1575 (Fed. Cir. 1996) (“[S]econdary references may
only be used to modify the primary reference if they are ‘so related to the primary reference that
the appearance of certain ornamental features in one would suggest the application of those
features to the other.’”); *see also Apple Inc.*, 678 F.3d at 1329-1332 (applying quoted language
from *Durling*, *In re Rosen*, and *In re Borden*).

25 **Samsung’s Objection to Apple’s Instruction**

26 Apple's proposed instruction on obviousness misstates the law. There is no requirement that the
27 designs must look basically the same “to a designer of ordinary skill in the field of the patent,” as
28 Apple's instruction reads. *See Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir.
1996). The role of the designer skilled in the art comes into play when deciding to combine
references, not in observing whether two designs have design characteristics that are basically
the same. Also, as explained more fully in Apple's prior proposed instruction regarding

1 anticipation, the Federal Circuit's decisions at the preliminary injunction phase are not binding
2 on the trier of fact at a trial on the merits. *S. Or. Barter Fair v. Jackson County*, 372 F.3d 1128
3 (9th Cir. 2004); *Jack Guttman, Inc. v. Kopykake Enterprises, Inc.*, 302 F.3d 1352, 1361 (Fed.
4 Cir. 2002). The jury should therefore not be instructed in any way regarding specific prior art
5 references that were commented on in the preliminary injunction phase, including the 1994
6 Fidler tablet. This is particularly important here where Apple has simply called it the “Fidler
7 tablet” which could refer to a number of devices or images that were not a part of the Federal
8 Circuit's opinion. Likewise, the Federal Circuit opinion does not compel or support Apple’s
9 instruction that “you may not use the TC1000 tablet as a secondary reference against the D'889
10 patent.” The Federal Circuit was only of the opinion that the TC1000 was not a proper
11 secondary reference *for the 1994 Fidler tablet*. It never stated that the TC1000 could not serve
12 as a secondary reference for any other references, and it also never considered whether it could
13 be a primary reference in its own right. Importantly, the Federal Circuit did not have the actual
14 prior art devices, it had only pictures of them, unlike the jury. Nor did the preliminary injunction
15 record include the physical 035 model, which Apple has admitted is an embodiment of D'889
16 and is therefore highly relevant for comparing to other devices under the ordinary observer test.
17 These are just several examples to show that the Federal Circuit did not have all the relevant
18 evidence before it that will be available to the jury. Apple's instructions therefore improperly try
19 to interfere with the jury's ability to evaluate *all* the evidence on its own as the ultimate trier of
20 fact, free from the influence of non-binding rulings made at the preliminary injunction stage.
21 Apple's secondary considerations also fail to include important disclaimers about their relevance
22 and significance, unlike Samsung's Proposed Final Instruction No. 47.4. Samsung's proposed
23 alternative instructions on obviousness immediately below avoid these serious pitfalls. The first
24 alternative, Samsung's Proposed Final Instruction No. 47.1, follows the language of the Supreme
25 Court in *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 127 S.Ct. 1727,1742-43 (2007). The
26 Federal Circuit noted in *Titan Tire Corp. v. Case New Holland, Inc.*, 566 F.3d 1372 (Fed. Cir.
27 2009) that “it is not obvious that the Supreme Court necessarily intended to exclude design
28 patents from the reach of *KSR*.” *Id.* at 1385. *KSR* should be followed. As an alternative,
Samsung's Proposed Final Instruction No. 47.2 hews to the primary/secondary reference
framework of *Durling v. Spectrum Furniture Co., Inc.*, 101 F.3d 100, 103 (Fed. Cir. 1996).
Samsung's Proposed Final Instruction No. 47.3 identifies for the jury the qualifications of a
designer of ordinary skill in the art.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 47.1**
2 **DESIGN PATENT OBVIOUSNESS**

3 **Samsung's Proposed Instruction**

4 Even if a design is not anticipated by a single reference, it may still be invalid because it was an
5 obvious design at the time it was made. Design patents are not valid when the design is an
6 obvious one. This means that it would have been obvious for a designer of skill in the field to
7 combine or modify earlier designs to arrive at the design in the patent.

8 In deciding whether any design is invalid because it was obvious at the time it was made, you
9 should analyze whether there are any relevant differences between the prior art and the design
10 from the view of a person of ordinary skill in the art at the time of the invention.

11 You do not need to look for precise teachings in the prior art directed to the subject matter of the
12 claimed invention. You may take into account the creative steps and inferences that a person of
13 ordinary skill in the art would have employed when viewing the prior art at the time of the
14 invention. For example, if the claimed invention combines elements already known in the prior
15 art and the combination yielded results that were predictable to a person of ordinary skill in the art
16 at the time of the invention, then this evidence would make it more likely that the claim was
17 obvious. On the other hand, if the combination of known elements yielded unexpected or
18 unpredictable results, or if the prior art teaches away from combining the known elements, then
19 this evidence would make it more likely that the claim that successfully combined those elements
20 was not obvious.

21 A claim is not proved obvious merely by demonstrating that each of the elements was
22 independently known in the prior art. Most inventions rely on building blocks long since
23 uncovered, and claimed discoveries almost of necessity will likely be combinations of what is
24 already known. Therefore, you should consider whether a reason existed at the time of the
25 invention that would have prompted a person of ordinary skill in the art in the relevant field to
26 combine the known elements in the way the claimed invention does. The reason could come
27 from the prior art, the background knowledge of one of ordinary skill in the art, the nature of the
28 problem to be solved, market demand, or common sense.

29 If you find that a reason existed at the time of the invention to combine the elements of the prior
30 art to arrive at the claimed design, this evidence would make it more likely that the claimed
31 invention was obvious.

32 **Source**

33 AIPLA Model Jury Instruction 7.2; *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 127 S.Ct. 1727,
34 1742-43 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *Stratoflex, Inc. v.*
35 *Aeroquip Corp.*, 713 F.2d 1530, 1536-37 (Fed. Cir. 1983); *Medtronic, Inc., v. Cardiac*
36 *Pacemakers, Inc.*, 721 F.2d 1563, 1567-68 (Fed. Cir. 1983); *Titan Tire Corp. v. Case New*
37 *Holland, Inc.*, 566 F.3d 1372, 1384-85 (Fed. Cir. 2009) (“Design patents, like utility patents,
38 must meet the nonobviousness requirement of 35 U.S.C. §103, and it is not obvious that the
39 Supreme Court necessarily intended to exclude design patents from the reach of *KSR*.”); *Smith v.*
40 *Whitman Saddle Co.*, 148 U.S. 674, 681-82, 13 S.Ct. 768, 770-71, 37 L.Ed. 606 (1893) (“The
41 presence or the absence of the central open slot was not material, and we do not think that the
42 addition of a known cantle to a known saddle, in view of the fact that such use of the cantle was
43 common, in itself involved genius or invention, or produced a patentable design... The shape of
44 the front end being old, the sharp drop of the pommel at the rear seems to constitute what was
45 new and to be material. . . . If, therefore, this drop were material to the design, and rendered it
46 patentable as a complete and integral whole, there was no infringement.”).

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Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction is unnecessary because the full, correct legal standard for obviousness is set forth in Apple’s instruction No. 47. Much of Samsung’s proposed instruction is inapplicable verbiage directed to utility patents, as Samsung admits in its footnote to No. 47.2. For example, the instruction refers to combinations of known elements that “yielded results that were predictable to a person of ordinary skill in the art.” This language relates to functional motivations and is erroneous in the design patent context, where the focus in the obviousness analysis must be on ornamental appearances, not uses, and the designer of ordinary skill in the art must find a suggestion to combine primary and secondary references in the visual similarity of the prior art designs. *See In re Harvey*, 12 F.3d 1061, 1063 (Fed Cir. 1993); *Apple Inc. v. Samsung Elecs. Co.*, No. 2012-1105, 2012 U.S. App. LEXIS 9720, at *36-37 (Fed. Cir. May 14, 2012). Moreover, Apple’s proposed instruction No. 47 is more appropriate as it provides sequenced guidance for the design patent obviousness analysis in a single instruction, rather than multiple, out of sequence instructions proposed by Samsung.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 47.2**
2 **DESIGN PATENT OBVIOUSNESS – PRIMARY AND SECONDARY REFERENCES**

3 **Samsung’s Proposed Instruction**⁹

4 Even if a design is not anticipated by a single reference, it may still be invalid because it was an
5 obvious design at the time it was made. Design patents are not valid when the design is an
6 obvious one. This means that it would have been obvious for a designer of skill in the field to
7 combine or modify earlier designs to arrive at the design in the patent.

8 There are several steps you have to take in determining that a design patent is invalid because it is
9 obvious.

10 First, you have to find that there is a prior art reference that has basically the same design as the
11 one in the patent. This is called a primary reference. The primary reference does not have to be
12 deceptively similar to the design in the patent, since that is a higher standard.

13 If you find that there is a primary reference for the patent, the next step is to find one or more
14 secondary references that are similar in appearance to the primary reference such that the
15 appearance of ornamental features in one would suggest application of those features to the other.
16 If you find that there are one or more such secondary references, the features of those references
17 can be used to modify the primary reference to look more like the patented design.

18 Finally, you must decide whether this combined obviousness reference is substantially the same
19 as the design in the patent using the standard of deceptive similarity you used for infringement
20 and anticipation.

21 Samsung must prove obviousness by clear and convincing evidence.

22 **Source**

23 *In re Rosen*, 673 F.2d 388, 390 (C.C.P.A. 1982); *Durling v. Spectrum Furniture Co., Inc.*, 101
24 F.3d 100, 103 (Fed. Cir. 1996) (“More specifically, the inquiry is whether one of ordinary skill
25 would have combined teachings of the prior art to create the same overall visual appearance as
26 the claimed design.”); *Titan Tire Corp. v. Case New Holland, Inc.*, 566 F.3d 1372, 1384-85 (Fed.
27 Cir. 2009) (“Design patents, like utility patents, must meet the nonobviousness requirement of 35
28 U.S.C. §103, and it is not obvious that the Supreme Court necessarily intended to exclude design
29 patents from the reach of KSR.”); *Int’l Seaway Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1240
30 (Fed. Cir. 2009) (“For design patents, the role of one skilled in the art in the obviousness context
31 lies only in determining whether to combine earlier references to arrive at a single piece of art for
32 comparison with the potential design or to modify a single prior art reference. Once that piece of
33 prior art has been constructed, obviousness, like anticipation, requires application of the ordinary
34 observer test, not the view of one skilled in the art.”).

35 **Apple’s Objection to Samsung’s Instruction**

36 Samsung’s proposed instruction contains a number of misstatements regarding the law and
37 should be rejected in favor of Apple’s instruction No. 47, which covers the same ground. First,
38 Samsung omits the requirement that a primary reference must appear “basically the same” in the

39 ⁹ Samsung offers this instruction on obviousness as an alternative in the event the prior
40 obviousness instruction based on *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007), is not
41 accepted by the Court.

1 eyes of the designer of ordinary skill in the art. *Int'l Seaway Trading Corp. v. Walgreens Corp.*,
2 589 F.3d 1233, 1240 (Fed. Cir. 2009). Second, Samsung repeatedly refers to “deceptive”
3 similarity, which is not the correct test for infringement or anticipation. (See Apple objection to
4 Samsung’s proposed instruction No. 46.1.) Third, Samsung’s instruction mischaracterizes the
5 requisite visual similarity between primary and secondary references by dropping the word “so”
6 from the test, such that it misleadingly reads “secondary references that are similar in appearance
7 to the primary reference such that the appearance of ornamental features in one would suggest
8 application of those features to the other.” *Cf. In re Borden*, 90 F.3d 1570, 1575 (Fed. Cir. 1996)
9 (primary and secondary references must be “so related that the appearance of certain ornamental
10 features in one would suggest the application of those features to the other”). Moreover, Apple’s
11 proposed instruction No. 47 is more appropriate as it provides sequenced guidance for the design
12 patent obviousness analysis in a single instruction, rather than multiple, out of sequence
13 instructions proposed by Samsung.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 47.3**
2 **DESIGNER OF ORDINARY SKILL IN THE ART**

3 **Samsung’s Proposed Instruction**

4 The determination of whether a claimed design is obvious is based on the perspective of the
5 ordinary designer skilled in the art. The ordinary designer skilled in the art is presumed to be
6 familiar with all of the prior art designs that you have determined to be reasonably relevant.

7 A designer of ordinary skill in the art is a designer of ordinary capabilities in the field of
8 electronic products. Such a person would have an undergraduate degree in a discipline such as
9 engineering or industrial design, and about 1-2 years of experience in designing electronic
10 devices. Alternatively, a designer in academia who taught industrial design students the design of
11 electronic devices would also be identified as a designer skilled in the art.

12 **Source**

13 *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007); *Titan Tire Corp v. Case New Holland, Inc.*,
14 566 F.3d 1372, 1380-81 (Fed. Cir. 2009); *Durling v. Spectrum Furniture Co., Inc.*, 101 F.3d 100,
15 103 (Fed. Cir. 1996).

16 **Apple’s Objection to Samsung’s Instruction**

17 Samsung’s proposed instruction attempts to usurp the jury’s fact finding regarding the level of
18 ordinary skill. *Graham v. John Deere*, 383 U.S. 1, 17 (1966) (“the level of ordinary skill in the
19 pertinent art” is one of “several basic factual inquiries” relating to obviousness). Moreover,
20 Samsung’s instruction misstates the law when it says that “[t]he determination of whether a
21 claimed design is obvious is based on the perspective of the ordinary designer skilled in the art.”
22 As correctly set forth in Apple’s instruction No. 47, the obviousness inquiry involves both the
23 ordinary designer (in identifying primary and secondary references) and the ordinary observer (in
24 the final step of comparing the combined reference with the patented design). *Int’l Seaway*
25 *Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1240-41 (Fed Cir. 2009). Apple also contests
26 the standard set forth by Samsung: a degree in engineering would not qualify one as a designer
27 of ordinary skill, nor would merely serving in academia. Moreover, Apple’s proposed
28 instruction No. 47 is more appropriate as it provides sequenced guidance for the design patent
obviousness analysis in a single instruction, rather than multiple, out of sequence instructions
proposed by Samsung.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 47.4**
2 **DESIGN PATENT OBVIOUSNESS – SECONDARY FACTORS INDICATING**
3 **NONOBVIOUSNESS**

3 **Samsung's Proposed Instruction**

4 Before deciding the issue of obviousness, you must consider other factors that might show that
5 the designs were not obvious despite the prior art. You may only consider those factors that
6 Apple has established through evidence admitted at trial. No factor alone is dispositive, and you
7 must consider the obviousness or nonobviousness of the claimed design as a whole. Here are the
8 questions you should ask:

9 1 If there were products embodying the claimed designs that were commercially
10 successful, was that success due to the claimed design, or was the success instead due to other
11 factors such as the technology and usefulness of the Apple devices, advertising, promotion,
12 salesmanship, the Apple ecosystem, or any other features of the devices besides the design
13 claimed in the design patents?

14 2 Was there a long felt need for the specific look or claimed design of the Apple
15 patents?

16 3 Did others try, but fail to create the claimed design?

17 4 Did others copy the claimed design? Where parties have a practice of marketing
18 very similar products, however, evidence of copying is not a strong indicator of nonobviousness,
19 but rather a measure of the extent to which parties in the market typically follow developments by
20 their competitors, whether patented or not.

21 5 Did the claimed design achieve an unexpectedly superior appearance over the
22 closest prior art? Remember again that this refers only to the ornamental appearance of the
23 design, not its functional features.

24 6 Did others in the field praise the claimed design or express admiration for the
25 claimed design? For patents that do not claim the entire design of the device, any praise must be
26 directed to the specific designs that are claimed in the patent.

27 7 Did others accept licenses under the D'667, D'087, D'035 or D'889 design
28 patents?

29 **Source**

30 *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 86 S.Ct. 684, 694, 15 L.Ed.2d 545 (1966); *Avia*
31 *Group Intern., Inc. v. L.A. Gear California, Inc.*, 853 F.2d 1557, 1563 (Fed. Cir. 1988); *see also*
32 *Jore Corp. v. Kouvato, Inc.*, 117 Fed. Appx. 761, 765, 2005 WL 27553 (Fed. Cir. 2005); *Kwik-*
33 *Site Corp. v. Clear View Mfg. Co., Inc.*, 758 F.2d 167, 173 (Fed. Cir. 1985); *Wrigley v. Cadbury*,
34 2011-1140, 2012 U.S. App. LEXIS 12834, *19 (Fed. Cir. June 22, 2012).

35 **Apple's Objection to Samsung's Instruction**

36 Samsung's proposed instruction includes a number of argumentative statements that are not
37 supported by law. First, Samsung's sub-instruction (1) is misleading as it suggests that the
38 patented invention must be the sole cause of commercial success. *Continental Can Company*
39 *USA, Inc. v. Monsanto Co.*, 948 F.2d 1264, 1273 (Fed. Cir. 1991) ("It is not necessary, however,
40 that the patented invention be solely responsible for the commercial success, in order for this

1 factor to be given weight appropriate to the evidence.”). It also wrongly suggests that
2 advertising and promotion related to patented features would be irrelevant. Second, Samsung’s
3 sub-instruction (4) goes far beyond the law to excuse Samsung’s copying and eliminate the
4 relevance of this factor. *Panduit Corp. v. Dennison Mfg. Co.*, 774 F.2d 1082, 1099 (Fed. Cir.
5 1985) (“That Dennison, a large corporation with many engineers on its staff, did not copy any
6 prior art device, but found it necessary to copy the [patented invention], is equally strong
7 evidence of nonobviousness.”). Samsung’s sub-instructions (2), (3), (5), and (7) also refer to
8 factors that are not at issue in this case and that will likely confuse the jury. Moreover, Apple’s
9 proposed instruction No. 47 is more appropriate as it provides sequenced guidance for the design
10 patent obviousness analysis in a single instruction, rather than multiple, out of sequence
11 instructions proposed by Samsung.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 48**
2 **DESIGN PATENTS—INVALIDITY—LACK OF ORNAMENTALITY**

3 **Apple’s Proposed Instruction**

4 **[The Jury Should Not Be Instructed On This Issue—The Court Will Instruct The Jury On**
5 **Whether There Are Functional Elements In The Design Patents—Instruction Provided In**
6 **The Event That Court Decides Instruction Must Be Provided]**

7 Design patents protect the ornamental appearance, including shape or configuration, of an article
8 of manufacture. If Samsung proves by clear and convincing evidence that the overall appearance
9 of an Apple patented design is dictated solely by how the article claimed in the patent works, the
10 patent is invalid because the design is not “ornamental.”

11 When deciding this, you should keep in mind that design patents must be for articles of
12 manufacture, which by definition have inherent functional characteristics. It is normal that
13 claimed designs perform some function – that does not disqualify them from patent protection.
14 Likewise, that features of a design may enhance the user’s experience does not necessarily mean
15 that the patented design was dictated solely by functionality.

16 The question is whether any general functional characteristics in a patented design can only be
17 embodied by that design, or whether they can be embodied by other designs. The existence of
18 alternate designs that perform substantially the same function may be strong evidence that the
19 design is not dictated solely by function.

20 **Source**

21 Adapted from The Intellectual Property Owners Ass’n Model Design Patent Jury Instr. 9.11.

22 **Authorities**

23 35 U.S.C. § 171 (A design patent may be granted for any “new, original and ornamental design
24 for an article of manufacture.”); *L.A. Gear v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed.
25 Cir. 1993) (“A design patent is directed to the appearance of an article of manufacture. An
26 article of manufacture *necessarily serves a utilitarian purpose*, and the design of a useful article
27 is deemed to be functional when *the appearance of the claimed design is ‘dictated by’* the use or
28 purpose of the article.”) (emphasis added); *Apple Inc. v. Samsung Electronics Co., Ltd.*, No. 11-
CV-01846-LHK (Dkt. No. 452) at 13 (N.D. Cal. Dec. 2, 2011) (“The standard . . . requires that
the design itself be *dictated by* the functionality of the item. Just because various elements of
Apple’s D’677 and D’087 patents *enhance* the user experience does not necessarily mean that
the patented design is *dictated by* functionality.”); *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d
1563, 1566 (Fed. Cir. 1996); *Seiko Epson Corp. v. Nu-Kote Int’l, Inc.*, 190 F.3d 1360, 1368 (Fed.
Cir. 1999); *Hupp v. Siroflex of America, Inc.*, 122 F.3d 1456, 1460 (Fed. Cir. 1997).

29 **Samsung’s Objection to Apple’s Instruction**

30 Apple's proposed instruction misleadingly omits the factors spelled out by the Federal Circuit for
31 determining whether a design patent is invalid as functional. *See, e.g., PGH Technologies, LLC*
32 *v. St. John Co., Inc.*, 469 F.3d 1361, 1366 (Fed. Cir. 2006) (“Our cases reveal a 'list of ...
33 considerations for assessing whether the patented design as a whole—its overall appearance—
34 was dictated by functional considerations,' including: whether the protected design represents the
35 best design; whether alternative designs would adversely affect the utility of the specified article;
36 whether there are any concomitant utility patents; whether the advertising touts particular features

1 of the design as having specific utility; and whether there are any elements in the design or an
2 overall appearance clearly not dictated by function.” (quoting *Berry Sterling Corp. v. Pescor*
3 *Plastics, Inc.*, 122 F.3d 1452, 1456 (Fed. Cir. 1997)). Apple's equivocal statement that a patented
4 design is not necessarily dictated solely by function where features of the “design may enhance
5 the user’s experience” conflicts with the Federal Circuit's criterion that asks “whether alternative
6 designs would adversely affect the utility of the specified article.” *Id.* If the supposedly
7 “ornamental” design features of Apple's patents are affecting the utility of the article, for example
8 by enhancing the user's experience, that is an indication that the design is functional. Instructing
9 jurors to the contrary is improper. Finally, Apple says that “[t]he existence of alternate designs
10 that perform substantially the same function may be strong evidence that the design is not dictated
11 solely by function.” The instruction gives no guidance as to what it means to “perform
12 substantially the same function.” Indeed, the Federal Circuit has strict guidelines for what
13 constitutes a true alternative under the law: “Our case law makes clear that a full inquiry with
14 respect to alleged alternative designs includes a determination as to whether the alleged
15 alternative designs would adversely affect the utility of the specified article, such that they are not
16 truly 'alternatives' within the meaning of our case law.” In other words, simply because a
17 different design can perform the same type of function does not make it an “alternative” if the
18 utility of the article is adversely affected by the different design. It needs to be able to perform
19 the same function *at the same level of utility*. Samsung's Alternative to Apple’s Proposed Final
20 Instruction No. 48 is a preferable alternative because it offers the full list of criteria from Federal
21 Circuit case law. It also notes that invalidity can be due to overall functionality, or the
22 functionality of all the individual features of the design. *Id.* at 1366 (inquiring “whether there are
23 any elements in the design *or* an overall appearance clearly not dictated by function”); *see also*
24 *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234, 239, 231 USPQ 774, 777-78 (Fed. Cir.
25 1986) (finding that testimony from an inventor as to the functionality of each feature of a patented
26 design is evidence of the functionality of the patented design); *Five Star Manufacturing, Inc. v.*
27 *Ramp Lite Manufacturing, Inc.*, 4 F. App’x. 922, 2001 WL 120070 (Fed. Cir. Feb, 12, 2001)
28 (upholding invalidity verdict based on “evidence that each element of the patented design
serve[d] a functional, rather than ornamental, purpose.”). Also, contrary to Apple's statement that
the jury should not be instructed on this issue, whether a design is functional or ornamental is a
question of fact. *See Hupp v. Siroflex of Am., Inc.*, 122 F.3d 1456, 1460, 43 USPQ2d 1887, 1890
(Fed. Cir. 1997); *accord Five Star*, 4 F. App’x. at 924.

1 **Samsung’s Proposed Instruction**

2 As I mentioned in Instruction No. 44.4, design patents protect the ornamental appearance of an
3 article of manufacture, not the functionality of the article. You’ll remember that when you
4 determine infringement, you have to ignore any features that are functional and compare only the
5 ornamental features. When determining invalidity, you have to decide if the design as a whole is
6 functional rather than ornamental. In determining whether the overall design is functional, the
7 functionality of each of the various elements that comprise the patented design may be relevant.

8 You should consider the following criteria in deciding whether any of the designs in Apple’s
9 patents are functional, and are therefore ineligible for design patent protection:

- 10 1. Whether the design in the patent represents the best design
- 11 2. Whether alternative designs would adversely affect the usefulness of the article
- 12 3. Whether there are any utility patents related to the same article
- 13 4. Whether there is any advertising touting particular features of the design as having
14 specific usefulness
- 15 5. Whether there are any elements in the design that are purely ornamental

16 Samsung must prove that the D’667, D’087, D’035 or D’889 design patent claims are functional
17 by clear and convincing evidence.

18 **Source**

19 35 U.S.C. §171 (a design patent may be granted for any “new, original and ornamental design for
20 an article of manufacture.”); *PGH Technologies, LLC v. St. John Co., Inc.*, 469 F.3d 1361, 1366
21 (Fed. Cir. 2006) (“Our cases reveal a ‘list of ... considerations for assessing whether the patented
22 design as a whole—its overall appearance—was dictated by functional considerations,’ including:
23 whether the protected design represents the best design; whether alternative designs would
24 adversely affect the utility of the specified article; whether there are any concomitant utility
25 patents; whether the advertising touts particular features of the design as having specific utility;
26 and whether there are any elements in the design or an overall appearance clearly not dictated by
27 function.” (quoting *Berry Sterling Corp. v. Pescor Plastics, Inc.*, 122 F.3d 1452, 1456 (Fed. Cir.
28 1997)); *id.* at 1367 (“Our case law makes clear that a full inquiry with respect to alleged
alternative designs includes a determination as to whether the alleged ‘alternative designs would
adversely affect the utility of the specified article,’ such that they are not truly ‘alternatives’
within the meaning of our case law.”); *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288 (Fed.
Cir. 2010); *Five Star Manufacturing, Inc. v. Ramp Lite Manufacturing, Inc.*, 4 Fed.Appx. 922,
2001 WL 120070 (Fed. Cir. Feb, 12, 2001) (“The design of a utilitarian article is deemed to be
functional when the appearance of the claimed design is dictated by the use or purpose of the
article. *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123, 25 USPQ2d 1913, 1917
(Fed.Cir.1993). While the functionality of each of the various elements that comprise the patented
design may be relevant, the ultimate question is whether the claimed design, viewed in its
entirety, is dictated by the utilitarian purpose of the article. *Id.*; *see also Power Controls Corp. v.*
Hybrinetics, Inc., 806 F.2d 234, 239, 231 USPQ 774, 777-78 (Fed.Cir.1986) (finding that
testimony from an inventor as to the functionality of each feature of a patented design is evidence
of the functionality of the patented design).”).

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction misstates the law and misleading in several ways. First, as the
3 Court previously recognized, the test for whether a patent is invalid for lack of ornamentality is
4 whether the overall appearance is “dictated by” function. Dkt. No. 452 at 13; *L.A. Gear, Inc. v.*
5 *Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed. Cir. 1993). Samsung’s instruction, which
6 merely describes the test as one of “functionality,” is misleading as the article of manufacture
7 claimed by a design patent can serve a function so long as the design is not “dictated by”
8 function. *Hupp v. Siroflex of Am., Inc.*, 122 F.3d 1456, 1460 (Fed. Cir. 1997). Samsung’s
9 instruction also is incomplete. It instructs the jury that “the functionality of each of the various
10 elements that comprise the patented design may be relevant,” but fails to instruct the jury to
11 “return to the overall appearance after . . . analyzing each of the elements of the design.” See
12 *Berry Sterling Corp. v. Prescor Plastics, Inc.*, 122 F.3d 1452, 1455 (Fed. Cir. 1997) (the lower
13 court “erred in its analysis by failing to return to the overall appearance after purportedly
14 analyzing each of the elements of the design”). It is black letter law that a design can be invalid
15 for lack of ornamentality only if the “overall design” is “dictated by” function. *L.A. Gear*, 988
16 F.2d at 1123 (“[T]he ultimate question is not the functional or decorative aspect of each separate
17 feature, but the overall appearance of the article, in determining whether the claimed design is
18 dictated by the utilitarian purpose of the article.”). Samsung’s list of criteria for determining
19 whether Apple’s patents are functional is also wrong and extraneous. For instance, Samsung
20 lists “[w]hether the design in the patent represents the best design,” but this factor is vague and
21 meaningless without providing any definition of what constitutes a “best design.” Samsung also
22 inappropriately includes the consideration of “[w]hether alternative designs would adversely
23 affect the usefulness of the article,” but the correct consideration is if “alternative designs for the
24 article of manufacture are available.” See *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1563,
25 1566 (Fed. Cir. 1996) (“A design is not dictated solely by its function when alternative designs
26 for the article of manufacture are available.”) (citation omitted). To the extent that Samsung
27 purports to rely on *PHG Tech., Inc. v. St. John Co.*, 469 F.3d 1361, 1366 (Fed Cir. 2006), and its
28 quote from the *Berry Sterling Corp.* case for this list of criteria, Samsung’s instruction is
misleading and incorrect. First of all, the *Berry Sterling Corp.* opinion states that it is a list of
factors that *might* be considered, clearly indicating that all of these factors may not be applicable
in every case; Samsung, however, converts this permissive list into a mandatory “should
consider” list. Samsung has also rewritten these possible considerations. For instance,
Samsung’s instructions states “[w]hether there are any elements in the design that are purely
ornamental” but the actual test from *PHG* is whether there are any elements in the design
“clearly not dictated by function.” *Id.* (emphasis added). Also, Samsung incorrectly recites the
criteria of “[w]hether there are any utility patents related to the same article.” This is wrong and,
again, potentially misleading. For instance, with respect to this case, the asserted utility patents
are practiced by Apple’s products and thus are “related to the same article,” but have no bearing
on the whether the asserted designs are dictated by function. Apple’s corresponding instruction,
No. 48, is a concise and accurate statement of the test for invalidity due to lack of ornamentality,
tracking The Intellectual Property Owners Ass’n Model Design Patent Jury Instructions. It
correctly states that the test is whether the design is dictated by function. *L.A. Gear*, 988 F.2d at
1123. It also accurately reflects the role of alternative designs in this analysis: they are strong
evidence that the design is not dictated by function. See *Best Lock*, 94 F.3d at 1566.

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**PROPOSED FINAL JURY INSTRUCTION NO. 49
DESIGN PATENT -- DRAWINGS**

Samsung's Proposed Instruction

The necessity for good drawings in a design patent application cannot be overemphasized. As the drawing constitutes the whole disclosure of the design, it is of utmost importance that it be so well executed both as to clarity of showing and completeness, that nothing regarding the design sought to be patented is left to conjecture. The reason for this is that patents are property rights and the public deserves to know what is covered by the patent and what is not.

Source

35 U.S.C. §112; MPEP 1503.02.

Samsung's Statement in Support

This short instruction introduces the instruction on indefiniteness and tracks the language of the Manual of Patent Examining Procedure. It also identifies the enablement requirement that design patents share with utility patents. MPEP § 1503.02 ("The necessity for good drawings in a design patent application cannot be overemphasized. As the drawing constitutes the whole disclosure of the design, it is of utmost importance that it be so well executed both as to clarity of showing and completeness, that nothing regarding the design sought to be patented is left to conjecture.")

Apple's Objection to Samsung's Instruction

Samsung's proposed instruction is plainly tied to its indefiniteness defense. As indefiniteness is a legal issue for the Court, this instruction is unnecessary. *Exxon Research & Eng'g Co. v. United States*, 265 F.3d 1371, 1376 (Fed. Cir. 2001) (determining whether a patent complies with 35 U.S.C. § 112(2) presents a question of law "that is drawn from the court's performance of its duty as the construer of patent claims").

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**PROPOSED FINAL JURY INSTRUCTION NO. 50
DESIGN PATENT INVALIDITY – INDEFINITENESS**

Samsung’s Proposed Instruction

Where a design patent includes ambiguities, inconsistencies, or features that are not readily understandable or could cause confusion, the design is likely indefinite. For example, lack of appropriate surface shading in the drawing as filed may render the design indefinite. You must determine whether the Apple patents are indefinite such that they would not enable a designer skilled in the art to make the designs without having to guess at what is claimed in the patent drawings.

Source

35 U.S.C. §112; MPEP 1503.02.

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction is unnecessary as indefiniteness is a legal issue for the Court; this instruction should not be given. *Exxon Research & Eng’g Co. v. United States*, 265 F.3d 1371, 1376 (Fed. Cir. 2001) (determining whether a patent complies with 35 U.S.C. § 112(2) presents a question of law “that is drawn from the court’s performance of its duty as the construer of patent claims”). Samsung also misstates the law so as to lower the threshold for indefiniteness to “not readily understandable or could cause confusion.” *See Novo Indus., L.P. v. Micro Molds Corp.*, 350 F.3d 1348, 1353 (Fed. Cir. 2003) (a claim is not indefinite unless “reasonable efforts at claim construction prove futile” and “it is ‘insolubly ambiguous’ and not ‘amenable to construction’”). Finally, Samsung fails to cite any authority for its contention that “lack of appropriate surface shading ... may render the design indefinite.”

1 **PROPOSED FINAL JURY INSTRUCTION NO. 51**
2 **DESIGN PATENT INVALIDITY – DOUBLE PATENTING**

3 **Samsung’s Proposed Instruction**

4 If an inventor obtains a second patent for a design that is already covered by a former patent, the
5 second patent is invalid. This is especially true where the patents are issued to the same inventor
6 or inventors. To be valid, the invention in the second patent has to be distinctly different and
7 independent from the design in the first patent. The difference cannot be a mere distinction in the
8 breadth or scope of the claim. In other words, the second patent cannot simply be a broader, more
9 generic version of the earlier patent. Also, it is the date the patents issue and not the date they
10 were filed that determines priority for patents issued to the same inventor for the same invention.

11 **Source**

12 35 U.S.C. 171 (“Whoever invents any new, original, and ornamental design for an article of
13 manufacture may obtain a patent therefor”); *Miller v. Eagle Mfg. Co.*, 151 U.S. 186, 198 (1894)
14 (“[N]o patent can issue for an invention actually covered by a former patent, especially to the
15 same patentee, although the terms of the claims may differ; that the second patent, although
16 containing a broader claim, more generical in its character, than the specific claims, contained in
17 the prior patent, is also void.”).

18 **Apple’s Objection to Samsung’s Instruction**

19 Samsung’s proposed instruction is extraneous because Samsung has not properly disclosed any
20 theory of double patenting in this case—not in its answer, nor in its expert reports. The only
21 timely disclosure by Samsung is a vague mention in an interrogatory response that Apple’s
22 patents are “invalid for double patenting,” without identifying which earlier patents allegedly
23 created a double patenting issue. With no adequate, timely disclosure of this defense, and
24 without any expert testimony supporting it, this instruction should not be given. Furthermore,
25 Samsung’s proposed instruction entirely misstates the law of double patenting with its vague and
26 incorrect references to a requirement for “distinctly different and independent” inventions that
27 are not merely “broader, more generic” versions of the earlier patent. *See In re Longi*, 759 F.2d
28 887, 892 (Fed. Cir. 1985) (describing “same invention” type double patenting as relating to “an
 invention drawn to identical subject matter” and “obviousness type” double patenting as relating
 to “an obvious modification of the same invention”); MPEP 804. There is also no legal support
 for the proposition that the double patenting defense is “especially true where patents are issued
 to the same inventor or inventors.”

1 **PROPOSED FINAL JURY INSTRUCTION NO. 52**
2 **DESIGN PATENT DAMAGES—GENERALLY**

3 **Apple’s Proposed Instruction**

4 I will instruct you now about the measure of damages for infringement of Apple’s design patents. By instructing you on damages, I am not suggesting which party should win on any issue.

5 If you find that Samsung infringed any valid Apple design patent, you must then determine the money damages to award Apple. The amount of those damages must be adequate to compensate Apple for the alleged infringement. Apple seeks three different forms of damages: lost profits, defendants’ profits and a reasonable royalty. You should keep in mind that damages are meant to compensate the patent holder and not to punish an infringer.

8 Subject to certain exceptions I will mention, Apple has the burden to persuade you of the amount of its damages. You should award Apple the damages that the patent holder more likely than not suffered. While Apple is not required to prove its damages with mathematical precision, it must prove them with reasonable certainty. Apple is not entitled to monetary relief that is remote or speculative. Apple is entitled to its total damages, regardless of its other wealth or revenues.

11 **Source**

12 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.1; Federal Circuit Bar Association Model
13 Patent Jury Instr. 6.1; The Intellectual Property Owners Ass’n Model Design Patent Jury Instr.
10.1.

14 **Authorities**

15 35 U.S.C. § 284; *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1381-82 (Fed. Cir. 2003);
16 *Grain Processing Corp. v. American Maize-Prod. Co.*, 185 F.3d 1341, 1349 (Fed. Cir. 1999);
17 *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*).

18 **Samsung’s Objection to Apple’s Instruction**

19 Apple improperly splits the instructions for utility patent and design patent damages. Apple does
20 not and cannot cite any authority supporting this. The model instructions make no such
distinction, and splitting the two is both inefficient and likely only to confuse the jury. A
21 confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067
(9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other
22 things, whether they confuse the jury). In addition, Apple’s proposed instruction uses prejudicial
language that assumes Samsung has infringed its patents. This language presumes the validity of
23 Apple’s arguments, and unfairly suggests to jurors an outcome favorable to Apple and against
Samsung. Apple also uses loaded terms like “total damages,” which presumes that Apple was
24 damaged and that the jury should be looking to find a total. These terms, along with the last
sentence in Apple’s instruction, appear nowhere in the model jury instructions, nor are they
25 supported by Apple’s cited authorities. Such biased language is inappropriate in a jury
instruction. 1 Fed. Jury Prac. & Instr. § 7:2 (6th ed.); *see also United States v. Hach*, 162 F.3d
26 937, 946 (7th Cir. 1998) (the district court was not required to give [defendant's] inaccurate,
redundant and combative instructions); *United States v. Matias*, 836 F.2d 744 (2d Cir. 1988)
(court has duty to give balanced instructions). Apple’s proposed instruction also fails to mention
27 its burden of proof by a preponderance of the evidence. It also does not address the requirement
that Apple make an election for either actual damages or Samsung’s profits, as set out in the IPO
28 Model Design Patent Jury Instruction. *See id.* (“A plaintiff in a design patent case can elect to

1 prove either actual damages, known as compensatory damages, or they may elect to prove the
2 defendant's profits as its measure of potential recovery.") On the contrary, it misleadingly
3 implies that Apple may obtain both remedies. No court has ever allowed what Apple proposes
4 here—to split its recovery between actual damages as lost profits under Section 284 and
5 infringer's profits under Section 289. Thus, Apple's proposed instruction should be rejected as
6 incomplete, legally inaccurate, and skewed in favor of Apple, and is not supported by persuasive
7 authority.
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1 **Samsung’s Proposed Instruction**

2 I will instruct you about the measure of damages for infringement of both utility and design
3 patents. By instructing you on damages, I am not suggesting which party should win on any
4 issue. If you find that the alleged infringer (Samsung Electronics Company, Samsung Electronics
5 America, Samsung Telecommunications America and/or Apple) infringed any valid claim of a
6 patent, you must then determine the amount of money damages to be awarded to the patent
7 holder (Samsung and/or Apple) to compensate it for the infringement. You should evaluate
8 damages separately for each party you find to have infringed, and may not award more than the
9 patent holder seeks.

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

15 The patent holder has the burden to persuade you of the amount of its damages. You should
16 award only those damages caused by the infringement that the patent holder proves it suffered by
17 a preponderance of the evidence. While the patent holder is not required to prove its damages
18 with mathematical precision, it must prove them with reasonable certainty. The patent holder is
19 not entitled to damages that are remote or speculative.

20 **Source**

21 N.D. Cal. Model Patent Jury Instr. B.5.1 (modified).

22 **Apple’s Objection to Samsung’s Instruction**

23 Apple’s and Samsung’s instructions differ in five ways. First, Samsung’s proposed instruction
24 does not accurately state the law. Samsung’s inclusion of the last sentence in the first
25 paragraph—“You should evaluate damages separately for each party you find to have infringed,
26 and may not award more than the patent holder seeks”—deviates from the model instruction and
27 is incorrect. The jury is not limited by Apple’s request for relief, but may award damages
28 consistent with the law and the facts of the case. Second, Samsung’s inclusion of the words
“caused by the infringement” in the third paragraph also deviates from the model rule, and is
inaccurate because the instruction does not apply to infringer’s profits or reasonable royalty
damages. Causation is only an issue for lost profits damages. Third, Apple’s and Samsung’s
instructions differ in that Samsung seeks to instruct on both design and utility patents in a single
set of instructions. Apple divides them for two reasons. First, in light of the difference in
remedies—in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design
patents—it makes more sense to treat utility and design patent damages separately. Second, it
will be easier for the jury to delve into and address all of the utility liability and damages issues
together before it has to address design patents. Under Apple’s approach, the jury can decide the
utility case and then move forward to the design patent issues, rather than fracturing its analysis
between the two. Apple’s approach results in very little expansion in the number of instructions
because Apple’s instructions refer back to the prior utility instructions. Apple believes this to be
more logical and easier to understand for the jury. Fourth, on top of the greater efficiency to
Apple’s approach, Samsung’s proposed instruction erroneously includes a sentence that points
away from Apple’s right to recover Samsung’s profits under 35 U.S.C. § 289. Specifically,
Samsung’s instruction states: “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.” This statement, while applicable to a
recovery of lost profits or reasonable royalty under 35 U.S.C. § 284 and taken from the Northern

1 District model, is inaccurate as it applies to this case, because Apple is also seeking infringer's
2 profits under 35 U.S.C. § 289. Infringer's profits do not put the patent holder in the same
3 financial position that would have occurred without the infringement. The sentence is
4 unnecessary and is likely to confuse the jury in the unique context of this case. Apple's
5 instruction removes this sentence as it applies to infringement of the design patents. *See* Apple's
6 Proposed Instruction No. 52. Fifth, Samsung's instruction also includes an incomplete and
7 inaccurate statement regarding the availability of remedies. Both parties have proposed separate
8 double counting instructions and these instructions should be used to address this issue. Apple's
9 instructions on the equivalent topic (41 and 57) are also preferable and clearer in two additional
10 respects. They explicitly list the type of remedies that each party claims. Further, they include a
11 final statement that the party claiming damages are entitled to those damages regardless of its
12 general wealth or revenues. Both parties were concerned enough about this issue to bring
13 motions in limine related to it. The equivalent information is easily accessible by the web.
14 These facts by themselves warrant the statement's inclusion.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 53**
2 **DESIGN PATENT DAMAGES - LOST PROFITS**

3 **Apple's Proposed Instruction**

4 Apple seeks to recover the profits it lost due to some of Samsung's sales that infringed Apple's
5 design patents. To recover lost profits for infringing sales, Apple must show that but for
6 Samsung's infringement there is a reasonable probability that Apple would have made sales that
7 Samsung made. Apple must show the share of Samsung's sales that it would have made if the
8 infringing Samsung products had not been on the market.

9 In assessing Apple's right to recover lost profits for Samsung's infringement of its design patents,
10 you should apply the same rules I already explained in the context of lost profits for infringement
11 of Apple's utility patents. Those Instructions are set out in Jury Instructions Nos. 31-35.
12 Wherever in those Instructions I referred to Apple's utility patents, you should now focus on
13 Apple's design patents. Wherever in those Instructions I referred to the patented invention, you
14 should now focus on the patented design. Wherever I in those Instructions referred to patented
15 products or products covered by a patent claim, you should now focus on products or articles that
16 use or bear the patented design.

17 **Source**

18 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.2.

19 **Authorities**

20 *Aro Mfg. Co. v. Convertible Top Replacement Co., Inc.*, 377 U.S. 476, 502-07 (1964);
21 *Beauregard v. Mega Sys., LLC*, 350 F.3d 1327, 1345-46 (Fed. Cir. 2003); *Cent. Soya Co. v. Geo.*
22 *A. Hormel & Co.*, 723 F.2d 1573, 1579 (Fed. Cir. 1983); *Lam, Inc. v. Johns-Manville Corp.*,
23 718 F.2d 1056, 1065 (Fed. Cir. 1983); *Ericsson, Inc. v. Harris Corp.*, 352 F.3d 1369, 1377-79
24 (Fed. Cir. 2003); *Micro Chem., Inc. v. Lextron, Inc.*, 318 F.3d 1119, 1122-23 (Fed. Cir. 2003);
25 *Gargoyles, Inc. v. U.S.*, 113 F.3d 1572, 1577-78 (Fed. Cir. 1997); *Carella v. Starlight Archery*
26 *and Pro Line Co.*, 804 F.2d 135, 141 (Fed. Cir. 1986); *Gyromat Corp. v. Champion Spark Plug*
27 *Co.*, 735 F.2d 549, 552-53 (Fed. Cir. 1984); *Panduit Corp. v. Stahl Bros. Fibre Works, Inc.*,
28 575 F.2d 1152, 1156 (6th Cir 1978); *BIC Leisure Prods., Inc. v. Windsurfing Int'l, Inc.*, 1 F.3d
1214, 1218 (Fed. Cir. 1993) (“[T]he Panduit test is an acceptable, though not an exclusive, test for
determining ‘but for’ causation”); *Depuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d
1314, 1330 (Fed. Cir. 2009) (“All that the first [Panduit] factor states, and thus requires, ‘is
demand for the patented product.’”).

21 **Samsung's Objection to Apple's Instruction**

22 Apple improperly splits the instructions for utility patent and design patent damages. Apple does
23 not and cannot cite any authority supporting this. The model instructions make no such
24 distinction, and splitting the two is both inefficient and likely only to confuse the jury. A
25 confusing or misleading jury instruction is improper. *Gracie v. Gracie*, 217 F.3d 1060, 1067
26 (9th Cir. 2000) (explaining that the Court of Appeals examines jury instructions for, among other
27 things, whether they confuse the jury). Although Apple claims the proposed instruction was
28 “adapted” from Model Patent Jury Instruction B.5.2, it deleted language that might be
disadvantageous to Apple. Specifically, Apple chose not to include the following passage from
Model Instr. B.5.2: “You must allocate the lost profits based upon the customer demand for the
patented feature of the infringing [product] [method]. That is, you must determine which profits
derive from the patented invention that [alleged infringer] sells, and not from other features of
the infringing [product] [method].” Obviously, this “modification” of the Model Instruction is

1 not to fit any unusual and unique fact pattern, but instead just to make the instruction more
2 favorable to Apple. Samsung's Alternative to Apple's Proposed Final Instruction No. 53 more
3 closely adheres to the pattern instruction. *Brown v. Greene*, 577 F.3d 107, 113 (2d Cir. 2009)
4 (“[W]e repeat our suggestion that trial judges should use the model jury instructions when
5 applicable We urge trial courts, in the future, to stick to the model jury instructions
6 regarding this issue.”) (citing *United States v. Viafara-Rodriguez*, 729 F.2d 912, 913-14 (2d Cir.
7 1984) (“[T]rial judges would be exceedingly well advised to use [the model instructions] rather
8 than impose variations upon it.”)) (internal quotation omitted); *United States v. Wilson-Garcia*,
9 2012 WL 226032 (W.D. Pa. Jan. 25, 2012) (“It is axiomatic that “trial judges should use the
10 model jury instructions when applicable.”). In addition, Apple employs prejudicial language that
11 assumes Samsung has infringed its patents, such as “Samsung’s infringing products,”
12 “Samsung’s infringement of its design patents,” and “infringement of Apple’s utility patents.”
13 This language presumes the validity of Apple’s arguments, and unfairly suggests to jurors an
14 outcome favorable to Apple and adverse to Samsung. Finally, Apple’s instruction fails to take
15 into account that there are several separate and independent individual defendants.
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1 **Samsung's Proposed Instruction**

2 In this case, Apple seeks to recover lost profits for some of Samsung's sales of certain products.
3 Samsung does not seek to recover lost profits for Apple's sales of allegedly infringing products.

4 To recover lost profits for infringing sales, Apple must show that, but for the infringement, there
5 is a reasonable probability that it would have made sales that Samsung Electronics Company,
6 Samsung Electronics America and Samsung Telecommunications America made of each
7 allegedly infringing product. Apple must show the share of Samsung Electronics Company's,
8 Samsung Electronics America's and Samsung Telecommunications America's sales of each
9 product that it would have made if the allegedly infringing product had not been on the market.

10 You must allocate the lost profits based upon the customer demand for the patented feature or
11 design of each of the allegedly infringing products. That is, you must determine which profits
12 derive from the patented invention or design that Samsung Electronics Company, Samsung
13 Electronics America or Samsung Telecommunications America allegedly sells, and not from
14 other features of these infringing products.

15 **Source**

16 N.D. Cal. Model Patent Jury Instr. B.5.2 (modified).

17 **Apple's Objection to Samsung's Instruction**

18 Apple's and Samsung's instructions differ in that Samsung seeks to instruct on both design and
19 utility patents in a single set of instructions. Apple divides them in light of the difference in
20 remedies, in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design
21 patents. Apple's approach results in very little expansion in the number of instructions because
22 Apple's instructions refer back to the prior utility instructions. Apple believes this to be more
23 logical and easier to understand for the jury. Apple's comments addressing the substance of this
24 instruction can be found in connection with Samsung's proposed instruction No. 31 above.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 54**
2 **DESIGN PATENT INFRINGEMENT DAMAGES – DEFENDANT’S PROFITS**

3 **Apple’s Proposed Instruction**

4 Apple is alternatively entitled to the total profits earned by Samsung that are attributable to sales
5 of items that infringed an Apple design patent. “Total profits” include the entire profit on the sale
6 of products with patented designs, and not just the portion of profit attributable to the design.
7 “Total profits” do not include profit attributable to other products that may have been sold in
8 association with an infringing article.

9 Profit is determined by deducting certain expenses from gross revenue. Gross revenue is all of
10 Samsung’s receipts from the sale of infringing products. Apple has the burden of proving the
11 gross revenue that Samsung more likely than not received.

12 Samsung has the burden of proving the deductible expenses. Expenses can include costs incurred
13 in producing the gross revenue, such as the cost of the goods. Other costs may be included as
14 deductible expenses if they are directly attributable to the sale of the infringing products resulting
15 in a nexus between the infringing products and the expense.

16 **Source**

17 Adapted from The Intellectual Property Owners Ass’n Model Design Patent Jury Instr. 10.8.

18 **Authorities**

19 35 U.S.C. § 289; *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1291-1292, (Fed.
20 Cir. 2002); *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1447-48 (Fed. Cir. 1998); *Braun,*
21 *Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 824 (Fed. Cir. 1992); *Trans-World Mfg. Corp. v.*
22 *Al Nyman & Sons, Inc.*, 750 F.2d 1552, 1566-68 (Fed. Cir. 1984); *Bergstrom v. Sears, Roebuck*
23 *& Co.*, 496 F. Supp. 476, 495 (D. Minn. 1980); *Junker v. HDC Corp.*, No. C-07-05094 JCS,
24 2008 WL 3385819, at *3 (N.D. Cal. July 28, 2008) (“patent holder is not required to demonstrate
25 that the profits are attributable to the ornamental qualities of the item in the design patent” but is
26 “entitled to the entire profit obtained by the infringer as a result of sales of the item with the
27 infringing design”).

28 **Samsung’s Objection to Apple’s Instruction**

Although both parties have crafted proposed instructions that track draft IPO Model Design
Patent Jury Instr. 10.8, Samsung’s Alternative to Apple’s Proposed Final Instruction No. 54 is
much closer to the text of the IPO instruction, deviating only slightly to contour to this case.
Apple’s proposed instruction also fails to mention its burden of proof by a preponderance of the
evidence. It also does not address the requirement that Apple make an election for either actual
damages or Samsung’s profits, as set out in the draft IPO Model Design Patent Jury Instruction.
See id. (“A plaintiff in a design patent case can elect to prove either actual damages, known as
compensatory damages, or they may elect to prove the defendant’s profits as its measure of
potential recovery.”) On the contrary, it misleadingly implies that Apple may obtain both
remedies. No court has ever allowed what Apple proposes here—to split its recovery between
actual damages as lost profits under Section 284 and infringer’s profits under Section 289. Thus,
Apple’s proposed instruction should be rejected as incomplete, legally inaccurate, and skewed in
favor of Apple, and is not supported by persuasive authority.

1 **Samsung's Proposed Instruction**¹⁰

2 In this case, Apple alternatively seeks Samsung Electronics Company's, Samsung Electronics
3 America's, and Samsung Telecommunications America's profit from sales of products alleged to
4 infringe Apple's design patents. Accordingly, if you find infringement by Samsung Electronics
5 Company, Samsung Electronics America and/or Samsung Telecommunications America, do not
6 find Apple's design patents are invalid, and do not award Apple lost profits and/or a reasonable
7 royalty, you may award Apple Samsung Electronics Company's, Samsung Electronics America's
8 and/or Samsung Telecommunications America's total profit on sales of products alleged to
9 infringe Apple's design patents.

10 The "total profit" of Samsung Electronics Company, Samsung Electronics America and/or
11 Samsung Telecommunications America means the entire profit on the sale of the article to which
12 the patented design is applied, or with which it is used and not just the portion of profit
13 attributable to the design or ornamental aspects of the patent. "Total profit" does not include
14 profit attributable to other products that may be sold in association with an infringing article
15 embodying the patented design. A design patent owner can recover the profit not only of the
16 manufacturer or producer of an infringing article, but also of other sellers in the chain of
17 distribution, if any such profits are proven by Apple by a preponderance of the evidence.

18 If you find infringement by any Samsung defendant, and do not award Apple lost profits and/or a
19 reasonable royalty, you may award Apple all profit earned by that defendant on sales of products
20 alleged to infringe Apple's design patents, and that is attributable to whatever infringement you
21 have found by that particular defendant. Profit is determined by deducting certain expenses from
22 gross revenue. Gross revenue is all of the infringer's receipts from the sale of products using any
23 design found infringed. Apple has the burden of proving the infringing defendant's gross revenue
24 by a preponderance of the evidence.

25 Expenses can include costs incurred in producing the gross revenue, such as the cost of the goods.
26 Other costs may be included as deductible expenses if they are attributable to the sales of the
27 infringing products resulting in a nexus between the infringing products and the expense.
28 Samsung has the burden of proving the deductible expenses and the portion of the profit
attributable to factors other than use of the infringed design by a preponderance of the evidence.

Unless you find that a portion of the profit from the sale of the infringing product is attributable to
factors other than use of the infringed design, you shall find that the total profit is attributable to
the infringement.

20 **Source**

21 Intellectual Property Owners Association, Proposed Design Patent Model Jury Instr., No. 10.8
22 (modified).

23 **Apple's Objection to Samsung's Instruction**

24 The parties' proposed instructions on defendant's profits under section 289 differ in three ways:
25 (1) Samsung's proposed instruction fails to reflect the Court's prior ruling in this case that profits
26 awarded under section 289 cannot be apportioned; (2) Samsung's proposed instruction No. 54

27 ¹⁰ Samsung objects to Apple's attempt to obtain both lost profits and infringer's profits as
28 unsupported by any legal authority. Samsung offers this instruction solely in the event that the
Court disagrees. Samsung also offers this instruction subject to its objection that any
disgorgement of profits should be subject to apportionment.

1 omits the word “directly” from a sentence addressing deductible expenses, which is an important
2 element of Samsung’s burden; and (3) Samsung’s proposed instruction repeats unnecessarily the
3 requirements of validity and infringement. Apple’s instruction reflects a direct recitation of the
4 statute’s grant of total profits. *First*, the instruction includes three statements on the
5 apportionment of the defendant’s profits, the amount that is “attributable” to the design or the
6 infringement, and the amount “attributable” to factors other than design. But the Court has made
7 clear based on controlling Federal Circuit law that if Samsung is found to infringe Apple’s
8 design patents, Apple is entitled to recover all of Samsung’s profits relating to the accused
9 products without apportionment. This issue was resolved in Dkt. No. 1157 (Daubert order) at 9,
10 which excluded Samsung’s expert testimony as “contrary to law.” Samsung’s footnote
11 acknowledges this issue. *Second*, Samsung’s proposed instruction No. 54 incorrectly omits the
12 word “directly” from the statement: “Other costs may be included as deductible expenses if they
13 are directly attributable to the sales of the infringing products . . .” The Intellectual Property
14 Owners Ass’n Model Design Patent Jury Instructions include the word “directly” and are an
15 accurate statement of the law. This is an important element of Samsung’s burden of proof in
16 proving those costs that will be deducted, and the jury will hear competing evidence from each
17 side’s damages experts on which costs are and are not “directly attributable” to the product sales.
18 *See Schnadig Corp. v. Gaines Mfg. Co., Inc.*, 620 F.2d 1166, 1171 (6th Cir. 1980) (stating that
19 the “parties are agreed that the expenses which vary directly with productive activity should be
20 deducted in determining total profits,”); *see also Bergstrom v. Sears, Roebuck & Co.*, 496 F.
21 Supp. 476, 497 (D. Minn. 1980) (“The burden of establishing the nature and amount of these
22 costs, as well as their relationship to the infringing product, is on the defendants.”). Finally,
23 Samsung, consistent with the improper pattern it set in other instructions, repeats the requirement
24 of validity and infringement where it is not necessary. This requirement is set out in prior
25 instructions and need not be repeated for the benefit of the defendant whenever a new damages
26 subject matter is introduced.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 55**
2 **DESIGN PATENT DAMAGES—REASONABLE ROYALTY—**
3 **ENTITLEMENT—DEFINITION—RELEVANT FACTORS**

3 **Apple’s Proposed Instruction**

4 If Apple has not proved its claim for lost profits, has not proved its claim to defendants’ profits,
5 or has proved its claim to either remedy for only a portion of the infringing sales, then Apple
6 should be awarded a reasonable royalty for all infringing sales for which it has not been awarded
7 lost profits or defendants’ profits. In no event should the damages you award Apple for
8 Samsung’s design patent infringement be less than a reasonable royalty.

9 The definition of a reasonable royalty for design patent infringement is the same as the definition
10 I explained to you in Jury Instruction No. 36 for utility patent infringement. However, wherever
11 in that Instruction I referred to the patented invention or a utility patent, you should now focus on
12 the design patents or patented designs.

13 The factors you may consider in determining a reasonable royalty are also the same for design
14 patent infringement as they are for utility patent infringement. Wherever Instruction No. 37
15 referred to the patented invention or a patent claim, you should now focus on the patented design.
16 Wherever Instruction No. 37 referred to a patented product or a product covered by the utility
17 patent claim, you should now focus on an article or product bearing the patented design.

18 **Source**

19 Adapted from N.D. Cal. Model Patent Jury Instr. B.5.6, B.5.7; Federal Circuit Bar Association
20 Model Patent Jury Instr. B.6.7.

21 **Authorities**

22 35 U.S.C. § 284; *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009) *cert.*
23 *denied*, 130 S. Ct. 3324 (2010) (vacating and remanding jury award as excessive); *Crystal*
24 *Semiconductor Corp. v. TriTech Microelectronics Int’l, Inc.*, 246 F.3d 1336 (Fed. Cir. 2001);
25 *Fromson v. W. Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1998); *Minco, Inc. v.*
26 *Combustion Eng’g, Inc.*, 95 F.3d 1109, 1119-20 (Fed. Cir. 1996); *Mahurkar v. C.R. Bard, Inc.*,
27 79 F.3d 1572, 1579 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir.
28 1995) (en banc); *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);
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); *Georgia-Pacific Corp. v. U.S. Plywood Corp.*,
318 F. Supp. 1116, 1120 (S.D.N.Y. 1970); United States Court of Appeals Fifth Judicial Circuit
Pattern Jury Instructions, No. 9.8 (1999); *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).

29 **Samsung’s Objection to Apple’s Instruction**

30 Apple’s proposed instruction fails to mention its burden of proof by a preponderance of the
31 evidence. It also does not address the requirement that Apple make an election for either actual
32 damages or Samsung’s profits, as set out in the draft IPO Model Design Patent Jury Instruction.
33 See *id.* (“A plaintiff in a design patent case can elect to prove either actual damages, known as
34 compensatory damages, or they may elect to prove the defendant’s profits as its measure of
35 potential recovery.”) On the contrary, it misleadingly implies that Apple may obtain both

1 remedies. No court has ever allowed what Apple proposes here—to split its recovery between
2 actual damages as lost profits under Section 284 and infringer’s profits under Section 289. In
3 addition, Apple employs prejudicial language that assumes Samsung has infringed its patents,
4 such as “Samsung’s design patent infringement.” This language presumes the validity of
5 Apple’s arguments, and unfairly suggests to jurors an outcome favorable to Apple and adverse to
6 Samsung. Finally, Apple’s instruction fails to take into account that there are several separate
7 and independent individual defendants.
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1 **Samsung’s Proposed Instruction**

2 Both Samsung and Apple seek an award of a reasonable royalty for alleged patent infringement.

3 If the holder of a patent does not seek lost profits (like Samsung), or has not proved its claim for
4 lost profits, or has proved its claim for lost profits for only a portion of the sales alleged to
infringe the patent, then the patent holder should be awarded a reasonable royalty for all
5 infringing sales for which it has not been awarded lost profits damages.

6 A reasonable royalty must be limited to compensation for the amount and type of alleged
infringement that actually occurred.

7 **Source**

8 N.D. Cal. Model Patent Jury Instr. B.5.6 (modified); *Oracle Am., Inc. v. Google Inc.*, 798 F.
9 Supp. 2d 1111, 1117 (N.D. Cal. 2011) (citing 35 U.S.C. 284); *ResQNet.com, Inc. v. Lansa, Inc.*,
594 F.3d 860, 869 (Fed. Cir. 2010) (“At all times, the damages inquiry must concentrate on
10 compensation for the economic harm caused by infringement of the claimed invention.”).

11 **Samsung’s Statement in Support**

12 Samsung provides this instruction to clarify the concept of reasonable royalties for the jury.
13 Apple’s amalgam instruction about a party’s entitlement to reasonable royalties is confusing and
may mislead the jury. A confusing or misleading jury instruction is improper. *Gracie v. Gracie*,
217 F.3d 1060, 1067 (9th Cir. 2000) (reviewing jury instructions to determine clarity).
14 Samsung’s instruction is clear and focused, explaining when it is appropriate to award a
reasonable royalty and will avoid juror confusion and a possible double recovery. *Barnes v.*
15 *Borough of Pottstown*, 1993 WL 239314 (E.D. Pa. June 30, 1993) (“complicated and potentially
confusing” jury instructions are undesirable).

16 **Apple’s Objection to Samsung’s Instruction**

17 Apple’s and Samsung’s instructions differ in that Samsung seeks to instruct on both design and
18 utility patents in a single set of instructions. Apple divides them in light of the difference in
remedies, in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design
19 patents. Apple’s approach results in very little expansion in the number of instructions because
Apple’s instructions refer back to the prior utility instructions. Apple believes this to be more
20 logical and easier to understand for the jury. Apple’s comments addressing the substance of this
instruction can be found in connection with Samsung’s proposed instruction No. 36 above.

1 **Samsung's Proposed Instruction**

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

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

20 If the patent covers only part of the product that the infringer sells, then the base would normally
21 be only that feature or component. For example, if you find that for a \$10,000 car, the patented
22 feature is the tires which sell for \$5, the base revenue would be \$5. However, in a circumstance
23 in which the patented feature is the reason customers buy the whole product, the base revenue
24 could be the value of the whole product. Even if the patented feature is not the reason for
25 customer demand, the value of the whole product could be used if, for example, the value of the
26 patented feature could not be separated out from the value of the whole product. In such a case,
27 however, the rate resulting from the hypothetical negotiation would be a lower rate because it is
28 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.

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

It is up to you, based on the evidence, to decide what type of royalty is appropriate in this case for
Samsung and/or Apple.

Source

N.D. Cal. Model Patent Jury Instr. B.5.7 (modified).

25 **Apple's Objection to Samsung's Instruction**

26 Apple's and Samsung's instructions differ in that Samsung seeks to instruct on both design and
27 utility patents in a single set of instructions. Apple divides them in light of the difference in
28 remedies, in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design
patents. Apple's approach results in very little expansion in the number of instructions because
Apple's instructions refer back to the prior utility instructions. Apple believes this to be more

1 logical and easier to understand for the jury. Apple's comments addressing the substance of this
2 instruction can be found in connection with Samsung's proposed instruction No. 36.1 above.

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(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.

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 infringer would have been willing to pay and the patent holder would have been willing to accept, acting as normally prudent business people. The final factor establishes the framework which you should use in determining a reasonable royalty, that is, the payment that would have resulted from a negotiation between the patent holder and the infringer taking place at a time prior to when the infringement began.

Source

Federal Circuit Bar Association Model Patent Jury Instr. B.6.7 (modified).

Apple’s Objection to Samsung’s Instruction

Apple’s and Samsung’s instructions differ in that Samsung seeks to instruct on both design and utility patents in a single set of instructions. Apple divides them in light of the difference in remedies, in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design patents. Apple’s approach results in very little expansion in the number of instructions because Apple’s instructions refer back to the prior utility instructions. Apple believes this to be more logical and easier to understand for the jury. Apple’s comments addressing the substance of this instruction can be found in connection with Samsung’s proposed instruction No. 37 above.

1 (Fed. Cir. 2010) (communication giving rise to actual notice does not need to identify all related
2 products since “ensuing discovery . . . may bring those products within the scope of the notice”).

3 **Samsung’s Objection to Apple’s Instruction**

4 Apple’s proposed instruction is inappropriate because it varies from the models upon which
5 Apple purports to rely by inserting additional argumentative and prejudicial language. For
6 example, it presumes that Samsung infringed its patents (“For each design patent that Samsung
7 infringed . . .”). “In drafting [civil jury] instructions, a common vice to be avoided is the
8 phrasing of instructions in an argumentative fashion favorable to the side submitting them.
9 Instructions must be objective, not subjective. It is the court, not counsel, who announces them.
10 The judge is the only non-partisan lawyer in the courtroom, from whom the jury may properly
11 expect a dispassionate and unslanted statement of the pertinent law.” 1 Fed. Jury Prac. & Instr. §
12 7:2 (6th ed.); *see also United States v. Hach*, 162 F.3d 937, 946 (7th Cir. 1998) (the district court
13 was not required to give [defendant's] inaccurate, redundant and combative instructions); *United*
14 *States v. Matias*, 836 F.2d 744 (2d Cir. 1988) (court has duty to give balanced instructions).
15 Moreover, Apple’s modification of the model instruction to imply that notice merely of a
16 “category of products” – as opposed to allegedly infringing products – is sufficient to trigger
17 damages is unsupported by any law.
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1 **Samsung's Proposed Instruction**

2 In determining the amount of damages, you must determine when the damages began. Damages
3 commence on the date that the alleged infringer has both infringed and been notified of the
alleged infringement of the patent.

4 If you find that the patent holder sells a product that includes the claimed invention, you must
5 determine the date that the alleged infringer received actual notice of the patent and the specific
6 product alleged to infringe. Actual notice means that the patent holder communicated to the
7 alleged infringer a specific charge of infringement of the patent by a specific accused product or
8 device. The filing of the complaint and counterclaims in this case qualified as actual notice, so
the damages period begins no later than the dates the complaint and counterclaims were filed.
9 The patent holder has the burden of establishing that it is more probable than not the alleged
10 infringer received notice of infringement before the complaint and counterclaims were filed.

11 If you find that the patent holder does not sell a product covered by the patent, damages begin
12 without the requirement for actual notice. If you find that the patent was granted before the
13 infringing activity began, damages should be calculated as of the date you determine that the
14 infringement began. If you find that the patent was granted after the infringing activity began,
15 damages should be calculated as of the date the patent issued.

16 While you may identify an earlier date by which Apple had actual notice of Samsung's claims of
17 infringement based on your evaluation of the evidence, Samsung's counterclaims provided Apple
18 such notice by no later than June 16, 2011. With respect to Samsung's U.S. Patent
19 No. 7,577,460, damages should be calculated as of August 18, 2009, because the patent contains
20 only a method claims.

21 While you may identify an earlier date by which Samsung Electronics Company, Samsung
22 Electronics America and/or Samsung Telecommunications America had actual notice of Apple's
23 claims of infringement based on your evaluation of the evidence, Apple's lawsuit provided
24 Samsung such notice for the '381, '915 and D'677 patents by no later than April 15, 2011, and for
25 the '163, D'305, D'889 and D'087 patents by no later than June 16, 2011.

26 **Source**

27 N.D. Cal. Model Patent Instr. B.5.8 (modified); Federal Circuit Bar Association Model Patent
28 Jury Instr. B.6.8 (modified); *Mformation Techs., Inc. v. Research In Motion Ltd.*, C 08-04990
JW, 2011 WL 6357804 at *15 (N.D.Cal. Dec. 19, 2011) (Ware C.J.) ("The marking requirements
of § 287(a) do not apply to patents containing only method claims. *Bandag, Inc. v. Gerrard Tire
Co.*, 704 F.2d 1578, 1581 (Fed.Cir.1983).").

29 **Apple's Objection to Samsung's Instruction**

30 Apple's and Samsung's instructions differ in that Samsung seeks to instruct on both design and
31 utility patents in a single set of instructions. Apple divides them in light of the difference in
32 remedies, in particular, the availability of remedies under 35 U.S.C. § 289, in the case of design
33 patents. Apple's approach results in very little expansion in the number of instructions because
34 Apple's instructions refer back to the prior utility instructions. Apple believes this to be more
35 logical and easier to understand for the jury. Apple's comments addressing the substance of this
36 instruction can be found in connection with Samsung's proposed instruction No. 39 above.

INDUCEMENT AND WILLFULNESS JURY INSTRUCTIONS

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1 2. Apple took deliberate actions to avoid learning of that fact.

2 **Sources**

3 Adapted from N.D. Cal. Model Patent Jury Instr. B.3.9; adapted from instructions in *Oracle*
4 *America, Inc. v. Google Inc.*, Case No. 3:10-cv-03561-WHA, Dkt. No. 1121, filed May 11, 2012
5 (N.D. Cal.).

6 **Authorities**

7 35 U.S.C. § 271(b); *Global-Tech Appliances, Inc., v. SEB S.A.*, 131 S. Ct. 2060, 2069 (2011)
8 (“Given the long history of willful blindness and its wide acceptance in the Federal Judiciary, we
9 can see no reason why the doctrine should not apply in civil lawsuits for induced patent
10 infringement under 35 U.S.C. § 271(b).”); *ePlus, Inc. v. Lawson Software, Inc.*, No. 3:09cv620,
11 2011 WL 3584313, at *5 (E.D. Va. Aug. 12, 2011) (“Knowledge of the patent may be
12 established by a finding that [the alleged infringer] had actual knowledge of the patent or that
13 [the alleged infringer] deliberately disregarded a known risk that ePlus had a protective patent.”);
14 *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304-1306 (Fed. Cir. 2006) (*en banc*); *Broadcom*
15 *Corp. v. Qualcomm, Inc.*, 543 F.3d 683 (Fed. Cir. 2008).

16 **Samsung’s Objection to Apple’s Instruction**

17 Apple's proposed instruction is improper because it introduces again Apple's untimely allegation
18 that there has been indirect infringement of any Apple patents. This allegation is nowhere found
19 in any pleading, nor in any response to an interrogatory served to elicit Apple's infringement
20 contentions for the design patents. See Dkt No. 1185-3 at 13-15. In addition, Samsung objects
21 to Apple's Instruction on the grounds that Apple did not make an inducement allegation that met
22 the requirements of Patent Local Rule 3-1, which states in part:

23 Separately for each opposing party, the “Disclosure of Asserted Claims and
24 Infringement Contentions” shall contain the following information ... For each
25 claim which is alleged to have been indirectly infringed, an identification of any
26 direct infringement and a description of the acts of the alleged indirect infringer
27 that contribute to or are inducing that direct infringement. Insofar as alleged direct
28 infringement is based on joint acts of multiple parties, the role of each such party
 in the direct infringement must be described.

29 Apple’s infringement contentions state in conclusory fashion, “Samsung induces the
30 infringement of others under 35 U.S.C. § 271(b) to the extent it contracts, instructs, or otherwise
31 induces others to make, use, offer to sell, sell, or import the Accused Instrumentalities within or
32 into the United States.” (See Apple’s 3-1 Patent Local Rule Disclosures, attached as Exhibit D
33 to the Declaration of Thomas Watson in Support of Samsung’s Jury Instructions.) This
34 statement did not “identif[y] any direct infringement” nor did it provide a “description of the acts
35 of the alleged indirect infringement that . . . induc[e] that direct infringement.” Consequently,
36 Apple should be precluded from asserting an inducement theory now. See *Integrated Circuit*
37 *Sys. v. Realtek Semiconductor Co.*, 308 F. Supp. 2d 1106, 1106-07 (N.D. Cal. 2004). Further,
38 Apple's instruction erroneously omits one of the three necessary criteria for finding active
39 inducement of infringement, namely taking action of any kind. Tellingly, when Apple states the
40 burden of proof that Samsung must meet, the active inducement criteria is listed. When applied
41 to itself, Apple states that if (1) SEC knew of the patent and (2) knew that STA or SEA's
42 activities would infringe, it is therefore liable for inducement. The statute, however, requires
43 action on the part of the alleged inducer; not just knowledge: "Whoever actively induces
44 infringement of a patent shall be liable as an infringer." 35 U.S.C. § 271 (emphasis added). This
45 is true for parent and sub relationships as well: "evidence of mere inaction by a parent company
46 in the face of infringement by a subsidiary-i.e., a failure to stop infringement" is not sufficient.

1 *Tegal Corp. v. Tokyo Electron Co., Ltd.*, 248 F.3d 1376, 1379 (Fed. Cir. 2001) (citing *A. Stucki*
2 *Co. v. Worthington Industries, Inc.*, 849 F.2d 593, 597 (Fed. Cir. 1988).) "[E]vidence of mere
3 inaction [does] not constitute inducement." *Id.* "Absent evidence of active inducement," it is
4 "mere speculation, not a justifiable inference" to assume that the parent "did assent to, endorse,
5 [or] condone continued infringement." *A. Stucki*, 849 F.2d at 597. Apple's cited authorities
6 provide no basis for Apple's changing the elements for active inducement to no longer require
7 evidence of active inducement. Apple's second criteria regarding knowledge is also deficient
8 because "mere knowledge of possible infringement by others does not amount to inducement;
9 specific intent and action to induce infringement must be proven." *DSU Medical Corp. v. JMS*
10 *Co.*, 471 F.3d 1293 (Fed. Cir. 2006) (en banc). In the event the Court allows Apple to present
11 evidence or argument on this issue, a proper instruction must include a requirement not only of
12 some affirmative action, but also that the inducing party knows or should know that their actions
13 would lead to direct infringement, not just mere knowledge that someone else's actions might
14 cause infringement. Samsung's alternative Final Instruction No. 40 contains language based on
15 the AIPLA model instruction, which follows Federal Circuit precedent on this issue, and
16 properly follows the Federal Circuit's en banc decision in *DSU Medical Corp. v. JMS Co.*, 471
17 F.3d 1293 (Fed. Cir. 2006) (en banc) that "[t]o establish liability under section 271(b), a patent
18 holder must prove that once the defendants knew of the patent, they actively and knowingly
19 aided and abetted another's direct infringement." *Id.* at 1305. According to Apple's instruction,
20 there is no difference between passive observation and active inducement. That is legally
21 erroneous.
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1 make the jury’s job easier. Finally, Apple also submits that its proposed instruction better
2 captures the “willful blindness” standard articulated in *Global-Tech Appliances, Inc. et. al. v.*
3 *SEB S.A.*, 131 S. Ct. 2060, 2067 (2011).

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1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction on inducing design patent infringement is flawed in many ways.
3 First, this instruction is differently formulated than—and inconsistent with—its proposed
4 instruction No. 58.1 on inducing utility patent infringement. This inducement instruction uses
5 “aided and abetted” language that does not appear in Samsung’s utility inducement instruction
6 No. 58.1 or in the N.D. Cal. model instructions. Apple’s approach of combining design patent
7 and utility patent inducement instructions into a single instruction that substantially tracks this
8 Court’s model is both more consistent and less confusing for the jury. Second, Apple’s proposed
9 instruction No. 58 is also more tailored to the case, and will therefore better prepare the jury to
10 decide the issues here on the merits. In particular, Apple’s inducement theory concerns whether
11 Samsung’s Korean parent SEC induced its U.S. subsidiaries STA and SEA to infringe. It makes
12 sense to instruct the jury that this is the theory that is at issue. In addition, because of these facts,
13 one of the traditional elements of an inducement claim—that the putative inducer intentionally
14 took actions that induced third-party conduct—is not in dispute. Samsung does not dispute that
15 SEC intentionally took steps to induce the accused conduct by STA and SEA, *i.e.*, the importation
16 and sale of the accused products. There is thus no need to ask the jury to resolve that question at
17 trial. Third, Samsung’s proposed instruction also includes the criminal law concept of aiding and
18 abetting, which is not found in the N.D. Cal. model instructions. Fourth, Samsung’s reference to
19 “knowingly” aiding direct infringement is inconsistent with its own later instruction that the
20 inducer “knew or should have known that their actions would lead to actual infringement.” Fifth,
21 Apple’s proposed instruction informs the jury about the latest date on which SEC could have been
22 on notice of the Apple patents. Informing the jury that the filing of this litigation sets a ceiling on
23 when SEC had the requisite knowledge of the asserted patents will make the jury’s job easier.
24 Finally, Apple also submits that its proposed instruction better captures the “willful blindness”
25 standard articulated in *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2067 (2011).

1 In this context, to show that the alleged infringer willfully blinded itself about whether its actions
2 infringed a valid patent, the patent-holder must show that the alleged infringer subjectively
3 believed that there was a high probability it was infringing and took deliberate actions to avoid
learning if that was the case.

4 **Source**

5 Adapted from N.D. Cal. Model Patent Jury Instr. B.3.10.

6 **Authorities**

7 35 U.S.C. § 284; *In re Seagate Tech., LLC* (“Seagate”), 497 F.3d 1360, 1371 (Fed. Cir. 2007) (en
8 banc) (standard for willful infringement); *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v.*
9 *Dana Corp.*, 383 F.3d 1337, 1345 (Fed. Cir. 2004) (*en banc*); *Crystal Semiconductor Corp. v.*
10 *Tritech Microelectronics Int’l, Inc.*, 246 F.3d 1336, 1346 (Fed. Cir. 2001); *WMS Gaming Inc. v.*
11 *Int’l Game Tech.*, 184 F.3d 1339, 1354 (Fed. Cir. 1999); *Gustafson, Inc. v. Intersystems Indus.*
12 *Prods., Inc.*, 897 F.2d 508, 510 (Fed. Cir. 1990); *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 826-
13 827 (Fed. Cir. 1992); *C.R. Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs.*, No. 2010-
14 1510, 2012 U.S. App. LEXIS 13561, at *6-7 (Fed. Cir. June 14, 2012) (the *Seagate* subjective
15 prong is an issue of fact); *Global-Tech Appliances, Inc., v. SEB S.A.*, 131 S. Ct. 2060, 2069
16 (2011) (“Given the long history of willful blindness and its wide acceptance in the Federal
17 Judiciary, we can see no reason why the doctrine should not apply in civil lawsuits for induced
18 patent infringement under 35 U.S.C. § 271(b).”); *ePlus, Inc. v. Lawson Software, Inc.*, No.
19 3:09cv620, 2011 WL 3584313, at *5 (E.D. Va. Aug. 12, 2011) (“Knowledge of the patent may
20 be established by a finding that [the alleged infringer] had actual knowledge of the patent or that
[the alleged infringer] deliberately disregarded a known risk that ePlus had a protective patent.”);
Itar-Tass Russian News Agency v. Russian Kurier, No. 95-Civ-2144 (JGK), 1997 U.S. Dist.
LEXIS 8297, at *3-4 (S.D.N.Y. June 10, 1997) (copyright infringement was blatant and willful
when defendant continued to publish articles not covered by a preliminary injunction); *SEB,*
S.A. v. Montgomery Ward & Co., 412 F. Supp. 2d 336, 337, 344 (S.D.N.Y. 2006) (a reasonable
jury could consider the fact that a defendant continued to sell a redesigned product after a
preliminary injunction finding infringement for purposes of determining intent and induced
infringement under § 271(b)); *Cordis Corp. v. Boston Sci. Corp.*, No. 03-27-SLR, 2010 U.S.
Dist. LEXIS 7197, at *7-8 (D. Del. Jan. 28, 2010) (jury given summary of preliminary injunction
for purposes of willfulness under *Seagate*).

20 **Samsung’s Objection to Apple’s Instruction**

21 Samsung objects to Apple’s one-sided Instruction in that it identifies the results of specific
22 discovery motions and preliminary injunction rulings, which would result in extreme prejudice to
23 Samsung. The information that Apple seeks to include is the current subject of a Samsung
24 Motion in Limine (*see* Dkt. 1185). As Samsung stated in its Motion in Limine, both sides in this
25 action have presented a number of discovery disputes for resolution by the Court. Both sides
26 have prevailed on some but not others. Both sides have been sanctioned by Magistrate Judge
27 Grewal. In none of these disputes has the Court imposed any remedy of which the jury should
28 be made aware: there have been no deemed findings of fact, and no adverse inference
instructions. Accordingly, the mere fact that discovery disputes arose and the results of those
disputes, whether they be motions to compel, motions for sanctions, orders on motions to compel
or orders on motions for sanctions, which happen in every major litigation, is of no relevance to
any issue to be decided by the jury and will likely distract the jury from the dispositive issues of
the case. Apple should be precluded from making any reference to any such disputes, motions or
orders. Similarly, the Court’s rulings on Apple’s preliminary injunction motion should not be
referenced to the jury. A preliminary injunction proceeding is by nature interim. A court need

1 only find a likelihood of success on the merits, not make a final adjudication. *See, e.g., Sierra*
2 *On-Line, Inc. v. Phoenix Software, Inc.*, 739 F.2d 1415, 1423 (9th Cir. 1984). Moreover, a court
3 can change its mind on the merits of the case as later developments clarify the relevant facts and
4 law. *See Jack Guttman, Inc. v. Kopykake Enterprises, Inc.*, 302 F.3d 1352, 1361 (Fed. Cir.
5 2002). Any reference to the Court's ruling on the preliminary injunction motion might have an
6 undue impact on the jury. It should be excluded under Fed. R. Evid. 403. Furthermore, Apple
7 has failed to link the subject of the sanction order, or the preliminary injunction findings, to
8 willful infringement. In sum, Apple's jury instruction amounts to attorney argument and should
9 be disregarded. Samsung's Alternative to Apple's Proposed Final Instruction No. 59 follows the
10 Federal Circuit Model Patent Jury Instruction for Willful Infringement. Samsung believes that
11 this instruction, though similar to the Northern District of California's instruction, provides more
12 information and assistance to the jury in that describes more of the factors that should be
13 considered when determining willful infringement. In addition, Samsung' Alternative to Apple's
14 Proposed Final Instruction No. 59 does not contain prejudicial attorney argument and
15 incorporates the Federal Circuit's recent *Bard* decision. Therefore, Apple's Instruction should be
16 rejected in favor of Samsung's Alternative to Apple's Proposed Final Instruction No. 59
17 immediately below.

1 **Samsung’s Proposed Instruction**

2 In this case, Apple argues both that Samsung infringed and, further, that Samsung infringed
3 willfully. Likewise, Samsung argues that Apple infringed and, further, that Apple infringed
4 willfully. If you have decided that the alleged infringer has infringed, you must go on and
address the additional issue of whether or not this infringement was willful. Willfulness requires
a determination that the alleged infringer acted recklessly.

5 To prove that the alleged infringer acted recklessly, the patent holder must prove the state of mind
6 of the alleged infringer by clear and convincing evidence. The patent holder must persuade you
7 by clear and convincing evidence that the alleged infringer actually knew or should have known
8 that its actions constituted an unjustifiably high risk of infringement of a valid and enforceable
patent. To determine whether the alleged infringer had this state of mind, consider all facts which
may include, but are not limited, to:

9 (1) Whether or not the alleged infringer acted in accordance with the standards of
commerce for its industry;

10 (2) Whether or not the alleged infringer intentionally copied a product of the patent
11 holder that is covered by the patent;

12 (3) Whether or not there is a reasonable basis to believe that the alleged infringer did not
infringe or had a reasonable defense to infringement;

13 (4) Whether or not the alleged infringer made a good-faith effort to avoid infringing the
14 patent, for example, whether the alleged infringer attempted to design around the patent; and

15 (5) Whether or not the alleged infringer tried to cover up its infringement.

16 **Source:**

17 Federal Circuit Model Patent Jury Instr. B.3.8; 35 U.S.C. § 284; *In re Seagate Tech., LLC*,
18 497 F.3d 1360 (Fed. Cir. 2007) (standard for finding willfulness); *Crystal Semiconductor Corp. v.*
Tritech Microelectronics Int’l, Inc., 246 F.3d 1336, 1346 (Fed. Cir. 2001) (burden of proof for
19 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
20 (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
21 willfulness); *Bard Peripheral Vascular, Inc. v. W.L Gore & Assoc., Inc.*, No. 2010-1510, 2012
U.S. App. LEXIS 13561, at *13 (Fed. Cir. June 14, 2012) (“the ultimate legal question of whether
22 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”).

23 **Apple’s Objection to Samsung’s Instruction**

24 Samsung’s proposed instruction regarding willfulness is flawed on many levels. First, although
25 Samsung’s instruction acknowledges that factors other than those listed in the Northern District
model instruction can be probative of willfulness, it ignores several that are especially important
26 here given the unique facts of this case. As pointed out in Apple’s proposed instruction No. 59,
Samsung’s continued sale of accused products after this Court ruled that Samsung likely
27 infringed two patents and had failed to raise substantial questions regarding the validity of these
patents is something that the jury should weigh as it decides whether Samsung knew or should
28 have known that it was infringing valid patents. The jury should be told it can consider these
rulings—and the affirmance by the Federal Circuit—in deciding willfulness. Likewise, the
Court’s three sanctions orders directed at Samsung are probative of whether Samsung tried to

1 cover up its infringement, which Samsung concedes is a relevant factor. The jury should be told
2 it can consider these facts too. Second, Samsung's instruction tells the jury it can consider
3 Samsung's efforts to design around Apple's patents. But the Court has already (twice) ordered
4 that "Samsung may not offer any evidence of its design-arounds. This means no source code
5 evidence, no non-source code evidence, no evidence of any kind, whether for liability purposes or
6 any other purpose. Period." (Dkt. No. 1106 at 3-4.) Samsung cannot get this evidence in now
7 through the back door of willfulness. Accordingly, even if the Court gave Samsung's instruction, the
8 Court's order would still bar any introduction of Samsung's design-around evidence. Third,
9 Samsung's instruction refers three times to the clear and convincing burden of proof. That is
10 excessive. Apple's proposed instruction has none of these flaws. Apple's proposed instruction is
11 based on the Northern District's model instruction, captures the unique factors that are at play
12 here, and, unlike Samsung's version, informs the jury that "willful blindness" can provide the
13 basis for the knowledge required for a finding of willfulness.
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TRADE DRESS JURY INSTRUCTIONS

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1 Apple later makes it appear that Apple has fewer elements to prove—an approach that deviates
2 from the approach of the Ninth Circuit Model Jury Instructions.

3 **Apple’s Statement in Support of Instruction No. 60**

4 Apple also respectfully submits that, for the trade dress instructions, the ABA model instructions
5 are preferable to the Ninth Circuit model instructions because the Ninth Circuit model
6 instructions do not address dilution claims. Apple made an exception for the infringement
7 instruction because the *Sleekcraft* factors control in the Ninth Circuit, so Apple used the Ninth
8 Circuit model instruction that is based on the *Sleekcraft* factors. Apple accuses Samsung phones
9 and tablets of dilution, and Samsung’s proposed dilution instructions are largely created from
10 scratch. The ABA model instructions offer a coherent, consistent, and streamlined approach for
11 a case that involves both dilution and infringement claims. For example, the ABA instructions
12 define the protectability standard for trade dress so that it applies to both infringement and
13 dilution claims, noting the different burdens of proof for registered and unregistered trade
14 dresses. By contrast, Samsung’s proposed instructions are unnecessarily repetitive and yet still
15 have gaps (*e.g.*, presumptions attached to a registered trade dress). Samsung’s instruction
16 Nos. 70 through 73 are unnecessarily duplicative.
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1 **Samsung’s Objection to Apple’s Instruction**

2 Apple’s proposed instruction omits two factors established by case law and used by the Ninth
3 Circuit Model Jury Instruction 15.10— actual confusion and exclusivity. *See also, e.g., Filipino*
4 *Yellow Pgs. v. Asian Journal Publications*, 198 F. 3d 1143, 1151 (9th Cir. 1999) (“Secondary
5 meaning can be established in many ways, including . . . direct consumer testimony; survey
6 evidence; exclusivity, . . .”). Instead of exclusivity, Apple substitutes a new factor—whether it
7 authorized any third-party use. Apple cites no justification for this new factor and there is none.
8 Indeed, it is the existence of *unauthorized* uses by third-parties that shows a lack of
9 distinctiveness. As the very authority Apple quotes states, the relevant factor is “whether
10 [plaintiff’s] use of the configuration has been exclusive.” *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870
11 F.2d 512, 517 (9th Cir. 1989). Apple also misstates the standard on secondary meaning by not
12 referring to “primary significance” of the trade dress to a “significant proportion of prospective
13 purchasers”—the exact wording used by the Ninth Circuit Model Jury Instruction 15.10.
14 Samsung’s Alternative to Apple’s Proposed Final Instruction No. 61 is a more accurate
15 representation of the law on secondary meaning and comports with Ninth Circuit Model Jury
16 Instructions. Apple’s proposed instructions on secondary meaning factors are also incomplete and
17 do not provide the jury with enough guidance. Samsung’s Proposed Final Instructions Nos.
18 61.1-61.6, in contrast, explain to the jury the current state of applicable Ninth Circuit precedent,
19 as is necessary to avoid legal error.
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1 **Samsung’s Proposed Instruction**

2 To prove infringement of its claimed iPad and iPad 2 trade dresses, Apple has the burden of
3 proving by a preponderance of the evidence that the claimed trade dresses are distinctive.

4 To prove distinctiveness, Apple must show that its claimed trade dresses have “secondary
5 meaning.” Trade dress has secondary meaning when its primary significance in the minds of the
6 prospective consumers is not the product itself, but the identification of the product with a single
7 source, regardless of whether consumers know who or what that source is.

8 To find that the claimed trade dress have acquired secondary meaning, you must find by a
9 preponderance of the evidence that a significant proportion of prospective purchasers of tablet
10 computers associates the claimed trade dress with a single source.

11 When you are determining whether the claimed trade dress has acquired a secondary meaning,
12 you may consider the following factors:

- 13 1. Consumer Perception. Whether the people who purchase tablet computers
14 associate the claimed trade dress with Apple;
- 15 2. Advertisement. To what degree and in what manner Apple may have advertised
16 using the claimed trade dress;
- 17 3. Demonstrated Utility. Whether Apple has successfully used the claimed trade
18 dress to increase the sales of iPad or iPad 2;
- 19 4. Extent of Use. The length of time and manner in which Apple has used the
20 claimed trade dress;
- 21 5. Exclusivity. Whether Apple’s use of the claimed trade dress was exclusive;
- 22 6. Copying. Whether Samsung intentionally copied Apple’s alleged trade dress.
- 23 7. Actual Confusion. Whether Samsung’s use of Apple’s alleged trade dress has led
24 to actual confusion among a significant number of consumers.

25 The presence or absence of any particular factor should not necessarily resolve whether the
26 claimed trade dresses have acquired secondary meaning.

27 Apple’s claimed trade dresses are protectable only to the extent you find it has acquired
28 distinctiveness through secondary meaning. If either the claimed iPad or iPad 2 trade dress has
not required a sufficient level of secondary meaning, then that trade dress is invalid and not
entitled to protection and your verdict on that trade dress must be for Samsung.

29 **Source**

30 Ninth Circuit Model Instruction 15.10 (modified); *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*,
31 529 U.S. 205, 211 (2000)(“a mark has acquired distinctiveness. . . if it has developed secondary
32 meaning, which occurs when, in the minds of the public, the primary significance of a [mark] is
33 to identify the source of the product rather than the product itself.”) (internal quotations omitted);
34 *Filipino Yellow Pgs. v. Asian Journal Publications*, 198 F. 3d 1143, 1151 (9th Cir. 1999)
35 (“Secondary meaning can be established in many ways, including . . . direct consumer
36 testimony; survey evidence; exclusivity, manner, and length of use of a mark; amount and
37 manner of advertising; amount of sales and number of customers; established place in the
38 market; and proof of intentional copying by the defendant.”).

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction No. 61 misstates the law in four ways. First, it improperly
3 focuses on the “prospective purchaser.” The relevant test for secondary meaning is whether “a
4 significant number of the *consuming public*” associates the claimed trade dress with a single
5 source. See *Rudolph Int’l, Inc. v. Realys, Inc.*, 482 F.3d 1195, 1198 (9th Cir. 2007) (referring to
6 “secondary meaning in the minds of consumers”). Second, Samsung’s instruction incorrectly
7 states that Apple’s claimed trade dresses are protectable only to the extent the jury finds
8 secondary meaning. This is only applicable to Apple’s *unregistered* trade dress. See 15 U.S.C.
9 § 1115 (registration constitutes prima facie evidence of validity); *Rodan & Fields, LLC v. Estee
10 Lauder Cos.*, No. 10-cv-02451-LHK, 2010 U.S. Dist. LEXIS 109573, at *15 (N.D. Cal. Oct. 5,
11 2010) (registration of trade dress entitles owner to presumption of protectable rights under
12 15 U.S.C. § 1115(a); plaintiff had to show inherent distinctiveness or secondary meaning
13 “[b]ecause [its] trade dress [was] not registered”). Third, Samsung’s instruction lists “actual
14 confusion,” but this is not a factor to be weighed and counted against a finding of secondary
15 meaning, and will lead the jury to double count “actual confusion,” or, as Samsung will argue,
16 the lack of actual confusion. Secondary meaning and likelihood of confusion are separate
17 concepts with separate tests.¹² The Ninth Circuit does not mention evidence of actual confusion
18 in listing factors to address for secondary meaning. See, e.g., *Clamp Mfg. Co. v. Enco Mfg. Co.*,
19 870 F.2d 512, 517 (9th Cir. 1989). Fourth, although it is present in the Ninth Circuit model
20 instruction, there is no support for the language “demonstrated utility” in Ninth Circuit opinions.
21 This phrase appears in only two district court cases within the Ninth Circuit: *Art Attacks Ink,
22 LLC v. MGA Entm’t, Inc.*, No. 04-CV-1035-B(BLM), 2007 U.S. Dist. LEXIS 48254, at *13
23 (S.D. Cal. July 2, 2007) and *Decorations for Generations, Inc. v. Home Depot USA, Inc.*, No.
24 CIV-S-01-0284, 2003 U.S. Dist. LEXIS 26608, at *11 (E.D. Cal. Sept. 22, 2003)—each citing
25 the instructions provided to the jury in that case, not Ninth Circuit authority. The meaning of the
26 phrase is unclear, and here particularly so given the central role of the functionality doctrine in
27 Samsung’s arguments. The jury would be told simultaneously that “utilitarian function” will
28 render Apple’s trade dress design rights unprotectable, and that “demonstrated utility” supports a
finding of trade dress distinctiveness, which is highly confusing. Fourth, although the
“exclusivity” term is also present in the Ninth Circuit model instruction, in this case, stating that
factor without any explanation will be misleading to the jury, as it will suggest copycat infringers
and other unauthorized users arising after the date of Samsung’s first infringement are relevant,
which is not the law. If this instruction is adopted, qualifying language should be added noting
that this factor is “as of the time of the first alleged infringement,” and that only uses in the
relevant industry are relevant. See *Chrysler Corp. v. Vanzant*, 44 F. Supp. 2d 1062, 1074 (9th
Cir. 1999) (secondary meaning evaluated as of date infringer began using mark); see, e.g.,
Eclipse Assoc., Ltd. v. Data General Corp., 894 F.2d 1114, 1119 (9th Cir. 1990 (“Evidence of
other unrelated potential infringers is irrelevant to claims of trademark infringement and unfair
competition under federal law.”)).

¹² The only case where the Ninth Circuit addressed inclusion of actual confusion as a factor in the secondary meaning analysis was a case where the *plaintiff* requested such an instruction because there had been substantial actual confusion, which the plaintiff believed would help to demonstrate that the plaintiff’s trademark had secondary meaning – there would not be actual confusion if there was not secondary meaning. The Ninth Circuit held it was error not to include the plaintiffs’ requested instructions. See *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 987 (9th Cir. 1995) (“actual confusion is an indicium of secondary meaning,” and it was error to exclude from jury instruction *where trademark owner requested inclusion of the factor*). However, lack of evidence of actual confusion does not lead to the opposite conclusion – that there is no secondary meaning.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 61.1**
2 **SECONDARY MEANING—ADVERTISING**

3 **Samsung's Proposed Instruction**

4 To be probative of secondary meaning, Apple's advertising must direct the consumer to those
5 features claimed as trade dress or identify or stress them, such as by directing the consumer to
6 "look for" the claimed features. Merely featuring the relevant aspects of the product does not
7 support a finding of secondary meaning.

8 **Source**

9 *First Brands Corporation v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987)
10 (advertisements must identify and feature the claimed trade dress in order to support a finding of
11 secondary meaning; plaintiff failed to use "look for" advertising); *Yankee Candle Co., Inc. v.*
12 *Bridgewater Candle Co., LLC*, 259 F.3d 25, 44 (2d Cir. 2001) ("[I]t is advertising that
13 specifically directs a consumer's attention to a particular aspect of the product. To be probative
14 of secondary meaning, the advertising must direct the consumer to the features claimed as trade
15 dress. [Citation.] Merely 'featuring' the relevant aspect of the product in advertising is no more
16 probative of secondary meaning than are strong sales; again to provide protection based on
17 extensive advertising would extend trade dress protection to the [elements for which protection is
18 sought] without any showing that the consumers associate the dress with the product's source.");
19 *Autodesk, Inc., v. Dassault Systems Solidworks Corp.*, 685 F. Supp. 2d 1001, 1014 (N.D. Cal.
20 2009); *Walker & Zanger, Inc. v. Paragon Industries, Inc.*, 549 F. Supp. 2d 1168, 1180 (ND Cal
21 2007) (quoting same; plaintiff failed to use "look for" advertising).

22 **Apple's Objection to Samsung's Instruction**

23 Samsung's proposed instruction No. 61.1 is contrary to law. Ninth Circuit precedent requires
24 only that advertising "feature in some way the trade dress itself"; it does not require literally
25 "directing the consumer to 'look for' the claimed features." *First Brands Corp. v. Fred Meyer,*
26 *Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987) (discussing requirement of "image advertising"); *see,*
27 *e.g., HWE, Inc. v. JB Research, Inc.*, 993 F.2d 694, 695 (9th Cir. 1993); *Interactive Health LLC*
28 *v. Kong Kong USA, Inc.*, 2008 U.S. Dist. LEXIS 123559, at *6 (C.D. Cal. July 24, 2008)
29 (rejecting assertion that "advertisement must overtly point to the trade dress" as "there is no such
30 restriction in the case law"); *Adidas-Salomon Ag v. Target Corp.*, 228 F. Supp. 2d 1192, 1208
31 ("trade dress can be recognizable without advertising specifically telling a consumer to look for
32 it"). Samsung's "instruction" is also one-sided, calling out a specific factor from the secondary
33 meaning analysis and emphasizing only what would lead to a finding of no secondary meaning.
34 Providing the list of factors to consider should be sufficient without providing a separate
35 instruction on each factor.

36 **Samsung's Statement in Support**

37 As Samsung's Proposed Final Instruction 61 explains, several factors may be considered in
38 determining whether the claimed trade dress has acquired a secondary meaning. Instruction 61.1
39 addresses one of those factors: advertisement. Apple has indicated its intent to present evidence
40 about its marketing and advertising efforts in support of its position that the trade dress associated
41 with its products is well known to consumers. Apple has not presented a competing instruction,
42 however. Under the precedent in support of Instruction 61.1, it is clear that advertising efforts for
43 product configuration trade dress are only relevant if they specifically direct the consumer to
44 those features claimed as trade dress, as opposed to other features, because that may tend to show
45 that consumers will recognize the claimed trade dress as being associated with a particular source.
46 This instruction will focus the jury on relevant evidence and assure that they do not rely upon
47 evidence that cannot support a finding of secondary meaning.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 61.3**
2 **SECONDARY MEANING—EXCLUSIVITY OF USE**

3 **Samsung’s Proposed Instruction**

4 If there are numerous other products in the market with the same or similar trade dresses, this
5 tends to support a finding that the trade dress does not have secondary meaning.

6 **Source**

7 *Miss World (UK), Inc. v. Mrs. American Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988)
8 (“Simply put, a mark which is hemmed in on all sides by similar marks on similar goods cannot
9 be very ‘distinctive’. It is merely one of a crowd of marks. In such a crowd, customers will not
10 likely be confused between any two of the crowd and may have learned to carefully pick out one
11 from the other.”); *Schwan’s IP, LLC v. Kraft Pizza Co.*, 460 F. 3d 971 (8th Cir. 2006)
12 (considering use of mark by third-parties and newspapers); *CG Roxane LLC v. Fiji Water Co.*
13 *LLC*, 569 F. Supp. 2d 1019 (N.D. Cal. 2008) (“Courts view a mark’s use by competitors as
14 strong evidence of how the public perceives the term. . . Naturally, when more members of the
15 public see a mark used by several producers in the industry, the less likely they will identify a
16 particular producer with that mark.”) (internal quotation marks, citations omitted).

17 **Apple’s Objection to Samsung’s Instruction**

18 Samsung’s proposed instruction No. 61.3 is flawed in the same manner as it improperly presents
19 an argumentative counterpoint to one specific factor. In addition, it improperly phrases the
20 exclusivity test as looking to the present—“if there *are* numerous other products in the market . .
21 . . .” Secondary meaning is evaluated at the time infringement began, and therefore current use is
22 irrelevant. *Chrysler Corp. v. Vanzant*, 44 F. Supp. 2d 1062, 1074 (9th Cir. 1999) (secondary
23 meaning evaluated as of date infringer began using mark). Furthermore, evidence of other,
24 unrelated infringing products in the market is irrelevant. *See, e.g., Eclipse Assoc., Ltd. v. Data*
25 *General Corp.*, 894 F.2d 1114, 1119 (9th Cir. 1990).

26 **Samsung’s Statement in Support**

27 Instruction 61.3, addressing exclusivity of trade dress, has no competing Apple instruction. This
28 instruction is important for a case in which the marketplace is filled with products that have
29 similar features and where, despite those similarities, customers are not confused and can easily
30 distinguish among them. The law does not protect non-distinctive trade dress any more than it
31 protects trade dress that does not identify the product’s source.

1 **Samsung’s Statement in Support**

2 Instruction 61.4 addresses the importance of establishing an intent to capitalize on the plaintiff’s
3 mark and assists the jury in placing supposed “copying” activities into the proper context. Apple
4 will present facts it will argue constitute willful copying, yet *Bonito Boats v. Thunder Craft*
5 *Boats, Inc.*, 489 U.S. 141 (1989), establishes that such willful copying is irrelevant without the
6 intent to confuse consumers. Apple has not submitted a competing instruction that reflects this
7 important legal point.
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PROPOSED FINAL JURY INSTRUCTION NO. 61.5
SECONDARY MEANING—ACTUAL CONFUSION

Samsung’s Proposed Instruction

Evidence of just a few instances of actual confusion is inadequate to support a finding of secondary meaning.

Source

Adray v. Adry-Mart, Inc., 76 F.3d 984, 987 (9th Cir. 1995) (failure to list actual confusion as one of the factors the jury should have considered in determining whether the plaintiff had established secondary meaning was not harmless error); *Japan Telecom, Inc. v. Japan Telecom America Inc.*, 287 F.3d 866, 873-74 (9th Cir. 2002) (holding that a few instances of actual confusion is not probative of secondary meaning).

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction No. 61.5 misstates the law and is misleading. First, *absence* of actual confusion is not part of the secondary meaning analysis—even though *presence* of actual confusion is an indicium of secondary meaning. See Apple’s Argument against proposed instruction No. 61 and accompanying footnote. *Japan Telecom, Inc. v. Japan Telecom Am., Inc.*, 287 F.3d 866, 873-74 (9th Cir. 2002), *did not* hold that a few instances of actual confusion was not *probative* of secondary meaning. It held that the particular alleged evidence of actual confusion in that case did not establish secondary meaning, because one affidavit “lack[ed] foundation,” two incorrectly addressed letters “could have been the result of clerical errors,” and six declarations all contained nearly identical language from business owners who “personally” knew the plaintiff. 287 F.3d at 873-74. Second, as with previous proposed instructions, Samsung is proposing an unnecessary, one-sided instruction that improperly biases the jury against a finding of secondary meaning.

Samsung’s Statement in Support

Instruction 61.5 reflects established Ninth Circuit precedent to the effect that incidental instances of confusion are not adequate to support a finding of secondary meaning. Without such an instruction, jurors may give too much significance to evidence of such incidental instances of confusion. Apple did not submit any competing instruction.

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**PROPOSED FINAL JURY INSTRUCTION NO. 61.6
SECONDARY MEANING—TIMING**

Samsung’s Proposed Instruction

Apple must prove by a preponderance of the evidence that the claimed iPad and iPad 2 trade dresses acquired secondary meaning before date that Samsung first sold a product that Apple claims is infringing its claim trade dresses.

If you find that Apple has not shown by a preponderance of the evidence that the alleged iPad or iPad 2 trade dress acquired secondary meaning before May 9, 2011, then you must find for Samsung.

Source

Carter-Wallace, Inc. v. Procter & Gamble Co., 434 F.2d 794 (9th Cir. 1970) (plaintiff must prove the existence of secondary meaning in its trademark at the time and place that the junior user first began use of that mark).

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction No. 61.1 incorrectly states a date of May 9, 2011, when the parties stipulated in the joint pretrial statement that Samsung began selling the accused product Galaxy Tab 10.1 on June 8, 2011. (Dkt. No. 1189-0 at 11.)

Samsung’s Statement in Support

Instruction 61.6, which has no counterpart in Apple’s jury instructions, addresses the requirement of timing. In order to establish secondary meaning, Apple must prove by a preponderance of the evidence that the claimed trade dresses acquired their secondary meaning before the date that Samsung sold any of the supposedly infringing products. *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794 (9th Cir. 1970).

1 **PROPOSED FINAL JURY INSTRUCTION NO. 62**
2 **TRADE DRESS PROTECTABILITY—NON-FUNCTIONALITY**

3 **Apple’s Proposed Instruction**

4 You must decide whether each Apple trade dress is non-functional. Trade dress is not considered
5 “functional” merely because it or its components perform useful functions. For example, all
6 bottles perform the function of holding a liquid. This does not mean that a specific design for a
7 bottle is necessarily “functional” and unprotectable.

8 An isolated design feature standing alone is “functional” only if the design of that feature is
9 essential to the use or purpose of the product, or affects the cost or quality of the product. Put
10 another way, a design feature is functional if the product works better because of that feature.

11 In determining whether each Apple trade dress is functional, you should consider the trade dress
12 as a whole. A trade dress consisting of several features may be non-functional and protectable
13 even though it includes functional features that, taken separately, would not be protectable. Only
14 where the combination as a whole is functional is the trade dress unprotectable. In making this
15 determination, you should consider the following factors:

- 16 1. Whether Apple’s advertising touted the utilitarian advantages of the asserted trade
17 dress’s design;
- 18 2. Whether the asserted trade dress design results from a comparatively simple or
19 inexpensive method of manufacture;
- 20 3. Whether the asserted trade dress design yields a utilitarian advantage; and
- 21 4. Whether alternative designs are available. While the existence of alternative
22 designs does not necessarily prevent a finding of functionality, alternative designs
23 may suggest that the trade dress is non-functional.

24 The presence or absence of any particular factor is not dispositive. You should consider all of
25 these factors as well as any other relevant evidence that bears on this issue.

26 **Source**

27 Adapted from ABA 3.2.6.

28 **Authorities**

29 *Apple Inc. v. Samsung Elecs. Co.*, Case No. 11-CV-01846-LHK, Order Denying Motion for
30 Summary Judgment, Dkt. No. 1159, at 4 (N.D. Cal., June 30, 2012) (“[U]nder the traditional,
31 utilitarian functionality test, a trade dress is functional ‘when it is essential to the use or purpose
32 of the device or when it affects the cost or quality of the device.’ In applying this test, the Ninth
33 Circuit assesses four factors: ‘(1) whether advertising touts the utilitarian advantages of the
34 design, (2) whether the particular design results from a comparatively simple or inexpensive
35 method of manufacture, (3) whether the design yields a utilitarian advantage and (4) whether
36 alternative designs are available.’”) (citing *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S.
37 23, 33 (2001); *Talking Rain Beverage Co. v. S. Beach Beverage Co.*, 349 F.3d 601, 603 (9th Cir.
38 2003) (citing *Disc Golf Ass’n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir.
39 1998)); *Au-Tomotive Gold, Inc.*, 457 F.3d 1062, 1072 n.8 (9th Cir. 2006)); *Apple Inc. v. Samsung
40 Elecs. Co.*, Case No. 11-CV-01846-LHK, Order Denying Motion for Summary Judgment, Dkt.
41 No. 1159, at 5 (N.D. Cal., June 30, 2012) (“The fact that individual elements of the trade dress
42 may be functional does not necessarily mean that the trade dress as a whole is functional; rather,

1 functional elements that are separately unprotectable can be protected together as part of a trade
2 dress.”) (citing *Adidas-Solomon AG v. Target Corp.*, 228 F. Supp. 2d 1192, 1195 (D. Or. 2002)
3 (citing *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1259 (9th Cir. 2001))); *Disc Golf*
4 *Ass’n v. Champion Discs, Inc.*, 158 F.3d 1002, 1006-09 (9th Cir. 1998) (“To determine whether a
5 product feature is functional, we consider several factors: (1) whether the design yields a
6 utilitarian advantage, (2) whether alternative designs are available, (3) whether advertising touts
7 the utilitarian advantages of the design, and (4) whether the particular design results from a
8 comparatively simple or inexpensive method of manufacture. No one factor is dispositive.”);
9 *Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.*, 826 F.2d 837, 842-43 (9th Cir. 1987) (“We examine
10 trade dress as a whole to determine its functionality; functional elements that are separately
11 unprotectable can be protected together as part of a trade dress. In other words, our inquiry is not
12 addressed to whether individual elements of the trade dress fall within the definition of functional,
13 but to whether the whole collection of elements taken together are functional.”); *see also Traffix*
14 *Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001).

9 **Samsung’s Objection to Apple’s Instruction**

10 The functionality instruction should begin with what functionality is—not examples of what it is
11 not. By beginning with a negative, Apple’s instruction will confuse the jury about what
12 functionality means. Apple adds to this confusion, and prejudices Samsung, by giving an
13 inapplicable example of a bottle of water. Samsung has never argued that Apple’s trade dress is
14 functionality because it relates to a useful object—a cell phone. Yet that is the nature of Apple’s
15 example. A more appropriate example would be one that addresses the functionality of a claimed
16 feature of a trade dress, such as the grip of a bottle that enhances the functional performance of
17 the bottle. *Talking Rain Beverage Co. v. South Beach Beverage Co.*, 349 F.3d 601, 605 (9th Cir.
18 2003) (affirming trade dress for unadorned water bottle was functional). Apple’s use of the *Disc*
19 *Golf* factors is also inappropriate. In view of the Supreme Court’s admonition that “Where the
20 design is functional under the *Inwood* formulation [i.e., if the feature is essential to the use or
21 purpose of the article or if it affects the cost or quality of the article] there is no need to proceed
22 further to consider if there is a competitive necessity for the feature.” *Traffix Devices, Inc. v.*
23 *Marketing Displays, Inc.*, 532 U.S. 23, 33 (2001). In so holding, the Supreme Court rejected as
24 erroneous the appellate court’s “comprehensive” definition that inquired “whether the particular
25 product configuration is a competitive necessity.” *Id.* Yet that is what the *Disc Golf* factors do.
26 Accordingly, instructing the jury to consider these factors for utilitarian functionality would be
27 erroneous under the Supreme Court’s controlling precedent. At a minimum, if the *Disc Golf*
28 factors are referenced, it should be explain that they are merely guides to use in assessing
utilitarian functionality. *See Secalt S.A. v. Wuxi Shenxi Construction Mach. Co. Ltd.*, 688 F.3d
677, 683 (9th Cir. 2012) (“A determination of functionality under *Inwood* [or *Traffix*] may be
seen as short circuiting some of the *Disc Golf* factors.”). Finally, it would be legal error not to
give an instruction on aesthetic functionality in this product configuration case. As this Court
recognized in its June 29, 2012 Summary Judgment Order (Dkt No. 1158), the Supreme Court
has recognized aesthetic functionality as a viable defense and the Ninth Circuit has affirmed its
continued viability. *Id.* at 4 (citing *Traffix*, 532 U.S. at 32-33), 7 (citing *Au-Tomotive Gold*, 457
F.3d at 1070); *see also Mattel, Inc. v. MGA Entertainment, Inc.*, 782 F. Supp. 2d 911, 1007-8
(C.D. Cal. 2011); *Aurora World Inc. v. Ty, Inc.*, 719 F. Supp.2d 1115, 1149 (C.D. Ca. 2009); *The*
Jumpitz Corp. v. Viacom Intern., Inc., No. 09-CV1063, 2010 WL 3238953, * 7 (Aug. 13, 2010,
S.D. Cal. 2010). Apple did not submit any competing instruction on aesthetic functionality.

1 **Samsung’s Proposed Instruction**

2 Trade dress that is functional is invalid and not protectable. You must decide whether the alleged
3 trade dresses asserted by Apple in this action are functional.

4 There are two types of functionality you should consider in deciding whether Apple’s claimed
5 trade dresses are functional: utilitarian functionality and aesthetic functionality. If any of
6 Apple’s claimed trade dresses are functional in either of these ways, that trade dress is invalid and
7 you must find for Samsung on it.

- 8 • Utilitarian functionality means that a claimed feature of the trade dress is:

- 9 (a) essential to the product’s use or purpose *or*

- 10 (b) affects the cost or quality of the product.

11 It is non-functional if its shape or form makes no contribution to the product’s
12 function or operation. If the feature is part of the actual benefit that consumers
13 wish to purchase when they buy the product, the feature is functional. However, if
14 the feature serves no purpose other than as an assurance that a particular entity
15 made, sponsored or endorsed the product, it is non-functional.

- 16 • Aesthetic functionality means that a claimed design feature of the trade dress
17 improves the attractiveness and eye-appeal of the design. Trade dress is
18 aesthetically functional if limiting its use would impose a significant non-
19 reputational-related competitive disadvantage upon a company. If the entire
20 significance of a feature is merely to associate goods with a particular source, the
21 feature is non-functional.

22 Functionality is determined by considering the trade dress as a whole and not the individual
23 elements alone. However, if the whole is nothing other than the assemblage of functional parts,
24 and where even the arrangement and combination of the parts is designed to result in superior
25 performance, then the trade dress as a whole is functional.

26 **Source**

27 Ninth Circuit Model Instructions No. 15.11(modified) ; *TrafFix Devices, Inc. v. Marketing
28 Displays, Inc.*, 532 U.S. 23, 29 (2001) (trade dress protection may not be claimed for product
features that are functional); *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 165 (1995)
 (“[I]f exclusive use of a feature would put competitors at a significant non-reputation-related
disadvantage [“the feature in general terms is functional.”]); *Au-Tomotive Gold, Inc. v.
Volkswagen of America, Inc.*, 457 F.3d 1062, 1067-74 (9th Cir. 2006) (discussing and defining
aesthetic and utilitarian functionality); *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 782 (9th
Cir. 2002) (“The physical details and design of a product may be protected under the trademark
laws only if they are nonfunctional....”); *Leatherman Tool Group, Inc. v. Cooper Indus., Inc.*,
199 F. 3d 1009, 1013 (9th Cir. 1999) (“[W]here the whole is nothing other than the assemblage
of functional parts, and where even the arrangement and combination of the parts is designed to
result in superior performance, it is semantic trickery to say that there is still some sort of
separate ‘overall appearance’ which is non-functional.”); *Mattel, Inc. v. MGA Entertainment,
Inc.*, 782 F. Supp. 2d 911, 1007-8 (C.D. Cal. 2011); *Aurora World Inc. v. Ty, Inc.*, 719 F. Supp.
2d 1115, 1149 (C.D. Ca. 2009) (“Other design features, such as the fanciful coloring of the toys,
are aesthetically functional as that term is used in *Au-Tomotive Gold.*”); *The Jumpitz Corp. v.
Viacom Intern., Inc.*, No. 09-CV1063, 2010 WL 3238953, * 7 (Aug. 13, 2010, S.D. Cal. 2010).

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction 62 misstates the law in five ways. First, it improperly suggests a
3 feature-by-feature test for functionality. Trade dress functionality is determined *as a whole*, not
4 on a feature-by-feature basis. *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1259 (9th
5 Cir. 2001) (“in evaluating functionality . . . it is crucial that we focus *not* on the individual
6 elements, but rather on the overall visual impression”) (emphasis in original). Samsung quotes
7 *Leatherman Tool Group, Inc. v. Cooper Indus., Inc.*, 199 F.3d 1009, 1013 (9th Cir. 1999), for the
8 proposition that if the whole is nothing other than the assemblage of functional parts “where
9 even the arrangement and combination of the parts is designed to result in superior
10 performance,” the whole is still functional. This quote is highly misleading. *Leatherman* agrees
11 that “trade dress must be viewed as a whole.” Second, the instruction mentions the “cost or
12 quality” standard but does not explain it with reference to the four-factor test applied in the Ninth
13 Circuit. *See, e.g., Disc Golf Ass’n v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir. 1998)
14 (“To determine whether a product feature is functional, we consider several factors . . .”). Third,
15 Samsung’s instruction states that trade dress is only non-functional if it “makes no contribution
16 to the product’s function or operation.” That is not the legal standard (*see, e.g., Dogloo, Inc. v.*
17 *Doskocil Mfg. Co.*, 893 F. Supp. 911, 918 (C.D. Cal. 1995) (“It is well established that a product
18 shape/configuration which is *primarily functional or utilitarian* cannot be capable of trademark
19 protection.”) (emphasis added)), and the cases cited by Samsung do not support such an
20 expansive view. Fourth, Samsung states that a “feature is functional” if it “is part of the actual
21 benefit that consumers wish to purchase.” This will mislead the jury given the facts of this case,
22 as Apple’s design is a strong driver of demand for Apple’s products, but desirability does not
23 render trade dress unprotectable. In a case cited by Samsung, the Ninth Circuit explained this
24 distinction clearly: “Auto Gold argues that Volkswagen and Audi trademarks are functional
25 features of its products because ‘the trademark is the feature of the product which constitutes the
26 actual benefit the consumer wishes to purchase.’ While that may be so, the fact that a trademark
27 is desirable *does not, and should not*, render it unprotectable.” *Au-Tomotive Gold, Inc. v.*
28 *Volkswagen of Am., Inc.*, 457 F.3d 1062, 1072 (9th Cir. 2006). Samsung’s use of various phrases
other than the legal standard will mislead the jury into believing exactly what the Ninth Circuit
rejects: that desirability of Apple’s designs renders them unprotectable. Fifth, Samsung’s claim
that aesthetic functionality is anything that “improves the attractiveness and eye-appeal of the
design” is an exceedingly overbroad standard that would swallow all trade dress. That quote is
from *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1068 (9th Cir. 2006),
where the court recounts the history of the aesthetic functionality doctrine. On the very next
page of the same opinion—and repeated again several pages later—the Ninth Circuit
“emphatically rejected the notion that any feature of a product which contributes to the consumer
appeal and saleability of the product is, as a matter of law, a functional element of the product.”
Au-Tomotive Gold, 457 F.3d at 1069, 1073. Accepting such a broad view of aesthetic
functionality would lead to the problematic view that “[t]he more appealing the design, the less
protection it would receive.” *Id.* (internal quotation omitted).

1 **PROPOSED FINAL JURY INSTRUCTION NO. 63**
2 **TRADE DRESS DILUTION—ELEMENTS AND BURDEN OF PROOF**

3 **Apple's Proposed Instruction**

4 Apple contends that Samsung has diluted Apple's iPhone and iPad-related trade dresses.
5 "Dilution" means a lessening of the capacity of a famous trade dress to identify and distinguish
6 goods.

7 You must find for Apple on its dilution claim if, for any asserted trade dress, the following
8 elements are proven:

- 9 1. Apple's trade dress is protectable;
- 10 2. Apple's trade dress is famous;
- 11 3. Samsung began selling its accused products in commerce after Apple's trade
12 dress became famous; and
- 13 4. Samsung's accused products are likely to cause dilution of Apple's trade dress.

14 I have already instructed you on how to determine if each Apple trade dress is protectable. If you
15 find that Apple has a protectable trade dress, then you should go on to consider elements 2-4 for
16 each trade dress. For elements 2-4, Apple must persuade you that the element is more likely true
17 than not.

18 **Source**

19 Adapted from ABA 3.4.1.

20 **Authorities**

21 15 U.S.C. § 1125(c)(2)(1) ("Subject to the principles of equity, the owner of a famous mark that
22 is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction
23 against another person who, at any time after the owner's mark has become famous, commences
24 use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by
25 tarnishment of the famous mark, regardless of the presence or absence of actual or likely
26 confusion, of competition, or of actual economic injury."); 15 U.S.C. § 1125(c)(2)(B) ("dilution
27 by blurring" is association arising from the similarity between a mark or trade name and a famous
28 mark that impairs the distinctiveness of the famous mark").

29 **Samsung's Objection to Apple's Instruction**

30 This instruction is confusing to the jury and prejudicial to Samsung. This Instruction again fails
31 to properly identify Apple's burden of proof, which is accurately set forth in Samsung's
32 Alternative to Apple's Proposed Final Instruction No. 63. In addition, by collapsing
33 distinctiveness and non-functionality into a single element "protectability," Apple suggests that
34 the jury need not separately consider those elements, which is particularly confusing in the case
35 of Apple's iPhone dilution claims, for which the jury may not return to the trade dress
36 infringement instructions. Further, the placement of this instruction after the preliminary trade
37 dress infringement instructions is also confusing. It will be easier for the jurors to understand
38 their task if the trade dress infringement instructions directly follow the instructions regarding
39 whether trade dress is capable of being infringed (i.e., distinctiveness and non-functionality), and
40 the dilution factors follow the instructions regarding whether trade dress is capable of being

1 diluted.

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1 **Samsung’s Proposed Instruction**

2 In this case, Apple contends that Samsung has diluted Apple’s trade dresses.

3 “Dilution” means a lessening of the capacity of a famous trade dress to identify and distinguish
4 goods or services as coming from a single source. The purpose of the anti-dilution laws is to
5 protect against erosion of a famous trade dress’s value as a source identifier, or the tarnishment of
6 a famous trade dress’s image. The mere fact that consumers mentally associate the junior user’s
7 mark with the senior user’s mark is not enough to establish dilution.

8 Dilution is reserved for a limited set of trade dresses that are famous, meaning that they are so
9 widely known that they are like a household name among members of the general public. It will
10 be for you to decide whether Apple’s sserted trade dresses are famous enough to be protected
11 under dilution law and, if so, whether those trade dresses have been diluted.

12 **Source**

13 15 U.S.C. § 1125(c)(1); *Perfumbay.com Inc. v. eBay, Inc.*, 506 F.3d 1165, 1179-1180 (9th Cir.
14 2007) (“Dilution is a cause of action invented and reserved for a select class of marks—those
15 marks with such powerful consumer associations that even non-competing uses can impinge
16 their value.”); *Thane Intern., Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 911 (9th Cir. 2002)
17 (“[F]or purposes of § 1125(c), a mark usually will achieve broad-based fame only if a large
18 portion of the general consuming public recognizes that mark. Put another way . . . the mark
19 must be a household name.”).

20 **Apple’s Objection to Samsung’s Instruction**

21 Samsung’s instruction No. 63 is misleading and misstates the law in three ways. First, it refers to
22 tarnishment, which is not at issue in this case. Second, it incorrectly states that association of the
23 junior user’s mark with the senior user’s mark is not enough to establish dilution, when that is, in
24 fact, the very test for dilution by blurring: 15 U.S.C. § 1125(c)(2)(B) (“‘dilution by blurring’ is
25 association arising from the similarity between a mark or trade name and a famous mark that
26 impairs the distinctiveness of the famous mark”). Third, Samsung’s comment that the jury must
27 decide if Apple’s trade dresses are “famous enough” is misleading as it suggests multiple levels
28 of fame. This instruction may improperly lead the jury to believe that it could find in favor of
Apple on application of the test for fame but nevertheless determine that Apple’s trade dress is
not “famous enough” for dilution. Fourth, the statement that a famous trade dress is like a
“household name” is likely to confuse the jury, as that language logically can only apply to word
marks, not trade dress.

1 **Samsung’s Objection to Apple’s Instruction**

2 Apple’s instruction does not fairly address three highly relevant factors that the jury should
3 consider in determining whether a trade dress is famous: First, to be considered famous, a trade
4 dress must be so well known among the “general consuming public”—not just the
5 smartphone or tablet consuming public—as to be akin to a “household name.” *Thane Intern.,*
6 *Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 911 (9th Cir. 2002) (“[F]or purposes of § 1125(c), a
7 mark usually will achieve broad-based fame only if a large portion of the general consuming
8 public recognizes that mark. Put another way. . . the mark must be a household name.”). Second,
9 to be probative of fame, Apple’s advertising must direct the consumer to those features claimed
10 as trade dress or identify them, such as by directing the consumer to “look for” the claimed
11 features. *E.g., First Brands Corporation v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir.
12 1987) (advertisements must identify and feature the claimed trade dress in order to support a
13 finding of secondary meaning). “[U]nlike with a trademark, where repeated purchases of a
14 product support an inference that consumers have associated the mark with the producer or
15 source, one can much less confidently presume that a consumer’s repeated purchase of a product
16 has created an association between a particular product configuration and the source.”); While in
17 trademark cases, advertising may be presumed to strongly correlate with fame, that is not
18 necessarily the case regarding product configuration. *Continental Laboratory Products, Inc. v.*
19 *Medax Intern., Inc.*, 114 F. Supp. 2d 992, 1002-03 (S.D.Cal. 2000) (quoting *Duraco Prods., Inc.*
20 *v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1452-53 (3d Cir. 1994). Third, for the same reasons,
21 sales are not necessarily evidence of fame if sales are more likely driven by the desirability of the
22 product itself. *See id., Autodesk, Inc., v. Dassault Systems Solidworks Corp.*, 685 F. Supp. 2d
23 1001, 1014 (N.D. Cal. 2009); *Walker & Zanger, Inc. v. Paragon Industries, Inc.*, 549 F. Supp. 2d
24 1168, 1180-81 (ND Cal 2007). Further, Apple fails to state that it bears the burden of proving
25 that its trade dress is famous. Finally, Apple’s title--TRADE DRESS DILUTION ELEMENT
26 #2—FAME—highlights the confusing nature of the placement of the instruction, which does not
27 follow a TRADE DRESS DILUTION ELEMENT #1 titled-instruction (which does not exist) but
28 is followed by numbers 3 and 4, all sandwiched in the middle of the trade dress infringement
instructions, which have no numbering. Further, the “#2” title suggests that this is the second
instruction relevant to dilution, even though, under Apple’s structure it is the fifth.

1 **Samsung’s Proposed Instruction**

2 Apple bears the burden of proving that each of its alleged trade dresses are famous.

3 Trade dress is considered to be famous if it is widely recognized by the general consuming public
4 of the United States as a designation of the source of the products of the trade dress’ owner. To
5 be considered famous, a trade dress (or trademark) must be must be so well know as to be akin to
6 a “household name.” The level of distinctiveness required to establish fame is significantly
7 greater than to establish secondary meaning. For example, trademarks such as NISSAN and
8 COACH have not been famous enough to be protected under dilution law.

9 You may consider the following factors when considering whether each of Apple’s alleged trade
10 dresses are famous. These factors are only suggestions and may not constitute all of the possible
11 types of evidence whether a trade dress is famous. The presence or absence of any one particular
12 factor on this list should not necessarily determine whether a trademark is famous. You should
13 consider all the relevant evidence in making your determination. These factors should be not be
14 counted up to see which party has more, but should be carefully weighed given the specific facts
15 and circumstances of this case. The factors you should consider are:

16 1. The duration, extent, and geographic reach of advertising and publicity of the trade
17 dress, whether advertised or publicized by the owner or third parties. To be probative of fame,
18 Apple’s advertising must direct the consumer to those features claimed as trade dress or identify
19 them, such as by directing the consumer to “look for” the claimed features. Merely featuring the
20 relevant aspect of the product does not suffice.

21 2. The amount, volume, and geographic extent of sales of goods or services offered
22 using the trade dress. Although in some instances a large number of sales may be considered
23 evidence of fame, in the case of trade dress for product design, sales are not necessarily evidence
24 of fame if sales are more likely driven by the desirability of the product itself.

25 3. The extent of actual recognition of the trade dress; and

26 4. Whether the trade dress is registered.

27 **Source**

28 15 U.S.C. § 1125(c)(2)(A) (defining a famous mark as “widely recognized by the general
consuming public of the United States as a designation of source of the goods or services of the
mark’s owner.”); *Thane Intern., Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 911 (9th Cir. 2002)
 (“[F]or purposes of § 1125(c), a mark usually will achieve broad-based fame only if a large
portion of the general consuming public recognizes that mark. Put another way. . . the mark must
be a household name.”); 15 U.S.C. § 1125(c)(1) (listing factors to assess fame); *Nissan Motor
Co. v. Nissan Computer Corp.*, 378 F. 3d 1002 (9th Cir. 2004); *Avery Dennison Corp. v.
Sumpton*, 189 F.3d 868, 879 (9th Cir. 1999) (“[F]amousness requires more than mere
distinctiveness.”); *Jada Toys v. Mattel*, 496 F.3d 974, 981-82 (9th Cir. 2007); *Coach Services,
Inc. v. Triumph Learning LLC*, 96 U.S.P.Q.2d 1600, 1611 (T.T.A.B. 2010) (COACH trademark
was not famous enough to qualify for dilution protection), *aff’d on point* 101 U.S.P.Q.2d 1713,
2012 WL 540069 (Fed. Cir. 2012); *TCPIP Holding Co., Inc. v. Haar Communications, Inc.*, 244
F.3d 88 (2d Cir. 2001) (holding THE CHILDREN’S PLACE mark was not famous); *First
Brands Corporation v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987) (advertisements
must identify and feature the claimed trade dress in order to support a finding of secondary
meaning); *Yankee Candle Co., Inc. v. Bridgewater Candle Co., L.L.C.*, 259 F.3d 25, 44 (2d Cir.
2001) (“[I]t is advertising that specifically directs a consumer’s attention to a particular aspect of
the product. To be probative of secondary meaning, the advertising must direct the consumer to
the features claimed as trade dress. [citation] Merely ‘featuring’ the relevant aspect of the

1 product in advertising is no more probative of secondary meaning than are strong sales; again to
2 provide protection based on extensive advertising would extend trade dress protection to the
3 [elements for which protection is sought] without any showing that the consumers associate the
4 dress with the product's source."); *Continental Laboratory Products, Inc. v. Medax Intern., Inc.*,
5 114 F. Supp. 2d 992, 1002-03 (S.D.Cal. 2000) (quoting *Duraco Prods., Inc. v. Joy Plastic*
6 *Enters., Ltd.*, 40 F.3d 1431, 1452-53 (3d Cir. 1994) ("Sales success by itself will typically not be
7 as probative of secondary meaning in a product configuration case as in a trademark case, since
8 the product's market success may well be attributable to the desirability of the product
9 configuration rather than the source-designating capacity of the supposedly distinguishing
10 feature or combination of features. And unlike with a trademark, where repeated purchases of a
11 product support an inference that consumers have associated the mark with the producer or
12 source, one can much less confidently presume that a consumer's repeated purchase of a product
13 has created an association between a particular product configuration and the source.");
14 *Autodesk, Inc., v. Dassault Systems Solidworks Corp.*, 685 F. Supp. 2d 1001, 1014 (N.D. Cal.
15 2009); *Walker & Zanger, Inc. v. Paragon Industries, Inc.*, 549 F. Supp. 2d 1168, 1180-81 (ND
16 Cal 2007); 4 *McCarthy* § 15:47 at 15-67 ("Popularity of a product is not synonymous with
17 secondary meaning. Large sales of the product may be due to dozens of factors, only one of
18 which may be the drawing power of the trademark.").

11 **Apple's Objection to Samsung's Instruction**

12 Samsung's instruction No. 64 is misleading and inaccurate. First, it states that "trademarks such
13 as NISSAN and COACH have not been famous enough to be protected under dilution law." In
14 fact, the NISSAN mark *was* found to be famous. In *Nissan Motor Co. v. Nissan Computer*
15 *Corp.*, No. CV-99-12980, 2007 U.S. Dist. LEXIS 90487 at *31 (C.D. Cal. Sept. 21, 2007), after
16 a remand from the Ninth Circuit, the court found "[t]he Nissan mark was famous as of May
17 1991 – before Nissan Computer began its commercial use of the mark." *See also id.* at *36. The
18 reference to COACH is highly misleading, as the decision Samsung cites is a Trademark Trial
19 and Appeal Board decision in the U.S. Patent and Trademark Office in the context of an
20 opposition proceeding, not a Ninth Circuit case, and there was a highly fact-specific
21 determination. The COACH trademark owner provided evidence of sales and advertising for
22 only one year, presented that information only worldwide (without breaking down the
23 information specific to the United States), and did not persuade the TTAB that it was the
24 "subject of intense media recognition." *See Coach Services, Inc. v. Triumph Learning LLC*,
25 96 U.S.P.Q.2d 1600, 1611 (T.T.A.B. 2010). The finding on that limited record is irrelevant
26 given the facts of this case. And if the Court were inclined to provide examples of marks held
27 not famous, the instruction should also provide counterexamples of marks that *were* held famous,
28 such as NISSAN (*Nissan Motor Co.*, 2007 U.S. Dist. LEXIS 90487 at *31), BURBERRY
(*Burberry Ltd. v. Euro Moda, Inc.*, No. 08-Civ-5781 (CM), 2009 U.S. Dist. LEXIS 53250, at *33
(S.D.N.Y. June 10, 2009)), or Louis Vuitton's "Monogram Multicolore" mark (*Louis Vuitton*
Malletier v. Dooney & Bourke, Inc., 561 F. Supp. 2d 368, 391 (S.D.N.Y. 2008)). Second,
Samsung alters the wording of the model instruction to add "far" before "greater," implying a
higher standard than the law requires. Third, as with its secondary meaning instructions,
Samsung inserts improper caveats to the first two prongs of the test that have no basis in the law,
implying that advertising must specifically identify claimed trade dresses and that sales for
product designs are less probative than sales for other types of products. These are meritless
assertions. *See Apple's Objections to proposed instruction Nos. 61.1 and 61.2* Fourth, the
statement that a famous trade dress is like a "household name" is likely to confuse the jury, as
that language logically can only apply to word marks, not trade dress.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 64.1**
2 **TRADE DRESS DILUTION—FAME—SURVEY EVIDENCE**

3 **Samsung's Proposed Instruction**

4 Survey evidence is not necessary to support a finding of fame. But famousness requires a
5 high level of consumer recognition of a claimed dress such that to support fame of an alleged
6 trade dress, generally, some 75% or more of the general U.S. consuming public should recognize
7 the trade dress as a designation of source of the goods or services of the alleged trade dress's
8 owner.

9 **Source**

10 15 U.S.C. § 1125(c)(2)(A) (defining a famous mark as “widely recognized by the general
11 consuming public of the United States as a designation of source of the goods or services of the
12 mark’s owner.”); 4 *McCarthy on Trademarks and Unfair Competition* § 24:106, 24-310 (2008
13 ed.) (“[M]inimum threshold survey response should be in the range of 75% of the general
14 consuming public of the United States.”); *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.
15 3d 1002, 1014 (9th Cir. 2004) (survey showing 65% consumer recognition insufficient to prove
16 fame); *Carnival Corp. v. SeaEscape Casino Cruises, Inc.*, 74 F. Supp. 2d 1261, 1270-1271 (S.D.
17 Fla. 1999) (68% consumer recognition did not support a finding of fame); *Hershey Foods Corp.*
18 *v. Mars, Inc.*, 998 F. Supp. 500, 515 (M.D. Pa. 1998) (abbreviated Reese’s trade dress not found
19 famous not withstanding a survey which found 94% of respondents recognized the abbreviated
20 trade dress).

21 **Apple's Objection to Samsung's Instruction**

22 Samsung’s proposed instruction , in particular its 75% “minimum,” does not have any basis in
23 the law. In fact, this Court’s recent denial of Samsung’s motion for summary judgment rebuts
24 Samsung’s proposed instruction, as it noted surveys are not required and cited a case in which a
25 court found a factual issue as to fame with a survey showing 65% recognition. (Dkt. No. 1158 at
26 10-11.)

27 **Samsung's Statement in Support**

28 Instruction 64.1 also addresses the fame of trade dress and specifically, the level of consumer
recognition to establish fame. Even if there were no survey evidence, this authority helps the
jury quantify the concept of fame. Informing the jury of the cited authority that surveys showing
less than 75% of the U.S. consuming public recognizing the trade dress as a designation of the
source of the trade dress is insufficient to establish fame will help the jury evaluate the surveys in
this action in accordance with applicable precedent. Apple did not submit any competing
instruction.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 65**
2 **TRADE DRESS DILUTION ELEMENT #3—USE OF ACCUSED TRADE DRESS IN**
3 **COMMERCE AFTER APPLE TRADE DRESS BECAME FAMOUS**

4 **Apple’s Proposed Instruction**

5 A claim for dilution requires that the defendant’s accused products were first offered in
6 commerce after the plaintiff’s trade dress became famous.

7 For each asserted Apple iPhone-related trade dress, you must therefore determine whether the
8 trade dress became famous before Samsung’s first sale of an accused smart phone product on
9 July 15, 2010.

10 For each asserted Apple iPad-related trade dress, you must determine whether the trade dress
11 became famous before Samsung’s first sale of an accused tablet computer product on
12 June 8, 2011.

13 **Source**

14 Adapted from ABA 3.4.1.

15 **Authorities**

16 15 U.S.C. § 1125(c)(2)(1) (“Subject to the principles of equity, the owner of a famous mark that
17 is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction
18 against another person who, at any time after the owner’s mark has become famous, commences
19 use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution
20 by tarnishment of the famous mark, regardless of the presence or absence of actual or likely
21 confusion, of competition, or of actual economic injury.”).

22 **Samsung’s Objection to Apple’s Instruction**

23 Apple incorrectly states that it should prove iPhone-related trade dress became famous by July
24 15, 2010. The instruction should be corrected to reflect that Apple must prove its iPhone trade
25 dresses were famous by November 2007, the date the Samsung first offered for sale a product
26 that Apple alleges used the iPhone trade dress. *See* Amended Complaint Paragraph 80
27 (“Samsung released the Samsung F700 in November 2007 — copying the clean flat clear surface
28 of the Apple iPhone Trade Dress and the Apple iPhone/iPhone 3G/iPhone 4Trade Dress.”);
29 Transcript of June 21, 2012 proceedings at 4 (Court: “what evidence is there in the record that
30 establishes fame at those moments for, you know, the first Samsung smartphone, November of
31 ‘07...?”); *see also Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1013 (9th Cir.
32 2004) (holding that a defendant’s first use of an allegedly famous mark, not the first use that a
33 trademark holder finds objectionable, “fixes the time by which famousness is to be measured”).
34 Apple also fails to state that it bears the burden of proof. This instruction also suffers from the
35 placement confusion described in Samsung’s objection to instruction No. 64.

1 **Samsung’s Proposed Instruction**

2 Apple must prove that each of its claimed trade dresses were famous prior to the time that
3 Samsung began the accused use.

4 Apple must prove by a preponderance of the evidence that its claimed iPhone trade dresses were
5 famous by November 2007, the date Samsung first sold a product accused of using the iPhone
6 trade dress.

7 Apple must prove by a preponderance of the evidence that its claimed iPad trade dress was
8 famous by June 8, 2011, the date Samsung first sold a product accused of diluting the iPad trade
9 dress.

10 Apple must prove by a preponderance of the evidence that its claimed iPad 2 trade dress was
11 famous by June 8, 2011, the date Samsung first sold a product accused of diluting the iPad 2 trade
12 dress.

13 If Apple has proven by a preponderance of the evidence that a particular trade dress was famous
14 as of the date indicated, then Apple has proven the element of fame. If Apple has not proven that
15 a particular trade dresses was famous as of the date indicated, then Apple has not proven the
16 element of fame, and you must find for Samsung on Apple’s dilution claim as to that trade dress.

17 **Source**

18 *Visa Intern. Service Ass’n v. JSL Corp.*, 610 F.3d 1088, 1089-90 (9th Cir. 2010) (“A plaintiff
19 seeking relief under federal anti-dilution law must show that its mark is famous and distinctive,
20 that defendant began using its mark in commerce after plaintiff’s mark became famous and
21 distinctive, and that defendant’s mark is likely to dilute plaintiff’s mark.”); Amended Complaint
22 Paragraph 80 (“Samsung released the Samsung F700 in November 2007 — copying the clean
23 flat clear surface of the Apple iPhone Trade Dress and the Apple iPhone/iPhone 3G/iPhone
24 4Trade Dress.”).

25 **Apple’s Objection to Samsung’s Instruction**

26 Samsung’s instruction No. 65 sets out the wrong release dates for accused products. The first
27 product accused of diluting the iPhone-related trade dresses (the Galaxy S Vibrant) went on sale
28 on July 15, 2010. (Dkt. No. 1189-0 at 11.) The relevant date by which Apple must prove fame
for these trade dresses is thus July 15, 2010, not November 2007.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 66**
2 **TRADE DRESS DILUTION ELEMENT #4—DILUTION**

3 **Apple’s Proposed Instruction**

4 Dilution is an association arising from the similarity between the appearance of the defendant’s
5 accused products and the plaintiff’s trade dress that impairs the distinctiveness of the plaintiff’s
6 trade dress. A dilution claim does not require a finding of actual dilution of the plaintiff’s trade
7 dress. It is sufficient for you to find here that Samsung’s sale of its accused products is likely to
8 cause dilution of an asserted Apple trade dress.

9 In determining whether the appearance of Samsung’s accused products is likely to cause dilution,
10 you may consider all relevant factors, including:

- 11 1. the degree of similarity between Samsung’s accused products and Apple’s trade
12 dress;
- 13 2. the degree of acquired distinctiveness of Apple’s trade dress;
- 14 3. the extent to which Apple has authorized anyone else to use its trade dress;
- 15 4. the degree of recognition of Apple’s trade dress;
- 16 5. whether Samsung intended to create an association with Apple’s trade dress; and
- 17 6. any actual association between Samsung’s and Apple’s trade dresses.

18 The presence or absence of any particular factor should not necessarily resolve whether there is a
19 likelihood of dilution. You must consider all relevant evidence in deciding this question.

20 **Source**

21 Adapted from ABA 3.4.4.

22 **Authorities**

23 15 U.S.C. § 1125(c)(2)(1) (“Subject to the principles of equity, the owner of a famous mark that
24 is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction
25 against another person who, at any time after the owner’s mark has become famous, commences
26 use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by
27 tarnishment of the famous mark, regardless of the presence or absence of actual or likely
28 confusion, of competition, or of actual economic injury.”); 15 U.S.C. § 1125(c)(2)(B) (“In
determining whether a mark or trade name is likely to cause dilution by blurring, the court may
consider all relevant factors, including the following: (i) [t]he degree of similarity between the
mark or trade name and the famous mark; (ii) [t]he degree of inherent or acquired distinctiveness
of the famous mark; (iii) [t]he extent to which the owner of the famous mark is engaging in
substantially exclusive use of the mark; (iv) [t]he degree of recognition of the famous mark; (v)
[w]hether the user of the mark or trade name intended to create an association with the famous
mark; (vi) [a]ny actual association between the mark or trade name and the famous mark.”); *Jada
Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 634 n.2 (9th Cir. 2008) (“[T]he FTDA has been amended
so as to require only a likelihood of dilution to succeed. Trademark Dilution Revision Act of
2006 (“TDRA”), Pub. L. No. 109-312 § 2(1), 120 Stat. 1730.”).

1 **Samsung’s Objection to Apple’s Instruction**

2 Apple’s instruction on the degree of acquired distinctiveness is inaccurate, incomplete, and does
3 not provide the jury with enough detail on the association factor to assess its product
4 configuration dilution claims. Apple’s proposed instruction replaces the statutory exclusivity of
5 use factor with one Apple invented—the extent to which Apple has authorized others to use its
6 trade dress. Apple cites no justification for this new factor and there is none. Indeed, it is the
7 extent of *unauthorized* uses by third-parties that bears on the capacity of a trade dress to be
8 diluted. *E.g., CG Roxane LLC v. Fiji Water Co. LLC*, 569 F. Supp. 2d 1019 (N.D. Cal. 2008)
9 (“Courts view a mark’s use by competitors as strong evidence of how the public perceives the
10 term. ...Naturally, when more members of the public see a mark used by several producers in the
11 industry, the less likely they will identify a particular producer with that mark.”) (internal
12 quotation marks, citations omitted). By not clarifying that the relevant association must arise
13 solely from protectable trade dress, Apple encourages the jury to speculate that any association
14 between the products or companies favors a finding of dilution, even if, for example, the
15 association arises from knowledge that Samsung supplies Apple with components for its
16 products or the fact that some consumers may use “iPad” or “iPhone” generically to describe
17 tablet computers and smartphones. In addition, the reference to “actual dilution” is also
18 unnecessary, confusing, and prejudicial. The jury does not need to understand the history of the
19 Federal Trademark Dilution Act of 1995, and this additional information will lead to jury
20 confusion and prejudice to Samsung because the jury must find actual dilution to award damages
21 for dilution. Telling them at this stage, without qualification, that actual dilution is not necessary
22 will conflict with the later instruction. Finally, this instruction also suffers from the placement
23 confusion described in Samsung’s Objection to Apple’s Proposed Final Instruction No. 64.
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1 **Samsung’s Proposed Instruction**

2 To prove dilution of an alleged trade dress by blurring, Apple must prove by a preponderance of
3 the evidence that the accused Samsung products have created an association with Apple which
4 impairs the distinctiveness of those alleged trade dresses.

4 Factors you can consider in determining whether dilution by blurring has occurred include:

- 5 1. The degree or similarity between the alleged trade dress and the accused product..
6 The more similar they are, the more likely an association will arise between the products.
- 7 2. The degree of acquired distinctiveness through secondary meaning of Apple’s
8 alleged trade dresses. The more distinctive a trade dress is in the marketplace, the greater
9 protection it is entitled to. On the other hand, if trade dress is common in the marketplace, it is
10 entitled to less protection from dilution.
- 11 3. The extent to which Apple is engaged in substantially exclusive use of the alleged
12 trade dresses. If you find that companies other than Apple use the same or similar trade dress in
13 connection with smart phones or tablets, then dilution by blurring is less likely.
- 14 4. The degree of recognition of the alleged trade dresses with Apple;
- 15 5. Whether Samsung intended to create an association with Apple’s alleged trade
16 dresses; and
- 17 6. Any actual association between the alleged trade dress and the accused products.
18 The association must be created solely by the similarity of the trade dresses and not from some
19 other source. In other words, this means that the required “association” cannot be created just
20 because the two products possess some similar characteristics.

16 These factors should be weighed by you given the facts and circumstances of the case.

17 **Source**

18 15 U.S.C. § 1125(c)(2)(B) (listing non-exhaustive factors for dilution by blurring); 4 *McCarthy*
19 § 24:119 (discussing the meaning and significance of each of the TDRA dilution by blurring
20 factors); *id.* (“Consideration of third party uses is relevant both here, in determining if blurring is
21 likely, as well as in the first instance in determining if a mark is “famous.” A mark that is merely
22 one of several identical or very similar marks is already “diluted” in fact. In such a case, the
23 junior user’s actions can hardly be said to be likely to cause any significant further “dilution” of
24 such a mark. . . . The statute does not require that the mark be “unique” in the strict sense: one of
25 a kind. There can be some existing third party uses that do not significantly impact on the public
26 mind, but if there are third party uses, the scope of protection against blurring may be constricted
27 according to the quantity and type of the third party uses.”); *id.*, at § 24:116 (“The required
28 ‘association’ must be created solely by the similarity of the conflicting marks, not from some
other source. This means that the required ‘association’ cannot be created just because the two
products possess some similar characteristics.”); *Schwan’s IP, LLC v. Kraft Pizza Co.*, 460 F. 3d
971 (8th Cir. 2006) (considering use of mark by third-parties and newspapers); *CG Roxane
LLC v. Fiji Water Co. LLC*, 569 F. Supp. 2d 1019 (N.D. Cal. 2008) (“Courts view a mark’s use
by competitors as strong evidence of how the public perceives the term. . . Naturally, when more
members of the public see a mark used by several producers in the industry, the less likely they
will identify a particular producer with that mark.”) (internal quotation marks, citations omitted).

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s proposed instruction No. 66 is wrong for three reasons. First, there is no reason for
3 the commentary Samsung adds to most of the factors. This is particularly problematic as
4 Samsung’s commentary blurs the second and third prong by stating that trade dress is less
5 distinctive if common in the marketplace, while the commentary on the sixth factor suggests that
6 association cannot be based upon similarities in the products, when this type of association is
7 what the trade dress laws are intended to address. Second, Samsung omits timing from both the
8 second and third prong, implying that other companies *currently* using similar trade dresses
9 would weaken Apple’s rights, which is incorrect as distinctiveness and exclusivity are judged as
10 of the time of the dilution starts. *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002,
11 1013 (9th Cir. 2004) (fame measured for dilution claim as of first arguably diluting use).
12 Moreover, if additional commentary is to be added addressing “substantially exclusive use,”
13 whether to the third prong or both the second and third prong, it should be countered with the
14 following point: “Extensive advertising and enforcement policies are also relevant in determining
15 substantially exclusive use.” *See, e.g., Gen. Motors Co. v. Urban Gorilla, LLC*, No. 2:06-cv-
16 00133, 2010 U.S. Dist. LEXIS 136711, at *38-39 (D. Utah Dec. 27, 2010); *New York City*
17 *Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305 (S.D.N.Y. 2010) (requiring
18 written approval before use of mark relevant to determining substantial exclusivity). Third,
19 Samsung omits any mention that presence or absence of a single factor is not dispositive. *See,*
20 *e.g., Pendleton Woolen Mills, Inc. v. Round Up Ass’n*, No. 3:11-CV-592-AC, 2012 U.S. Dist.
21 LEXIS 94502, at *11 (D. Or. July 9, 2012) (statute identifies factors courts may consider, along
22 with other relevant factors). By contrast, Apple’s proposed instruction presents the statutory test
23 without unnecessary commentary on the factors, clarifies that confusion is not required, and notes
24 that presence or absence of any particular factor does not resolve the issue.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 67**
2 **TRADE DRESS INFRINGEMENT—ELEMENTS AND BURDEN OF PROOF**
3 **(15 U.S.C. § 1125(A)(1))**

3 **Apple’s Proposed Instruction**

4 Apple also claims that Samsung infringed its unregistered iPad-related trade dress. To prevail,
5 Apple must persuade you that each of the following two elements is more likely than not true:

- 6 1. **Protectability**: I have instructed you already on how to determine if Apple’s iPad-
7 related trade dress is protectable. If you find for Apple on this issue, then you
8 should consider the next element.
9 2. **Likelihood of Confusion**: This element requires you to determine whether the
10 appearance of Samsung’s accused tablet computer products is likely to cause
11 confusion with Apple’s iPad products. I will now instruct you on the factors you
12 should consider in determining the issue of likelihood of confusion.

10 **Source**

11 Adapted from ABA 3.3.1.

12 **Authorities**

13 *Talking Rain Beverage Co. Inc. v. South Beach Beverage Co.*, 349 F.3d 601, 603 (9th Cir. 2003)
14 (stating that plaintiff “must meet three elements: (1) nonfunctionality, (2) distinctiveness and (3)
15 likelihood of confusion” to establish trade dress infringement).

16 **Samsung’s Objection to Apple’s Instruction**

17 This instruction will be confusing to the jury and prejudicial to Samsung. As modeled by the
18 Ninth Circuit Model Jury Instructions, the jury first should be instructed on all the elements
19 needed to establish trade dress infringement and then on each element. This Instruction again
20 fails to explain Apple’s burden of proof, which is properly set forth in Samsung’s proposed
21 instruction below—i.e, Apple must prove by a preponderance of the evidence that prospective
22 consumers of tablet computers are likely to believe a Samsung product is an Apple product. A
23 likelihood of confusion requires that confusion among reasonably prudent consumers is
24 probable, and not merely a possibility. *E.g.*, *Murray v. Cable Nat’l Broadcasting Co.*, 86 F.3d
25 858, 861 (9th Cir. 1996) (confusion must be “probable, not simply a possibility”) (quoting *Rodeo*
26 *Collection, Ltd. v. Western Seventh*, 812 F.2d 1215, 1217 (9th Cir. 1987)). The language of
27 Apple’s instruction suggests that confusion “between” the parties products, including consumers
28 mistaking an iPad for a Galaxy Tab, would satisfy Apple’s burden. That type of confusion,
29 known as reverse confusion, was never pled by Apple nor disclosed in any of its discovery
30 responses. To the extent Apple intends to allow the jury to consider such a theory, it is too late.
31 Further, the placement of this instruction after the dilution instructions regarding whether trade
32 dress is capable of being diluted is also confusing. It will be easier for the jury to understand
33 their task if the trade dress infringement instructions directly follow the instructions regarding
34 whether trade dress is capable of being infringed.

1 **Samsung’s Proposed Instruction**

2 In this action, Apple contends that Samsung’s Galaxy Tab 10.1 tablet computers infringe Apple’s
3 unregistered trade dresses for the iPad and iPad 2 tablet computers.

4 To prove trade dress infringement, Apple bears the burden of proof by a preponderance of the
5 evidence on each of the following elements for each of its claimed trade dresses:

- 6 1. Apple must prove that the claimed trade dresses are not functional.
- 7 2. Apple must prove that the claimed trade dresses have acquired distinctiveness
8 through secondary meaning.
- 9 3. Apple must prove that Samsung used trade dress similar to Apple’s claimed trade
10 dresses without Apple’s consent in a manner that is likely to cause confusion among consumers
11 as to the source, sponsorship, affiliation, or approval of Samsung’s goods.

12 If you find that **each** of the elements on which Apple has the burden of proof has been proved,
13 your verdict should be for Apple. If, on the other hand, Apple has failed to prove any one of
14 these elements, your verdict must be for Samsung.

15 **Source** Ninth Circuit Model Instructions No. 15.6 (modified); *Mattel, Inc. v. Walking Mountain*
16 *Productions*, 353 F.3d 792, 808 (9th Cir. 2003) (“Generally, to recover for trade dress
17 infringement under [15 U.S.C.] § 1125, a plaintiff must show that ‘its trade dress is protectable
18 and that defendant’s use of the same or similar trade dress is likely to confuse consumers.’ A
19 trade dress is protectable if it is ‘nonfunctional and has acquired secondary meaning and if its
20 imitation creates a likelihood of consumer confusion.’”) (citations omitted); *Talking Rain*
21 *Beverage Co. Inc. v. South Beach Beverage Co.*, 349 F.3d 601, 603 (9th Cir. 2003) (citing as
22 elements of proof necessary to show infringement of a bottle design as: “(1) nonfunctionality, (2)
23 distinctiveness and (3) likelihood of confusion.”).

24 **Apple’s Objection to Samsung’s Instruction**

25 Samsung’s proposed instruction is misleading and unnecessarily duplicative. Samsung does not
26 have an instruction preceding its proposed instruction addressing the difference between
27 registered and unregistered claims. As a result, the statement in this instruction that Apple bears
28 the burden of proof for “each of its claimed trade dresses” is ambiguous as to whether that means
trade dresses only in the context of this particular instruction, or all claimed trade dresses in the
case. Apple’s approach is more streamlined and instructs the jury on protectability in a manner
that can be applied to trade dress infringement, trade dress dilution, registered marks, and
unregistered marks, without any ambiguity.

**PROPOSED FINAL JURY INSTRUCTION NO. 68
INFRINGEMENT—LIKELIHOOD OF CONFUSION**

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Samsung’s Proposed Instruction

To prevail on its trade dress infringement claim, Apple must prove by a preponderance of the evidence that there is a likelihood of consumer confusion between Samsung’s Galaxy Tab 10.1 and the trade dresses of Apple’s iPad and iPad 2 tablet computers that Apple is claiming. In other words, Apple must prove that prospective consumers of tablet computers are likely to mistakenly purchase a Samsung Galaxy Tab 10.1 tablet computer believing that it is an Apple iPad or iPad 2 tablet computer.

A likelihood of confusion requires that you find that confusion among reasonably prudent consumers is probable, and not merely a possibility.

Source

Ninth Circuit Model Instructions No. 15.16 (modified); *Murray v. Cable Nat’l. Broadcasting Co.*, 86 F.3d 858, 861 (9th Cir. 1996) (confusion must be “probable, not simply a possibility”) (quoting *Rodeo Collection, Ltd. v. Western Seventh*, 812 F.2d 1215, 1217 (9th Cir. 1987)).

Apple’s Objection to Samsung’s Instruction

Samsung’s instruction No. 68 misstates the law and is inappropriate to this case. First, the instruction improperly limits likelihood of confusion to the point of purchase. The Lanham Act reaches post-sale confusion. *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1032 (9th Cir. 2010); *Academy of Motion Picture Arts & Sciences v. Creative House Promotions, Inc.* 944 F.2d 1446, 1455 (9th Cir. 1991). Second, the instruction improperly requires proof that prospective consumers are likely to mistakenly purchase a Samsung Galaxy Tab 10.1 believing it to be an iPad. In fact, the Lanham Act reaches likelihood of confusion as to source, sponsorship, or affiliation; it does not discuss likelihood of mistaken purchases. 15 U.S.C. § 1125. Third, Samsung imposes additional qualifiers beyond the *Sleekcraft* test, by suggesting the requirement is “probable” confusion among “reasonably prudent” consumers. The operative test, set out in *Sleekcraft*, does not use this language. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-53 (9th Cir. 1979).

Samsung’s Statement in Support

As discussed in Samsung’s Objection to Apple’s Proposed Final Instruction No. 67, Samsung’s instruction is accurate under Ninth Circuit precedent and consistent with Ninth Circuit Model Instruction No. 15.16. It is therefore clearer and more complete.

PROPOSED FINAL JURY INSTRUCTION NO. 69
TRADE DRESS INFRINGEMENT—LIKELIHOOD OF CONFUSION—SLEEKCRAFT
TEST (15 U.S.C. §§ 1114(1), 1125(A))

Apple's Proposed Instruction

You must decide whether Samsung's use of its accused products is likely to cause confusion about the source of Samsung's tablet computer products. Confusion in the marketplace can occur at three distinct times: Confusion in the marketplace can occur at three distinct times: before the purchase (also called "initial interest" confusion), at the moment of the purchase (also called "point of sale" confusion), and after the purchase (also called "post-sale" confusion).

I will suggest some factors you should consider in deciding this. The presence or absence of any particular factor should not necessarily resolve whether there was a likelihood of confusion. You must consider all relevant evidence in determining this. As you consider the likelihood of confusion, you should examine the following:

1. Strength or Weakness of Apple's Trade Dress. The more the public recognizes Apple's trade dress as indicating the origin of Apple's goods, the more likely it is that consumers would be confused about the source of Samsung's goods with a similar appearance.
2. Samsung's Use of the Accused Designs. If Samsung's accused products and the products that embody Apple's asserted trade dresses are the same, related, or complementary kinds of goods, there may be a greater likelihood of confusion about the source of the goods.
3. Similarity of Apple's and Samsung's Trade Dress. If the overall impression created by Apple's trade dress in the marketplace is similar to the impression created by the appearance of Samsung's accused products, there is a greater chance of likelihood of confusion. Similarities in appearance weigh more heavily than differences in finding the trade dress is similar.
4. Actual Confusion. If the appearance of Samsung's accused products has led to actual confusion with the products that embody Apple's asserted trade dresses, this strongly suggests a likelihood of confusion. But actual confusion is not required. You should weigh any instances of actual confusion against the opportunities for such confusion. If the instances of actual confusion have been relatively frequent, you may find that there has been substantial actual confusion. If, by contrast, there is a very large volume of sales, but only a few instances of actual confusion, you may find there has not been substantial actual confusion.
5. Samsung's Intent. Knowing use by Samsung of a design similar to Apple's trade dress on similar goods may strongly show an intent to derive benefit from the reputation of Apple's trade dress, suggesting an intent to cause a likelihood of confusion.
6. Marketing/Advertising Channels. If Apple's and Samsung's goods are likely to be sold in the same or similar stores or outlets, or advertised in similar media, this may increase the likelihood of confusion.
7. Consumer's Degree of Care. The more sophisticated the potential consumers of the goods or the more costly the goods, the more careful and discriminating the reasonably prudent consumer exercising ordinary caution may be. They may be less likely to be confused by similarities in Apple's and Samsung's trade dress.

1 When considering this factor, please keep in mind that the application of
2 discrimination and scrutiny by a consumer to financial terms such as data plans
3 does not necessarily equate to discrimination and scrutiny regarding product
4 appearance.

5 **Source**

6 Ninth Circuit Model Civil Jury Instr. - 15.16 (2007 Ed.).

7 **Authorities**

8 *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) (setting out likelihood of
9 confusion factors); *see also Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt.*,
10 618 F.3d 1025, 1030-31 (9th Cir. 2010) (applying *Sleekcraft* test); *Metro Pub. v San Jose*
11 *Mercury News*, 987 F.2d 637, 640 (9th Cir. 1993) (“Because each factor is not necessarily
12 relevant to every case, this list [of likelihood of confusion factors] functions as a guide and is
13 ‘neither exhaustive nor exclusive.’”); *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand*
14 *Mgmt., Inc.*, 618 F.3d 1025, 1032 (9th Cir. 2010); *Academy of Motion Picture Arts & Sciences v.*
15 *Creative House Promotions, Inc.* 944 F.2d 1446, 1455 (9th Cir. 1991).

16 **Samsung's Objection to Apple's Instruction**

17 Apple's proposed instruction gives a misleading impression of what the jury should consider in
18 evaluating the likelihood of confusion factors. First, in paragraph 3, Apple adds language not
19 dictated by the Ninth Circuit Model Rules: “Similarities in appearance weigh more heavily than
20 differences in finding the trade dress is similar.” The optional Ninth Circuit language Apple
21 modified is about trademarks, not trade dress: “Similarities in appearance, sound or meaning
22 weigh more heavily than differences in finding the marks are similar.” Modifying that language
23 as Apple has done for use in a product configuration case, where functionality concerns, at a
24 minimum, significantly influence the appearance of the products is not appropriate and would
25 unfairly prejudice Samsung. *E.g., Motorola Inc. v. Qualcomm Inc.*, 45 U.S.P.Q.2d 1558 (S.D.
26 Cal. 1997), *aff'd without op.*, 135 F.3d 776 (Fed. Cir. 1998) (“While [defendant's] phone has
27 many of the same features as [plaintiff's phone], many of these features are functional and the
28 two phones are sufficiently distinct.”); *OddzOn Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396
(Fed. Cir. 1997) (the mistaken association in the survey of plaintiff's and defendant's products in
a line-up including three additional products that lacked the functional attributes of the two
conflicting products “is not probative of trade dress infringement”). Second, Apple's instruction
regarding intent similarly ignores justifiable reasons that a plaintiff's product configuration could
be known and used by defendants without intent to deceive such as to use “wholly functional
features that they perceive as lacking any secondary meaning because of those features' intrinsic
economic benefits.” *Fuddrucker's, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 844-845 (9th
Cir. 1987); *see also Walker & Zanger, Inc. v. Paragon Indus., Inc.*, 549 F. Supp. 2d 1168, 1181
(N. D. Cal. 2007) (found no secondary meaning because competitors may intentionally copy
product features for a variety of reasons); *Libman Co. v. Vining Industries, Inc.*, 69 F. 3d 1360,
1363 (7th Cir. 1995) (“Vining noticed that Libman's brooms were selling briskly, inferred that
consumers like brooms with contrasting color bands, and decided to climb on the bandwagon. We
call that competition, not bad faith, provided there is no intention to confuse, and, so far as
appears, there was none.”). 4 McCarthy §§ 8:19, 23:122 at 23-377 (2012 ed.) (“If all that happens
is that a junior user copies a competitor's trade dress design because it sells better and consumers
seem to like it, then this is not evidence of an intent to confuse.”). Third, in Paragraph 7, Apple
introduces an additional instruction: “When considering this factor, please keep in mind that the
application of discrimination and scrutiny by a consumer to financial terms such as data plans
does not necessarily equate to discrimination and scrutiny regarding product appearance.” The
Ninth Circuit Model Jury Instructions does not include the any language along those lines. Nor

1 does Apple cite any authority supporting the addition of language that restricts consideration of
2 actual market place conditions. This is because market place conditions, i.e., “what consumers
3 ‘encounter[] in the marketplace,’” are the core assessment of the likelihood of confusion.
4 *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137, 1151 (9th Cir.
5 2011); see also *id.* at 1152 (“the default degree of consumer care is becoming more heightened as
6 the novelty of the Internet evaporates and online commerce becomes commonplace”) (citing
7 *Toyota Motor Sales v. Tabari*, 610 F.3d 1171 (9th Cir. 2010) (“Consumers who use the internet
8 for shopping are generally quite sophisticated about such matters.”)); *Brookfield*
9 *Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999) (“What
10 is expected of this reasonably prudent consumer depends on the circumstances.”); see also *Beer*
11 *Nuts v. Clover Club Foods Co.*, 805 F.2d 920, 926-27 (10th Cir. 1986) (“[T]he court must
12 examine the degree of care with which the public will choose the products in the marketplace. . . .
13 Buyers typically exercise little care in the selection of inexpensive items [such as peanuts] that
14 may be purchased on impulse. Despite a lower degree of similarity, these items are more likely to
15 be confused than expensive items which are chosen carefully.”). Fourth, Apple's instruction fails
16 to identify that Apple bears the burden of proving likelihood of confusion. Fifth, Apple
introduces a theory of trade dress infringement based on initial interest confusion for the first
time. This new theory was never pled in Apple's complaint, never provided in iterations of
Apple's infringement contentions, and not pursued during discovery, and thus should be excluded
from trial. Fed.R.Civ.P. 26(a), 37(c)(1); See *Accentra Inc. v. Staples, Inc.*, No. CV 07-5862 ABC
(RZx), 2010 WL 8450890, *23 (C.D. Cal. Sept. 22, 2010) (granting the defendant's motion in
limine excluding a new induced infringement theory introduced for the first time in the plaintiff's
proposed jury instructions). Further, Apple's instruction is misleading and unfairly prejudicial
because it improperly injects the concepts of “initial interest confusion,” “point-of-sale
confusion” and “post-sale confusion” into the pivotal instruction on consumer confusion. Apple
has deviated from the Ninth Circuit Model Instruction No. 15.16 by abruptly introducing these
concepts (which do not appear in the model instruction) without any explanation or context. The
jury will be confused by the way Apple's instruction identifies these distinct theories of consumer
confusion, but fails to explain how, if at all, they apply to this case. Nor does this instruction
describe Apple's considerable burden with respect to proving each of these forms of confusion,
particularly given their inapplicability to the facts of this case:

- 17 ▪ First, Apple’s instruction is improper because it misleadingly implies that the jury may
18 find liability for trade dress infringement based solely of a finding of “confusion” at any
19 point before, during or after the sale of a Samsung tablet without also finding that the
20 confusion affected a purchase decision. This is not the law. Ninth Circuit holds that
21 consumer confusion in general is not actionable; only consumer confusion that affects a
22 purchasing decision is sufficient to prove trade dress infringement. See *Rearden LLC v.*
23 *Rearden Commerce, Inc.* ___ F.3d ___, 2012 WL 2402012, *19 (9th Cir. June 27, 2012)
24 (“[t]rademark infringement protects only against mistaken purchasing decisions and not
25 against confusion generally.”) (quoting *Bosley Med. Ins., Inc. v. Kremer*, 403 F.3d 673,
26 677 (9th Cir. 2005)).
- 27 ▪ Second, Apple's instruction is improper because it identifies "initial interest" confusion as
28 an available form of consumer confusion, ignoring that the doctrine has been rejected in
the context of product configuration. See, e.g., *Gibson Guitar Corp. v. Paul Reed Smith
Guitars, LP*, 423 F.3d 539 (6th Cir. 2005) (“Given severe anti-competitive effects such a
decision could have, we do not believe it is appropriate to extend the initial-interest-
confusion doctrine in this manner.”); *AM General Corp. v. DaimlerChrysler Corp.*, 311
F.3d 796 (7th Cir. 2002) (rejecting non-point-of-sale confusion involving grille shape of
expensive jeep); *Dorr-Oliver*, 94 F.3d 376, 383 (7th Cir. 1996) (rejecting plaintiff's theory
of initial interest confusion and stating that "where product configurations are at issue,
consumers are generally more likely to think that a competitor has entered the market with
a similar product assume that the two manufactures are associated. . . .”); *Fisher Stoves, Inc.*
v. All Nighter Stove Works, Inc., 626 F.2d 193 (1st Cir. 1980) (rejecting pre-sale confusion

1 claim involving the silhouette of a high-price wood burning stove because no likelihood of
2 confusion when the manufacturer's name is clearly displayed). Given that consumers
3 "almost invariably" do not perceive product configurations as indicators of source, *see*
4 *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 213 (2000), the initial interest
5 confusion should not be applied here.

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▪ Third, Apple's proposed instruction is improper because initial interest confusion requires a finding that a significant number of consumers are likely to go to a store or a website with the intention of purchasing an iPad and mistakenly assume that a Samsung tablet computer is an iPad and then, even once their initial assumption is corrected, decide to purchase the Samsung tablet computer because it would be too much effort to locate an iPad instead. *Brookfield Communications, Inc. v. West Coast Entm't*, 174 F.3d 1036, 1066 (9th Cir. 1999) ("Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading—"West Coast Video: 2 miles ahead at Exit 7" — where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast."). Apple has never identified any such evidence.
- Fourth, Apple's instruction on initial interest confusion is also improper because initial interest confusion in the 9th Circuit has been limited almost exclusively to the misleading use of trademarks in the Internet context. *See Brookfield Commc'ns v. West Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999) (applied to domain name and website metatags); *Playboy Enter., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020 (9th Cir. 2004) (applied to keywords in banner advertising); *Internet Starship Servs., Ltd. v. Epix Inc.*, 184 F.3d 1107 (9th Cir. 1999) (applied to domain name); *Playboy Enterprises, Inc. v. Netscape Communications Corp.*, 55 F.Supp.2d 1070, 1074 (C.D. Cal. 1999) (initial interest confusion is "brand of confusion particularly applicable to the Internet."); *Golden West Financial v. WMA Mortg. Services, Inc.*, 2003 WL 1343019 at *7 (N.D. Cal. 2003) (noting that "Brookfield has marginal application to this case which does not focus primarily on the Internet user"); *Shell Trademark Management BV*, 2002 WL 32104586 at *1 (N.D. Cal. May 21, 2002) ("[T]he evolving doctrine of infringement by initial interest confusion, applied primarily in the Internet context").
- Fifth, Apple's inclusion of an instruction on post-sale confusion is also improper because Apple does not maintain that it has sustained reputational injury, which is precisely the harm post-sale confusion seeks to address. *See Karl Storz Endoscopy v. Surgical Tech, Inc.*, 285 F.3d 848, 854 (9th Cir. 2002 (post-sale confusion results in reputational injury); *adidas-America, Inc. v. Payless Shoesource, Inc.*, 546 F. Supp. 2d 1029, 1058 (D. Or. 2008) (adidas proffered evidence that post-sale confusion "negatively impact consumer perceptions of the adidas brand as a source of quality footwear" given the "inferior quality" of Payless' shoes). Apple is not pursuing dilution by tarnishment (i.e.—injury to its reputation), *see* Apple's Response to Interrogatory No. 70 (omitting dilution by tarnishment as a basis for claimed dilution) nor has its damages expert opined on or attempted to quantify a diminution in value to the trade dresses asserted, *see* Expert Report of Terry L Musika. In addition, Apple has not identified any authority for the application of post-sale confusion arising in the product configuration context, and the cases that Apple does cite in support of its instruction are highly distinguishable—one involving confusion arising from the sale of a statuette designed to mimic the famous Oscar statue and the other involving the use of plaintiffs trademark printed on a tee-shirt.

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Neither of these cases is even remotely similar to the facts here where the trade dress at issue is embodied in the product design and where there is no evidence that the sale harms Apple's reputation.

1 **Samsung’s Proposed Instruction**

2 I will suggest some factors you should consider in deciding whether there is a likelihood of
3 consumer confusion based on Apple’s alleged iPad trade dress or alleged iPad 2 trade dress. The
4 presence or absence of any particular factor that I suggest should not necessarily resolve whether
5 there was a likelihood of confusion, because you must consider all relevant evidence in
6 determining this.

7 1. Strength or Weakness of the Plaintiff’s Trade Dress. The more the consuming
8 public recognizes the plaintiff’s trade dress as an indication of origin of the plaintiff’s goods, the
9 more likely it is that consumers would be confused about the source of the defendant’s goods if
10 the defendant uses a similar trade dress.

11 2. Defendant’s Use of the Trade Dress. If the defendant and plaintiff use their trade
12 dress on the same, related, or complementary kinds of goods there may be a greater likelihood of
13 confusion about the source of the goods than otherwise.

14 3. Similarity of Plaintiff’s and Defendant’s Trade Dress. If the overall impression
15 created by the plaintiff’s trade dress in the marketplace is similar to that created by the
16 defendant’s trademark in appearance there is a greater chance of likelihood of confusion.

17 4. Actual Confusion. If use by the defendant of the plaintiff’s trade dress has led to a
18 significant number of instances of actual confusion, this suggests a likelihood of confusion. As
19 you consider whether the trade dress used by the defendant creates for consumers a likelihood of
20 confusion with the plaintiff’s trade dress, you should weigh any instances of actual confusion
21 against the opportunities for such confusion. If the instances of actual confusion have been
22 relatively frequent, you may find that there has been substantial actual confusion. If, by contrast,
23 there is a very large volume of sales, but only a few isolated instances of actual confusion you
24 may find that there has not been substantial actual confusion.

25 5. Defendant’s Intent. If the defendant adopted trade dress similar to the plaintiff’s
26 with the intent to deceive consumers, this increases the likelihood of consumer confusion.

27 6. Marketing/Advertising Channels. If the plaintiff’s and defendant’s products are
28 likely to be sold in the same or similar stores or outlets, or advertised in similar media, this may
increase the likelihood of confusion.

7. Consumer’s Degree of Care. The more sophisticated the potential buyers of the
goods or the more costly the goods, the more careful and discriminating the reasonably prudent
purchaser exercising ordinary caution may be. They may be less likely to be confused by
similarities in the plaintiff’s and defendant’s trade dresses.

22 **Source**

23 Ninth Circuit Model Instructions No. 15.16 (modified); *Art Attacks, LLC. v. MGA Entertainment*
24 *Inc.*, 581 F.3d 1138, 1146 (9th Cir. 2009) (“To prove trade dress infringement, a plaintiff must
25 demonstrate that (1) the trade dress is nonfunctional, (2) the trade dress has acquired secondary
26 meaning, and (3) there is a substantial likelihood of confusion between the plaintiff’s and
27 defendant’s products”); *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F. 3d
28 1137, 1144 (9th Cir. 2011) (“[W]e must apply the *Sleekcraft* test in a flexible manner, keeping in
mind that the eight factors it recited are not exhaustive, and that only some of them are relevant
to determining whether confusion is likely in the case at hand.”).

1 **Apple’s Objection to Samsung’s Instruction**

2 Samsung’s instruction No. 69 lists the correct *Sleekcraft* factors, but makes numerous one-sided
3 and inappropriate edits that misrepresent application of the test. First, it omits the important
4 language that similarities in appearance weigh more heavily than differences. *Entrepreneur*
5 *Media v. Smith*, 279 F.3d 1135, 1144 (9th Cir. 2002) (that “[s]imilarities weigh more heavily
6 than differences” is one of three axioms of similarity analysis). Second, it adds to the actual
7 confusion prong the language “significant number” suggesting a minimum number must be
8 reached before actual confusion is relevant, while omitting the points that actual confusion
9 “strongly” suggests, but is not required, for a finding of likelihood of confusion. *Clamp Mfg.*
10 *Co. v. Enco Mfg. Co.*, No. CV-82-4352, 1987 U.S. Dist. LEXIS 13427, at *12-13 (C.D. Cal.
11 Aug. 10, 1987). The term “significant” does not appear in the Ninth Circuit model on which
12 Samsung’s instruction is based, nor in *Sleekcraft*. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341,
13 353 (9th Cir. 1979). In fact, while “significant” amounts of actual confusion may suggest
14 likelihood of confusion, some courts have noted that actual confusion can be difficult to find, and
15 that “very little proof” of actual confusion still suggests likelihood of confusion. *See, e.g.*,
16 *Citibank, N.A. v. City Bank of San Francisco*, No. C-79-1922, 1980 WL 30239, at *1009 (N.D.
17 Cal. Mar. 23, 1980) (“Very little proof of actual confusion would be necessary to prove
18 likelihood of confusion.”); *see also Metro Publ’g, Inc. v. Surfmet, Inc.*, No. C-02-01833, 2002
19 U.S. Dist. LEXIS 26232, at *25 (N.D. Cal. July 3, 2002) (evidence of actual confusion “strongly
20 support[ed]” finding of likelihood of confusion). Third, Samsung alters the meaning of the
21 “intent” prong by asserting that only “intent to deceive” is relevant. The Ninth Circuit does not
22 require that Apple prove “intent to deceive.” *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 354
23 (9th Cir. 1979) (knowing adoption of mark similar to another’s relevant to “intent”).
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**PROPOSED FINAL JURY INSTRUCTION NO. 69.1
LIKELIHOOD OF CONFUSION FACTORS— STRENGTH OF TRADE DRESS**

Samsung’s Proposed Instruction

When products with similar trade dress permeate the marketplace, the strength of the trade dress decreases, and the likelihood that consumers will be confused is lessened.

Source

Miss World (UK), Inc. v. Mrs. American Pageants, Inc., 856 F.2d 1445, 1449 (9th Cir. 1988) (“Simply put, a mark which is hemmed in on all sides by similar marks on similar goods cannot be very ‘distinctive’. It is merely one of a crowd of marks. In such a crowd, customers will not likely be confused between any two of the crowd and may have learned to carefully pick out one from the other.”), *abrogated on other grounds*; *Schwan’s IP, LLC v. Kraft Pizza Co.*, 460 F. 3d 971 (8th Cir. 2006) (considering use of mark by third-parties and newspapers); *CG Roxane LLC v. Fiji Water Co. LLC*, 569 F. Supp. 2d 1019 (N.D. Cal. 2008) (“Courts view a mark’s use by competitors as strong evidence of how the public perceives the term. ... Naturally, when more members of the public see a mark used by several producers in the industry, the less likely they will identify a particular producer with that mark.”) (internal quotation marks, citations omitted).

Apple’s Objection to Samsung’s Instruction

Samsung’s proposed instruction is misleading and confusing. First, Samsung is repeating the pattern it began with its secondary meaning instructions, inserting unnecessary and one-sided argumentative commentary on each individual factor of the test. Second, Samsung again ignores timing issues. *See, e.g., Death Tobacco v. Black Death USA*, No. CV-92-6437-WMB, 1993 U.S. Dist. LEXIS 20646, at *12-13 (C.D. Cal. June 30, 1993) (“The proper time to assess the strength of a trademark is as of the time of the first alleged infringement.”).

Samsung’s Statement in Support

Instruction 69.1 addressing strength of trade dress, has no competing Apple instruction even though Ninth Circuit Model Jury Instruction 15.17 contains detailed information about strength of trademarks and trade dress, and even cites one of the cases Samsung relies on, *Miss World (UK) Ltd. v. Mrs. America Pageants*, 856 F.2d 1445, 1449 (9th Cir.1988). Although the Model Instruction does not propose an explanatory instruction for strength of trade dress, Samsung’s short instruction captures the relevant point of its guidance for a case like this one, in which the marketplace is filled with products that have similar features and where, despite those similarities, customers are not confused and can easily distinguish among them.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 69.2**
2 **LIKELIHOOD OF CONFUSION FACTORS—SIMILARITY OF TRADE DRESS**

3 **Samsung’s Proposed Instruction**

4 In assessing similarity of the trade dresses, you may consider the use of the of the “Samsung”
5 trademark on Galaxy Tab 10.1 product and Apple’s use of Apple’s trademarks and logos on the
6 iPad and iPad 2 product. If you find that the parties trade names or other source identifying
7 features are featured prominently on the products, then consumer confusion is unlikely.

8 **Source**

9 *AMF Inc. v. Sleekcraft Boats*, 599 F. 2d 341, 351 (9th Cir. 1979) (use of a prominent “house-
10 mark” reduces likelihood of confusion); *Rodan & Fields, LLC v. Estee Lauder Companies, Inc.*,
11 No. 10–CV–02451–LHK, 2010 WL 3910178, *3 (Oct. 5, 2010, N.D. Cal) (“The prominence of
12 the trade names on the packaging strongly supports a finding that consumer confusion is
13 unlikely”) (*citing Bristol–Myers Squibb Co. v. McNeil–P.P. C., Inc.*, 973 F.2d 1033, 1045–46
14 (2d Cir. 1992) (“[W]e conclude that, although [the trade dresses of Tylenol PM and Excedrin
15 PM] share many similar elements, the prominence of the trade names on the two packages
16 weighs heavily against a finding of consumer confusion resulting from the overall look of the
17 packaging.”)).

18 **Apple’s Objection to Samsung’s Instruction**

19 Samsung’s proposed instruction consists of an improper factual argument, not a legal instruction.
20 First, there is no basis in the law for Samsung’s instruction that consumer confusion is unlikely if
21 trade names or logos are featured prominently on products. For the cases it cites, Samsung’s
22 own parentheticals reveal that the cases do not hold as a matter of law that presence of trade
23 names makes consumer confusion is unlikely. Second, Samsung’s assertion that prominent
24 logos render confusion “unlikely” elevates this single fact above the test, as if it were to be
25 weighed separately. Third, Samsung’s instruction assumes facts not in evidence—for example,
26 the evidence at trial may show that when Samsung’s products first entered the U.S. market, they
27 did not have a SAMSUNG trademark featured prominently.

28 **Samsung’s Statement in Support**

 Instruction 69.2 addresses the impact of trademarks and logos in determining trade dress
 infringement. Apple has not submitted a competing instruction. Because trade dress law is
 designed in part to protect the public from being misled or confused in the market, as this Ninth
 Circuit precedent recognizes, a party’s prominent use of a mark or logo on its products is highly
 relevant. *E.g., Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137,
 1150 (9th Cir. 2011) (“[T]he proximity of the goods would become less important if
 advertisements are clearly labeled or consumers exercise a high degree of care, because rather
 than being misled, the consumer would merely be confronted with choices among similar
 products.”) This instruction will assist the jury with a clear and pertinent statement of the law.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 69.3**
2 **LIKELIHOOD OF CONFUSION FACTORS—INTENT**

3 **Samsung’s Proposed Instruction**

4 Mere attempts to copy a product are not necessarily probative of an intent to deceive consumers
5 since it may well be emulating a desirable or functional feature of the product and not attempting
6 to confuse consumers. The law permits a defendant to copy the plaintiff’s product down to the
7 minutest detail, as long as the defendant does not represent itself as the plaintiff in the sale of
8 those products.

9 **Source**

10 *Bonito Boats v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157 (1989) (“The defendant . . . may
11 copy plaintiff’s goods slavishly down to the minutest detail; but may not represent himself as the
12 plaintiff in their sale.”) (internal quotation marks omitted); *Fuddruckers, Inc. v. Doc’s B.R.*
13 *Others, Inc.*, 826 F.2d 837, 844-845 (9th Cir. 1987) (“Competitors may intentionally copy
14 product features for a variety of reasons. They may, for example, choose to copy wholly
15 functional features that they perceive as lacking any secondary meaning because of those
16 features’ intrinsic economic benefits.”); *M2 Software, Inc. v. Madacy Entertainment*, 421 F.3d
17 1073, 1085 (9th Cir. 2005) (found no intent because the defendant did not have “any intention of
18 capitalizing on [plaintiff’s] trademark.”).

19 **Apple’s Objection to Samsung’s Instruction**

20 Samsung’s proposed instruction misstates the law in the same manner as its proposed instruction
21 61.4, and miscites the same cases. See Apple’s Objection to proposed instruction 61.4.

22 **Samsung’s Statement in Support**

23 Instruction 69.3 addresses the importance of establishing an intent to capitalize on the plaintiff’s
24 mark and assists the jury in placing supposed “copying” activities into the proper context. Apple
25 will present facts it will argue constitute willful copying, yet *Bonito Boats v. Thunder Craft*
26 *Boats, Inc.*, 489 U.S. 141 (1989) establishes that such willful copying is irrelevant without the
27 intent to confuse consumers. Apple has not submitted a competing instruction that reflects this
28 important legal point.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 69.4**
2 **LIKELIHOOD OF CONFUSION FACTORS—ADVERTISING**

3 **Samsung’s Proposed Instruction**

4 The fact that both Apple and Samsung advertise in mainstream media and sell their products on
5 the Internet and other major retail chains does not weigh in favor of likely confusion because
6 these channels are used by most commercial retailers today.

7 **Source**

8 *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137, 1151 (9th Cir.
9 2011) (“[T]shared use of a ubiquitous marketing channel does not shed much light on the
10 likelihood of consumer confusion.”).

11 **Apple’s Objection to Samsung’s Instruction**

12 Samsung’s proposed instruction is wrong for two reasons. First, Samsung suggests that the jury
13 should ignore the “channels of trade” prong, which is not the law. *Network Automation, Inc. v.*
14 *Advanced Sys. Concepts*, 638 F.3d 1137, 1151 (9th Cir. 2011), simply held that where both
15 parties were marketing online and in a ubiquitous marketing channel, this factor did “not shed
16 much light” on likelihood of confusion. See *Lahoti v. Verichex, Inc.*, 636 F.3d 501, 508 (9th
17 Cir. 2011) (affirming district court finding that use of Internet as marketing channel favored
18 trademark owner, though noting proof of different consumer bases may favor defendant).
19 Second, Samsung’s instruction is again an unnecessary attempt to insert an argumentative
20 response leading the jury to a particular conclusion as a separate “instruction.”

21 **Samsung’s Statement in Support**

22 Instruction 69.4 has no competing Apple instruction. Apple intends to present evidence about
23 the fact that Samsung and Apple sell products through the same retail channels and through the
24 internet, in order to suggest that consumers will therefore be confused into thinking that
25 Samsung’s products are Apple’s products. But as the Ninth Circuit recently held, the use of
26 ubiquitous marketing channels is not probative because in many such circumstances, consumers
27 are not confused and in fact are easily able to distinguish among many similar-looking
28 competing products. This is not a situation in which Apple and Samsung are using the same
29 niche marketing channels to promote their products. *E.g.*, *Network Automation, Inc. v. Advanced*
30 *Systems Concepts, Inc.*, 638 F.3d 1137, 1151 (9th Cir. 2011) (distinguishing *Sleekcraft*, where
31 “the two products were sold in niche marketplaces, including boat shows, specialty retail outlets,
32 and trade magazines” and holding “this factor becomes less important when the marketing
33 channel is less obscure.”).

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**PROPOSED FINAL JURY INSTRUCTION NO. 70
TRADE DRESS**

Samsung’s Proposed Instruction

Apple seeks damages from Samsung for trade dress infringement and dilution arising from Samsung’s sale of certain phones and tablets. Samsung denies infringing or diluting Apple’s alleged trade dresses and contends they are invalid. Here are the instructions you must follow in deciding these claims.

Source

Ninth Circuit Model Civil Jury Instr. (“Model Instructions”) No. 15 (modified).

Apple’s Objection to Samsung’s Instruction

Apple objects that Samsung’s proposed instruction No. 70 duplicates the earlier summary of the parties’ contentions. Apple also respectfully submits that, for the trade dress instructions, the ABA model instructions are preferable to the Ninth Circuit model instructions because the Ninth Circuit model instructions do not address dilution claims. Apple made an exception for the infringement instruction because the *Sleekcraft* factors control in the Ninth Circuit, so Apple used the Ninth Circuit model instruction that is based on the *Sleekcraft* factors. Apple accuses Samsung phones and tablets of dilution, and Samsung’s proposed dilution instructions are largely created from scratch. The ABA model instructions offer a coherent, consistent, and streamlined approach for a case that involves both dilution and infringement claims. For example, the ABA instructions define the protectability standard for trade dress so that it applies to both infringement and dilution claims, noting the different burdens of proof for registered and unregistered trade dresses. By contrast, Samsung’s proposed instructions are unnecessarily repetitive and yet still have gaps (*e.g.*, presumptions attached to a registered trade dress). Samsung’s instruction Nos. 70 through 73 are unnecessarily duplicative.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 71**
2 **DEFINITION—TRADE DRESS**

3 **Samsung's Proposed Instruction**

4 Trade dress is the non-functional physical detail and design of a product which identifies the
5 product's source and distinguishes it from the products of others. Trade dress may include
6 features such as size, shape, color, color combinations, texture, or graphics. In other words, trade
7 dress is the form in which a company presents a product or service to the market, its manner of
8 display.

9 The trade dresses at issue in this case involve certain products sold by Apple. Trade dress rights
10 in product designs are more limited than rights in trade dress packaging cases because most
11 product designs are intended to make the product more useful or more appealing to consumers
12 and are not intended to identify the source of the product.

13 **Source**

14 Ninth Circuit Model Instructions No. 15.2 (modified); *Wal-Mart Stores, Inc. v. Samara Bros.,*
15 *Inc.*, 529 U.S. 205, 213 (2000) (“In the case of product design, as in the case of color, we think
16 consumer predisposition to equate the feature with the source does not exist. Consumers are
17 aware of the reality that, almost invariably, even the most unusual of product designs—such as a
18 cocktail shaker shaped like a penguin—is intended not to identify the source, but to render the
19 product itself more useful or more appealing.”); *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,
20 532 U.S. 23, 29 (2003) (“And in *Wal-Mart*, supra, we were careful to caution against misuse or
21 overextension of trade dress. We noted that “product design almost invariably serves purposes
22 other than source identification.”).

23 **Samsung's Statement in Support**

24 Instruction 71 is based on the Ninth Circuit Model instructions and is designed to introduce the
25 jury to the concept of “trade dress.” Apple has not submitted a competing instruction. Many
26 potential jurors may be unfamiliar with the term “trade dress,” or may have difficulty
27 differentiating it from other forms of intellectual property rights. It is crucial for jurors to
28 understand that trade dress must identify the product's source. Apple's trade dress instructions
begin with protectability of the trade dress and do not explain what trade dress is, making the
remainder of Apple's trade dress instructions needlessly opaque. This instruction should be given
to orient the jury and assure that they have a proper understanding of the rights at issue.

29 **Apple's Objection to Samsung's Instruction**

30 Samsung's proposed instruction misstates the law in at least three ways. First, Samsung omits
31 that trade dress is the “total image and overall appearance,” instead only identifying “types” of
32 features that may make up a trade dress. This is improper, as it gives the incorrect impression
33 that trade dress is evaluated on a feature-by-feature basis. *Two Pesos, Inc. v. Taco Cabana, Inc.*,
34 505 U.S. 763, 765 n.1 (1992) (trade dress of product “is essentially its total image and overall
35 appearance”) (internal quotation omitted). Second, defining “trade dress” as the “non-functional”
36 physical detail and design of a product implies that individual features with a function cannot
37 form part of the claimed trade dress, which is not the law. *Clicks Billiards, Inc. v. Sixshooters,*
38 *Inc.*, 251 F.3d 1252, 1261 (9th Cir. 2001) (functionality of individual features may not preclude
trade dress protection if particular integration of elements leaves multitude of alternatives). In
fact, the Ninth Circuit explicitly states: “functional elements that are separately unprotectable can

1 be protected together as part of a trade dress.” *Id.* at 1259 (internal citation omitted). Third,
2 Samsung claims that trade dress rights in product designs are “more limited than rights in other
3 types of trade dress.” There is no support for this statement in the law. Samsung cites both *Wal-*
4 *Mart* and *TrafFix Devices*, but these cases address *protectability*—distinctiveness or
5 functionality—not the extent or rights *once protectability is shown*. *TrafFix Devices v. Mktg.*
6 *Displays, Inc.*, 532 U.S. 23, 29-30, 33-34 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*,
7 529 U.S. 205, 213-15 (2000). And, in fact, the test for protectability of trade dress is the same for
8 all types of trade dress; the trade dress must be both distinctive and nonfunctional. The cases that
9 Samsung cites do not suggest otherwise. They only state that product design trade dress is not
10 inherently distinctive; instead, the product design must be shown to have acquired distinctiveness,
11 or secondary meaning. Those rulings do not translate to “limited rights” once acquired
12 distinctiveness is shown. This instruction is also unnecessarily duplicative. The elements of what
13 qualifies as a trade dress have been covered.
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1 person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial
2 activities by another person”). Apple’s trade dress dilution claim has nothing to do with
3 preventing consumer deception, or even confusion, but is aimed at stopping Samsung from
4 “impair[ing] the distinctiveness” of Apple’s trade dress. (Dkt. No. 1158 at 8; 15 U.S.C. §
5 1125(c)(2)(B) (“dilution by blurring’ is association arising from the similarity between a mark or
6 trade name and a famous mark that impairs the distinctiveness of the famous mark”).) The jury is
7 elsewhere instructed on the elements of a trade dress claim and what must be proven; here,
8 Samsung is attempting to insert an argumentative and oversimplified response to Apple’s claims
9 as a separate jury instruction.
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1 Apple's instruction also incorrectly states that all trade dress damages accrue on the date that a
2 violation first occurred. The jury should be instructed, as stated by Ninth Circuit Model
3 Instruction 15.24 and Samsung Proposed Final Instruction No. 75, that Apple may only recover
4 damages for its registered trade-dress claim when each Samsung defendant received "statutory or
5 actual notice that Apple's iPhone trade dress was registered." Finally, Apple incorrectly states
6 that there are "three forms of monetary relief" available for Apple's trade dress claims. In fact,
7 Apple may recover only two forms of monetary relief, actual damages and/or defendant's profits.
8 As explained in Samsung's Objection to Apple's Proposed Final Instruction No. 78, Apple may
9 not recover a reasonable royalty for its trade dress claims.
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1 **Samsung's Proposed Instruction**

2 I am going to provide you with details on the calculation of damages for Apple's trade dress
3 infringement claim. All of these instructions apply only if you find that Samsung Electronics
4 Company, Samsung Electronics America or Samsung Telecommunications America has in fact
5 infringed upon Apple's trade dress. The fact that I am giving you these instructions should not be
6 taken as an indication that an infringement has taken place. They are to be used only in the event
7 you make a specific finding that Samsung Electronics Company, Samsung Electronics America
8 or Samsung Telecommunications America has in fact infringed on Apple's trade dress.

9 If Apple prevails on its claim for trade dress infringement, you may award Apple damages only if
10 it has proven actual consumer confusion resulting from Samsung Electronics Company's,
11 Samsung Electronics America's or Samsung Telecommunications America's infringement or that
12 their actions were intentionally deceptive.

13 If Apple has established actual consumer confusion or intentional deception by Samsung
14 Electronics Company, Samsung Electronics America or Samsung Telecommunications America,
15 it is your duty to determine Apple's damages. The burden is on Apple to prove damages by a
16 preponderance of the evidence. Damages are the amount of money that will reasonably and fairly
17 compensate Apple for any injury that you find was caused by a defendant's alleged infringement
18 of Apple's trade dress. The factors that you may consider, which I will explain to you in greater
19 detail, are any Apple lost sales and lost profits from the alleged infringement.

20 Proof of damages to a certainty is not required. However, the burden is on Apple to show any
21 damages to a reasonable certainty, and awarded damages may not be speculative.

22 **Source**

23 ABA 3.6.1 (modified).

24 **Apple's Objection to Samsung's Instruction**

25 Samsung's proposed instruction No. 74 is both inefficient and prejudicially repetitive for three
26 reasons. First, the instruction introduces jurors to trade dress remedies, but confusingly, only
27 addresses infringement and not dilution. As discussed in other objections, because the same
28 remedies are available for both causes of action, they should be discussed in one set of
instructions. Separating the infringement damages instructions from the dilution damages
instructions creates unnecessarily duplicative instructions and confusion. 15 U.S.C. 1117(a)
("When a violation of any right of the registrant of a mark registered in the Patent and
Trademark Office, a violation under section 43(a) or (d) [15 USC 1125(a) or (d)], or a willful
violation under section 43(c) [15 USC 1125(c)], shall have been established in any civil action
arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and
32 [15 USC § §1111, 1114], and subject to the principles of equity, to recover (1) defendant's
profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action."). Second, the
first paragraph in Samsung's proposed instruction No. 74 repeats – three times – that jurors must
only award damages if the jury finds that Samsung has infringed Apple's trade dress. There is
no reason for Samsung to repeat this conditional language three times and it reflects a blatant
effort to bias the jury. Third, Samsung's instruction repeats that Apple bears the burden of
proving damages, again three times in the single instruction. This is yet another statement that
should be made once as occurs in Apple's proposed instruction.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 75**
2 **TRADE DRESS DAMAGES—PLAINTIFF’S ACTUAL DAMAGES**
 (15 U.S.C. § 1117(A))

3 **Apple’s Proposed Instruction**

4 Apple seeks its actual damages for violations of its trade dress.

5 If you find for Apple on any of its dilution claims and that Samsung’s acts of dilution were willful, you must determine Apple’s actual damages.

6 In addition, if you find for Apple on its trade dress infringement claim, and if you find that Apple has proven actual consumer confusion resulting from Samsung’s infringement or that Samsung’s actions were intentionally deceptive, you must determine Apple’s actual damages.

7 Actual damages refers to the amount of money that will reasonably compensate Apple for any injury you find was caused by Samsung’s dilution or infringement of Apple’s trade dress. You should award Apple any profits that Apple lost due to Samsung’s dilution or infringement.

8 **Source**

9 Adapted from ABA 3.6.1.

10 **Authorities**

11 15 U.S.C. § 1117(a); 15 U.S.C. § 1125; *Intel Corp. v. Terabyte Int’l, Inc.*, 6 F.3d 614, 621 (9th Cir. 1993) (“Damages are typically measured by any direct injury which a plaintiff can prove, as well as any lost profits which the plaintiff would have earned but for the infringement.” *Id.* “[T]he purpose of section 1117 is to ‘take all the economic incentive out of trademark infringement.’”) (internal citations omitted); *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1407 (9th Cir. 1993) (15 U.S.C. § 1117(a) further provides for an award, subject to equitable principles, of “any damages sustained by the plaintiff...” A plaintiff must prove both the fact and the amount of damage. 2 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 30:27, at 511 (2d ed. 1984”).

12 **Samsung’s Objection to Apple’s Instruction**

13 Apple's instruction prejudicially assumes that Samsung is liable and Apple is entitled to damages (“for violation of its trade dress”). Apple also generally refers to “Samsung” without distinguishing between the three, separate Samsung defendants. Further, although Apple purports to have adapted ABA Model 3.6.1, it has deleted from that model necessary, material instructions, including that the damages instructions apply only if the jury first finds infringement; that damages are “the amount of money that will reasonably and fairly compensate;” that Apple's burden is by a preponderance of the evidence;” that Apple must prove damages to “a reasonable certainty;” and that “awarded damages may not be speculative.” See ABA Model 3.6.1. Samsung’s Alternative to Apple’s Proposed Final Instruction No. 74, on the other hand, includes these instructions and accurately states the law. See *Lindy Pen Co. v. Bic Pen Corp.*, 982 F. 2d 1400, 1407 (9th Cir. 1993) (damages must be proved to a “reasonably certainty” and may not be “speculative”); Ninth Circuit Model 15.25. Additionally, whereas Samsung’s Alternative to Apple’s Proposed Instruction No. 75 provides appropriate guidance on how to calculate lost profits, Apple's offers no guidance on that issue. Finally, Apple fails to instruct – as correctly stated in Samsung’s Alternative to Apple’s Proposed Final Instruction No. 78 – that before Apple may recover monetary damages for its dilution claim, it must prove by a preponderance of the evidence that its trade dress was in fact injured or harmed. See 4 *McCarthy*

1 § 24:132, at 24-410 (“monetary recovery for dilution requires some proof that the famous mark
2 was in fact injured or harmed by the defendant’s conduct”).

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1 **Samsung's Proposed Instruction**

2 Apple has the burden of proving actual damages by a preponderance of the evidence. Damages
3 means the amount of money which will reasonably and fairly compensate Apple for any injury to
4 Apple you find was caused by Samsung Electronics Company's, Samsung Electronics America's
5 or Samsung Telecommunications America's alleged infringement of Apple's trade dress.

6 You should consider any lost profits that Apple would have earned but for Samsung Electronics
7 Company's, Samsung Electronics America's or Samsung Telecommunications America's alleged
8 infringement. Profit is determined by deducting all expenses from gross revenue.

9 If you find that any loss in sales shown by Apple was caused by other market factors and not as a
10 result of Samsung Electronics Company's, Samsung Electronics America's or Samsung
11 Telecommunications America's alleged infringement, then you should not award any amount for
12 lost profits or should reduce any such amount to account for the other market factors.

13 **Source**

14 Ninth Circuit Model Instruction No. 15.25 (modified) and the accompany Comment.

15 **Apple's Objection to Samsung's Instruction**

16 Apple's proposed instruction No. 75 provides an introduction to actual damages for violation of
17 trade dress rights, including the different legal standards giving rise to actual damages based on
18 infringement versus dilution. Apple's instruction is clear, succinct, and accurately summarizes
19 controlling law. Samsung's proposed instruction Nos. 75 and 78 unnecessarily presents two
20 separate and therefore confusing instructions on actual damages based on trade dress
21 infringement and dilution, even though Samsung acknowledges that the "same standards apply"
22 when calculating damages based on those violations. In addition, Samsung's instructions contain
23 numerous misstatements of the law. For example, Samsung proposed instruction No. 75 states
24 that "[p]rofit is determined by deducting all expenses from gross revenue." This is incorrect for
25 the reasons Apple stated in connection with Samsung proposed instruction No. 76.1. In addition,
26 this instruction inaccurately instructs the jury about the standard of causation that applies. The
27 instruction states: "If you find that any loss in sales shown by Apple was caused by other
28 market factors and not as a result of [Samsung's] alleged infringement, then you should not
award any amount for lost profits or should reduce any such amount to account for the other
market factors." But as Apple correctly notes in Apple's proposed instruction No. 75, the
standard in the Ninth Circuit is simply "but for" causation. *See* Apple's proposed instruction
No. 75 ("You should award Apple any profits that Apple lost due to Samsung's dilution or
infringement."); *see Intel Corp. v. Terabyte Int'l, Inc.*, 6 F.3d 614, 621 (9th Cir.1993) ("Damages
are typically measured by any direct injury which a plaintiff can prove, as well as any lost profits
which the plaintiff would have earned but for the infringement."). Samsung's proposed
instruction invites the jury to decline to award Apple lost profits, even if it were to find "but for"
causation, provided the jury believes "other market factors" contributed to those lost sales. That
is not the appropriate standard.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 76**
2 **TRADE DRESS DAMAGES—DEFENDANT’S PROFITS**
 (15 U.S.C. § 1117(A))

3 **Apple’s Proposed Instruction**

4 Apple is alternatively entitled to recover Samsung’s profits that resulted from Samsung’s willful
5 dilution or infringement of Apple’s trade dress. To the extent that Samsung’s profit from a sale
6 that willfully diluted or infringed Apple’s trade dress was greater than Apple’s actual damage,
7 you should award Samsung’s profit to Apple.

8 Samsung’s profits are determined by deducting expenses from the gross sales revenue of
9 Samsung’s products that infringed or diluted Apple’s trade dress. Gross sales revenue is the sales
10 receipts from sales of those products. Apple has the burden of proving the amount of gross sales
11 revenue that Samsung more likely than not received. All sales proven by Apple are presumed to
12 be attributable to Samsung’s violations of Apple’s trade dresses.

13 However, Samsung may rebut this presumption if it proves it is more likely than not that any
14 particular sales and their profits were not the result of a violation. Samsung must show that the
15 particular sale(s) resulted exclusively from intrinsic qualities of its products and not from the use
16 or dilution of Apple’s trade dress.

17 It is also Samsung’s burden to prove that any sums it seeks to deduct from its gross sales revenues
18 as expenses were more likely than not attributable to overhead, operating expenses, materials, or
19 labor. Such proof need not be precise. Reasonable approximations constitute satisfactory
20 evidence. However, if Samsung fails to offer proof sufficient to meet its burden, its entire gross
21 revenues from sales of the products that violated Apple’s trade dress should be awarded to Apple.

22 **Source**

23 Adapted from ABA 3.6.6.

24 **Authorities**

25 15 U.S.C. § 1117(a) (“When a violation of any right of the registrant of a mark registered in the
26 Patent and Trademark Office, a violation under section 43(a) or (d) [15 USCS § 1125(a) or (d)],
27 or a willful violation under section 43(c) [15 USCS § 1125(c)], shall have been established in any
28 civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of
29 sections 29 and 32 [15 USCS §§ 1111, 1114], and subject to the principles of equity, to recover
30 (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the
31 action. The court shall assess such profits and damages or cause the same to be assessed under its
32 direction. In assessing profits the plaintiff shall be required to prove defendant’s sales only;
33 defendant must prove all elements of cost or deduction claimed.); *Jerry’s Famous Deli, Inc. v.*
34 *Papanicolaou*, 383 F.3d 998, 1004–05 (9th Cir. 2004) (“We also note that disgorgement of profits
35 is a traditional trademark remedy . . .”); *Nintendo of Am., Inc. v. Dragon Pac. Int’l*, 40 F.3d 1007,
36 1010 (9th Cir. 1994) (affirming defendant’s profits as damages under 15 U.S.C. § 1117); *Lindy*
37 *Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1407 (9th Cir. 1993) (“[d]amages are not rendered
38 uncertain because they cannot be calculated with absolute exactness, yet, a reasonable basis for
39 computation must exist.”); *Am. Honda Motor Co. v. Two Wheel Corp.*, 918 F.2d 1060, 1063 (2d
40 Cir. 1990) (“The statute thus allocates the initial burden of proving gross sales to the trademark
41 plaintiff, and the subsequent burden of proving costs to the infringing defendant.[citations
42 omitted]. Ordinarily, a plaintiff that has proved the amount of infringing sales would be entitled to
43 that amount unless the defendant adequately proved the amount of costs to be deducted from it.
44 This sequence of proof thus places the burden of proving costs on the party with the superior
45 access to such information, namely the infringing defendant.”); *Adray v. Adry-Mart, Inc.*, 76 F.3d

1 984, 989 (9th Cir. 1995) (“[T]he burden of any uncertainty in the amount of damages should be
borne by the wrongdoer . . .”); *Kamar Int’l, Inc. v. Russ Berrie & Co., Inc.*, 752 F.2d 1326, 1332
2 (9th Cir. 1984); *Maier Brewing Co. v. Fleischmann Distilling Corp.*, 390 F.2d 117, 124 (9th Cir.
1968); *Landes Mfg. Co. v. Chromodern Chair Co.*, No. CV 76-3540, 1978 U.S. Dist. LEXIS
3 15095, at *11 (C.D. Cal. Oct. 5, 1978). Ninth Circuit Model Civil Jury Instructions, Comment to
15.26 Trademark Damages—Defendant’s Profits (15 U.S.C. § 1117(a)) (“The Ninth Circuit has
4 not addressed, and other circuits are divided on, whether willfulness remained a prerequisite to
disgorgement of a defendant’s profits as a result of the Trademark Amendments Act of 1999,
5 Pub. L. 106-43, § 3(b), 113 Stat. 218, 219 (codified in relevant part at 15 U.S.C. § 1117).
However, even prior to the 1999 Amendments, the Ninth Circuit suggested that willfulness was
6 not always a requirement for the award of profits. *See Adray v. Adry-Mart*, 76 F.3d at 988 (“An
instruction that willful infringement is a prerequisite to an award of defendant’s profits may be an
7 error in some circumstances ([such] as when plaintiff seeks the defendant’s profits as a measure
of [plaintiff’s] own damage [citation omitted]”).”)

8 **Samsung’s Objection to Apple’s Instruction**

9 Apple's instruction relies in part on modified ABA Model 3.6.6, but Apple deletes material
10 terms. Apple deletes the requirement that it can recover Samsung's profits “only when
defendant's profits are not derived from the same lost sales claimed by plaintiff as actual
11 damages.” *See* ABA Model 3.6.6. This deletion confuses an instruction that should clearly state
the law prohibiting a double recovery. *See Nintendo of America, Inc. v. Dragon Pacific Int’l*, 40
12 F.3d 1007, 1010 (9th Cir. 1994) (“Recovery of plaintiff's lost profits and disgorgement of
defendant's profits is generally considered a double recovery under the Lanham Act.”); Ninth
13 Circuit Model 15.16 (“You may not, however, include in any award of profits any amount that
you took into account in determining actual damages.”). Samsung’s Alternative to Apple’s
14 Proposed Final Instruction No. 76 correctly instructs that Apple is seeking an accounting of
profits for sales “on which you do not award Apple its alleged lost profits.” Apple also
15 repeatedly uses the phrase “should award” when the ABA correctly states, “may award.” Apple
also generally refers to “Samsung” without distinguishing between the three, separate Samsung
16 defendants. Apple further fails to provide any definition of “willfulness” and then compounds its
mistake by failing to instruct that Apple must prove willfulness to obtain a defendant's profits for
17 trade dress infringement. Apple ignores the willfulness instruction provided in the Comment to
ABA Model 3.6.6, which states that some courts require “that infringement be 'willful' for an
18 award of profits” and identifies the Ninth Circuit as such a jurisdiction. *See ABA Model Jury
Instructions, Copyright, Trademark and Trademark*, at 260 (2008). This is consistent with Ninth
19 Circuit authority. *See Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988 (9th Cir. 1996) (plaintiff could
recover infringer's profits “only if the infringement was willful.”); *M2 Software Inc. v. Viacom
20 Inc.*, 223 Fed. Appx. 653, 655, 2007 WL 649733 (9th Cir. 2007) (“M2 Software is not entitled to
an accounting of Viacom's profits, because it did not introduce evidence from which a reasonable
21 fact finder could conclude that Viacom willfully infringed M2 Software's trademark.”); *Gracie v.
Gracie*, 217 F.3d 1060, 1068 (9th Cir. 2000) (finding that a recovery of profits requires a finding
22 of willful infringement); *Lindy Pen Co. v. Bic Pen Corp.*, 982 F. 2d 1400, 1407 (9th Cir. 1993)
(denying accounting of profits because “the present case simply does not involve willful
23 infringement”); *Golden Door, Inc. v. Odisho*, 437 F. Supp. 956, 968 (N. D. Cal. 1977), *aff'd*, 646
F.2d 347, 352 (9th Cir. 1980) (“Plaintiff is not entitled to damages or accounting for profits since
24 there has been no showing of fraud and defendant's claim that he innocently adopted and used
the name stands unrefuted.”). Moreover, Apple’s own damages expert admits that his
25 calculations of defendants’ profits are designed to avoid Samsung’s “unjust enrichment,” not as a
proxy for Apple’s actual damages. *See* Dkt. No. 991-19b, Ex. 14. Although the Ninth Circuit in
26 dicta has suggested that willfulness may not be a required element “when plaintiff seeks the
defendant's profits as a measure of its own damage,” *Adray*, 76 F.3d at 988, such an exception –
27 if it exists – is not relevant here. Apple, as reflected in its proffered jury instructions, does not
seek the defendant's profits as a measure of its own damage but as an “alternative” remedy.
28 Apple’s “Actual Damages” instruction seeks only lost profits. *See* Apple Instruction No. 75

1 (“You should award Apple any profits that Apple lost due to Samsung’s dilution or
2 infringement.”). Apple seeks Samsung’s profits as a separate remedy. See Apple Instruction
3 No. 76, seeking (“Apple is alternatively entitled to recover Samsung’s profits....”). In contrast to
4 Apple’s Instruction, the law is accurately reflected in Samsung’s Alternative to Apple’s Proposed
5 Final Instruction No. 76. Further, Apple incorrectly states that “Samsung must show that the
6 particular sale(s) resulted exclusively from intrinsic qualities of its products and not from the use
7 or dilution of Apple’s trade dress.” There is no legal authority for this statement. In the Ninth
8 Circuit, the defendant need only show that the profit is attributable to factors “other than use of
9 the infringed trademarks.” Ninth Circuit Model 15.26; see also *Lindy Pen Co.*, 982 F.2d at 1408
10 (plaintiff not entitled to profits that “are not attributable to the infringing activity”). Samsung’s
11 Alternative to Apple’s Proposed Final Instruction No. 76 accurately articulates this standard;
12 Apple’s instruction is contrary to Ninth Circuit law. Finally, Apple fails to instruct – as correctly
13 stated in Samsung’s Alternative to Apple’s Proposed Final Instruction No. 78 – that before
14 Apple may recover monetary damages for its dilution claim it must prove by a preponderance of
15 the evidence that the infringement in fact injured or harmed Apple’s trade dress. See 4 *McCarthy*
16 § 24:132, at 24-410 (“monetary recovery for dilution requires some proof that the famous mark
17 was in fact injured or harmed by the defendant’s conduct”).

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1 **Samsung’s Proposed Instruction**

2 Apple also seeks Samsung Electronics Company’s, Samsung Electronics America’s, and
3 Samsung Telecommunications America’s profits from sales alleged to infringe Apple’s trade
4 dress on which you do not award Apple its alleged lost profits. To recover Samsung Electronics
5 Company’s, Samsung Electronics America’s and/or Samsung Telecommunications America’s
6 profits attributable to infringement, Apple has the burden of proving by clear and convincing
7 evidence that the Samsung defendant found to infringe the trade dress acted willfully or in bad
8 faith when it infringed Apple’s trade dress.

9 Willful infringement means a deliberate intent to deceive consumers.

10 If you find that the infringing Samsung defendant did not intend to deceive consumers, you may
11 not award that defendant’s profits to Apple.

12 **Source**

13 *Adray v. Adry–Mart, Inc.*, 76 F.3d 984, 988 (9th Cir. 1995); *Lindy Pen Co., Inc. v. Bic Pen Co.*,
14 982 F. 2d at 1407 (9th Cir. 1993) (“Willful infringement carries a connotation of deliberate intent
15 to deceive. Courts generally apply forceful labels such as ‘deliberate,’ ‘false,’ ‘misleading,’ or
16 ‘fraudulent’ to conduct that meets this standard.”); *CollegeNET, Inc. v. XAP Corp.*, 483 F.2d
17 1058, 1066 (D. Oregon 2007) (“A finding of willful misconduct under the Lanham Act must be
18 supported by clear and convincing evidence. See *Tamko Roofing Prods., Inc. v. Ideal Roofing*
19 *Co., Ltd.*, 294 F.3d 227, 229 (1st Cir.2002). See also *Versa Prods. Co., Inc. v. Bifold Co. (Mfg.)*
20 *Ltd.*, 50 F.3d 189, 208 (3d Cir.1995); *Castrol, Inc. v. Pennzoil Quaker State Co.*, 169 F.Supp.2d
21 332, 341 & n. 8 (D.N.J.2001)”).

22 **Apple’s Objection to Samsung’s Instruction**

23 Samsung’s instruction only references infringement and not dilution. This is inappropriate and
24 confusing because the remedy of an accounting of defendant’s profits is available equally for
25 both trade dress infringement and dilution claims. 15 U.S.C. § 1117(a) (“When a violation of
26 any right of the registrant of a mark registered in the Patent and Trademark Office, a violation
27 under section 43(a) or (d) [15 USC 1125(a) or (d)], or a willful violation under section 43(c) [15
28 USC 1125(c)], shall have been established in any civil action arising under this Act, the plaintiff
shall be entitled, subject to the provisions of sections 29 and 32 [15 USC §§ 1111, 1114], and
subject to the principles of equity, to recover (1) defendant’s profits, (2) any damages sustained
by the plaintiff, and (3) the costs of the action.”); see also *Reebok Int’l, Ltd. v. Marnatech*
Enters., Inc., 970 F.2d 552, 558-59 (9th Cir. 1992) (“Reebok’s ‘rights’ under the Lanham Act
may include... the right under 15 U.S.C. § 1117 to recover defendant’s profits and damages for
that dilution.”). While infringement and dilution may have different threshold issues, those
issues are adequately addressed in jury instruction Nos. 60 (Trade Dress Dilution and
Infringement – Protectability), 63 (Trade Dress Dilution – Elements and Burden of Proof), 64
(Trade Dress Dilution Element #2 – Fame), 65 (Trade Dress Dilution Element #3 – Use of
Accused Trade Dress in Commerce After Apple Trade Dress Became Famous), 66 (Trade Dress
Dilution Element #4 – Dilution), 67 (Trade Dress Infringement – Elements and Burden of Proof),
69 (Trade Dress Infringement – Likelihood of Confusion – Sleekcraft Test), 74 (Trade Dress
Damages in General), 78 (Trade Dress Dilution Damages – Willfulness Required for Dilution
Damages). Second, instruction No. 76 does not actually address the element of an accounting,
but instead discusses and repeats several alleged prerequisites to recovering profits, which are
already stated in the other instructions. Further, instruction No. 76 seeks improperly to
emphasize the “willful infringement” element by repeating it twice. Finally, as described in
detail in Apple’s objection to Samsung’s proposed instruction No. 78, the burden of proof for
willfulness is preponderance of the evidence, not clear and convincing evidence. This is

1 reflected in both the ABA Model Instructions and in Ninth Circuit law. *See Gracie v. Gracie*,
2 217 F.3d 1060, 1068 -1069 (9th Cir. 2000) (analyzing and approving a jury instruction that did
3 not include a “clear and convincing” standard).
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 76.1**
2 **DAMAGES—TRADE DRESS INFRINGEMENT—APPORTIONMENT OF**
3 **DEFENDANT’S PROFITS**

4 **Samsung’s Proposed Instruction**

5 Apple is only entitled to profits earned by an infringing defendant that are attributable to the
6 infringement, if any, which Apple must prove by a preponderance of the evidence. You may not
7 include in any award of profits any amount that you took into account in determining damages.

8 Profit is determined by deducting all expenses from gross revenue.

9 Gross revenue is all of the infringing defendant’s receipts from using the trade dress in the sale of
10 an infringing product. Apple has the burden of proving the infringing defendant’s gross revenue
11 by a preponderance of the evidence and with a reasonable certainty.

12 Expenses are all costs that the infringing defendant incurred in the production, distribution, or
13 sale of the infringing products. The infringing defendant has the burden of proving the expenses.

14 You must also deduct from the profit award, if any, the portion of the profit attributable to factors
15 other than the infringing defendant’s use of the trade dress. The infringing defendant has the
16 burden of proving profit attributable to factors other than the trade dress by a preponderance of
17 the evidence.

18 **Source**

19 Ninth Circuit Model Instructions No. 15.26 (modified); *Rolex Watch, U.S.A., Inc., v. Michel Co.*,
20 179 F.3d 704, 712 (9th Cir. 1999) (plaintiff carries burden to show with “reasonable certainty”
21 the defendant’s gross sales from the infringing activity); *Lindy Pen Co.*, 982 F.2d at 1405-1408
22 (plaintiff has the burden of proof as to damages).

23 **Apple’s Objection to Samsung’s Instruction**

24 The parties’ instructions on defendant’s profits differ in five ways, all of which favor Apple’s
25 proposal. First, Apple adopts a model while Samsung does not. Samsung’s proposed instruction
26 No. 76.1 so heavily modifies a Ninth Circuit model that it is no longer equivalent. In contrast,
27 Apple’s proposed instruction No. 76 closely follows the unbiased language of the ABA model
28 instruction. Second, Samsung’s instruction No. 76.1 repeatedly and almost exclusively focuses
29 on apportionment of profits, rather than on the actual calculation of profits, which is the basic
30 purpose of the instruction. Apple’s instruction No. 76 provides a balanced, accurate position,
31 drawn from the model. Third, Samsung states that Apple has the burden of proving gross
32 revenue by the preponderance of the evidence “and with reasonable certainty.” The clause “and
33 with reasonable certainty” is not in the model instruction, is inaccurate when devoted to this
34 specific element, and need not be added to the model language. Fourth, Samsung adds a separate
35 and inaccurate paragraph on apportionment that is not in the Ninth Circuit Model Instruction. By
36 contrast, Apple’s instruction No. 76 includes a paragraph on apportionment that uses language
37 directly from the ABA Model, and therefore should be favored over Samsung’s creation. Fifth,
38 as with Samsung’s proposed instruction No.76, Samsung’s proposed instruction No. 76.1 only
39 refers to infringement and not dilution. As set forth in Apple’s objection to Samsung’s
40 instruction No. 76, this is unnecessarily duplicative because remedies are the same for both trade
41 dress infringement and dilution claims. *See* 15 U.S.C. § 1117(a). Apple’s proposed instruction,
42 on the other hand, is both an accurate and neutral statement of the law, as reflected by the close
43 adherence of the proposal to the ABA model instruction. Apple bears the burden of proving
44 gross revenues, which are properly defined, and is entitled to a presumption that these revenues
45 are attributable to the trade dress. *Lindy Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1408 (9th Cir.

1 1993) (“Once the plaintiff demonstrates gross profits, they are presumed to be the result of the
2 infringing activity”) *citing Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S.
3 203, 206-07 (1942). Samsung bears the burden of rebutting this presumption and must prove its
4 expenses and that the sales resulting *exclusively* from the intrinsic qualities of the products and
5 not the trade dress, as provided in binding U.S. Supreme Court case law and the statute. *Id.*
6 (“[I]f it can be shown that the infringement had *no relation* to profits made by the defendant, that
7 some purchasers bought goods bearing the infringing mark because of the defendant’s
8 recommendation or his reputation or for any reason other than a response to the diffused appeal
9 of the plaintiff’s symbol, the burden of showing this is upon the poacher.”) (emphasis added).
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1 the license the parties had or contemplated.”); *Buffalo Wild Sings, Inc. v. Buffalo Wings & Rings*,
2 2011 WL 4537970, *3-5 (D. Minn. Sept. 29, 2011) (“Courts consistently conclude that, where no
3 prior licensing agreement existed between the parties in a trademark infringement suit, a royalty
4 theory of recovery is inappropriately speculative.”); *Tokidoki, LLC v. Fortune Dynamic, Inc.*,
5 2009 WL 2366439, *14-15 (C.D. Cal. July 28, 2009) (denying request for reasonable royalty
6 award because “there was no prior licensing relationship” between “the plaintiff and defendant”).
7 Additionally, Apple fails to provide any guidance on how to determine a reasonable royalty.
8 Although Samsung does not believe a reasonable royalty instruction is appropriate, if the Court
9 decides to give one, it should use Samsung’s Alternative to Apple’s Proposed Final Instruction
10 No. 77, which includes the correct standard and provides appropriate guidance on how the jury
11 should determine a reasonable royalty award. Finally, Apple generally refers to “Samsung”
12 without distinguishing between the three, separate Samsung defendants.
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1 **Samsung's Proposed Instruction**¹³

2 Apple is alternatively seeking actual damages in the form of a reasonable royalty. To the extent
3 you decide that Apple is not entitled to lost profits or to Samsung Electronics Company's,
4 Samsung Electronics America's, and/or Samsung Telecommunications America's profits from an
5 allegedly infringing sale, you may award Apple a reasonable royalty for that sale.

6 A royalty is a payment made to the owner of a trade dress by a non-owner in exchange for rights
7 to use the trade dress. A reasonable royalty is the payment for the license that would have
8 resulted from a hypothetical negotiation between the owner of the trade dress and the infringer
9 taking place prior to the time when the infringing activity first began. You may only impose a
10 reasonable royalty for trade dress infringement, however, if you first find to a reasonable certainty
11 that before the filing of this lawsuit Apple and the infringing defendant had or contemplated a
12 license for the specific trade dress for which Apple claims damages.

13 If you find that Apple has demonstrated that a pre-lawsuit licensing arrangement existed, you
14 should assume for purposes of the hypothetical negotiation that both parties understood the trade
15 dress to be valid and infringed. You should take into account what Apple's and the infringing
16 defendant's expectations would have been if they had negotiated a royalty and had acted
17 reasonably in their negotiations. Your role is to determine what Apple and the infringing
18 defendant would have agreed upon if they had negotiated in this manner, not just what either
19 Apple or the infringing defendant would have preferred.

20 In determining a reasonable royalty, you may consider the following factors, in addition to any
21 others that are shown by the evidence:

22 Royalties that others paid to Apple for the same trade dress;

23 Royalties that the infringing defendant paid to others for comparable trade dress;

24 Whether Apple had a policy of licensing or not licensing the trade dress;

25 Whether Apple and the infringing defendant are competitors;

26 Whether use of the trade dress helps to make sales of other products or services;

27 Whether the product made using the trade dress is commercially successful, as well as its
28 profitability;

The advantages of using the trade dress over products not covered by the trade dress;

The extent of the infringing defendant's use of the trade dress and the value of that use to
the defendant;

Any royalty amounts that are customary for similar or comparable trade dress;

26 ¹³ As noted in the Joint Pre-Trial Order, Samsung does not believe that Apple is entitled
27 to present a reasonable royalty theory for its trade dress infringement and dilution claims because:
28 (a) it failed to disclose such theory in response to written discovery, even though specifically
asked to do so; and (b) there is almost no legal support for such a theory in the context of a pure
trade dress claim.

1 The portion of the profit on sales that is due to the trade dress, as opposed to other factors,
2 such as features not covered by the trade dress or features, or improvements developed by
defendant;

3 Expert opinions regarding what would be a reasonable royalty.

4 **Source**

5 *A&H Sportswear Inc. v. Victoria's Secret Stores, Inc.*, 166 F.3d 197, 208-09 (3rd Cir. 1999);
6 *Buffalo Wild Wings Sings, Inc. v. Buffalo Wings & Rings*, No. 09-1426 (JRI/SER), 2011 WL
7 4537970, at *3-5 (D. Minn. Sept. 29, 2011); *Tokidoki, LLC v. Fortune Dynamic, Inc.*, No. CV07-
1923 DSF, 2009 WL 2366439, at *14-15 (C.D. Cal., July 28, 2009).

8 **Apple's Objection to Samsung's Instruction**

9 The parties' proposed instructions on reasonable royalty damages in trade dress cases differ in
10 three ways: (1) Samsung's proposed instruction No. 77 incorrectly states that the parties must
11 have contemplated a license for the specific trade dress to recover reasonable royalty damages,
12 (2) Samsung's instruction improperly includes the *Georgia-Pacific* factors, which have not be
13 adopted in any trade dress case; and (3) it fails to mention that reasonable royalty damages may
14 be awarded for trade dress dilution, and not just trade dress infringement. *First*, there is no
15 clearly delineated rule that the parties in a lawsuit must have had or contemplated a license for
16 the specific trade dress at issue for the plaintiff to recover a reasonable royalty. While courts
17 may often use prior licenses as evidence in favor of awarding or calculating a reasonable royalty,
18 they do not state that such a license is required for reasonable royalty damages. *See, e.g.*,
19 *Shakey's USA, Inc. v. Tutto's Pizza Corp.*, 2009 U.S. Dist. LEXIS 90472, at *12-13 (E.D. Cal.
20 Sept. 30, 2009) (finding reasonable royalty based on a franchising agreement between the parties
21 is an "appropriate" form of damages where they were otherwise difficult to calculate); *see also*
22 *Playboy Enterprises, Inc. v. Baccarat Clothing Co., Inc.*, 692 F.2d 1272, 1275 (9th Cir. 1982)
23 (acknowledging reasonable royalty as a remedy for trademark infringement); *McCarthy on*
24 *Trademarks and Unfair Competition*, § 30:85 ("It has been argued that an award of a reasonable
royalty as compensation for past acts of infringement is a more workable measure of damages
than an accounting of profits . . . All of these ambiguities require that, in fashioning relief based
on royalty payments, a court take special care to ensure that the royalty payment has not
undercompensated the victim."). To the contrary, courts may award a reasonable royalty where
the parties have never had or contemplated a license between the two of them. *See Sands,*
Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 963 (7th Cir. 1992) (*Sands I*), *remanded*
and affirmed, 34 F.3d 1340 (7th Cir. 1994) (*Sands II*) (awarding a reasonable royalty without any
evidence of a prior licensing relationship between the plaintiff and the defendant). *Second*, there
is no authority stating that the *Georgia-Pacific* factors or the *Georgia Pacific* framework, which
are used to calculate a reasonable royalty in the patent context, are applicable in the trade dress
context. Apple's instruction No. 77 correctly reflects the law. Samsung's instruction wrongly
adds numerous elements or consideration not authorized by prior cases. *Third*, Samsung's
instruction focuses only on trade dress infringement, and fails to instruct the jury that it may
award reasonable royalty damages for trade dress dilution. Apple's proposed instruction does
not suffer from this defect.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 78**
2 **TRADE DRESS DILUTION DAMAGES—**
3 **WILLFULNESS REQUIRED FOR DILUTION DAMAGES**

4 **Apple’s Proposed Instruction**

5 You should not award Apple monetary relief for any of its dilution claims unless Apple proves it
6 more likely than not that Samsung willfully intended to trade on the recognition or good will of
7 an Apple trade dress, or where Samsung’s actions were calculated to exploit the benefits of an
8 Apple trade dress. This does not apply to Apple’s trade dress infringement claim.

9 In deciding this issue, you may consider whether Samsung continued to sell the accused products
10 when Samsung had no reasonable basis to believe that it had a legal right to sell the products
11 accused by Apple.

12 **Source**

13 Adapted from ABA 3.4.5.

14 **Authorities**

15 15 U.S.C. § 1117(a) (“When a violation of any right of the registrant of a mark registered in the
16 Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful
17 violation under section 1125(c) of this title, shall have been established in any civil action arising
18 under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and
19 1114 of this title, and subject to the principles of equity, to recover (1) defendant’s profits,
20 (2) any damages sustained by the plaintiff, and (3) the costs of the action.”); 15 U.S.C. § 1125(c)
21 (“Dilution by blurring, tarnishment”); *Gracie v. Gracie*, 217 F.3d 1060, 1068 -1069 (9th Cir.
22 2000) (analyzing and approving a jury instruction that did not include a “clear and convincing”
23 standard); *Adidas America, Inc. v. Payless Shoesource, Inc.*, No. CV 01-1655-KI, 2008 WL
24 4279812, at *12 -13 (D. Or. Sept. 12, 2008) (holding that, with respect to willful trademark
25 infringement jury instruction, “we do not believe that [cases cited by party challenging
26 instruction] provide convincing support for a requirement of a clear and convincing standard”);
27 *B & H Mfg. Co., Inc. v. Bright*, No. CVF016619AWISMS, 2005 WL 1342815, at *9 (E.D. Cal.
28 May 10, 2005) (“To prevail on its dilution claim, the plaintiff has the burden of proving each of
the following elements by a preponderance of the evidence: . . . Defendant willfully intended to
trade on the owner’s reputation or to cause dilution of the famous mark . . .”).

Samsung’s Objection to Apple’s Instruction

Apple's instruction incorrectly deletes the following phrase from ABA Model 3.4.5: “Only if
you find such willful dilution should you award damages to plaintiffs.” Apple also incorrectly
states that the willfulness requirement does not apply to Apple's trade dress infringement claims.
See *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988 (9th Cir. 1996) (plaintiff could recover
infringer's profits “only if the infringement was willful.”); *Lindy Pen Co. v. Bic Pen Corp.*, 982
F. 2d 1400, 1407 (9th Cir. 1993) (“Willful infringement carries a connotation of deliberate intent
to deceive. Courts generally apply forceful labels such as ‘deliberate,’ ‘false,’ ‘misleading,’ or
‘fraudulent’ to conduct that meets this standard.”); *Golden Door, Inc. v. Odisho*, 437 F. Supp.
956, 968 (N. D. Cal. 1977), *aff’d*, 646 F.2d 347, 352 (9th Cir. 1980) (“Plaintiff is not entitled to
damages or accounting for profits since there has been no showing of fraud and defendant's
claim that he innocently adopted and used the name stands unrefuted.”). In any event, Apple is
wrong to delete the “clear and convincing evidence” standard from its willfulness instruction.
See *CollegeNET, Inc. v. XAP Corp.*, 483 F.2d 1058, 1066 (D. Oregon 2007) (“A finding of
willful misconduct under the Lanham Act must be supported by clear and convincing evidence.

1 *See Tamko Roofing Prods., Inc. v. Ideal Roofing Co., Ltd.*, 294 F.3d 227, 229 (1st Cir.2002). *See*
2 *also Versa Prods. Co., Inc. v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 208 (3d Cir.1995); *Castrol,*
3 *Inc. v. Pennzoil Quaker State Co.*, 169 F.Supp.2d 332, 341 & n. 8 (D.N.J.2001).”); *In re Smith*,
4 2009 WL 7809005, *12 (9th Cir. BAP Dec. 17, 2009) (“[A] claim of intentional trademark
5 infringement must be proven by clear and convincing evidence.”). Apple also states “more
6 likely than not” rather than the “preponderance of the evidence standard” found in ABA Model
7 3.4.5 and throughout the Ninth Circuit Model Instructions. Further, Apple generally refers to
8 “Samsung” without distinguishing between the three, separate Samsung defendants. Samsung’s
9 Alternative to Apple’s Proposed Instruction No. 78 corrects Apple's misstatements and
10 accurately states the law. Finally, the last paragraph is argumentative, prejudicial, and
11 unsupported by the legal authorities cited by Apple.
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1 **Samsung's Proposed Instruction**

2 I have already instructed you about the meaning of, and when and how to calculate actual
3 damages and infringer's profits with respect to Apple's trade dress infringement claim. Those
4 same standards apply to Apple's trade dress dilution claim with the following differences.

5 In order to recover monetary damages, either actual damages or infringer's profits, for its dilution
6 claim, Apple must prove by a preponderance of the evidence that the trade dress was in fact
7 injured or harmed by the alleged dilution. Additionally, Apple must prove by clear and
8 convincing evidence that Samsung Electronics Company, Samsung Electronics America and/or
9 Samsung Telecommunications America willfully intended to cause dilution of the trade dresses.
10 In other words, Apple must show that Samsung Electronics Company, Samsung Electronics
11 America and Samsung Telecommunications America intended to trade on the recognition of
12 Apple's trade dress or intended to harm Apple's reputation. If you do not find that Apple's trade
13 dress was in fact injured or harmed and that Samsung Electronics Company, Samsung Electronics
14 America and/or Samsung Telecommunications America intended to trade on the recognition of
15 Apple's trade dress or intended to harm Apple's reputation, you may not award Apple any
16 damages for trade dress dilution.

17 **Source**

18 15 U.S.C. § 1117(a) (governs the award of monetary remedies in Lanham Act cases and provides
19 for an award of defendant's profits, any damages sustained by the plaintiff, and the costs of the
20 action); 4 *McCarthy* § 24:132 at 24-410 ("More than a mere likelihood of impairment or harm is
21 needed to recover any damages or profits. Some proof of actual impairment or harm to the
22 famous mark is required. In traditional likelihood of confusion law, courts require that more than
23 a mere likelihood of confusion is required for damages: proof is usually needed that some
24 consumers were actually confused or deceived. Similarly, in the author's view, monetary
25 recovery for dilution requires some proof that the famous mark was in fact injured or harmed by
26 the defendant's conduct."); *CollegeNET, Inc. v. XAP Corp.*, 483 F.2d 1058, 1066 (D. Oregon
27 2007) ("A finding of willful misconduct under the Lanham Act must be supported by clear and
28 convincing evidence. See *Tamko Roofing Prods., Inc. v. Ideal Roofing Co., Ltd.*, 294 F.3d 227,
229 (1st Cir.2002). See also *Versa Prods. Co., Inc. v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 208
(3d Cir.1995); *Castrol, Inc. v. Pennzoil Quaker State Co.*, 169 F.Supp.2d 332, 341 & n. 8
(D.N.J.2001)").

29 **Apple's Objection to Samsung's Instruction**

30 Samsung's proposed instruction No. 78 is inaccurate and confusing in numerous ways. First, it
31 includes the inaccurate burden of proof for willfulness. The Ninth Circuit has explicitly affirmed
32 a jury instruction on willfulness where there was no "clear and convincing" standard. *Gracie v.*
33 *Gracie*, 217 F.3d 1060, 1068 -1069 (9th Cir. 2000) (analyzing and approving a jury instruction
34 that did not include a "clear and convincing" standard). As stated in the ABA Model
35 Instructions, the proper standard for willfulness is preponderance of the evidence. See *B & H*
36 *Mfg. Co., Inc. v. Bright*, No. CV01-6619AWISMS, 2005 WL 1342815, at *9 (E.D. Cal., May 10,
37 2005) ("To prevail on its dilution claim, the plaintiff has the burden of proving each of the
38 following elements by a preponderance of the evidence: . . . Defendant willfully intended to trade
39 on the owner's reputation or to cause dilution of the famous mark . . ."). In fact, at least one
40 court has rejected the case cited by Samsung in support of the "clear and convincing standard,"
41 *CollegeNET, Inc. v. XAP Corp.*, 483 F.2d 1058, 1066 (D. Oregon 2007), as unpersuasive, while
42 instead adhering to the Ninth Circuit's holding in *Gracie v. Gracie*. See *Adidas America, Inc. v.*
43 *Payless Shoesource, Inc.*, No. CV 01-1655-KI, 2008 WL 4279812, at *12 -13 (D. Or. Sept. 12,
44 2008) (holding that, with respect to willful trademark infringement jury instruction, "we do not
45 believe that [cases cited by party challenging instruction] provide convincing support for a

1 requirement of a clear and convincing standard”). Apple’s proposed instruction No. 78 provides
2 the accurate standard for willfulness, which is preponderance of the evidence. Next, Apple’s
3 proposed instruction No. 75 provides an introduction to actual damages for violation of trade
4 dress rights, including the different legal standards giving rise to actual damages based on
5 infringement versus dilution. Apple’s instruction is clear, succinct, and accurately summarizes
6 controlling law. The substance standard, as stated in Samsung’s instruction, is not materially
7 different. Samsung’s proposed instruction Nos. 75 and 78 unnecessarily presents two separate
8 and therefore confusing instructions on actual damages based on trade dress infringement and
9 dilution, even though Samsung acknowledges that the “same standards apply” when calculating
10 damages based on those violations. In addition, Samsung’s proposed instruction repeated
11 language found elsewhere in instructions directed specifically to the meaning of willful dilution
12 (*see* Apple’s proposed instruction number 78), and then repeats those statement three times in
13 each of the three sentences of the second paragraph. Such repetition is unnecessary and
14 prejudicial to Apple. Samsung’s instruction also fails to address the fact that Samsung’s conduct
15 can be found to be willfully because Samsung knowingly sold it products when it had no basis to
16 believe it had the legal right to do so, which is the most common and traditional definition of
17 willful conduct.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 79**
2 **MONETARY REMEDIES—TRADE DRESS DILUTION—ACTUAL NOTICE**
3 **REQUIREMENT**

3 **Samsung’s Proposed Instruction**

4 In order for Apple to recover damages for dilution of the registered iPhone trade dress, Apple has
5 the burden of proving by a preponderance of the evidence that Samsung Electronics Company,
6 Samsung Electronics America, and Samsung Telecommunications America had either statutory
7 or actual notice that Apple’s iPhone trade dress was registered.

8 Samsung Electronics Company, Samsung Electronics America, and Samsung
9 Telecommunications America had statutory notice if:

10 Apple displayed the particular alleged trade dress with the words “Registered in U.S.
11 Patent and Trademark Office”; or

12 Apple displayed the particular alleged trade dress the words “Reg. U.S. Pat. & Tm. Off.”;
13 or

14 Apple displayed the particular alleged trade dress with the letter R enclosed within a
15 circle, thus ®.

16 **Source**

17 Model Instructions No. 15.24 (modified).

18 **Samsung’s Statement in Support**

19 Apple seeks damages for the alleged violation of a registered trade dress. Apple has not
20 submitted an instruction correctly setting forth the Lanham Act's notice requirement. *See* 15
21 U.S.C. § 1111 ("Notwithstanding the provisions of section 22 hereof [15 USC 1072], a registrant
22 of a mark registered in the Patent Office, may give notice that his mark is registered by displaying
23 with the mark the words "Registered in U. S. Patent and Trademark Office" or "Reg. U.S. Pat. &
24 Tm. Off." or the letter R enclosed within a circle, thus (R); and in any suit for infringement under
25 this Act by such a registrant failing to give such notice of registration, no profits and no damages
26 shall be recovered under the provisions of this Act unless the defendant had actual notice of the
27 registration."). Accordingly, Samsung submits Ninth Circuit Model 15.24 to address this
28 requirement.

29 **Apple’s Objection to Samsung’s Instruction**

30 Samsung’s proposed instruction No. 79 misstates the law in two ways: (1) it fails to explain that
31 there is no notice requirement for unregistered trade dress, and (2) it imposes a notice requirement
32 for Apple’s dilution claim, which is not required by the plain language of the statute. In contrast,
33 Apple’s proposed instruction No. 74 includes an accurate statement of the date on which damages
34 begin to accrue. Although some claims under the Lanham Act require that the plaintiff provide
35 statutory or actual notice before the accounting period can begins, *see* 15 U.S.C. § 1111, this
36 damages limitation does not apply to any of Apple’s trade dress claims for two reasons. First,
37 four of the five trade dress that Apple asserts are *unregistered* trade dress. The notice statute,
38 15 U.S.C. § 1111 only applies to *registered* trade dress. *See Coach, Inc. v. Asia Pacific Trading*
39 *Co., Inc.*, 676 F. Supp. 2d 914, 924-925 (C.D. Cal. 2009) (“But because the [§ 1111] requirement

1 of notice only applies to registered marks, it is, of course, not a limitation on recovery of damages
2 under a [§ 1125(a)] count for infringement of an unregistered mark . . .”); *see also GTFM, Inc. v.*
3 *Solid Clothing, Inc.*, 215 F. Supp. 2d 273, 306 (S.D.N.Y. 2002); McCarthy on Trademarks
4 § 19:144 (4th ed. 2012.). Thus, Apple is not required to give statutory or actual notice of its
5 unregistered trade dress before it can collect damages. Second, Apple asserts its registered trade
6 dress in a claim for *dilution*, not for infringement. The notice statute is clear that it exclusively
7 applies to claims of infringement. 15 U.S.C. § 1111 states that, “. . . in any suit for *infringement*
8 under this chapter by such a registrant failing to give such notice of registration, no profits and no
9 damages shall be recovered under the provisions of this chapter unless the defendant had actual
10 notice of the registration.” (Emphasis added.) Moreover, the trade dress damages statute states
11 that a plaintiff may recover damages for claims of infringement or dilution, “subject to” the notice
12 requirement. As such, the notice requirement does not apply to dilution claims. *See* 15 U.S.C.
13 § 1117(a) (“When a violation of any right of the registrant of a mark registered in the Patent and
14 Trademark Office, a violation under section 43(a) or (d) [15 USC 1125(a) or (d)], or a willful
15 violation under section 43(c) [15 USC 1125(c)], shall have been established in any civil action
16 arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and
17 32 [15 USC § §1111, 1114], and subject to the principles of equity, to recover (1) defendant’s
18 profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.”). Damages
19 simply start from the date the violation first occurred. This is explained in Apple’s proposed
20 instruction as follows: “In determining the amount of money to award Apple for its trade dress
21 claims, you must determine the date on which damages began to accrue. Damages for trade dress
22 dilution and trade dress infringement begin to accrue on the date that a violation first occurred.
23 You should award Apple money damages for all violations that occurred on that date and any
24 date after that.” No registered trade dress is being asserted for claims of infringement. Thus, this
25 notice provision has no purpose in the present case.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 80**
2 **TRADE DRESS DAMAGES—NO DOUBLE-COUNTING**

3 **Apple’s Proposed Instruction**

4 While Apple is entitled to monetary relief for each act by Samsung that violates Apple’s trade
5 dress rights, it may not recover twice for the same sale of a Samsung product. You should award
6 Apple the highest remedy that it has proven with respect to each sale of a Samsung product that
7 willfully caused the dilution of an Apple trade dress or that infringed an Apple trade dress. But
8 you should not award Apple twice for the same sale of a Samsung tablet or smart phone product.

9 In addition, if you award Apple one form of remedy with respect to some but not all of
10 Samsung’s sales, you should award Apple a different remedy with respect to the remaining sales
11 that violated any Apple trade dress.

12 These principles also apply with respect to the monetary relief you will later consider in
13 connection with Apple’s claims for design and utility patent infringement. A single Samsung
14 product could violate more than one of Apple’s intellectual property assets. However, you should
15 award Apple only one form of remedy for each sale that violates Apple’s intellectual property
16 rights. If the sale of a Samsung product violates more than one of Apple’s trade dresses, design
17 patents, or utility patents, you should award Apple the highest remedy that Apple has proven with
18 respect to that sale.

19 **Authorities**

20 *Nintendo of Am., Inc. v. Dragon Pac. Int’l*, 40 F.3d 1007, 1010 (9th Cir. 1994) (“Recovery of
21 both plaintiff’s lost profits and disgorgement of defendant’s profits is generally considered a
22 double recovery under the Lanham Act.”).

23 **Samsung’s Objection to Apple’s Instruction**

24 Apple's instruction prejudicially asserts that Apple is “entitled to monetary relief” and that the
25 jury “must” award damages. Apple further misstates the law by asserting that Apple is entitled
26 to the “highest remedy” available. Apple cites no law for this misleading statement. Apple also
27 inaccurately refers to “Samsung” without distinguishing between the three, separate Samsung
28 defendants. Additionally, although Samsung agrees that Apple is not entitled to a double
recovery of damages across all its intellectual property claims, Samsung’s Alternative to Apple’s
Proposed Final Instruction No. 80 is a more accurate statement of the law regarding double
recovery in awarding trade dress damages, lacking the biased language that Apple is entitled to
monetary relief and must be awarded damages. *See Nintendo of America, Inc. v. Dragon Pacific
Int’l*, 40 F.3d 1007, 1010 (9th Cir. 1994) (“Recovery of both plaintiff’s lost profits and
disgorgement of defendant’s profits is generally considered a double recovery under the Lanham
Act.”). Samsung’s Proposed Final Instruction No. 78.1 similarly lacks the biased and inaccurate
language of Apple's instruction and correctly instructs that the bar on double recovery applies
across different forms of intellectual property. *See Aero Products Int’l, Inc. v. Intex Recreation
Corp.*, 466 F.3d 1000, 1016 (Fed. Cir. 2006) (reversing damages award which combined patent
damages and trademark damages based on the sale of infringing profits). Also, Instruction No.
78.1 fairly applies to both sides, not just Apple; whereas Apple's instruction only protects Apple
against double counting.

1 **Samsung’s Proposed Instruction**

2 If you determine that Apple is entitled to monetary relief on its trade dress infringement or
3 dilution claims, you should not award Apple monetary relief twice for the same sale of a Samsung
4 product alleged to infringe or dilute Apple’s trade dress. If you award Apple one form of remedy
5 with respect to some but not all of Samsung’s sales, you may award Apple a different remedy
6 with respect to any remaining sales that you find infringed or diluted Apple’s trade dress.
7 However, you should not award Apple twice for the same sale.

8 **Source**

9 *Nintendo of America, Inc. v. Dragon Pacific Int’l*, 40 F.3d 1007, 1010 (9th Cir. 1994)
10 (“Recovery of both plaintiff’s lost profits and disgorgement of defendant’s profits is generally
11 considered a double recovery under the Lanham Act.”)

12 **Apple’s Objection to Samsung’s Instruction**

13 Samsung’s proposed instructions on double counting (Nos. 80 and 78.1) differ from Apple’s in at
14 least four ways. First, Samsung’s instructions do not instruct the jury to award the highest
15 remedy that applies to an infringing sale. The absence of this instruction invites the jury to
16 commit legal error by awarding reasonable royalty damages, for example, in lieu of lost profits,
17 even if the jury finds that Apple proved lost profit damages. The jury does not have that kind of
18 discretion, but must award the higher form of damages in this case (lost profits) if Apple meets its
19 burden of proof on that issue. *See Smithkline Diagnostics, Inc. v. Helena Laboratories Corp.*,
20 926 F.2d 1161, 1164 (Fed. Cir. 1991) (“[W]e reject an interpretation of our precedent holding
21 that a judge has ‘discretion’ to choose the ‘methodology’ in determining an award to mean that
22 the judge may choose between basing an award on ‘lost profits’ damages or on a reasonable
23 royalty. That is not choosing methodology. If a winning patentee seeks and proves lost profits, he
24 is entitled to an award reflecting that amount.”). Second, Samsung’s instructions misleadingly
25 state that the jury may only award damages “with respect to some but not all of Samsung’s sales”
26 (No. 80) or “with respect to each sale of an accused product” (No. 78.1). This language is
27 ambiguous, as it does not clearly communicate that double counting only applies with respect to
28 an infringing sale at the unit level, as opposed to the product-line level. Apple’s instructions
(Nos. 41, 57, and 80), by contrast, make it clear that double counting is prohibited only at the
unit level. (*E.g.*, Apple No. 41 (“[O]nce you have awarded Apple a remedy with respect to a
Samsung sale, you should not award Apple another remedy with respect to the sale of the same
unit.”).) Apple can legally obtain different remedies on the sale of different units of the same
product but Samsung’s instruction improperly suggests to the jury that Apple can obtain different
remedies only on different models. Third, Samsung’s instructions, unlike Apple’s, state that if
the jury awards one form of remedy with respect to some sales, it “may award” Apple a different
remedy with respect to any remaining sales. This suggests that Apple’s entitlement to
compensation is discretionary at the jury’s option. Apple’s instruction cures this prejudicial
defect by instructing the jury that it “should award” Apple a different remedy on any remaining
sales “if Apple meets the requirements for that remedy.” This is consistent with both 35 U.S.C.
§ 284 and the N.D. Model instruction that requires a least one remedy for each infringing unit.
Finally, Samsung’s instructions contain the following erroneous example of supposed double
counting: “For example, if you find that an accused product infringes a utility patent and you
decide to award the patent holder lost profits resulting from the sale of that infringing product,
you may not award lost profits again because you find that the product also infringes another
patent or diluted trade dress.” This is not an accurate statement of the law. Apple may recover
lost profits based on different IP violations by a single product (*e.g.*, in different time period), as
long as Apple does not obtain a double recovery with respect to the same unit sale.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 78.1**
2 **MONETARY REMEDIES—ONLY ONE RECOVERY PER ACCUSED PRODUCT**

3 **Samsung’s Proposed Instruction**

4 In calculating damages in this case, you may only award damages once with respect to each sale
5 of an accused product, even if you find that the product infringes more than one type of
6 intellectual property. For example, if you find that an accused product infringes a utility patent
7 and you decide to award the patent holder lost profits resulting from the sale of that infringing
8 product, you may not award lost profits again because you find that the product also infringes
9 another patent or diluted trade dress. You may only award damages once with respect to each
10 sale of an accused product, even if you find that the product infringes or dilutes multiple items of
11 intellectual property.

12 **Source**

13 *Aero Products Int’l, Inc. v. Intex Recreation Corp.*, 466 F.3d 1000, 1016 (Fed. Cir. 2006).

14 **Apple’s Objection to Samsung’s Instruction**

15 See Apple’s comments in connection with Samsung’s proposed instruction No. 80, which
16 addresses both instruction Nos. 80 and 78.1.

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**PROPOSED FINAL JURY INSTRUCTION NO. 81
DILUTION—TARNISHMENT**

Samsung’s Proposed Instruction

[Apple has represented that it is not seeking to establish dilution by tarnishment. If Apple agrees not to make any arguments that sound in tarnishment or submit its own jury instruction on tarnishment, Samsung will withdraw its request for this instruction.]

To prove dilution by tarnishment, Apple must prove by a preponderance of the evidence that the design of Samsung’s products harms the reputation of the Apple’s trade dress by improperly associating it with an inferior or offensive product or service.

Source 15 U.S.C. § 1125(c)(2)(C).

Apple’s Objection to Samsung’s Instruction

Apple confirms it is not seeking to establish dilution by tarnishment and will not submit its own jury instruction on tarnishment.

BREACH OF CONTRACT JURY INSTRUCTIONS

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 82**
2 **BREACH OF CONTRACT – OBLIGATION TO LICENSE PATENTS ON**
3 **FRAND TERMS**

3 **Apple’s Proposed Instruction**

4 I will now instruct you on how to determine whether Apple has proved its breach of contract
5 claim. A breach is an unjustified failure to perform a contract.

6 Samsung has submitted declarations that it is prepared to grant irrevocable licenses to patents
7 declared essential to the UMTS standard on fair, reasonable and non-discriminatory (“FRAND”) terms and conditions. In order to demonstrate breach of this contract provision, Apple must prove that Samsung did not fulfill this obligation, that Apple was harmed, and that this harm was caused by Samsung’s failure to perform this obligation. Apple is not required to prove that Samsung’s alleged breach was the sole cause of its injury. Apple is required to prove that Samsung’s alleged breach was a material cause of its injury.

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10 **Samsung’s Objection to Apple’s Instruction**

11 The ETSI IPR Policy is governed by French Law, as is any breach of the Policy. Apple has no basis for its proposed instructions as to what it is “not required to prove,” as this is not the law of France. Further, the instruction fails to properly recite the language of Samsung’s declaration, which includes the limitation that Samsung will be prepared to grant irrevocable licenses to the listed patents “to the extent those patents remain essential to the standard.”

1 **Samsung’s Proposed Instruction**

2 Samsung has submitted declarations to ETSI in which Samsung identified the ’516, ’604, and
3 ’941 patents, or related patents or applications, as IPRs that it believed may be considered
4 essential to the UMTS standard. In those declarations, Samsung declared that it would be
5 prepared to grant irrevocable licenses under those IPRs on fair, reasonable and non-
6 discriminatory terms and conditions to the extent the IPRs remain essential to the UMTS
7 standard. In order to demonstrate breach of this provision, Apple must prove that all of the
8 conditions for performance of this obligation occurred, that Samsung did not fulfill this
9 obligation, that Apple was harmed, and that this harm was caused by Samsung’s failure to
10 perform this obligation.

7 **Apple’s Objection to Samsung’s Instruction**

8 Samsung’s proposed instruction misstates the law and Apple’s contentions in two ways. First,
9 the instruction states that Samsung’s obligation to license on FRAND terms applies “to the
10 extent those patents remain essential to the standard.” It is not necessary, however, for
11 Samsung’s patents to “remain essential” to the standard; it is enough that Samsung has declared
12 the relevant patents essential and has not withdrawn its declaration. Second, the instruction
13 addresses only the ’516, ’604, and ’941 patents and related applications, but Apple alleges that
14 Samsung breached its licensing obligations with respect to each of the seven originally asserted
15 declared essential patents (also including the ’410, ’792, ’867, and ’001 patents). *See, e.g.,*
16 Apple’s Amended Answer, Defenses, and Counterclaims ¶¶ 44-89, 180-184 (Dkt. No. 381).
17 Apple’s corresponding instruction, Nos. 82 and 83, accurately reflects the elements that are
18 actually disputed by the parties.

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1 **PROPOSED FINAL JURY INSTRUCTION NO. 82.1**
2 **REQUIREMENTS OF THE ETSI IPR POLICY—AVAILABILITY OF LICENSES**

3 **Samsung’s Proposed Instruction**

4 If you find that Samsung’s ’604 patent, ’516 patent, and ’941 patent are valid and that Apple has
5 infringed those patents, Apple has raised a defense of breach of contract. Apple contends that
6 Samsung has an obligation to license Samsung’s patents that are essential to the UMTS standard,
7 an obligation to negotiate in good faith, and an obligation to disclose IPRs to ETSI in a manner
8 consistent with the ETSI IPR Policy and that Samsung breached these obligations. However,
9 there is no allegation that Apple has an existing license to Samsung’s ’604 patent, ’516 patent,
10 and ’941 patent.

11 **Source**

12 Order of May 4, 2012, at 20:1-21:25 (“First, there is no existing license between Apple and
13 Samsung because there was no firm offer and acceptance of the terms of the license that Apple
14 claims already exists. Both experts agree that an offer and acceptance are essential to contract
15 formation under French law....”).

16 **Apple’s Objection to Samsung’s Instruction**

17 Samsung’s proposed instruction is unnecessary. It mentions breach of contract, but does not ask
18 the jury to decide any factual issue. Samsung’s proposed instruction Nos. 82, 82.1, and 83 and
19 Apple’s proposed instruction Nos. 82and 83 address Apple’s breach of contract claims. In
20 addition, Samsung’s proposed instruction incorrectly states that “Apple contends that Samsung
21 has an obligation to license Samsung’s patent that *are essential* to the UMTS standard.” But
22 Apple contends that Samsung is obligated to license patents that it has declared essential to the
23 standard, even if they are not in fact essential to the standard.
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1 **Samsung's Proposed Instruction**

2 The November 1997 ETSI IPR Policy provides:

3 Each MEMBER shall use its reasonable endeavours to timely
4 inform ETSI of ESSENTIAL IPRs it becomes aware of. In
5 particular, a MEMBER submitting a technical proposal for a
6 STANDARD shall, on a bona fide basis, draw the attention of
7 ETSI to any of that MEMBER's IPR which might be ESSENTIAL
8 if that proposal is adopted.

9 In order to demonstrate breach of this provision, Apple must prove that all of the conditions for
10 performance of this obligation occurred, that Samsung did not fulfill this obligation, that Apple
11 was harmed, and that this harm was caused by Samsung's failure to perform this obligation.

12 **Apple's Objection to Samsung's Instruction**

13 Samsung's proposed instruction incorrectly states that Apple must prove that "all of the
14 conditions for performance of [Samsung's] obligation occurred," but Samsung has not described
15 what conditions for performance have not been met. Apple's corresponding instruction No. 83
16 reflects the elements actually in dispute between the parties.

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ANTITRUST JURY INSTRUCTIONS

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1 **Samsung’s Proposed Instruction**

2 Apple alleges that Samsung failed to disclose its intellectual property rights in the patents
3 essential to the UMTS standard to an organization called ETSI, and thus violated Section 2 of the
4 Sherman Act. If you determine that these three patents are in fact standard essential patents, you
must then evaluate whether Apple has proven that Samsung violated antitrust laws. To win on its
antitrust claim, Apple must prove each of the following elements is more likely true than not true:

5 **First**, that the alleged technology market is a relevant antitrust market;

6 **Second**, that Samsung possessed monopoly power in that market;

7 **Third**, that Samsung willfully acquired or maintained its monopoly power in that market
8 by engaging in anticompetitive conduct; and

9 **Fourth**, that Samsung’s anticompetitive conduct was a substantial factor in causing injury
10 to Apple in its business or property.

11 If you find that Apple has proved each of these elements, then you must find for Apple and
12 against Samsung on the monopolization claim. If you find that Apple has failed to prove any one
13 or more of these elements, then you must find for Samsung and against Apple on this claim.

14 **Source**

15 Adapted from ABA Model Antitrust Jury Instructions, at C-2.

16 **Apple’s Objection to Samsung’s Instruction**

17 Samsung’s proposed instruction is improper for two reasons. First, the instruction states that
18 Apple’s monopolization claim depends on a finding that Samsung’s patents “are in fact standard
19 essential patents.” However, Apple has alleged that Samsung has monopolized the relevant
20 technology markets on the basis of its declaration that its patents are essential and the market
21 power it obtained and exercised as a result of those declarations, regardless of whether the
22 patents are in fact standard-essential. Second, the instruction states that Apple’s monopolization
23 claim is based solely on a failure to disclose intellectual property rights (“IPR”). But Apple
24 alleges an overall course of conduct in which Samsung not only failed to disclose its IPR, but
25 also deceived standards bodies regarding its licensing intentions and later breached its licensing
26 commitments. Apple’s Proposed Final Instruction No. 84 is an accurate statement of the law of
27 monopolization and accurately describes Apple’s claim.
28

1 **Samsung’s Proposed Instruction**

2 Apple must prove that it is more likely true than not true that Samsung had monopoly power in
3 one or more relevant markets. Defining the relevant market is essential to determining whether
4 Samsung had monopoly power because whether a company has monopoly power depends on the
5 contours of the market.

6 There are two aspects you must consider in determining whether Apple has met its burden of
7 proving the relevant market or markets. The first is the existence of a relevant technology
8 market. The second is the existence of a relevant geographic market.

9 If, after considering all the evidence, you find that Apple has proven both a relevant technology
10 market and a relevant geographic market, then you must find that Apple has met the relevant
11 market requirement and you must consider the remaining elements of its unlawful
12 monopolization claims.

13 If you find that Apple has failed to prove either a relevant technology market or a relevant
14 geographic market, then you must find for Samsung and against Apple on Apple’s unlawful
15 monopolization claim.

16 **Source**

17 Adapted from ABA Model Antitrust Jury Instructions, at C-6

18 **Apple’s Objection to Samsung’s Instruction**

19 Samsung’s proposed instruction Nos. 85-85.2 are unnecessarily long, and Apple believes they
20 should be combined to reduce the burden on the jury. Apple’s corresponding instruction, No. 85,
21 accurately and more succinctly identifies the elements of the law of market definition.
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Samsung’s Objection to Apple’s Instruction

Both Samsung and Apple’s instructions derive from ABA Model Antitrust Jury Instructions, C-16 to C-19, C-23. However, Apple’s instructions improperly abridge the rules by omitting important statements of law. For example, Apple’s instructions do not explain that a market share below 50 percent is ordinarily not sufficient to support a conclusion that a defendant has monopoly power (see e.g. *In re IBM Peripheral EDP Devices Antitrust Litig.*, 481 F. Supp. 965, 982 (N.D. Cal. 1979) (“This market was not monopolized. IBM did not control prices, it reacted to the prices set by others. IBM’s market share (if the market had been properly defined) was below 57 percent and falling.”); *In re Se. Milk Antitrust Litig.*, 801 F. Supp. 2d 705, 725 (E.D. Tenn. 2011)) and that, to prove direct infringement, it must be shown that defendant has the power to maintain prices above a competitive level for a significant period of time (*Rio Grande Royalty Co., Inc. v. Energy Transfer Partners, L.P.*, 786 F. Supp. 2d 1202, 1212 (S.D. Tex. 2009)). There is also no legal support for Apple’s contention that direct evidence of monopolization includes that Samsung merely *demand*ed above competitive levels for patents it claims are essential to the UMTS standard.

1 **Samsung's Proposed Instruction**

2 If you find that plaintiffs have proven a relevant market, then you should determine whether
3 Samsung has monopoly power in that market. As I instructed you earlier, monopoly power is the
power to control prices and exclude competition in a relevant antitrust market.

4 **Market Share**

5 The first factor that you should consider is Samsung's market share. A market share above 50
6 percent may be sufficient to support an inference that a defendant has monopoly power, but in
7 considering whether a defendant has monopoly power it is also important to consider other
8 aspects of the relevant market, such as market share trends, the existence of barriers to entry, the
9 entry and exit by other companies, and the number and size of competitors. Along with a
defendant's market share, these factors should inform you as to whether the defendant has
monopoly power. The likelihood that a company has monopoly power is stronger the higher that
company's share is above 50 percent.

10 A market share below 50 percent is ordinarily not sufficient to support a conclusion that a
11 defendant has monopoly power. However, if you find that the other evidence demonstrates that
defendant does, in fact, have monopoly power despite having a market share below 50 percent,
you may conclude that the defendant has monopoly power.

12 **Barriers to Entry**

13 You may also consider whether there are barriers to entry into the relevant market. Barriers to
14 entry make it difficult for new competitors to enter the relevant market in a meaningful and
15 timely way. Barriers to entry might include intellectual property rights (such as patents or trade
16 secrets), specialized marketing practices, and the reputation of the companies already
17 participating in the market (or the brand name recognition of their products). Evidence of low or
18 no entry barriers may be evidence that defendant does not have monopoly power, regardless of
defendant's market share, because new competitors could enter easily if the defendant attempted
to raise prices for a substantial period of time. By contrast, evidence of high barriers to entry
along with high market share may support an inference that defendant has monopoly power.

19 **Number and Size of Competitors**

20 You may consider whether the defendant's competitors are capable of effectively competing. In
21 other words, you should consider whether the financial strength, market shares and number of
22 competitors act as a check on the defendant's ability to price its products. If the defendant's
23 competitors are vigorous or have large or increasing market shares, this may be evidence that the
defendant lacks monopoly power. On the other hand, if you determine that the defendant's
competitors are weak or have small or declining market shares, this may support an inference that
the defendant has monopoly power.

24 **Conclusion**

25 If you find that Samsung has monopoly power in the relevant market, then you must consider the
26 remaining elements of Apple's monopolization claim. If you find that Samsung does not have
monopoly power, then you must find for Samsung and against Apple on this claim.

1 **Source**

2 Based on ABA Model Antitrust Jury Instructions, at C-16 to C-19 and the authorities cited
3 therein.

4 **Apple’s Objection to Samsung’s Instruction**

5 Samsung’s proposed instruction misstates the law in *two* ways. First, the instruction (along with
6 instruction No. 86.1) does not make clear that Apple can prove monopoly power through either
7 direct or indirect evidence, and instead implies that Apple must prove monopoly power through
8 both types of evidence. But the Ninth Circuit has made clear that either type of proof, standing
9 alone, is sufficient to establish monopoly power. *See, e.g., Rebel Oil v. Atl. Richfield Co.*,
10 51 F.3d 1421, 1434 (9th Cir. 1995) (“Market power may be demonstrated through either of two
11 types of proof. One type of proof is direct evidence of the injurious exercise of market power.”).
12 Second, the instruction fails to explain the role of standards in the analysis of barriers to entry.
13 Again, the law is clear that standardization of one technology can eliminate alternative
14 technologies from the relevant technology market. *See, e.g., Broadcom Corp. v. Qualcomm Inc.*,
15 501 F.3d 297, 314 (3d Cir. 2007) (“When a patented technology is incorporated in a standard,
16 adoption of the standard eliminates alternatives to the patented technology.”). Apple’s
17 corresponding instruction, No. 86, is an accurate statement of the law of monopoly power.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 86.1**
2 **MONOPOLIZATION—EXISTENCE OF MONOPOLY POWER—DIRECT PROOF**

3 **Samsung’s Proposed Instruction**

4 If you find that plaintiff has proven a relevant market, then you should determine whether
5 defendant has monopoly power in that market. As I instructed you earlier, monopoly power is the
6 power to control prices and exclude competition in a relevant antitrust market.

7 Plaintiff has the burden of proving that defendant has the ability to raise or maintain the prices
8 that it charges for goods or services in the relevant market above competitive levels. Plaintiff
9 must prove that defendant has the power to do so by itself -- that is, without the assistance of, and
10 despite competition from, any existing or potential competitors.

11 Plaintiff must also prove that defendant has the power to maintain prices above a competitive
12 level for a significant period of time. If defendant attempted to maintain prices above competitive
13 levels, but would lose so much business to other competitors that the price increase would
14 become unprofitable and would have to be withdrawn, then defendant does not have monopoly
15 power.

16 Similarly, plaintiff must prove that defendant has the ability to exclude competition. For example,
17 if defendant attempted to maintain prices above competitive levels, but new competitors could
18 enter the relevant market or existing competitors could expand their sales and take so much
19 business that the price increase would become unprofitable and would have to be withdrawn, then
20 defendant does not have monopoly power.

21 The ability to earn high profit margins or a high rate of return does not necessarily mean that
22 defendant has monopoly power. Other factors may enable a company without monopoly power to
23 sell at higher prices or earn higher profit margins than its competitors, such as the ability to offer
24 superior products or services, the ability to maintain an efficient business operation, or superior
25 advertising or marketing [expand or contract list as appropriate]. However, an ability to sell at
26 higher prices or earn higher profit margins than other companies for similar goods or services
27 over a long period of time may be evidence of monopoly power. By contrast, evidence that
28 defendant would lose a substantial amount of sales if it raised prices substantially, or that the
29 defendant’s profit margins were low compared to its competitors, erratic, and/or decreasing,
30 might be evidence that the defendant does not have monopoly power.

31 If you find that defendant has monopoly power in the relevant market, then you must consider the
32 remaining elements of this claim. If you find that defendant does not have monopoly power, then
33 you must find for defendant and against the plaintiff on this claim.

34 **Source**

35 Based on ABA Model Antitrust Jury Instructions, at C-23 and the authorities cited therein.

36 **Apple’s Objection to Samsung’s Instruction**

37 Samsung’s proposed instruction misstates the law in two ways. First, the instruction (along with
38 instruction No. 86) does not make clear that Apple can prove monopoly power through either
39 direct or indirect evidence, and instead implies that Apple must prove monopoly power through
40 both types of evidence. But the Ninth Circuit has made clear that either type of proof, standing
41 alone, is sufficient to establish monopoly power. *See, e.g., Rebel Oil v. Atl. Richfield Co.*,
42 51 F.3d 1421, 1434 (9th Cir. 1995) (“Market power may be demonstrated through either of two
43 types of proof. One type of proof is direct evidence of the injurious exercise of market power.”).

1 Second, this instruction deals primarily with direct evidence of raised prices, rather than direct
2 evidence of excluded competition. But Apple intends to introduce direct evidence of monopoly
3 power based on the exclusion of technologies that, pre-standardization, were viable alternatives
4 for the technologies Samsung claims are covered by its patents. Apple's corresponding
5 instruction, No. 86, is an accurate statement of the law of monopoly power.
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1 **Samsung's Proposed Instruction**

2 The next element plaintiffs must prove is that Samsung willfully acquired or maintained
3 monopoly power through anticompetitive acts or practices. Anticompetitive acts are acts, other
4 than competition on the merits, that have the effect of preventing or excluding competition. Harm
5 to competition is to be distinguished from harm to a single competitor or group of competitors,
6 which does not necessarily constitute harm to competition. In addition, you should distinguish the
7 acquisition of monopoly power through anticompetitive acts from the acquisition of monopoly
8 power by supplying better products or services, possessing superior business skills, or because of
9 luck, which is not unlawful.

10 Mere possession of monopoly power, if lawfully acquired, does not violate the antitrust laws. A
11 monopolist may compete aggressively without violating the antitrust laws, and a monopolist may
12 charge monopoly prices without violating the antitrust laws. A monopolist's conduct only
13 becomes unlawful where it involves anticompetitive acts.

14 The difference between anticompetitive conduct and conduct that has a legitimate business
15 purpose can be difficult to determine. This is because all companies have a desire to increase their
16 profits and increase their market share. These goals are an essential part of a competitive
17 marketplace, and the antitrust laws do not make these goals – or the achievement of these goals –
18 unlawful, as long as a company does not use anticompetitive means to achieve these goals.

19 In determining whether Samsung's conduct was anticompetitive or whether it was legitimate
20 business conduct, you should determine whether the conduct is consistent with competition on the
21 merits, whether the conduct provides benefits to consumers, and whether the conduct would make
22 business sense apart from any effect it has on excluding competition or harming competitors.

23 For example, suppose there are five firms that make printers for home computers and that these
24 printers comprised a relevant product market. Suppose also that Firm A developed a more
25 efficient manufacturing process that allowed it to sell profitably at a lower price than its
26 competitors. If Firm A grew its market share and achieved monopoly power by selling profitably
27 at a lower price, it would not be unlawful for Firm A to achieve monopoly power in this way.
28 Developing more efficient processes and developing the ability to sell profitably at lower prices is
29 competition on the merits and benefits consumers, and it therefore is not anticompetitive conduct
30 even if it has a negative effect on competitors.

31 Similarly, in the same example, suppose Firm B developed and patented a revolutionary new
32 printer and consumers so preferred Firm B's printer that Firm B achieved monopoly power. It
33 would not be unlawful for Firm B to achieve monopoly power in this way. Firm B "built a better
34 mousetrap," which is competition on the merits and benefits consumers, and it therefore is not
35 anticompetitive conduct.

36 By contrast, in the same example, suppose not only that Firm C makes printers, but also that Firm
37 C is the world's only manufacturer of computers and that there are barriers to entry in the
38 computer market such that no other firm will be able to enter that market. Suppose also that Firm
39 C altered its computers in such a way that only Firm C's printers would work with its computers,
40 and that the alteration does not improve the design of Firm C's computers or provide any benefits
41 to competition or consumers – the only effect of the alteration is to exclude competing printer
42 makers from the marketplace. If Firm C thereby prevented its printer competitors from competing
43 and achieved monopoly power, it would be unlawful for Firm C to achieve monopoly power in
44 the printer market in this way.

45 As these examples show, the acts or practices that result in the acquisition of monopoly power
46 must represent something more than the conduct of business that is part of the normal competitive
47 process or commercial success. They must represent conduct that has made it very difficult or
48

1 impossible for competitors to compete and that was taken for no legitimate business reason. You
2 may not find that a company willfully acquired monopoly power if it has acquired that power
3 solely through the exercise of superior foresight and skill; or because of economic or
4 technological efficiency, including efficiency resulting from scientific research; or by obtaining a
5 lawful patent; or because changes in cost or taste have driven out all but one supplier.

6 If you find that Apple has proven by a preponderance of the evidence that Samsung willfully
7 acquired monopoly power through anticompetitive acts, then you must consider whether the
8 Apple has proved the remaining elements of their monopolization claim. If, however, you find
9 that Apple did not prove this element by a preponderance of the evidence, then you must find for
10 Samsung and against the plaintiffs on this claim.

11 **Source**

12 Based on ABA Model Antitrust Jury Instructions, at C-26 to C-30 and the authorities cited
13 therein; *Golan v. Pingel Enter., Inc.*, 310 F.3d 1360, 1370-72 (Fed. Cir. 2002); *Nobelpharma*
14 *AB v. Implant Innovations, Inc.*, 141 F.3d 1059, 1068-73 (Fed. Cir. 1998), *Handgards, Inc. v.*
15 *Ethicon, Inc.*, 601 F.2d 986, 996 (9th Cir. 1979)).

16 **Apple's Objection to Samsung's Instruction**

17 Samsung's proposed instruction is likely to confuse the jury because it includes examples that
18 unnecessarily increase its length and complexity. Apple's corresponding instruction, No. 87, is
19 an accurate and more succinct statement of the law of willful acquisition of monopoly power.
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1 **PROPOSED FINAL JURY INSTRUCTION NO. 88**
2 **MONOPOLIZATION — ANTICOMPETITIVE BEHAVIOR IN STANDARD-SETTING**

3 **Apple’s Proposed Instruction**

4 Apple alleges that Samsung willfully acquired monopoly power based on anticompetitive
5 behavior in connection with the UMTS standard-setting process at 3GPP. Apple and Samsung
6 agree that Samsung was obligated to abide by the ETSI IPR Policy when participating in
7 standard-setting activities related to the UMTS standard.

8 Based on the available information, a standard-setting organization can select the best technology
9 (considering its cost and its performance) and can include that technology in the standard. To the
10 extent the industry has invested in a standard and cannot easily transfer that investment to an
11 alternative standard, the process of standardization may eliminate alternative technologies. When
12 a patented technology is incorporated into such a standard, adoption of the standard may
13 eliminate alternatives to the patented technology.

14 As to Apple’s claims that Samsung failed to timely disclose IPR (including patents and patent
15 applications) that may cover technology being considered for inclusion in the UMTS standard,
16 you may find that Samsung willfully acquired or maintained monopoly power through
17 anticompetitive acts if: (1) the ETSI IPR Policy created an expectation that participants would
18 timely disclose IPR that reasonably might cover technology being considered for adoption in the
19 UMTS standard; (2) Samsung knowingly failed to disclose such IPR in a timely fashion;
20 (3) 3GPP relied on the requirement that Samsung would timely disclose such IPR when 3GPP
21 created the UMTS standard; and (4) Samsung later attempted to enforce such IPR against a
22 standard-compliant product.

23 As to Apple’s claims that during the standard-setting process Samsung concealed its true
24 intentions not to meet the commitment it had made to license its declared-essential IPR on fair,
25 reasonable, and non-discriminatory (“FRAND”) terms, you may find that Samsung willfully
26 acquired or maintained monopoly power through anticompetitive acts if: (1) the ETSI IPR Policy
27 created an expectation that participants would truthfully disclose their intentions whether or not to
28 license their declared-essential IPR on FRAND terms; (2) Samsung knowingly concealed its true
29 intentions; (3) 3GPP relied on the requirement that Samsung would truthfully disclose its
30 intentions whether or not license its declared-essential IPR on FRAND terms when 3GPP adopted
31 the UMTS standard; and (4) Samsung later attempted to enforce such IPR against a standard-
32 compliant product in a manner inconsistent with its FRAND commitments.

33 In determining whether Apple has proved that Samsung willfully acquired monopoly power, you
34 may consider Samsung’s course of conduct as a whole and its overall effect, rather than focusing
35 on a particular aspect of Samsung’s disclosure or licensing conduct in isolation.

36 **Source**

37 Adapted from instructions in *Hynix Semiconductor Inc., v. Rambus Inc.*, No. 5:06-CV-00244-
38 RMW, Dkt. No. 1254, filed Mar. 25, 2008 (N.D. Cal.).

39 **Authorities**

40 *Broadcom Corp. v. Qualcomm Inc.*, 501 F.3d 297, 315 (3d Cir. 2007); *Research in Motion, Ltd. v.*
41 *Motorola, Inc.*, 644 F. Supp. 2d 788, 793 (N.D. Tex. 2008).

1 **Samsung’s Objection to Apple’s Instruction**

2 Apple’s instruction includes statements that are both incorrect and unfounded. The instruction
3 states that “a standard-setting organization can select the best technology (*considering its cost*
4 and its performance)” (emphasis added). But the ETSI Guide on Intellectual Property
5 Rights states that the Technical Bodies that decide which standards to implement “are not the
6 appropriate place to discuss IPR Issues” and that they “do not have the competence to deal with
7 commercial issues.” (ETSI Guide on Intellectual Property Rights § 4.1.) The instruction also
8 misrepresents several provisions of the ETSI IPR Policy. The instruction asks the jury to
9 consider whether “3GPP had an expectation that participants would timely disclose IPR that
10 reasonably might cover technology being considered for adoption in the UMTS standard.”
11 However, the provision of the ETSI IPR Policy that forms the basis for Apple’s claim regarding
12 the timing of Samsung’s disclosure of its essential patents to ETSI requires that “each MEMBER
13 shall use its *reasonable endeavors* to timely inform ETSI of ESSENTIAL IPRs it becomes aware
14 of.” (D.N. 381 at 41; November 1997 ETSI IPR Policy § 4.1 (emphasis added).) Similarly,
15 Apple’s instructions incorrectly require the jury to consider whether the “ETSI IPR Policy created
16 an expectation that participants would truthfully disclose their intentions whether or not to license
17 their declared-essential IPR on FRAND terms.” However, the provision of the ETSI IPR
18 regarding the availability of licenses states that the owner shall be “*prepared to grant irrevocable*
19 *licenses* on fair, reasonable and non-discriminatory terms and conditions under such IPR”
20 (D.N. 381 at 42; November 1997 ETSI IPR Policy § 6.1 (emphasis added).)
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1 **Samsung’s Proposed Instruction**

2 Apple alleges that Samsung willfully acquired or maintained monopoly power in the technologies
3 based on anticompetitive behavior at ETSI. ETSI is a standard-setting organization. A standard
4 can enhance consumer welfare by ensuring interoperability of products and devices. The ideal
5 standard-setting process can allow members of a standard-setting organization to make an
6 objective comparison between multiple technologies before a standard is adopted. To the extent
7 the marketplace only recognizes one standard, the process of standardization may eliminate
8 alternative technologies. When a patented technology is incorporated into a standard, adoption of
9 the standard may eliminate alternatives to the patented technology. Nevertheless, “winning” the
10 competition between two technologies to be included in the standard may enhance consumer
11 welfare and not be anticompetitive even if the technology is covered by a patent.

12 Apple contends that Samsung’s conduct with respect to the disclosure of its declared essential
13 patents was anticompetitive. In order to prove that this conduct was anticompetitive, Apple must
14 show that (1) ETSI members shared a clearly defined expectation that members would use
15 reasonable endeavors to timely inform ETSI of essential IPR that the member became aware of;
16 (2) Samsung knowingly failed to use reasonable endeavors to timely inform ETSI of essential
17 IPR; (3) ETSI members relied on the requirement that Samsung would disclose such essential
18 IPR when they adopted the standards; and (4) Samsung later attempted to enforce such a patent
19 against a standards-compliant device.

20 Apple contends that Samsung’s conduct with respect to making available licenses to declared
21 essential IPRs was anticompetitive. In order to prove that this conduct was anticompetitive,
22 Apple must show that (1) ETSI members shared a clearly defined expectation that members
23 would be prepared to grant licenses to essential patents on FRAND terms and conditions; (2)
24 Samsung knowingly did not intend to grant licenses to essential patents on FRAND terms and
25 conditions; (3) ETSI members relied on the requirement that Samsung would be prepared to grant
26 licenses to essential patents on FRAND terms and conditions when they adopted the standards;
27 and (4) Samsung later attempted to enforce an essential patent against a standards-compliant
28 device.

29 In addition, Apple must prove that Samsung induced ETSI to adopt its standard. In other words,
30 Apple must prove that there was an alternative technology that ETSI was considering during the
31 standard setting process and that ETSI would have adopted an alternative standard had it known
32 of Samsung’s intellectual property rights.

33 **Source**

34 Adapted from ABA Model Antitrust Jury Instructions, at C-26, D-64, and the authorities cited
35 therein; *Broadcom Corp. v. Qualcomm Inc.*, 501 F.3d 297 (3d Cir. 2007); November 1997 ETSI
36 IPR Policy.

37 **Apple’s Objection to Samsung’s Instruction**

38 Samsung’s proposed instruction misstates the law and Samsung’s disclosure obligations at ETSI.
39 First, the instruction states that Apple must show that “there was an alternative technology that
40 ETSI was considering during the standard setting process and that ETSI would have adopted an
41 alternative standard had it known of Samsung’s intellectual property rights.” But the law is clear
42 that Apple could also establish that Samsung’s misconduct wrongfully led to its acquisition of
43 monopoly power if Samsung’s conduct caused ETSI to include a feature in the standard that it
44 otherwise would have excluded, or if alternatives existed that ETSI did not consider during
45 standardization but would have sought out had Samsung’s intention not to license its IPR been
46 known. *See, e.g., Broadcom Corp. v. Qualcomm Inc.*, 501 F. 3d 297, 313 (3d Cir. 2007)

1 (“Misrepresentations concerning the cost of implementing a given technology may confer an
2 unfair advantage and bias the competitive process in favor of that technology’s inclusion in the
3 standard.”). Second, the instruction presents the two bases for Apple’s claim in a misleading
4 manner because it fails to clarify that either one, standing alone, is sufficient to prove
5 anticompetitive conduct. Apple can prevail by proving either its non-disclosure theory, its
6 theory that Samsung concealed its licensing intentions during standardization, and Apple is
7 entitled to an instruction that the jury may consider Samsung’s course of conduct as a whole.
8 *See, e.g., Continental Ore Co. v. Union Carbide & Carbon Corp.*, 370 U.S. 690, 699 (1962) (“In
9 [Sherman Act cases], plaintiffs should be given the full benefit of their proof without tightly
10 compartmentalizing the various factual components and wiping the slate clean after scrutiny of
11 each.”). Third, Samsung’s description of Samsung’s obligations under the ETSI IPR Policy
12 ignore the obligation to disclose IPR that “might be” essential if a Samsung proposal were
13 adopted. *See* ETSI IPR Policy Clause 4.1. Additionally, Apple asserts that Samsung failed to
14 disclose IPR that it had actual knowledge might be essential to technologies under consideration
15 for standardization, and therefore the instruction’s reference to “reasonable endeavors” is
16 inapplicable. Apple’s corresponding instruction, No. 88, accurately reflects the law and Apple’s
17 claim.
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**PROPOSED FINAL JURY INSTRUCTION NO. 89
MONOPOLIZATION — SAMSUNG’S INTENT**

Apple’s Proposed Instruction

In determining whether or not Samsung willfully acquired monopoly power in a relevant technology market, you may consider any evidence that Samsung intended to deceive ETSI to the extent it helps to understand the likely effect of Samsung’s conduct. Specific intent to monopolize, however, is not required for one to be liable for monopolization; only the intent to commit the acts that resulted in monopolization.

Source

Adapted from instructions in *Hynix Semiconductor Inc., v. Rambus Inc.*, No. 5:06-CV-00244-RMW, Dkt. No. 1254, filed Mar. 25, 2008 (N.D. Cal.).

Authorities

Aspen Skiing Co. v. Aspen Highlands Skiing Corp., 472 US 585, 602 (1985).

Samsung’s Objection to Apple’s Instruction

Samsung objects to this instruction because Apple’s cited authority does not support the proposition that “any evidence that Samsung intended to deceive ETSI to the extent it helps to understand the likely effect of Samsung’s conduct.” Further, the meaning of the instruction is unclear and may confuse the jury. Accordingly, Apple’s proposed construction should be rejected, as it does nothing to clarify the intent requirement that is already set forth in both Samsung’s Proposed Final Instruction No. 61.2 and Samsung’s Alternative to Apple’s Proposed Final Instruction No. 84.

1 **Samsung’s Proposed Instruction**

2 Samsung has introduced evidence that its licensing decisions were based on legitimate business
3 purposes. A refusal to cooperate that is designed to protect or further the legitimate business
4 purposes of a monopolist does not violate the antitrust laws, even if that refusal injures
5 competitors. In general, the desire, to maintain monopoly power or to block entry of competitors
6 is not a legitimate business purpose. A legitimate business purpose is one that benefits the actor
7 regardless of any harmful effect on competitors, such as a purpose to promote efficiency or
8 quality, offer a better product or service, or increase short run profits. Thus, a refusal to cooperate
9 that harms Samsung’s independent interests and makes sense only to obtain or maintain
10 monopoly power is not based on legitimate business purposes. A refusal to cooperate that is
11 based in part on legitimate business reasons, even if it is also motivated by the desire to harm
12 competitors, does not violate the antitrust laws. It is Apple’s burden to prove that Samsung’s
13 refusal to cooperate was not motivated by legitimate business purposes.

14 **Source**

15 Based on ABA Model Antitrust Jury Instructions, at C-39; *City of Vernon v. Southern Cal.*
16 *Edison Co.*, 955 F.2d 1361, 1266 (9th Cir. 1992).

17 **Apple’s Objection to Samsung’s Instruction**

18 Samsung’s proposed instruction misstates the law and should be omitted. It misstates the law by
19 imposing an improper legal standard—*i.e.*, the standard from a “refusal to deal” case—rather
20 than the proper standard for a standard-setting misconduct case such as this one. In a unilateral
21 refusal to deal case, plaintiffs must prove a lack of business justification. But the law is clear
22 that such proof is not required in a standard-setting misconduct case. *See, e.g., Broadcom*
23 *Corp. v. Qualcomm Inc.*, 501 F.3d 297, 314 (3d Cir. 2007) (listing elements of a standard-setting
24 misconduct case). To the extent Samsung wishes to raise the defense of business justification,
25 *Samsung* must prove the existence of a legitimate business purpose, if indeed such a defense is
26 even available outside the tying context. *See, e.g., Mozart Co. v. Mercedes-Benz of N. Am., Inc.*,
27 833 F.2d 1342, 1349-51) (9th Cir. 1987) (recognizing a limited defense of business justification
28 in tying cases and setting out elements of such a defense). With regard to jury confusion, the
instruction improperly adds discussion of a business justification defense to Apple’s antitrust
claim. In the present dispute, if Apple proves breach of Samsung’s disclosure obligations, or that
Samsung misrepresented its licensing intentions, there could be no possible business justification
for such conduct, and Samsung has pointed to none.

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**PROPOSED FINAL JURY INSTRUCTION NO. 90
MONOPOLIZATION — INTERSTATE CONDUCT**

Apple’s Proposed Instruction

The federal antitrust laws apply only to conduct that affects interstate commerce. In this case, there is no dispute that Samsung’s conduct affected interstate commerce.

Source

Adapted from instructions in *Hynix Semiconductor Inc., v. Rambus Inc.*, No. 5:06-CV-00244-RMW, Dkt. No. 1254, filed Mar. 25, 2008 (N.D. Cal.).

Samsung’s Objection to Apple’s Instruction

Samsung has addressed this element by eliminating the “interstate commerce” element from its Alternative to Apple’s Proposed Final Instruction No. 84. If the Court adopts Samsung’s Instruction in lieu of Apple’s Proposed Final Instruction No. 90, then this instruction is unnecessary.

1 **PROPOSED FINAL JURY INSTRUCTION NO. 91**
2 **MONOPOLIZATION — INJURY AND DAMAGES**

3 **Apple’s Proposed Instruction**

4 If you find that Samsung has violated the federal antitrust laws as alleged by Apple, you must
5 then decide if Apple is entitled to recover damages from Samsung.

6 Apple is entitled to recover damages for an injury to its business or property if it can establish
7 three elements of injury and causation.

8 **First**, Apple must prove that it was in fact injured as a result of Samsung’s alleged
9 violation of the antitrust laws.

10 **Second**, Apple must prove that Samsung’s alleged illegal conduct was a material
11 cause of Apple’s injury. This means that Apple must prove that some damages
12 occurred as a result of Samsung’s alleged antitrust violation, and not some other
13 cause. Apple is not required to prove that Samsung’s alleged antitrust violation
14 was the sole cause of its injury; nor need Apple eliminate all other possible causes
15 of injury.

16 **Third**, Apple must prove that its injury is the type of injury that the antitrust laws
17 were intended to prevent. If Apple’s injury was caused by a reduction in
18 competition or acts that would otherwise harm consumers, then Apple’s injury is
19 an “antitrust injury.” The costs and expenses in defending against the assertion of
20 declared-essential patents may be antitrust injury. On the other hand, if Apple’s
21 injuries were caused by heightened competition, the competitive process itself, or
22 by acts that would benefit consumers, then Apple’s injuries are not antitrust
23 injuries and Apple may not recover damages for those injuries under the antitrust
24 laws.

25 If you find that Apple has suffered injury to its business or property, you must determine whether
26 Apple has proven that it is entitled to damages for such injury. The amount of any such damages
27 is the amount of damages that Apple has proven at trial with reasonable certainty.

28 **Source**

 Adapted from instructions in *Hynix Semiconductor Inc., v. Rambus Inc.*, No. 5:06-CV-00244-
 RMW, Dkt. No. 1254, filed Mar. 25, 2008 (N.D. Cal.).

Authorities

Brunswick Corp. v. Pueblo Bowl-O-Mat, Inc., 429 U.S. 477, 489 (1977); *In re Static Random*
 Access Memory (SRAM) Antitrust Litig., No. 07-md-01819 CW, 2010 WL 5141861, at *4 (N.D.
 Cal. Dec. 13, 2010).

Samsung’s Objection to Apple’s Instruction

 The parties’ constructions are identical, except for Samsung’s use of the term “essential patents”
 rather than “declared-essential patents.” As Apple’s antitrust claim is predicated on Samsung’s
 patents being essential, rather than simply declared essential, Samsung’s construction should be
 adopted.

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Samsung’s Proposed Instruction

If you find that Samsung has violated Section 2 of the Sherman Act as alleged by Apple, you must then decide if Apple is entitled to recover damages from Samsung.

Apple is entitled to recover damages for an injury to its business or property if it can establish three elements of injury and causation.

First, Apple must prove that it was in fact injured as a result of Samsung’s alleged violation of the antitrust laws.

Second, Apple must prove that Samsung’s alleged illegal conduct was a material cause of Apple’s injury. This means that Apple must prove that some damages occurred as a result of Samsung’s alleged antitrust violation, and not some other cause. Apple is not required to prove that Samsung’s alleged antitrust violation was the sole cause of its injury; nor need Apple eliminate all other possible causes of injury.

Third, Apple must prove that its injury is the type of injury that the antitrust laws were intended to prevent. If Apple’s injury was caused by a reduction in competition or acts that would otherwise harm consumers, then Apple’s injury is an “antitrust injury.” The costs and expenses in defending against the assertion of essential patents may be antitrust injury. On the other hand, if Apple’s injuries were caused by heightened competition, the competitive process itself, or by acts that would benefit consumers, then Apple’s injuries are not antitrust injuries and Apple may not recover damages for those injuries under the antitrust laws.

If you find that Apple has suffered injury to its business or property, you must determine whether Apple has proven that it is entitled to damages for such injury. The amount of any such damages is the amount of damages that Apple has proven at trial with reasonable certainty.

Apple’s Objection to Samsung’s Instruction

The parties’ instructions are virtually identical, except that Samsung's proposed instruction refers to "essential patents" while Apple's refers to "declared-essential patents." Apple has alleged that Samsung has monopolized the relevant technology markets on the basis of its declaration that its patents are essential and the market power it obtained and exercised as a result of those declarations, regardless of whether the patents are in fact standard-essential. Apple’s corresponding instruction, No. 91, accurately reflects the law and Apple’s claim.

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