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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

APPLE INC.,  
Plaintiff,  
v.  
SAMSUNG ELECTRONICS CO. LTD., et  
al.,  
Defendants.

Case No. 11-CV-01846-LHK

**ORDER RE: WAIVER OF ARTICLE OF  
MANUFACTURE ISSUE AND NEW  
TRIAL ON DESIGN PATENT  
DAMAGES**

Re: Dkt. Nos. 3491, 3490-2

After two jury trials and decisions by both the Federal Circuit and the United States Supreme Court, the instant case has been remanded for a determination of whether a new trial on the \$399 million award for design patent damages is required. In *Samsung Electronics Co. v. Apple Inc.*, 137 S. Ct. 429 (2016) (“*Supreme Court Decision*”), the United States Supreme Court held that the “article of manufacture” for which total profits are awarded under 35 U.S.C. § 289 may be either “a product sold to a consumer [or] a component of that product.” *Id.* at 434. However, the United States Supreme Court declined to establish the test for identifying the article of manufacture for purposes of § 289. *Id.* After remand to the Federal Circuit, the Federal Circuit held that “the trial court should consider the parties’ arguments in light of the trial record and

1 determine what additional proceedings, if any, are needed. If the court determines that a new  
2 damages trial is necessary, it will have the opportunity to set forth a test for identifying the  
3 relevant article of manufacture for purposes of § 289, and to apply that test to this case.” *Apple*  
4 *Inc. v. Samsung Elecs. Co.*, \_\_\_ F. App’x \_\_\_, 2017 WL 490419, at \*2 (Fed. Cir. Feb. 7, 2017)  
5 (*“Federal Circuit Remand Decision”*).

6 On remand, the parties have submitted briefing to the Court as to whether Samsung<sup>1</sup>  
7 waived its article of manufacture theory and whether a new trial is warranted in the instant case.  
8 *See* ECF Nos. 3491, 3490-2.

9 Having considered the parties’ briefing, the relevant law, and the record in this case, the  
10 Court finds that Samsung preserved the article of manufacture issue, but defers determination of  
11 whether a new trial is warranted until after the Court resolves other outstanding issues, including  
12 the establishment of the test for identifying the relevant article of manufacture for purposes of  
13 § 289.

14 **I. BACKGROUND**

15 **A. The Design Patents in the Instant Case and**

16 After releasing the iPhone in 2007, Apple obtained design patents on a number of phone  
17 design features. As relevant here, Apple obtained the following three design patents: (1) the  
18 D618,677 patent (the “D’677 patent”), which covers a black rectangular front face of a phone with  
19 rounded corners; (2) the D593,087 patent (the “D’087 patent”), which covers a rectangular front  
20 face of a phone with rounded corners and a raised rim; and (3) the D604,305 patent (the “D’305  
21 patent”), which covers a grid of 16 colorful icons on a black screen. *See Supreme Court Decision*  
22 *at* 432–33.

23 On April 15, 2011, Apple sued Samsung for design patent infringement, utility patent  
24 infringement, and trade dress infringement. ECF No. 1. After a thirteen day jury trial from July  
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26 <sup>1</sup> The Court refers to Samsung Electronics Company, Samsung Electronics America, and Samsung  
27 Telecommunications America collectively as “Samsung” in this order.

1 30, 2012 to August 24, 2012 (the “2012 trial”) and approximately three full days of deliberation,  
2 the jury reached a verdict. *See* ECF No. 1931. The jury found that Samsung had infringed the  
3 D’677, D’087, and D’305 patents, Apple’s utility patents, and Apple’s trade dress. *Id.* The jury  
4 awarded approximately \$1.049 billion to Apple on its infringement and trade dress claims. *Id.*

5 Samsung then successfully moved for judgment as a matter of law as to the 2012 jury  
6 verdict on the theory that Apple’s utility and design patent infringement damages numbers relied  
7 on improper notice dates. *See* 35 U.S.C. § 287(a) (predicating infringement damages in certain  
8 circumstances on proof that “the infringer was notified of the infringement and continued to  
9 infringe thereafter”). Because Apple had not presented sufficient evidence to recalculate the  
10 appropriate damages award for some of the infringing sales at issue in light of the proper notice  
11 dates, the Court struck approximately \$410 million from the 2012 jury award and ordered a  
12 limited new trial on utility and design patent damages relating only to the sales of those products  
13 (the “2013 trial”). *See* Dkt. 2271 at 26 (“Retrial Order”); 2316 at 2 (Case Management Order  
14 reinstating portion of original jury award).

15 The Court specified at the 2013 trial that “[t]he Court’s prior rulings on the parties’  
16 *Daubert* motions, motions in limine, discovery disputes, and evidentiary objections [from the  
17 original trial would] remain in effect as law of the case. The parties [could] not relitigate these  
18 issues.” ECF No. 2316 at 2. Thus, the Court limited the evidence and witnesses at the 2013 trial  
19 to the evidence that was admissible at the 2012 trial. *See* ECF No. 2369.

20 On November 21, 2013, after six days of trial and two days of deliberation, a jury awarded  
21 Apple approximately \$290 million in damages for design and utility patent infringement. *See* ECF  
22 No. 2822. On March 6, 2014, after subsequent post-trial motions practice, the Court entered final  
23 judgment in favor of Apple in the amount of \$929,780,039 on its design patent, utility patent, and  
24 trade dress claims.

25 **B. Appeal of the Final Judgment**

26 On appeal, on May 18, 2015, the Federal Circuit affirmed the jury verdict as to utility  
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1 patent and design patent infringement. *See Apple Inc. v. Samsung Elecs. Co.*, 786 F.3d 983, 1005  
2 (Fed. Cir. 2015) (“*Federal Circuit Appeal*”).

3 With respect to design patent damages, Samsung argued that “the district court legally  
4 erred in allowing the jury to award Samsung’s entire profits on its infringing smartphones as  
5 damages.” *Id.* at 1001–02. Under 35 U.S.C. § 289, “[w]hoever . . . (1) applies the patented  
6 design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or  
7 (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation  
8 has been applied shall be liable to the owner to the extent of his total profit.” Samsung raised two  
9 theories to support its argument that design patent damages should have been less than Samsung’s  
10 “entire profits on its infringing smartphones.” *Federal Circuit Appeal* at 1001–02.

11 First, Samsung argued that “[t]he damages . . . should have been limited to the profit  
12 attributable to the infringement” and that “consumers chose Samsung [products] based on a host  
13 of other factors [besides the infringed designs].” *Id.* The Federal Circuit noted that this theory  
14 essentially advocated “apportionment,” which would “require[] [the patentee] to show what  
15 portion of the infringer’s profit, or of his own lost profit, was due to the design and what portion  
16 was due to the article itself.” *Id.* However, the Federal Circuit held that, as recognized in *Nike,*  
17 *Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437 (Fed. Cir. 1998), Congress has rejected  
18 apportionment for design patent damages under § 289. *Federal Circuit Appeal* at 1001–02.

19 Second, Samsung argued that “the profits awarded [for design patent infringement] should  
20 have been limited to the infringing ‘article of manufacture,’ not the entire infringing product.” *Id.*  
21 The Federal Circuit rejected this theory because “[t]he innards of Samsung’s smartphones were  
22 not sold separately from their shells as distinct articles of manufacture to ordinary purchasers.” *Id.*  
23 Thus, the Federal Circuit held that the design patent damages did not need to be limited to profits  
24 attributable to an article of manufacture less than the entirety of each infringing Samsung phone.  
25 *Id.*

26 In response, Apple argued that (1) “apportionment” was clearly precluded under *Nike*, and  
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1 (2) Samsung’s article of manufacture theory was a “novel interpretation” of § 289 that was not  
2 supported by any relevant in-circuit precedent. *See Apple Inc. v. Samsung Electronics Co., Ltd.*,  
3 Fed. Cir. Case No. 2014-1335 ECF No. 80.

4 The Federal Circuit upheld the jury verdict as to Apple’s design patent claims, utility  
5 patent claims, but vacated the jury verdict as to Apple’s trade dress claims. *Federal Circuit*  
6 *Appeal* at 994–96. The Federal Circuit held that Apple’s claimed trade dress was not protectable  
7 under Ninth Circuit law and vacated the jury verdict as to Apple’s trade dress claims. *Id.* The  
8 Federal Circuit “remand[ed] for immediate entry of final judgment on all damages awards not  
9 predicated on Apple’s trade dress claims and for any further proceedings necessitated by our  
10 decision to vacate the jury’s verdicts on the unregistered and registered trade dress claims.” *Id.* at  
11 1005.

12 On September 18, 2015, on remand, this Court entered partial final judgment in the amount  
13 of \$548,176,477 as to the damages for products that were found to infringe only Apple’s design  
14 and utility patents (and not Apple’s trade dress). ECF No. 3290. This Court also ordered a new  
15 trial on damages as to the infringing products for which Apple had been awarded damages for  
16 trade dress infringement and utility or design patent infringement to determine the damages for the  
17 utility or design patent infringement alone. ECF No. 3289. The trial would begin on March 28,  
18 2016.

19 **C. Proceedings Before the United States Supreme Court**

20 On March 21, 2016, the United States Supreme Court granted certiorari in this case.  
21 *Samsung Elecs. Co. v. Apple Inc.*, 136 S. Ct. 1453 (2016) (granting certiorari). The question for  
22 which certiorari was granted was: “Where a design patent is applied to only a component of a  
23 product, should an award of infringer’s profits be limited to those profits attributable to the  
24 component?” *Id.* As a result, on March 22, 2016, this Court vacated the March 28, 2016 trial and  
25 stayed the case. ECF No. 3472.

26 On December 6, 2016, the United States Supreme Court held that determining profits  
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1 under § 289 involves two steps: “First, identify the “article of manufacture” to which the infringed  
2 design has been applied. Second, calculate the infringer’s total profit made on that article of  
3 manufacture.” *Supreme Court Decision* at 434. On the first step, the United States Supreme  
4 Court held that the “article of manufacture” for which total profits are awarded under § 289 was  
5 not necessarily limited to the product that is sold to consumers, but may be either “a product sold  
6 to a consumer [or] a component of that product.” *Id.*

7 However, the United States Supreme Court “decline[d] to lay out a test for the first step of  
8 the § 289 damages inquiry in the absence of adequate briefing by the parties. Doing so is not  
9 necessary to resolve the question presented in this case, and the Federal Circuit may address any  
10 remaining issues on remand.” *Id.* at 436.

11 After remand, the Federal Circuit remanded the case to this Court and held that “the trial  
12 court should consider the parties’ arguments in light of the trial record and determine what  
13 additional proceedings, if any, are needed. If the court determines that a new damages trial is  
14 necessary, it will have the opportunity to set forth a test for identifying the relevant article of  
15 manufacture for purposes of § 289, and to apply that test to this case.” *Federal Circuit Remand*  
16 *Decision* at \*2.

17 **D. Proceedings on Remand in this Court**

18 On April 21, 2017, Apple and Samsung each filed opening briefs on whether Samsung has  
19 waived the article of manufacture issue and whether a new trial on design patent damages is  
20 necessary in the instant case. ECF No. 3490-2 (“Apple Op.”); ECF No. 3491 (“Samsung Op.”).<sup>2</sup>  
21 On May 12, 2017, Apple and Samsung each filed responsive briefs. ECF No. 3497 (“Apple  
22 Resp.”); ECF No. 3498 (“Samsung Resp.”).

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25 <sup>2</sup> The Court notes that Civil Local Rule 3-4(c)(2) states that “[p]rinted text may be proportionally  
26 spaced, provided the type may not be smaller than 12-point standard font (e.g., Times New  
27 Roman),” and that text “must be double-spaced.” Samsung’s opening brief violates this rule by  
using multiple, lengthy single-spaced bullet points. Apple’s opening brief violates the spirit if not  
the text of this rule by kerning, e.g., decreasing the spacing between the letters. The Court may  
strike future briefs that do not comply with the Civil Local Rules.

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1           On June 22, 2017, the Court ordered supplemental briefing on the sufficiency of the record  
2 as it relates to the article of manufacture issue. ECF No. 3501. On June 26, 2017, Apple and  
3 Samsung filed their supplemental briefs. ECF No. 3503 (“Apple Supp.”); ECF No. 3504  
4 (“Samsung Supp.”).

5       **II.     DISCUSSION**

6           Samsung seeks a new trial on the grounds that, in light of the United States Supreme  
7 Court’s decision in this case, the Court provided legally erroneous instructions to the jury that  
8 prejudiced Samsung. Apple argues that Samsung has waived its right to seek a new trial on the  
9 “article of manufacture issue,” the jury instructions as given were not legally erroneous, and no  
10 evidence in the record supported Samsung’s proposed jury instruction.

11           First, because the parties sharply dispute the factual record concerning when Samsung  
12 raised its article of manufacture argument, the Court first sets forth the progression of the article of  
13 manufacture argument in the 2012 and 2013 trials. Second, the Court addresses whether Samsung  
14 adequately preserved its article of manufacture theory through motions for judgment as a matter of  
15 law. Third, the Court addresses whether Samsung adequately preserved the article of manufacture  
16 issue with respect to the jury instructions, and whether a new trial should be granted.

17           **A.     Arguments About the Article of Manufacture at the 2012 and 2013 Trials**

18           Before the Court addresses the arguments made by Samsung at the 2012 and 2013 trials,  
19 the Court first discusses the difference between Samsung’s “apportionment” theory and its “article  
20 of manufacture” theory. First, “apportionment” “requires [the patentee] to show what portion of  
21 the infringer’s profit . . . was due to the [patented] design and what portion was due to the article  
22 itself.” *Federal Circuit Appeal* at 1001. Apportionment is based on the theory that an infringer  
23 should only pay for the damages actually caused by the infringement itself. However, as the  
24 Federal Circuit has held, Congress rejected apportionment when it codified design patent damages  
25 in § 289. *See Nike*, 138 F.3d at 1441 (recognizing that apportionment is not allowed under § 289).

26           In contrast, Samsung’s article of manufacture theory is that a patented design is not  
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1 necessarily applied to the entire product that is sold, and thus profits from the entire product  
2 should not always be awarded. For example, the D’677 patent protects Apple’s design of a phone  
3 with a black face and rounded corners. Samsung’s article of manufacture theory is that the black  
4 face and rounded corners of the D’677 patent only applies to the outer casing of the phone, and  
5 thus profits attributable to other articles of manufacture—for example, the internal components of  
6 the phone—should not be awarded under § 289.

7 Samsung does not contest that the issue of the proper article of manufacture was never  
8 raised during discovery. In fact, Samsung resisted attempts by Apple to obtain data about the  
9 costs of components of Samsung’s infringing phones. *See* ECF No. 673 at 15 (order by  
10 Magistrate Judge Paul Grewal holding that Samsung has previously withheld relevant information  
11 on the “selling price per accused product, gross margin, expenses and operating profit”); ECF No.  
12 880 at 10–14 (Magistrate Judge Paul Grewal imposing sanctions for Samsung’s delay in providing  
13 documents including the “costed bills of materials’ for the accused products”). However,  
14 Samsung eventually produced pricing information to Apple about the component parts of  
15 Samsung’s phones. *See* ECF No. 2607-5 at 16 (Apple’s damages expert noting that he relied on  
16 “a file that reflects detailed information on [Samsung’s] material costs for the Accused Products”).

17 One of Samsung’s expert reports written by Michael Wagner, which Samsung filed as part  
18 of its motion for summary judgment, included a damages theory that would have awarded Apple  
19 less profit than the entire profit on Samsung’s infringing phones. *See* ECF No. 3198 ¶ 340  
20 (utilizing consumer survey information to indicate a split between the profit attributable to the  
21 design of Samsung’s phones and its technology). However, in response to Apple’s motion to  
22 exclude the damages theory from this expert report, Samsung solely argued that the expert report  
23 was admissible based on its apportionment theory of damages, and did not mention the article of  
24 manufacture theory. ECF Nos. 1057, 1157 (“Samsung’s opposition cites no legal basis for Mr.  
25 Wagner’s apportionment of damages, in clear contravention of 35 U.S.C. § 289, instead appealing  
26 only to procedural and policy arguments for allowing apportionment in this case.”). The Court  
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1 excluded Michael Wagner’s expert report as to those damages because § 289 and Federal Circuit  
 2 case law clearly exclude an apportionment theory of design patent damages. *See* ECF No. 1157  
 3 (citing *Nike*, 138 F.3d at 1442-43 (noting that Congress removed “the need to apportion the  
 4 infringer’s profits between the patented design and the article bearing the design” when it passed  
 5 the Act of 1887, which was subsequently codified under § 289)).

6 The first time Samsung raised its article of manufacture theory was in a trial brief filed on  
 7 July 24, 2012, 6 days before the 2012 trial, which began on July 30, 2012. In that trial brief,  
 8 Samsung argued that § 289 “require[s] that profits disgorgement be limited to the ‘article of  
 9 manufacture’ to which a patented design is applied” and that, as a result, Apple’s attempt to seek  
 10 “all of Samsung’s profits from sales of the accused phones and tablets” would result in a windfall.  
 11 ECF No. 1300 (“Samsung July 24, 2012 Trial Brief”) at 19–22. Samsung relied on *Bush & Lane*  
 12 *Piano Co. v. Becker Bros.*, 222 F. 902 (2d Cir. 1915) (“*Piano I*”), and *Bush & Lane Piano Co. v.*  
 13 *Becker Bros.*, 234 F. 79 (2d Cir. 1916) (“*Piano II*”) (opinion after appeal following remand)  
 14 (collectively, “the *Piano* cases”), in which the Second Circuit held that the patentee had been  
 15 overcompensated for being awarded the profits from an entire piano when the design patent at  
 16 issue only applied to the piano case, not the internal components of the piano itself. *Piano I* at  
 17 904.

18 On August 13, 2012, Samsung raised this issue again in a Rule 50(a) motion for judgment  
 19 as a matter of law following the close of Apple’s case in chief. Samsung argued that “Apple [has  
 20 not] made any effort to limit the profits it’s seeking to the article to which the design is applied.  
 21 That’s the plain language of [§ 289]. They are acting—they are assuming that the article to which  
 22 the design is applied is the entire product, which is erroneous as a matter of law. They have not  
 23 factored out, for example, the technology and what drives those profits.” ECF No. 1839 at 201–  
 24 02.

25 Also on August 13, 2012, Samsung filed its proposed jury instructions, which included  
 26 Proposed Jury Instruction 42.1:

1 If you find that Samsung Electronics Company, Ltd., Samsung Electronics  
2 America, Inc. or Samsung Telecommunications America, LLC infringed any of  
3 Apple's design patents, and if you decide to award Apple profits from Samsung  
4 Electronics Company, Ltd.'s, Samsung Electronics America, Inc.'s or Samsung  
5 Telecommunications America, LLC's sales, you should award only those profits  
6 which were derived from the article of manufacture to which Apple's patented  
7 design was applied. The article to which Apple's design was applied may be the  
8 same as or different from Samsung's devices as sold because devices offered for  
9 sale may incorporate a single article of manufacture or several articles of  
10 manufacture. The article of manufacture to which a design has been applied is the  
11 part or portion of the product as sold that incorporates or embodies the subject  
12 matter of the patent. Where the article of manufacture is a case or external  
13 housing of the device, then only the profits from the sale of the case or external  
14 housing of the device should be awarded. Under these instructions, an award of  
15 profits for design patent infringement should not include profits earned from the  
16 technology by which the devices operate or from any other functions of the  
17 devices.

18 ECF No. 1694 ("Proposed Final Jury Instructions") at 151.

19 Apple objected to Proposed Jury Instruction 42.1 on the grounds that (1) the *Piano* cases  
20 were out-of-circuit, century-old precedent; (2) that the Federal Circuit's *Nike* decision "explain[ed]  
21 that [article of manufacture] refers to the product that is sold"; and (3) the instant case was  
22 distinguishable from the *Piano* cases because those cases "refer[] to the piano case being sold  
23 separately from the piano," whereas in the instant case, the outer case and internals of the phone  
24 are not sold separately. Proposed Final Jury Instructions at 151–52.

25 The Court excluded Proposed Jury Instruction 42.1. *See* ECF No. 1883. However, on  
26 August 20, 2012, at the jury instruction conference, Samsung objected to its exclusion:

27 We object to not including the language that we proposed, because we don't think  
28 it's a correct statement of the law that just because the design, as Apple alleges,  
applied to the front face of these articles, the outside of it, that they can then  
recover for the underlying technology. And, in fact, that's the exact kind of  
situation that the *Piano* cases found were a windfall, and we briefed this  
previously, your honor.

....

And also, your honor, what I'm talking about with the *Piano* cases, just to be  
clear, there's not apportionment. It's actually the definition of what the article is.  
And in the *Piano* cases, basically the article was the outside of the piano and the  
recovery that was given was for all of the profits from the sale of the piano, and  
the court said that was essentially a windfall because the workings of it, it's not  
apportionment, it's rather that was the article to which the design was applied.

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That's what the profits have to be from.

ECF No. 1998 at 204–07

After trial, on October 2, 2012, Samsung moved for judgment as a matter of law. ECF No. 2013. In that motion, Samsung mixed the apportionment and article of manufacture theories. Samsung argued that Apple should have “limit[ed] its calculations of Samsung’s profits to those attributable to use of the patented designs,” which “violate[d] the causation requirement” that exists in “all patent infringement litigation.” *Id.* at 18–19. Samsung then cited to the *Piano* cases, which Samsung argued applied the causation principle by “limiting infringer’s profits to those attributable to design of piano case rather than whole piano.” *Id.* at 19. Moreover, Samsung argued that “[t]he record contains no evidence that the entire sales value of Samsung’s products was attributable to their outer casings or GUI, as opposed to the numerous noninfringing technological components that enable the devices to function and drive consumer choice.” *Id.* at 19. In Samsung’s November 9, 2012 reply brief in support of its motion for judgment as a matter of law, Samsung argued that Apple “fail[ed] to offer any evidence that [the profits awarded in the instant case] are the profits from the ‘article of manufacture’ at issue, which is the phones’ outer casings or GUI.” ECF No. 2131 at 4. The Court denied Samsung’s motion for judgment as a matter of law under *Nike* and the Federal Circuit’s precedent forbidding the apportionment of design patent damages. ECF No. 2271 at 12–13 (citing *Nike*, 138 F.3d at 1441 (“It is expedient that the infringer’s entire profit on the article should be recoverable,’ for ‘it is not apportionable’ . . . .”))).

At the 2013 trial, Samsung argued in a Rule 50(a) motion for judgment as a matter of law at the close of Apple’s case that “Apple presents no evidence of apportionment.” ECF No. 2842 at 113. However, Samsung’s argument had two parts. First, Samsung explained that “Samsung previously cited a number of cases, including [the *Piano* cases] . . . , all of those cases stand for the proposition that you cannot get infringer’s profits on the entire device and you can only do it for the actually infringing feature.” *Id.* Second, Samsung argued that “Apple further did not present any evidence of causation, that these particular accused features of the design patents or the

1 patented designs drive the sales and did not include that in their calculation analysis.” *Id.* at 113–  
2 14. The Court denied Samsung’s motion. *Id.* at 132.

3 After the 2013 trial, Samsung repeated verbatim in its Rule 50(b) motion for judgment as a  
4 matter of law the arguments Samsung made in its Rule 50(b) motion for judgment as a matter of  
5 law after the 2012 trial. *See* ECF No. 2884-2 at 31–32. The Court denied Samsung’s motion on  
6 the same grounds as the motion for judgment as a matter of law following the 2012 trial. ECF No.  
7 2947 at 16 n.8.

8 As discussed above, Samsung raised both the apportionment and article of manufacture  
9 arguments on appeal. The Federal Circuit upheld the jury verdict, and found that Samsung’s  
10 apportionment theory and article of manufacture theories lacked merit. *Federal Circuit Appeal* at  
11 1001–02. The United States Supreme Court did not address Samsung’s apportionment theory  
12 because Samsung explicitly abandoned it at oral argument. *Supreme Court Decision* at 434 n.2  
13 (“Samsung abandoned this [apportionment] theory at argument, and so we do not address it.”  
14 (citing transcript of October 11, 2016 oral argument before the United States Supreme Court)).  
15 However, as discussed above, the United States Supreme Court held that the article of  
16 manufacture can be less than the product sold to consumers. *Id.*

17 Based on the above procedural history, Apple argues that the article of manufacture issue  
18 was undisputed before, during, and after trial, and thus has been waived. Samsung argues that  
19 Samsung preserved the article of manufacture issue both through its arguments in its motions for  
20 judgment as a matter of law and through its objection to the exclusion of Proposed Jury Instruction  
21 42.1. The Court addresses each of Samsung’s arguments in turn.

22 **B. Judgment as a Matter of Law**

23 Apple argues that Samsung did not adequately preserve the article of manufacture issue in  
24 its Rule 50(a) and 50(b) motions for judgment as a matter of law. Although Samsung argues that  
25 it did adequately raise the article of manufacture issue in its motions for judgment as a matter of  
26 law, in the instant briefing, Samsung no longer seeks judgment as a matter of law with respect to  
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1 the article of manufacture issue. *See* Samsung Resp. at 10 (“Samsung’s Rule 50(a) and 50(b)  
2 motions, while plainly pressing the ‘article of manufacture’ argument, are in any event legally  
3 irrelevant to whether Samsung is entitled to a *new trial* on design-patent damages based on  
4 instructional error—the sole question directed to the Court by the Federal Circuit’s mandate.”).  
5 Thus, in these post-remand proceedings, Samsung only seeks a new trial based on instructional  
6 error. Accordingly, the Court need not reach whether Samsung adequately raised the article of  
7 manufacture issue in its Rule 50(a) and 50(b) motions for judgment as a matter of law.

8 **C. Preservation of Issues and New Trial Based on Instructional Error**

9 The Court next turns to whether a new trial is warranted based on instructional error.  
10 Samsung argues that the Court’s exclusion of Proposed Jury Instruction 42.1 and its inclusion of  
11 Final Jury Instruction 54 constitute instructional error that requires a new trial. Samsung argues  
12 that the jury instructions that were given to the jury required, or at least misleadingly suggested,  
13 that the entirety of each infringing Samsung phone was the article of manufacture from which  
14 damages should be calculated. Final Jury Instruction 54 contained the following language:

15 In this case, Apple seeks Samsung Electronics Company’s, Samsung Electronics  
16 America’s, and Samsung Telecommunications America’s profits from sales of  
17 products alleged to infringe Apple’s design patents. If you find infringement by  
18 any Samsung defendant and do not find Apple’s design patents are invalid, you  
may award Apple that Samsung defendant’s total profit attributable to the  
infringing products.

19 The “total profit” of Samsung Electronics Company, Samsung Electronics  
20 America and/or Samsung Telecommunications America means the entire profit  
21 on the sale of the article to which the patented design is applied, and not just the  
22 portion of profit attributable to the design or ornamental aspects covered by the  
patent. “Total profit” does not include profit attributable to other products that  
may be sold in association with an infringing article embodying the patented  
design.

23 If you find infringement by any Samsung defendant, Apple is entitled to all profit  
24 earned by that defendant on sales of articles that infringe Apple’s design patents.  
25 Profit is determined by deducting certain expenses from gross revenue. Gross  
26 revenue is all of the infringer’s receipts from the sale of articles using any design  
found infringed. Apple has the burden of proving the infringing defendant’s gross  
revenue by a preponderance of the evidence.

27 ECF No. 1901 (“Final Jury Instructions”) at 72. Samsung argues that Final Jury Instruction 54’s

1 statement that “you may award Apple [Samsung’s] total profit attributable to the infringing  
2 products” shows that the jury was misled to believe that Samsung’s infringing “products” were the  
3 relevant articles of manufacture within the meaning of § 289. *Id.*

4 Samsung contends that its Proposed Jury Instruction 42.1 would have cured the problems  
5 with Final Jury Instruction 54, but that the Court improperly excluded it. Proposed Jury  
6 Instruction 42.1 provided the following:

7 If you find that Samsung Electronics Company, Ltd., Samsung Electronics  
8 America, Inc. or Samsung Telecommunications America, LLC infringed any of  
9 Apple’s design patents, and if you decide to award Apple profits from Samsung  
10 Electronics Company, Ltd.’s, Samsung Electronics America, Inc.’s or Samsung  
11 Telecommunications America, LLC’s sales, you should award only those profits  
12 which were derived from the article of manufacture to which Apple’s patented  
13 design was applied. The article to which Apple’s design was applied may be the  
14 same as or different from Samsung’s devices as sold because devices offered for  
15 sale may incorporate a single article of manufacture or several articles of  
16 manufacture. The article of manufacture to which a design has been applied is the  
17 part or portion of the product as sold that incorporates or embodies the subject  
18 matter of the patent. Where the article of manufacture is a case or external  
19 housing of the device, then only the profits from the sale of the case or external  
20 housing of the device should be awarded. Under these instructions, an award of  
21 profits for design patent infringement should not include profits earned from the  
22 technology by which the devices operate or from any other functions of the  
23 devices.

24 Proposed Final Jury Instructions at 151. Samsung argues that this proposed jury instruction would  
25 have clarified that an article of manufacture “may be the same as or different from Samsung’s  
26 devices as sold because devices offered for sale may incorporate a single article of manufacture or  
27 several articles of manufacture.” *Id.*

28 “A jury verdict will be set aside, based on erroneous jury instructions, if . . . ‘those  
instructions were legally erroneous,’ and that ‘the errors had prejudicial effect.’” *NTP, Inc. v.*  
*Research In Motion, Ltd.*, 418 F.3d 1282, 1311–12 (Fed. Cir. 2005) (quoting *Advanced Display*  
*Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1281 (Fed. Cir. 2000)). More specifically, a  
judgment may be altered based on an erroneous jury instruction by a party if “(1) [the party] made  
a proper and timely objection to the jury instructions, (2) those instructions were legally

1 erroneous, (3) the errors had prejudicial effect, and (4) [the party] requested alternative  
2 instructions that would have remedied the error.” *Advanced Display*, 212 F.3d at 1281 (internal  
3 citations omitted). The Court addresses each factor in turn.

4 **1. Proper and Timely Objection**

5 Under Federal Rule of Civil Procedure 51, “[a] party who objects to an instruction or the  
6 failure to give an instruction must do so on the record, stating distinctly the matter objected to and  
7 the grounds for the objection.” Fed. R. Civ. P. 51(c)(1). To be timely, the objection must occur  
8 either at a time that the Court provides for objections on the record or promptly upon learning that  
9 an instruction will be given or refused. *Id.* 51(c)(2). The Federal Circuit “look[s] to regional  
10 circuit law to determine whether a party has satisfied the requirements of Rule 51.” *Lazare*  
11 *Kaplan Int’l, Inc. v. Photoscribe Techs., Inc.*, 628 F.3d 1359, 1372 (Fed. Cir. 2010); *see also*  
12 *Wordtech Sys., Inc v. Integrated Networks Sols., Inc.*, 609 F.3d 1308, 1314 (Fed. Cir. 2010) (“For  
13 issues not unique to patent law, we review jury instructions under the law of the relevant regional  
14 circuit.”). In the Ninth Circuit, if a party does not object properly to jury instructions at trial, the  
15 instructions are reviewable only for plain error. *See C.B. v. City of Sonora*, 769 F.3d 1005, 1016–  
16 19 (9th Cir. 2014) (en banc); Fed. R. Civ. P. 51(d)(2) (“A court may consider a plain error in the  
17 instructions that has not been preserved as required by Rule 51(d)(1) if the error affects substantial  
18 rights.”). “[W]hen reviewing civil jury instructions for plain error, [the Ninth Circuit] must  
19 consider, as [it] do[es] in the criminal context, whether (1) there was an error; (2) the error was  
20 obvious; and (3) the error affected substantial rights.” *City of Sonora*, 769 F.3d at 1018.

21 Here, Samsung filed Proposed Jury Instruction 42.1 at the close of Apple’s case. *See*  
22 Proposed Final Jury Instructions. At the close of evidence, the Court excluded Samsung’s  
23 Proposed Jury Instruction 42.1. On August 20, 2012, at a jury instruction conference out of the  
24 presence of the jury, Samsung objected to the exclusion of Proposed Jury Instruction 42.1.  
25 Specifically, Samsung argued that the absence of Proposed Jury Instruction 42.1 would cause the  
26 jury to be improperly instructed on the issue of a § 289 article of manufacture:

1 We object to not including the language that we proposed, because we don't think  
2 it's a correct statement of the law that just because the design, as Apple alleges,  
3 applied to the front face of these articles, the outside of it, that they can then  
4 recover for the underlying technology. And, in fact, that's the exact kind of  
5 situation that the *Piano* cases found were a windfall, and we briefed this  
6 previously, your honor.

7 . . . .  
8 And also, your honor, what I'm talking about with the *Piano* cases, just to be  
9 clear, there's not apportionment. It's actually the definition of what the article is.  
10 And in the *Piano* cases, basically the article was the outside of the piano and the  
11 recovery that was given was for all of the profits from the sale of the piano, and  
12 the court said that was essentially a windfall because the workings of it, it's not  
13 apportionment, it's rather that was the article to which the design was applied.  
14 That's what the profits have to be from.

15 ECF No. 1998 at 204–07. Thus, Samsung objected on the grounds that the jury should be allowed  
16 to determine that the article of manufacture was less than the entirety of each infringing Samsung  
17 phone.

18 Samsung objected to the Court's exclusion of Proposed Jury Instruction 42.1, stated the  
19 grounds for objection, and did so in a timely manner. Accordingly, Samsung objected to the  
20 exclusion of Proposed Jury Instruction 42.1 in a proper and timely manner that was in compliance  
21 with Rule 51.

22 Apple argues, however, that Samsung's objection was insufficient to preserve the article of  
23 manufacture issue. Specifically, Apple argues that Samsung needed to object at trial to the  
24 exclusion of Proposed Jury Instruction 42.1 *and* the inclusion of Final Jury Instruction 54. Final  
25 Jury Instruction 54 stated that “[i]f you find infringement by any Samsung defendant and do not  
26 find Apple's design patents are invalid, you may award Apple that Samsung defendant's total  
27 profit attributable to the infringing products.” ECF No. 1903 at 72. In the instant briefing, as  
28 discussed above, Samsung contends that Final Jury Instruction 54 improperly equated the article  
of manufacture with the entirety of each infringing Samsung phone.

An objection to the exclusion of a proposed jury instruction may “serve in lieu of an  
objection to the [] instruction that the district court did give.” *Glover v. BIC Corp.*, 6 F.3d 1318,  
1327 (9th Cir. 1993) (citation omitted). “[T]he proposed instructions ‘must be sufficiently specific

1 to bring into focus the precise nature of the alleged error.” *Id.* (citation omitted). Here, Proposed  
2 Jury Instruction 42.1 explicitly provided that “[t]he article to which Apple’s design was applied  
3 may be the same as or different from Samsung’s devices as sold because devices offered for sale  
4 may incorporate a single article of manufacture or several articles of manufacture.” Proposed  
5 Final Jury Instruction at 151. This proposed instruction, and Samsung’s objection, which stated  
6 that the exclusion of Proposed Jury Instruction 42.1 would result in an “[in]correct statement of  
7 law” were sufficient to bring the Court’s attention to Samsung’s contention that the final jury  
8 instructions contained language that would cause the jury to believe that the articles of  
9 manufacture in the instant case were necessarily Samsung’s infringing phones. Accordingly,  
10 Samsung sufficiently preserved the article of manufacture issue with its objection to the exclusion  
11 of Proposed Jury Instruction 42.1.

12 Moreover, Samsung did object generally to Final Jury Instruction 54. What eventually  
13 became Final Jury Instruction 54 was originally proposed by the parties as Proposed Final Jury  
14 Instruction 42, *see* Proposed Final Jury Instructions at 147–50, and tentatively adopted by the  
15 Court as Tentative Final Jury Instruction 42, ECF No. 1849 at 69. At the jury instruction  
16 conference, Samsung objected generally that the instruction allowed Apple to “obtain recoveries  
17 that we don’t think are allowed under the law.” ECF No. 1998 at 198–99. While perhaps not  
18 sufficient on its own, this general objection indicates that the specific objection to the exclusion of  
19 Proposed Jury Instruction 42.1 preserved the article of manufacture issue as to both instructions.

20 Apple also argues that Samsung invited any error in the jury instructions because Samsung  
21 proposed a jury instruction that is similar to Final Jury Instruction 54 in its proposed jury  
22 instructions. Specifically, on July 13, 2012, before the pretrial conferences on July 18, 24, and 27,  
23 2012, Samsung proposed a jury instruction that stated “you may award Apple [Samsung’s] total  
24 profit on sales of *products* alleged to infringe Apple’s design patents.” ECF No. 1232 at 220  
25 (emphasis added). However, in the modified proposed instructions filed on August 13, 2012 at the  
26 close of Apple’s case, Samsung filed a proposed instruction that instead stated “you may award  
27

1 Apple [Samsung’s] total profit on sales of *articles* alleged to infringe Apple’s design patents,” and  
2 filed Proposed Jury Instruction 42.1. Proposed Final Jury Instructions at 149–51 (emphasis  
3 added). Apple objected to this version of the instruction by arguing that “Apple is entitled to  
4 recover all of Samsung’s profits relating to the accused products without apportionment.” *Id.* at  
5 150.

6 “A party who requests an instruction invites any error contained therein and, absent an  
7 objection before the instruction is given, waives appellate review of the correctness of the  
8 instruction.” *Gilchrist v. Jim Slemons Imports, Inc.*, 803 F.2d 1488, 1493 (9th Cir. 1986). The  
9 Court finds that the invited error doctrine does not preclude review of the article of manufacture  
10 issue for two reasons. First, the invited error doctrine does not apply here because, as discussed  
11 above, Samsung objected to the jury instructions “before the instruction[s] [were] given.” *Id.*  
12 Second, as discussed above, although Samsung initially proposed a jury instruction with the  
13 language to which Samsung now objects, Samsung later eliminated that language from its  
14 proposed instructions and, in fact, filed Proposed Jury Instruction 42.1, which clarified Samsung’s  
15 position on the article of manufacture issue. Therefore, Samsung did not invite the currently  
16 asserted error in Final Jury Instruction 54.

17 Accordingly, Samsung has not waived its objection to the jury instructions, and the Court  
18 applies the normal standard of review rather than plain error review.

19 **2. Legally Erroneous**

20 Apple argues that even if Samsung adequately objected to the exclusion of Proposed Jury  
21 Instruction 42.1, Samsung has failed to show that the jury instructions given to the jury were  
22 legally erroneous. The Court applies the Ninth Circuit standard of review for determining whether  
23 the jury instructions were legally erroneous, but applies Federal Circuit law to determinations  
24 regarding whether the jury instructions contained an incorrect statement of law. *See Wordtech*,  
25 609 F.3d at 1314 (applying Ninth Circuit standard of review to evaluation of jury instructions, but  
26 Federal Circuit precedent as to whether the instructions involved legal error). “[J]ury instructions  
27

1 must fairly and adequately cover the issues presented, must correctly state the law, and must not  
2 be misleading.” *Dang v. Cross*, 422 F.3d 800, 804 (9th Cir. 2005) (quoting *White v. Ford Motor*  
3 *Co.*, 312 F.3d 998, 1012 (9th Cir. 2002)). Each party is therefore “entitled to an instruction about  
4 his or her theory of the case if it is supported by law and has foundation in the evidence.” *Id.* at  
5 804–05 (quoting *Jones v. Williams*, 297 F.3d 930, 934 (9th Cir. 2002)). “A district court therefore  
6 commits error when it rejects proposed jury instructions that are properly supported by the law and  
7 the evidence.” *Id.* “In evaluating jury instructions, prejudicial error results when, looking to the  
8 instructions as a whole, the substance of the applicable law was [not] fairly and correctly  
9 covered.” *Dang*, 422 F.3d at 805 (quoting *Swinton v. Potomac Corp.*, 270 F.3d 794, 802 (9th Cir.  
10 2001) (internal quotation marks omitted)).

11 The Court first addresses whether the jury instructions given to the jury complied with the  
12 United States Supreme Court’s decision in this case. The Court then addresses Apple’s arguments  
13 that it was not legal error to exclude Proposed Jury Instruction 42.1 because (1) Samsung never  
14 raised the “article of manufacture” as an issue of disputed fact in its pretrial order, (2) Proposed  
15 Jury Instruction 42.1 contained misstatements of law, and (3) Proposed Jury Instruction 42.1 has  
16 no “foundation in evidence,” *id.* at 804. As discussed further below, the Court finds that none of  
17 these issues preclude the possibility that legal error occurred in this case. However, overall, the  
18 Court defers whether the Court committed legal error by excluding Proposed Jury Instruction 42.1  
19 until after the Court resolves other outstanding issues, including the establishment of the test for  
20 identifying the relevant article of manufacture for purposes of § 289.

21 **a. Whether the Jury Instructions Are Consistent with the United**  
22 **States Supreme Court’s Decision in this Case**

23 Apple argues that Proposed Jury Instruction 42.1 was properly excludable, and thus no  
24 error could possibly have occurred, because the jury instructions given to the jury were consistent  
25 with the United States Supreme Court’s decision in this case. Specifically, Apple argues that  
26 under the instructions that were given to the jury, the jury could have found that an “article of  
27 manufacture” for which total profits are awarded under 35 U.S.C. § 289 may be either “a product

1 sold to a consumer [or] a component of that product.” *Supreme Court Decision* at 434.

2 Proposed Jury Instruction 42.1 specified that an article of manufacture “may be the same  
3 as or different from Samsung’s devices as sold because devices offered for sale may incorporate a  
4 single article of manufacture or several articles of manufacture.” Proposed Final Jury Instructions  
5 at 151. In contrast, the instructions that were read to the jury did not indicate that the article of  
6 manufacture could be less than the entirety of each infringing Samsung phone, and implied that  
7 the article of manufacture was the entirety of each infringing Samsung phone. As noted above,  
8 Final Jury Instruction 54 stated: “If you find infringement by [Samsung] and do not find Apple’s  
9 design patents are invalid, you may award Apple [Samsung’s] total profit attributable to the  
10 infringing *products*.” Final Jury Instructions at 72 (emphasis added). Similarly, Final Jury  
11 Instruction 53 stated that “Apple can elect to prove either actual damages, known as compensatory  
12 damages, or *it may elect to prove the defendant’s profits as its measure of potential recovery with*  
13 *respect to the sale of each unit of an infringing product.* *Id.* at 71 (emphasis added). The  
14 emphasis on the total profit attributable to the “infringing products” indicates that the jury  
15 instructions contemplated an award of the profit earned for the entirety of each infringing  
16 Samsung phone, and did not contemplate the possibility of a smaller article of manufacture.

17 Apple argues that these statements about “products” do not mean that the jury was  
18 *required* to find that the entirety of Samsung’s infringing phones were the article of manufacture  
19 for two reasons. First, Apple argues that besides the above reference to products, Final Jury  
20 Instruction 54 states multiple times that the profits should be awarded on “the sale of the article to  
21 which the patented design is applied.” Final Jury Instructions at 72. However, there is no jury  
22 instruction that informed the jurors that there is a difference between the products sold to  
23 consumers and the article of manufacture under § 289. Indeed, Final Jury Instruction 54’s  
24 statement that profits may be awarded as to the “infringing products” suggests that the article of  
25 manufacture being sold is an infringing product. Final Jury instruction 53 similarly implies that  
26 Apple can obtain all profits on the infringing products, and does not mention the possibility of a  
27

1 smaller article of manufacture. *See* Final Jury Instructions at 71 (“Apple can elect to prove either  
2 actual damages, known as compensatory damages, or it may elect to prove the defendant’s profits  
3 as its measure of potential recovery with respect to the sale of each unit of an infringing  
4 product.”). Thus, jurors would have no way of knowing that the article of manufacture could be  
5 something less than the product that is sold to consumers, and the instructions themselves strongly  
6 imply that profits should be awarded on the entirety of Samsung’s infringing phones.  
7 Accordingly, the references to the “sale of the article” in Final Jury Instruction 54 does not mean  
8 that the jury could find an article of manufacture that was less than the entirety of each infringing  
9 Samsung phone.

10 Second, Apple argues that Final Jury Instruction 54 uses the conditional statement “you  
11 *may* award Apple [Samsung’s] total profit attributable to the infringing products,” and thus the  
12 jury had the option not to award Apple the full amount of the profit on Samsung’s infringing  
13 phones. *Id.* at 72 (emphasis added). However, the use of the word “may” did not inform the jury  
14 that it could award less than the entirety of Samsung’s profits on the infringing phones *because* the  
15 jury was permitted to find an article of manufacture that was less than the entirety of each  
16 infringing Samsung phone. After the United States Supreme Court’s decision in this case, if the  
17 article of manufacture is found to be something less than the entirety of each infringing Samsung  
18 phone, the jury may only award the amount of total profit on that article of manufacture, not the  
19 entire product. Accordingly, the use of the term “may” does not eliminate the equivalence  
20 between “products” and “articles” created by Final Jury Instruction 53 and 54.

21 The fact that “article of manufacture” was conflated with “products” is underscored by  
22 Apple’s closing argument in which Apple argued that “[a]s Judge Koh just told you, Congress  
23 awards the entire profit on a product, not just part of that product. Profit.” ECF No. 1997 at 184.  
24 Apple now argues that this was an attempt to eliminate Samsung’s “apportionment” theory, rather  
25 than the “article of manufacture” theory. However, the statement that “Congress awards the entire  
26 profit on a product” is not correct unless the article of manufacture is found to be the same as the  
27

1 product. However, as already noted above, there was no instruction in the record or statement in  
2 the party’s closing arguments that would inform the jurors that an article could be less than the  
3 entire product as sold to consumers. Thus, this statement in closing was incomplete or incorrect.  
4 Indeed, the United States Supreme Court’s holding in this case clarified that a plaintiff may be  
5 awarded the profit for “a component of [a] product.” *Supreme Court Decision* at 434.

6 Overall, the jury was not provided an instruction that stated the law as provided by the  
7 United States Supreme Court decision in this case that an article of manufacture can be “a product  
8 sold to a consumer [or] a component of that product.” *Id.* Without such an instruction, Final Jury  
9 Instructions 53 and 54 would direct a jury to find that the article of manufacture and product are  
10 the same. Therefore, Apple’s argument that no instructional error could possibly have occurred  
11 because the jury instructions given to the jury complied with the United States Supreme Court’s  
12 decision in this case is incorrect.<sup>3</sup>

13 **b. Pretrial Order**

14 Apple argues that it was not instructional error to exclude Proposed Jury Instruction 42.1  
15 because the article of manufacture issue was not listed as a disputed issue of fact or law in the  
16 pretrial order. “A Rule 16(e) order controls the subsequent course of action in the litigation unless  
17 it is modified by a subsequent order.” *Eagle v. Am. Tel. & Tel. co.*, 769 F.2d 541, 548 (9th Cir.  
18 1985). “This means that testimony or witnesses on issues not raised in the order . . . may be  
19 excluded at the trial.” 6A Wright & Miller, Fed. Prac. & Proc. § 1527. Moreover, “[t]he trial  
20 court [] may refuse to give an instruction to the jury on an issue not embodied in the pretrial  
21 order.” *Id.*

22  
23 <sup>3</sup> The Court does not reach in this order whether it was actually error for the jury instructions to  
24 equate the article of manufacture with the entirety of Samsung’s infringing phones. As discussed  
25 further below in the foundation in evidence section, such a finding would require the Court to  
26 eliminate the possibility that, based on the evidence in the record, the entirety of Samsung’s  
27 infringing phones is the relevant article of manufacture as a matter of law. However, the parties  
have not briefed the test for identifying the relevant article of manufacture for purposes of § 289.  
Therefore, the Court defers that issue until the Court resolves other outstanding issues, including  
the establishment of the test for identifying the relevant article of manufacture for purposes of  
§ 289.

1           However, “[t]he decision to bind the parties to the order is viewed as a matter of judicial  
2 discretion” that is reviewed for “abuse of that discretion.” 6A Wright & Miller, Fed. Prac. & Proc.  
3 Civ. § 1527. Moreover, a “pretrial order . . . should be liberally construed to permit *any* issues at  
4 trial that are ‘embraced within its language.’” *Miller v. Safeco Title Ins. Co.*, 758 F.2d 364, 368  
5 (9th Cir. 1985) (citation omitted); *see also* 6A Wright & Miller, Fed. Prac. & Proc. Civ. § 1527  
6 (“[C]ourts have held that the [pretrial] order should be construed liberally so that it covers any of  
7 the possible legal or factual theories that might be embraced by its language.”). In addition, “a  
8 pretrial order may be amended informally by a trial court’s findings when facts supporting those  
9 findings were put before the court.” *Id.*; *see also Frank Music Corp. v. Metro-Goldwyn-Mayer,*  
10 *Inc.*, 772 F.2d 505, 515 (9th Cir. 1985) (“Aside from the fact that it is arguable whether the  
11 language of the order omits mention of this evidence, the issue was litigated at trial and thus the  
12 pretrial order may be deemed to have been amended by the consent of the parties.”). Finally,  
13 courts are explicitly authorized to modify pretrial conference orders to “prevent manifest  
14 injustice.” Fed. R. Civ. P. 16(e).

15           Apple argues that Samsung forfeited the article of manufacture issue because Samsung  
16 failed “to identify any dispute as to the ‘article of manufacture’ in the joint pretrial order.” Apple  
17 Op. at 17. Samsung responds that the article of manufacture issue was encompassed by the  
18 pretrial order, and that even if the pretrial order did not encompass the article of manufacture  
19 issue, sufficient article of manufacture evidence was presented to the jury such that the pretrial  
20 order was “amended informally.” Samsung Resp. at 8–9.

21           In this case, on July 6, 2012, the parties submitted a joint pretrial statement. ECF No.  
22 1189. In that joint pretrial statement, the parties agreed to bind themselves to the issues raised in  
23 that joint pretrial statement. *Id.* at 30 (“The foregoing admissions having been made by the  
24 parties, and the parties having specified the foregoing issues of fact and law remaining to be  
25 litigated, this order shall supplement the pleadings and govern the course of trial in this action,  
26 unless modified to prevent manifest injustice.”). This Court has previously held that such joint  
27

1 pretrial statements bind the parties. *See Apple, Inc. v. Samsung Elecs. Co.*, 67 F. Supp. 3d 1100,  
2 1116 n.3 (N.D. Cal. 2014) (holding that pretrial statement bound the parties on affirmative  
3 defenses not raised in the pretrial statement). For simplicity, the Court refers to the joint pretrial  
4 statement as the “pretrial order.”

5 The pretrial order in this case stated that Apple sought “[a] judgment awarding Apple all of  
6 Samsung’s profits pursuant to 35 U.S.C. § 289, together with prejudgment interest.” ECF No.  
7 1189 at 6. The joint pretrial order stated that the parties disputed “[t]he remedies to which Apple  
8 is entitled, if any[.]” *Id.* at 14. In the pretrial order, under the disputed legal issues subsection,  
9 Apple acknowledged that the parties had previously disputed the legal issue of apportionment. *Id.*  
10 at 18. However, after this Court’s decision excluding testimony on the apportionment issue,  
11 Apple believed that “[i]f Samsung is found to infringe Apple’s design patents, Apple is entitled to  
12 recover all of Samsung’s profits relating to the accused products without apportionment.” *Id.* The  
13 Court held three pretrial conferences on July 18, 24, and 27, 2012. On July 24, 2012, Samsung  
14 filed a trial brief arguing that the articles of manufacture cannot be the entirety of Samsung’s  
15 phones because the design patents at issue in this case only apply to the outside “case” of the  
16 phone. ECF No. 1300.

17 The Court finds that Apple’s pretrial order argument does not preclude a finding of legal  
18 error. Apple never raised this argument until the post-remand proceedings before this Court.  
19 “[A] party waives an argument by failing to make it before the district court . . . .” *Zixiang Li v.*  
20 *Kerry*, 710 F.3d 995, 1000 n.4 (9th Cir. 2013) (citation omitted).<sup>4</sup> Additionally, “an issue or  
21 factual argument waived at the trial level before a particular order is appealed, or subsequently  
22 waived on appeal, cannot be revived on remand.” *Facebook, Inc. v. Power Ventures, Inc.*, 2017  
23 WL 1650608, at \*7 (N.D. Cal. May 2, 2017) (quoting *Magnesystems v. Nikken, Inc.*, 933 F. Supp.

24  
25 \_\_\_\_\_  
26 <sup>4</sup> The Court notes that case law has distinguished between waiver, which is the intentional  
27 relinquishment of a known right, and forfeiture, which is the failure to assert a right. Although  
28 forfeiture is likely the better terminology to use here for failure to raise an issue, the Court uses the  
term “waive” for consistency.

1 944, 949–950 (C.D. Cal. 1996)). Moreover, on appeal, “[g]enerally, an appellee waives any  
2 argument it fails to raise in its answering brief.” *United States v. Dreyer*, 804 F3d 1266, 1277 (9th  
3 Cir. 2015) (en banc); *see also Kohler v. Presidio Int’l, Inc.*, 782 F3d 1064, 1069 & n.1 (9th Cir.  
4 2015) (finding issue waived where it was not argued before district court or on appeal)

5 Here, in post-remand proceedings before this Court, Apple raises its Rule 16(e) pretrial  
6 order argument regarding the article of manufacture for the first time. Apple did not object when  
7 Samsung’s July 24, 2012 trial brief raised the article of manufacture issue for the first time. Apple  
8 did not raise this pretrial order objection in Apple’s oppositions to Samsung’s Rule 50(a) and  
9 50(b) motions for judgment as a matter of law. Moreover, in Apple’s objection to Proposed Jury  
10 Instruction 42.1, Apple argued that Federal Circuit precedent precluded a jury instruction that  
11 would allow an article of manufacture that is less than the “product that is sold” and that the  
12 instant case is “factually distinguishable” from the *Piano* cases (the 1915 Second Circuit cases that  
13 found the internal parts of a piano and the case for the piano to be separate articles of  
14 manufacture). Proposed Final Jury Instructions at 151 (citing *Nike, Inc.*, 138 F.3d at 1442). Thus,  
15 Apple challenged the instruction only on the merits of the legal issue, not on the grounds that the  
16 issue had not been raised in the pretrial order under Rule 16(e).

17 On appeal, before the Federal Circuit, Apple did not raise the Rule 16(e) pretrial order  
18 issue in opposition to Samsung’s opening brief. *See Apple*, Fed. Cir. Case No. 2014-1335 ECF  
19 No. 80 at 51–53. Before the United States Supreme Court, Apple did not raise the Rule 16(e)  
20 pretrial order issue in opposition to Samsung’s petition for certiorari or merits brief. *See Samsung*  
21 *Electronics Co., Ltd. v. Apple Inc.*, U.S. Sup. Ct. Case No. 15-777. In the brief Apple filed before  
22 the Federal Circuit on remand after the United States Supreme Court’s decision, Apple mentioned  
23 that the joint pretrial order did not address the article of manufacture issue, but did not make any  
24 arguments based on Rule 16(e). *Apple*, Fed. Cir. Case No. 2014-1335 ECF Nos. 224, 229. Thus,  
25 based on Apple’s failure to raise this issue at any point in this case until the instant proceedings,  
26 Apple has failed to preserve this alternative argument for upholding Apple’s jury verdict. *See*

1 *Facebook*, 2017 WL 1650608, at \*7 (“[A]n issue or factual argument waived at the trial level  
2 before a particular order is appealed, or subsequently waived on appeal, cannot be revived on  
3 remand.”). Indeed, it would be awkward at this point to find the article of manufacture issue  
4 waived because of the pretrial order when the Federal Circuit and the United States Supreme  
5 Court already have addressed the article of manufacture issue.

6 Accordingly, because Apple waived a challenge under Rule 16(e), the Court need not  
7 reach Apple’s argument that the exclusion of Proposed Jury Instruction 42.1 could not have been  
8 legal error because the article manufacture issue was not raised in the pretrial order.

9 **c. Alleged Legal Errors in Proposed Jury Instruction 42.1**

10 Apple argues that it could not have been error to exclude Proposed Jury Instruction 42.1  
11 because its inclusion would have caused the jury instructions to be inconsistent with Federal  
12 Circuit and United States Supreme Court precedent. First, Apple argues that Proposed Jury  
13 Instruction 42.1 incorrectly states that the article of manufacture must be less than the product as  
14 sold with the following statement: “The article of manufacture to which a design has been applied  
15 is the part or portion of the product as sold that incorporates or embodies the subject matter of the  
16 patent.” Apple Op. at 18. Second, Apple argues that Proposed Jury Instruction 42.1 includes  
17 Samsung’s legally precluded “apportionment” theory because it states the following: “Under these  
18 instructions, an award of profits for design patent infringement should not include profits earned  
19 from the technology by which the devices operate or from any other functions of the devices.”  
20 Proposed Final Jury Instructions at 151.

21 Even if these statements were legally incorrect, Proposed Jury Instruction 42.1 still raised  
22 the article of manufacture issue in compliance with Federal Rule of Civil Procedure 51. Once an  
23 issue is raised to the district court, “[t]he fact that the proposed instruction was misleading does  
24 not alone permit the district judge to summarily refuse to give any instruction on the topic.”  
25 *Merrick v. Paul Revere Life Ins. Co.*, 500 F.3d 1007, 1017 (9th Cir. 2007). Instead, “[i]f a party’s  
26 proposed instruction has brought an ‘issue . . . to the district court’s attention,’ the court commits

1 error if it ‘omit[s] the instruction altogether, rather than modifying it to correct the perceived  
2 deficiency.’” *Hunter v. Cty. of Sacramento*, 652 F.3d 1225, 1235 n.11 (9th Cir. 2011) (citation  
3 omitted); *see also Norwood v. Vance*, 591 F.3d 1062, 1067 (9th Cir. 2010) (“Perfect or not, the  
4 defendants’ proposed instruction brought the issue of deference to the district court’s attention.”).

5 In this case, Proposed Jury Instruction 42.1 raised the issue of whether the proper article of  
6 manufacture for Samsung’s phones was the “product sold to a consumer [or] a component of that  
7 product.” *Supreme Court Decision* at 434. Even if the proposed instruction contained errors, if  
8 the United States Supreme Court’s decision had been in effect at the time, the Court’s duty under  
9 *Hunter* would have been to ensure that the jury instructions reflected the United States Supreme  
10 Court’s decision. *Hunter*, 652 F.3d at 1235 n.11. The Court notes, however, that the focus of the  
11 instant order is whether the article of manufacture issue was waived. Thus, at this time, the Court  
12 does not address whether the Court would have been required to include Proposed Jury Instruction  
13 42.1 after a modification to eliminate the asserted errors raised by Apple.<sup>5</sup> The Court solely notes  
14 that errors in the proposed instruction do not eliminate the Court’s duty to give legally correct  
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16 <sup>5</sup> The Court notes that if the Court does eventually find that the jury needed an instruction that the  
17 article of manufacture could be less than the entirety of Samsung’s phones, the cases Apple cites  
18 would be completely inapposite. Apple argues, based on cases from the 1800s and early 1900s,  
19 that “[i]f a request to charge contains one unsound proposition, it is not error to refuse to make the  
20 charge, although it contains many sound propositions.” *E. Transp Line v. Hope*, 95 U.S. 297, 301  
21 (1877); *Beaver v. Taylor*, 93 U.S. 46, 54 (1876) (same); *Union Ins. Co. v. Smith*, 124 U.S. 405,  
22 424 (1888) (same); *Miles v. Lavender*, 10 F.2d 450, 455 (9th Cir. 1926) (same). However, in the  
23 cases cited by Apple, the “sound propositions” in the rejected jury instructions were not necessary  
24 for the jury instructions to correctly state the law. In *Hope*, “[t]he charge of the judge . . . was  
25 correct” without the proposed instructions. *Hope*, 95 U.S. at 300. In *Beaver*, “[a]ll of the  
26 propositions presented were not sound” while “[t]he charge before us was confessedly sound in  
27 the most of its points.” *Beaver*, 93 U.S. at 54. In *Union*, the “instruction[s] w[ere] proper” and  
28 there was “no error in the record.” *Union*, 124 U.S. at 429. In *Miles*, the proposed instruction was  
not supported by a foundation in evidence. *Miles*, 10 F.2d at 455. Here, in contrast, if the Court  
later finds that the jury should have been instructed that the article of manufacture could be less  
than the entirety of Samsung’s phones, the jury instructions given to the jury would have not been  
a correct statement of law because as noted above, they did not allow the jury to find that the  
article of manufacture was less than the entirety of Samsung’s phones. Moreover, Apple’s cases  
are further distinguishable because they were decided before the Federal Rules of Civil Procedure  
were adopted in 1937, which set forth the modern legal standard for preserving issues in jury  
instructions. See Fed. R. Civ. P. 51 advisory committee notes (noting adoption of Federal Rule of  
Civil Procedure 51 in 1937).

1 instructions to the jury.

2 **d. Foundation in Evidence**

3 The Court next discusses whether Proposed Jury Instruction 42.1 has a foundation in  
4 evidence. “While it is unnecessary to give instructions unsupported by the evidence, a litigant is  
5 entitled to have the jury charged concerning his theory of the case if there is any direct or  
6 circumstantial evidence to support it.” *Don Burton, Inc. v. Aetna Life & Cas. Co.*, 575 F.2d 702,  
7 706 (9th Cir. 1978); *see also Galdamez v. Potter*, 415 F.3d 1015, 1023 (9th Cir. 2005)  
8 (determining whether there was prejudicial error by determining whether “a reasonable jury could  
9 have found” for the party proposing the instruction). Apple argues that there is no foundation in  
10 evidence because the jury was not presented evidence that would allow a jury to find, or award  
11 damages on, article of manufacture that was less than the entirety of each infringing Samsung  
12 phone. The Court first addresses whether the Court can reach the foundation in evidence issue as  
13 the issue is currently briefed. Second, the Court addresses whether the Court can reach the  
14 foundation in evidence issue on damages as the issue is currently briefed.

15 **i. Foundation in Evidence of Smaller Article**

16 Samsung argues that there was a sufficient foundation in evidence based on evidence that  
17 was presented to the jury as part of the parties’ infringement and invalidity cases. Samsung cites  
18 three categories of evidence to show that the jury could have found an article of manufacture that  
19 was less than the entirety of each infringing Samsung phone. First, Samsung cites to the design  
20 patents themselves, which cover only certain aspects of Samsung’s phones. The D’677 patent  
21 claims a design for a “black, rectangular front glass face with rounded corners” and does not claim  
22 the surrounding rim (bezel), the circular home button on the front, or the sides, top, bottom, or  
23 back of the device. ECF No. 1611 at 1014–15 (Apple’s expert Peter Bressler stating that “all [the  
24 D’677 patent is] claiming is that front face”). The D’087 patent claims a rectangular front face  
25 with rounded corners, with a bezel, but without black shading, and does not claim the sides, back,  
26 top, and bottom of the device or the home button. *Id.* at 1018–19 (Bressler stating that the D’087

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1 patent is “not claiming the body. It’s claiming the bezel and the front face.”). The D’305 patent  
2 claims a design for a grid of sixteen colorful icons on a screen on a mobile device as part of a  
3 graphical user interface, and does not claim any other aspect of the device. ECF No. 1612 at 1367  
4 (Apple expert Susan Kare stating that the D’305 patent is limited to “the rectangular area”  
5 represented by the phone’s screen).

6 Second, Samsung cites to testimony and exhibits that purport to show that Samsung’s  
7 phones can be separated into various component parts. For example, Samsung cites to slides that  
8 show a breakdown of one of Samsung’s infringing phones, the Vibrant, and its various  
9 components. *See* DX2519 at 5–11. Similarly, multiple witnesses testified about how smartphones  
10 are assembled and how the screen was separate from internal components. *See, e.g.*, ECF No.  
11 1610 at 313–17 (“[T]here’s a piece of glass [for the screen] and then underneath that is a display  
12 and have to glue that on top.”). At one point in the trial, an Apple witness showed and passed  
13 around to the jury the “major logic board” of a disassembled iPhone 4. ECF No. 1842 at 3165–68.

14 Third, Samsung points to consumer survey evidence discussing the outer shape of  
15 Samsung’s phones. *See* PX6.1 (commentary about Samsung’s Galaxy S phone and its “all black,  
16 shiny plastic body” and the “minimal buttons on the phone’s face”).

17 The Court defers consideration as to whether there is an adequate “foundation in evidence”  
18 in the record to find an article of manufacture that is less than the entirety of each infringing  
19 Samsung phone. The determination whether there is an adequate foundation necessarily would  
20 require finding, for example, that the evidence in the record does not establish as a matter of law  
21 that the entirety of Samsung’s phones are the relevant article of manufacture. Accordingly, the  
22 Court will consider this issue at the same time that the Court determines what test should be  
23 applied to identify the relevant article of manufacture under § 289. Accordingly, the Court defers  
24 consideration of this issue.

25 **ii. Evidence of Profits**

26 Apple argues that “there was no evidence from which the jury could have calculated  
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1 Samsung's profits based on anything less than the entire infringing phones." Apple Op. at 17. At  
2 trial, Samsung did not offer a damages theory based on an article of manufacture that is less than  
3 the entirety of Samsung's infringing phones. Samsung now asserts that the issue of profits is  
4 beyond the scope of the instant determination as to whether a new trial is warranted. Samsung  
5 points to the United States Supreme Court's decision that the design patent damages determination  
6 is a two-step process: "First, identify the 'article of manufacture' to which the infringed design has  
7 been applied. Second, calculate the infringer's total profit made on that article of manufacture."  
8 *Supreme Court Decision* at 434. Samsung argues that the exclusion of Proposed Jury Instruction  
9 42.1 constituted error at the first, rather than the second step of this two-step process, and thus the  
10 evidence of Samsung's profits are not relevant to determining whether it was error to exclude  
11 Proposed Jury Instruction 42.1. Samsung Resp. at 5. Samsung also argues that the burden of  
12 proving damages is on Apple at the second step. *Id.*; *Lucent Techs., Inc. v. Gateway, Inc.*, 580  
13 F.3d 1301, 1324 (Fed. Cir. 2009) ("The burden of proving damages falls on the patentee."). Apple  
14 concedes that it generally has the burden of proving damages, but Apple's position on its burden  
15 to show profits after an article of manufacture is found to be less than an entire product as sold is  
16 not clear. *See* Apple Resp. at 14 ("Apple amply carried its burden [on damages] and was not  
17 required to rebut an argument that Samsung never made."); *see also* ECF No. 3486 at 7 ("Apple  
18 respectfully suggests that it should file the opening brief because the issue of damages is one on  
19 which Apple carries the burden.").

20 The determination whether there was a foundation in evidence for Proposed Jury  
21 Instruction 42.1 with respect to evidence of profits turns at least partly on with which party the  
22 burden lies. For example, if Samsung had the burden of proving profits in the second step of the  
23 § 289 analysis, a lack of evidence of profits may have allowed the Court to exclude Proposed Jury  
24 Instruction 42.1 because Samsung may have been unable to satisfy its burden of showing damages  
25 for an article of manufacture that was less than the entirety of each infringing Samsung phone. As  
26 noted above, Samsung argues that the burden was on Apple while Apple's position is unclear.

1 Accordingly, the Court defers this issue for a later determination after full briefing on the burdens  
2 associated with the test for identifying the relevant article of manufacture under § 289.

3 Accordingly, because the Court defers whether there was a foundation in evidence for  
4 Proposed Jury Instruction 42.1, the Court must defer the overall question of whether or not it was  
5 legal error to exclude Proposed Jury Instruction 42.1 until after the Court resolves other  
6 outstanding issues, including the establishment of the test for identifying the relevant article of  
7 manufacture for purposes of § 289.

### 8 3. Prejudicial or Harmless Error

9 The Court next discusses whether, assuming the exclusion of Proposed Jury Instruction  
10 42.1 was legally erroneous, such exclusion was prejudicial or harmless error. Apple argues that  
11 any error was harmless in this case because “[t]he jury could have only awarded an amount  
12 representing Samsung’s total profits on its infringing smartphones.” Apple Op. at 18–19. “An  
13 error in instructing the jury in a civil case requires reversal unless the error is more probably than  
14 not harmless.” *Clem v. Lomeli*, 566 F.3d 1177, 1182 (9th Cir. 2009). The Court must “presume  
15 prejudice where civil trial error is concerned,” the “burden shifts to the defendant to demonstrate  
16 that it is more probable than not that the jury would have reached the same verdict had it been  
17 properly instructed.” *Id.* (quoting *Galdamez*, 415 F.3d at 1025).

18 Samsung argues that (1) Apple waived the harmless error argument by failing to raise it on  
19 appeal, *see id.* (“[W]here appellees fail to raise an argument in their answering brief, ‘they have  
20 waived it’” (citations omitted)); and (2) Apple has failed to satisfy its burden of showing that the  
21 error was “more probable than not” harmless, *see id.* As with the foundation in evidence issue in  
22 the prior section, the substance of the harmless error analysis requires an analysis of what evidence  
23 would be legally sufficient to show an article of manufacture less than the entirety of Samsung’s  
24 phones. Thus, this issue is better considered until after the Court resolves other outstanding  
25 issues, including the establishment of the test for identifying the relevant article of manufacture for  
26 purposes of § 289. Accordingly, the Court defers consideration of the prejudicial or harmless  
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1 error issue. The Court also defers consideration of whether Apple waived the harmless error  
2 argument because it is better considered alongside the substance of Apple’s harmless error  
3 argument.

4 **4. Would Proposed Jury Instruction 42.1 Correct the Asserted Legal**  
5 **Error**

6 The Court finally addresses whether Proposed Jury Instruction 42.1 would have rectified  
7 any asserted legal error in the jury instructions. As discussed in the beginning of this section, one  
8 element to be considered when a party asserts instructional error is whether “[the party] requested  
9 alternative instructions that would have remedied the error.” *Advanced Display*, 212 F.3d at 1281.  
10 However, as noted above, the Court has deferred the issue of whether there was a foundation in  
11 evidence to support Proposed Jury Instruction 42.1 because without determining the test for  
12 identifying the relevant article of manufacture, the Court cannot foreclose the possibility that the  
13 entirety of the infringing Samsung phones was the article of manufacture as a matter of law. If  
14 that were the case, it would not have been legal error to exclude Proposed Jury Instruction 42.1.  
15 Accordingly, the Court defers consideration of this issue until the Court determines that the jury  
16 instructions given to the jury were legal error.

17 Overall, the Court finds that the article of manufacture issue has been preserved through  
18 Samsung’s objection to the exclusion of Proposed Jury Instruction 42.1. However, on the briefing  
19 currently before the Court, the Court cannot definitively establish whether a new trial is warranted.  
20 Accordingly, the Court finds that Samsung did not waive the article of manufacture issue, but  
21 defers consideration of whether a new trial is warranted until after the Court resolves other  
22 outstanding issues, including the establishment of the test for identifying the relevant article of  
23 manufacture for purposes of § 289.

24 **III. CONCLUSION**

25 For the foregoing reasons, the Court finds that the article of manufacture issue has not been  
26 waived, but defers consideration of whether a new trial is necessary until the Court receives  
27 further briefing that addresses the following issues:

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(1) What is the test for identifying the article of manufacture for purposes of § 289?;

(2) Is the identification of an article of manufacture a factual question, a legal question, or a mixed question of law and fact? What issues should be decided by a jury? What issues should be decided by the Court?;

(3) Who bears the burden of proof to identify the relevant article of manufacture for purposes of § 289?;

(4) Who bears the burden of proof to demonstrate total profits on an article of manufacture for purposes of § 289?;

(5) Identify the relevant article of manufacture for the D'677 patent, D'087 patent, and D'305 patent;

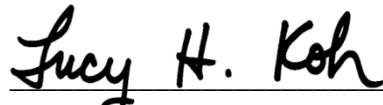
(6) Identify evidence in the record supporting each party's asserted article of manufacture for the D'677 patent, D'087 patent, and D'305 patent; and

(7) Identify evidence in the record supporting the total profit for each party's asserted article of manufacture for the D'677 patent, D'087 patent, and D'305 patent.

The parties' August 2, 2017 further case management conference remains as set at 2:00 p.m. By August 1, 2017, at 2:00 p.m., the parties shall file a Joint Case Management Statement proposing a briefing schedule on these issues and a schedule through trial and post-trial briefing, should a new trial be warranted.

**IT IS SO ORDERED.**

Dated: July 28, 2017



LUCY H. KOH  
United States District Judge