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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

PRESIDIO COMPONENTS, INC.,  
Plaintiff,  
v.  
AMERICAN TECHNICAL CERAMICS  
CORP.,  
Defendant.

Case No. 08-cv-335-IEG-NLS

**ORDER:**

**(1) GRANTING MOTION FOR PERMANENT INJUNCTION [Doc. No. 432];**

**(2) AWARDING SUPPLEMENTAL DAMAGES IN THE AMOUNT OF \$1,508,114 [Doc. No. 431];**

**(3) DENYING AS MOOT MOTION TO STRIKE RABE DECLARATION [Doc. No. 446];**

**(4) DENYING MOTION TO STRIKE NEWMAN DECLARATION [Doc. No. 454]; and**

**(5) DENYING AS MOOT MOTION TO STRIKE DEVOE DECLARATION [Doc. No. 454].**

Presently before the Court are the motions of Plaintiff Presidio Components Inc. (“Presidio”) for a permanent injunction and for supplemental damages. [Doc.

1 Nos. 432; 431.] Presidio has also filed a motion to strike the Rabe declaration. [Doc.  
2 No. 446.] Defendant American Technical Ceramics Corporation (“ATC”) has filed a  
3 motion to strike the Newman and Devoe declarations. [Doc. No. 454.] For the  
4 following reasons, the Court **GRANTS** the motions for a permanent injunction and  
5 for supplemental damages. The Court awards supplemental damages in the amount  
6 of \$1,508,114 to Presidio. The Court **DENIES AS MOOT** Presidio’s motion to  
7 strike the Rabe declaration. The Court **DENIES** ATC’s motion to strike the Newman  
8 declaration and **DENIES AS MOOT** ATC’s motion to strike the Devoe Declaration.  
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### 12 **BACKGROUND**

13 The Court summarizes the procedural history of the above-captioned case  
14 following the parties’ post-trial motions. On April 13, 2010, this Court denied  
15 Presidio’s post-trial motions for a permanent injunction, enhanced damages, and  
16 attorney’s fees, but granted Presidio supplemental damages. [Doc. No. 348, Order on  
17 Post-Trial Mots.] In response to ATC’s post-trial motions, this Court vacated the  
18 willfulness verdict and set an ongoing royalty rate of 12% of the 545L capacitor’s  
19 wholesale price. [Id.] The Court denied ATC’s motions for judgment as a matter of  
20 law (“JMOL”) or a new trial, and JMOL on the jury’s lost profit damages award and  
21 on false marking prior to October 24, 2008. [Id.] This Court also fined Presidio  
22 \$0.35 per unit for false marking. [Id.]  
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27 On December 19, 2012, the Federal Circuit affirmed-in-part, vacated-in-part,  
28 and remanded this Court’s orders on the post-trial motions of ATC and Presidio.

1 Presidio Components, Inc. v. Am. Tech. Ceramics, Corp., 702 F.3d 1351 (Fed. Cir.  
2 2012). The Federal Circuit affirmed the majority of this Court’s determinations, with  
3 the exception of its finding of no irreparable injury, the related denial of a permanent  
4 injunction, and the ongoing royalty determination. Id. at 1354. The Federal Circuit  
5 stated that this Court’s “finding of no competition for the purpose of irreparable harm  
6 conflicts with the clear finding of competition for the purpose of awarding damages”  
7 and that “the record shows direct and substantial competition between the parties.”  
8 Id. at 1363. The Federal Circuit also stated that the jury’s finding that ATC’s 545L  
9 capacitor sales caused Presidio to lose sales of its BB capacitors “squarely supports a  
10 finding of irreparable harm.” Id. at 1363. Because the Federal Circuit held that this  
11 Court clearly erred in finding no irreparable injury, it vacated this Court’s denial of  
12 Presidio’s motion for a permanent injunction and remanded for a re-weighing of the  
13 four factors consistent with the Federal Circuit’s opinion. The Federal Circuit also  
14 vacated this Court’s ongoing royalty determination, which was predicated on the  
15 denial of the permanent injunction. Id. at 1364.

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21 On May 15, 2013, Presidio filed motions for permanent injunction and for  
22 supplemental damages. [Doc. No. 432, Mot. for Permanent Injunction (“PI”); Doc.  
23 No. 431, Mot. for Supp. Damages.] On June 12, 2013, ATC filed sealed oppositions  
24 to both motions. [Doc. No. 443, Opp. to Mot. for PI; Doc. No. 444, Opp. to Mot. for  
25 Supp. Damages.] On June 13, 2013, Presidio filed sealed reply memoranda in  
26 support of both motions. [Doc. No. 447, Reply to Mot. for PI; Doc. No. 448, Reply  
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1 to Mot. for Supp. Damages.] Also on June 13, Presidio filed a motion to strike the  
2 declaration of Mr. Stephan Rabe. [Doc. No. 446, Mot. to Strike Rabe Decl.] On June  
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4 18, 2013, ATC filed a motion to strike the declarations of Mr. Glenn Newman and  
5 Mr. Lambert Devoe. [Doc. No. 454, Mot. to Strike Newman and Devoe Decl.] On  
6 June 19, 2013, the Court ordered ATC to file a surreply addressing the merits of  
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8 Presidio’s reply memorandum in support of its motion for supplemental damages.  
9 [Doc. No. 460.] On June 21, 2013, ATC filed a sealed surreply memorandum. [Doc.  
10 No. 465, Surreply to Mot. for Supp. Damages.] On June 26, 2013, the Court held  
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12 oral argument on the motions for permanent injunction, for supplemental damages,  
13 and to strike. [Doc. No. 472.]

## 14 **DISCUSSION**

### 15 **I. Motion for Permanent Injunction**

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17 In eBay Inc. v. MercExchange, L.L.C., the Supreme Court overruled the  
18 Federal Circuit’s “general rule that courts will issue permanent injunctions against  
19 patent infringement absent exceptional circumstances.” 547 U.S. 388, 390-94 (2006).  
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21 The Supreme Court held that a “plaintiff seeking a permanent injunction must satisfy  
22 a four-factor test before a court may grant such relief. A plaintiff must demonstrate:  
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24 (1) that it has suffered an irreparable injury; (2) that remedies available at law, such  
25 as monetary damages, are inadequate to compensate for that injury; (3) that,  
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27 considering the balance of hardships between the plaintiff and defendant, a remedy in  
28 equity is warranted; and (4) that the public interest would not be disserved by a

1 permanent injunction.” Id. at 391. The Court must balance the four factors to  
2 determine whether an injunction is appropriate. Acumed LLC v. Stryker Corp., 551  
3 F.3d 1323, 1329 (Fed. Cir. 2008); Canadian Lumber Trade Alliance v. United States,  
4 441 F. Supp. 2d 1259, 1264 (C.I.T. 2006) (citing Amoco Prod. Co. v. Village of  
5 Gambell, 480 U.S. 531, 542, 546 n.12 (1987)) (“All parties agree, as they must, that  
6 the ‘four-factor test’ is a balancing test.”).  
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9        “[T]he decision whether to grant or deny injunctive relief rests within the  
10 equitable discretion of the district courts, and . . . such discretion must be exercised  
11 consistent with traditional principles of equity, in patent disputes no less than in other  
12 cases governed by such standards.” eBay, 547 U.S. at 394. However, the Federal  
13 Circuit recently reaffirmed that “[w]hile a patentee is not entitled to an injunction in  
14 every case, ‘it does not follow that courts should entirely ignore the fundamental  
15 nature of patents as property rights granting the owner the right to exclude.’”  
16 Presidio Components, 702 F.3d at 1363 (quoting Robert Bosch LLC v. Pylon Mfg.  
17 Corp., 659 F.3d 1142, 1149 (Fed. Cir. 2011)).  
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21        In its post-trial motions, Presidio initially moved for a permanent injunction in  
22 light of the jury’s finding that the ‘356 patent is valid and infringed. [Doc. No. 348,  
23 Order on Post-Trial Mots. at 62.] When ruling on the post-trial motions, this Court  
24 found that Presidio failed to carry its burden in demonstrating irreparable injury,  
25 inadequacy of money damages, and that the public interest tips in its favor, and  
26 denied the motion for a permanent injunction. [Id. at 68.] On appeal, the Federal  
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1 Circuit held that “the district court clearly erred in finding no irreparable injury” and  
2 “abused its discretion when it denied Presidio a permanent injunction.” Presidio  
3 Components, 702 F.3d at 1364. The Federal Circuit did not specifically address any  
4 of the other permanent injunction factors. See id. at 1362-64.  
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6 Presidio requests that the Court enter a permanent injunction in light of the  
7 Federal Circuit’s ruling that there was irreparable injury. [Doc. No. 432-1, Mot. for  
8 PI at 6-7 (citing Presidio Components, 702 F.3d at 1354, 1362-64).] ATC stresses  
9 that the Federal Circuit did not direct the Court to enter an injunction, but rather  
10 remanded for “re-weighing of the four [eBay] factors.” [Doc. No. 443, Opp. to Mot.  
11 for PI at 1 (quoting Presidio Components, 702 F.3d at 1364).] ATC argues that the  
12 “[r]evaluation and reweighing of the eBay factors is prospective.” [Doc. No. 443,  
13 Opp. to Mot. for PI at 1.] The Court considers each factor in turn.  
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### 17 **A. Irreparable Injury**

18 “The essential attribute of a patent grant is that it provides a right to exclude  
19 competitors from infringing the patent.” Acumed, 551 F.3d at 1328 (citing 35 U.S.C.  
20 § 154(a)(1) (2000)). “In view of that right, infringement may cause a patentee  
21 irreparable harm not remediable by a reasonable royalty.” Acumed, 551 F.3d at  
22 1328. “Direct competition in the same market is certainly one factor suggesting  
23 strongly the potential for irreparable harm without enforcement of the right to  
24 exclude.” Presidio Components, 702 F.3d at 1363.  
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1           The Federal Circuit disagreed with the Court’s initial finding on the post-trial  
2 motions that ATC and Presidio are not direct competitors for the purpose of  
3 irreparable harm. In the context of the four-factor Panduit test for lost profits, the  
4 Federal Circuit affirmed the Court’s finding that Presidio and ATC are direct  
5 competitors. Presidio Components, 702 F.3d at 1363 (citing Panduit Corp. v. Stahlin  
6 Bros. Fibre Works, Inc., 575 F.2d 1152 (6th Cir. 1978)). The Federal Circuit  
7 highlighted the tension between this Court’s clear finding of competition for the  
8 purpose of awarding damages and the finding of no competition for the purpose of  
9 irreparable harm. Id. at 1362.

13           In support of its holding that Presidio and ATC are direct competitors, the  
14 Federal Circuit stressed that the BB and 545L capacitors “are both one-piece  
15 broadband capacitors with a substantially monolithic design.” Id. The Federal  
16 Circuit also cited the testimony of Presidio’s damages expert, Mr. Newman, that the  
17 two products compete “head-to-head” in the one-piece capacitor market for the same  
18 customers and applications. Id. Additionally, in its discussion of the permanent  
19 injunction, the Federal Circuit favorably cited this Court’s finding on the damages  
20 issue that “substantial evidence supported the jury’s finding that demand existed for  
21 the BB capacitors, which compete with the 545L capacitors.” Id. at 1362 (quoting  
22 Doc. No. 348, Order on Post-Trial Mots. at 51).

26           In light of this record evidence of direct competition, the Federal Circuit held  
27 that this Court “placed too much weight on Presidio’s failure to practice the #356  
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1 patent.” Presidio Components, 702 F.3d at 1363.<sup>1</sup> The Federal Circuit also held that  
2 this Court “correctly found Presidio’s unwillingness to license favored finding  
3 irreparable injury.” Id.

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5 Presidio stresses that “the principal value of a patent is the right to exclude arch  
6 competitors from making, selling and using an infringing product.” [Doc. No. 432-1,  
7 Mot. for PI at 11 (quoting Fresenius Med. Care Holdings v. Baxter Int’l, 2008 U.S.  
8 Dist. LEXIS 79689, at \*13 (N.D. Cal. Apr. 4, 2008).] It argues that Presidio and  
9 ATC are “direct competitors, selling competing capacitor products in the same  
10 market and to the same customers and potential customers.” [Id.] In view of this  
11 direct competition, Presidio argues that it has adequately demonstrated irreparable  
12 harm. [Id. at 12.] Presidio also cites its smaller size relative to ATC and the fact that  
13 it never licensed the patent in question to support its claim of irreparable injury.  
14 [Id. at 14-15.]

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18 ATC contends that the Federal Circuit found irreparable harm on the 2009 trial  
19 record. It argues that changed circumstances that are now before the Court, which  
20 were not before the Federal Circuit and the jury, show that Presidio had strong  
21 marketplace success from 2010-2013. ATC points to Presidio’s sales data, which  
22 shows growing BB capacitor sales from 2010-2013. [Doc. No. 443, Opp. to Mot. for  
23 PI at 3.] ATC argues that in 2013, BB capacitors and 545Ls “do not compete”  
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27 <sup>1</sup> The Federal Circuit held that the Court correctly noted that even though Presidio conceded that  
28 the BB capacitors do not practice the ‘356 patent, this does not prevent Presidio from receiving  
injunctive relief. Presidio Components, 702 F.3d at 1363.



1 because 545L capacitors have a lower insertion loss and were designed to compete in  
2 a higher performance market than BB capacitors, which have a higher insertion loss.

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4 [Id. at 5.]

5 Although ATC now presents emails from several customers who state that they  
6 cannot use BB capacitors when they require a low-insertion-loss capacitor, and  
7 instead use the 545L, these statements are insufficient for this Court to reject the  
8 Federal Circuit’s conclusion that BB capacitors directly compete with the 545L  
9 capacitors. The Federal Circuit was aware of the difference in insertion loss between  
10 the two capacitors. Presidio Components, 702 F.3d at 1360. Nonetheless, it held that  
11 the capacitors directly competed with each other and that there was irreparable harm.  
12 Furthermore, as Presidio argues, these emails from customers demonstrate that  
13 customers are evaluating the BB and 545L capacitors for the same projects and  
14 therefore support the finding that Presidio and ATC are direct competitors. [Doc. No.  
15 439, Presidio’s Reply to Mot. for PI at 5.] Therefore, the Court finds that Presidio  
16 has shown irreparable harm.

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21 **B. Inadequacy of Monetary Damages**

22 “The essential attribute of a patent grant is that it provides a right to exclude  
23 competitors from infringing the patent. . . . In view of that right, infringement may  
24 cause a patentee irreparable harm not remediable by a reasonable royalty.” Acumed,  
25 551 F.3d at 1328 (internal citation omitted). “[T]he issues of irreparable harm and  
26 the adequacy of remedies at law are inextricably intertwined.” ActiveVideo

1 Networks, Inc. v. Verizon Comms., Inc., 694 F.3d 1312, 1337 (Fed. Cir. 2012); see  
2 also Acumed, 551 F.3d at 1327-29 (analyzing irreparable harm and adequacy of  
3 monetary damages together).  
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5 “While money damages are generally considered inadequate to compensate for  
6 the violation of a patentee’s right to exclude, [the patentee] nonetheless [has] a  
7 burden to iterate *specific reasons* why [the] infringement can not be compensated for  
8 with a money award. “Loss of business opportunity or damage to brand recognition  
9 could provide a basis for concluding that monetary relief would be inadequate.”  
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11 ActiveVideo Networks, 649 F.3d at 1340. Praxair, Inc. v. ATMI, Inc., 479 F.Supp.2d  
12 440, 444 (D. Del. 2007) (citation omitted) (emphasis added). Loss of market share,  
13 brand recognition, and customer goodwill “may frequently defy attempts at  
14 valuation.” i4i Ltd. Partnership v. Microsoft Corp., 598 F.3d 831, 862 (Fed. Cir.  
15 2010). The fact that a patentee has previously chosen to license the patent may  
16 indicate that a reasonable royalty does compensate for infringement. Acumed, 551  
17 F.3d at 1328.  
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21 “Difficulty in estimating monetary damages is evidence that remedies at law  
22 are inadequate.” Id. However, record evidence must establish these losses. See  
23 ActiveVideo Networks, 649 F.3d at 1340 (holding that money damages were  
24 adequate when there was no record evidence that the patentee had “lost any market  
25 share or any customers at all due to [the] infringement”).  
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1 In Praxair, a case cited by this Court in its previous order on the post-trial  
2 motions, the district court found that the patentee’s product was in “direct and head-  
3 to-head competition” with the infringing product. Praxair, 479 F. Supp. 2d at 442.  
4 The Praxair court also found that the two products were the only ones of their kind on  
5 the market and that therefore, the infringing product was “taking sales from the  
6 [patentee’s product].” Id. at 442-43. The Praxair court ultimately found, however,  
7 that the patentee did not “[meet] its burden under eBay to put forward sufficient proof  
8 vis-a-vis the broad scope of relief requested.” The district court found the patentee’s  
9 general arguments that the infringing products’ presence in the market will cause it to  
10 “likely lose additional market share, profits, and goodwill” without further  
11 explanation did not make a sufficient showing of the inadequacy of monetary  
12 damages. Id. at 443-44.

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17 This Court previously found that Presidio did not meet its burden to show the  
18 inadequacy of monetary damages. [Doc. No. 348, Order on Post-Trial Mots. at 66.]  
19 The Court stated that although “Presidio argue[d] that the effects of future  
20 infringement cannot be fully measured in dollars, [it] fail[ed] to explain why money  
21 damages would not adequately compensate it for any alleged ‘lost market share’ or  
22 any future lost opportunities.” [Id.] The Court found that Presidio “provide[d] no  
23 evidence that it lost or will lose any specific customers or sales due to ATC’s  
24 infringement, or that it has suffered any ‘lost market share’ or ‘price erosion.’” [Id. at  
25 67.]  
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1 In its motion for a permanent injunction, Presidio centers its argument  
2 regarding inadequacy of monetary damages on Federal Circuit case law stating that  
3 irreparable harm and inadequacy of monetary damages are “inextricably intertwined.”  
4 [Doc. No. 432-1, Mot. for PI at 15 (citing ActiveVideo Networks, 694 F.3d at 1337).]  
5 Presidio argues that when the Federal Circuit “determined that . . . Presidio  
6 demonstrated that ATC’s infringement causes irreparable harm[,] . . . the Federal  
7 Circuit effectively determined that ATC’s infringement has resulted in the type of  
8 harm which no monetary compensation can cure.” [Doc. No. 432-1, Mot. for PI at  
9 15.] Presidio also uses the fact that it has never licensed the ‘356 patent and the fact  
10 that the 545L is competing with Presidio’s main product to support a finding of the  
11 inadequacy of monetary damages.  
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16 Presidio also makes speculative arguments regarding harm to its reputation and  
17 goodwill. In its motion, Presidio cites the trial testimony of Mr. Lambert Devoe, a  
18 principal with Presidio: “[I]f someone comes up to [Presidio] at a trade show and  
19 says, hey, I just saw this ATC product. I thought you guys were innovators. What do  
20 you guys have that’s new? That’s very difficult for us because essentially, you know,  
21 in our opinion, it’s, that’s our design and they’re basically taking away our  
22 relationship that we have with our customer, basically. So that has a strong negative  
23 impact on our future business.” [Doc. No. 280, Tr. Transcript Day 2 at 110.] This  
24 speculative testimony, however, does not explain how ATC’s 545L capacitors  
25 negatively impact Presidio’s future business on the grounds of innovation. In fact,  
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1 this testimony is just a hypothetical—there is no indication that this situation ever  
2 arose. Furthermore, Presidio does not cite to any actual examples where customers  
3 have switched from Presidio to ATC on the basis of believing that Presidio is no  
4 longer an innovator.  
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6           ATC argues that “[a] finding of irreparable harm does not *ipso facto* produce a  
7 finding of inadequacy of monetary damages.” [Doc. No. 443, Opp. to Mot. for PI at  
8 8.] ATC cites the Court’s previous finding that there “is no evidence . . . that  
9 Presidio’s reputation as [an innovator and] provider of unique solutions [was]  
10 damaged by the infringement.” [Id. at 8-9 (quoting Doc. No. 348, Order on Post-  
11 Trial Mots. at 67).] ATC then argues that the damage to Presidio’s goodwill and  
12 reputation is due to Presidio’s “inability or refusal to design a capacitor that solves  
13 the very high insertion loss present in BBs.” [Doc. No. 443, Opp. to Mot. for PI at 9.]  
14 ATC also contends that Presidio is not the only innovator in the market, and that ATC  
15 has launched a new market segment for customers who previously made their own  
16 broadband capacitors. [Id.] ATC again reiterates its argument from the irreparable  
17 harm prong that BBs and 545Ls are in different markets. [Id.] Finally, ATC  
18 concludes that “any economic and tangential interests such as reputation and  
19 goodwill of Presidio have been and can be adequately compensated with money  
20 damages.” [Id. at 10.] However, ATC’s only attempt at an explanation for this  
21 statement is that Presidio’s sales of BBs and other capacitors skyrocketed, which  
22 “proves” that 545Ls “did no actual harm to Presidio or BBs.” [Id.]  
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1           The Court finds that this factor does not tip in favor of either party. The fact  
2 that Federal Circuit case law states that irreparable harm and inadequacy of monetary  
3 damages are inextricably intertwined supports the inadequacy of monetary damages,  
4 as the Federal Circuit held that Presidio was irreparably damaged. Furthermore,  
5 although Presidio does not specifically mention the difference in size between ATC  
6 and Presidio, Mr. Lambert Devoe testified that when customers see that ATC, a much  
7 larger supplier, offers the same product as Presidio, they may be more likely to buy  
8 from ATC because they want to consolidate their component suppliers. [Doc. No.  
9 280, Tr. Transcript Day 2 at 111-12.] The difference in size between the two  
10 companies could be circumstantial evidence of the inadequacy of monetary damages.  
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12           However, because irreparable harm and inadequacy of monetary damages are  
13 two separate factors under the eBay test, Presidio may not simply rely on the Federal  
14 Circuit's holding of irreparable harm to demonstrate inadequacy of monetary  
15 damages. In the present motion, Presidio failed to address the shortcomings of  
16 Presidio's arguments regarding inadequacy of monetary damages that the Court  
17 identified in the order on post-trial motions. More specifically, Presidio failed to  
18 provide evidence to support its claims of lost customers and sales, and explanations  
19 as to why monetary damages would not compensate for future lost opportunities and  
20 lost market share. Therefore, the Court finds that this factor does not support  
21 Presidio. However, in light of the fact that irreparable harm and inadequacy of  
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1 monetary damages are “inextricably intertwined,” this factor also cannot tip in favor  
2 of ATC as Presidio has shown irreparable harm.

### 3 **C. Balance of Hardships**

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5 The balance of hardships prong considers only the balance between a plaintiff  
6 and a defendant. Acumed, 551 F.3d at 1330. “One who elects to build a business on  
7 a product found to infringe cannot be heard to complain if an injunction against  
8 continuing infringement destroys the business so elected.” Windsurfing Int’l, Inc. v.  
9 AMF, Inc., 782 F.2d 995, 1003, n.12 (Fed. Cir. 1986).

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11 The Court previously found that the balance of hardships tips in Presidio’s  
12 favor because the mere fact that ATC would have to stop selling the infringing 545L  
13 capacitors is not a hardship. [Doc. No. 348, Order on Post-Trial Mot. at 68.]  
14 Although the Federal Circuit did not specifically address this finding, it did state at  
15 the outset of its opinion that it “affirms the vast majority of [this Court’s]  
16 determinations,” subject to a few exceptions. Presidio Components, 702 F.3d at  
17 1354. Accordingly, and because circumstances have not changed to tip the balance  
18 of hardships in favor of ATC, this Court again finds that the balance of hardships  
19 favors Presidio.

### 20 **D. Public Interest**

21 Public interest is implicated where the product at issue is of unusual social  
22 benefit. Advanced Cardiovascular Sys., Inc. v. Medtronic Vascular, Inc., 579 F.  
23 Supp. 2d 554, 561 (D. Del. 2008). The Court previously found that the public interest

1 favors ATC because “enjoining the sale of the 545L capacitors will hurt important  
2 government, military, space, and infrastructure projects, as well as many critical  
3 civilian industries.” [Doc. No. 348, Order on Post-Trial Mots. at 68.] The Court  
4 found that the interests advanced by Presidio, (1) the interest in maintaining a strong  
5 patent system; (2) the interest in fair and healthy competition; and (3) the interest in  
6 discouraging future wrongdoing, are always present in a patent case. [Id.]

9 Presidio acknowledges that the Court determined this factor favors ATC, but  
10 states that its slight weight should not outweigh the other factors. [Doc. No. 432-1,  
11 Mot. for PI at 20.] Presidio also argues that at the present time, ATC’s infringing  
12 545L capacitor “is not so important as to significantly affect society or the public’s  
13 interest” because ATC has stated that it can provide its customers a different, non-  
14 infringing product and because ATC appears to be discontinuing the 545L capacitor.  
15 [Id. at 21-22 (citing Doc. No. 323-7, Decl. of Joseph Tierney ¶ 7; Doc. Nos. 432-3,  
16 432-4, 432-5, Ex. B-D).]

19 In light of the Court’s previous finding that 545L capacitors are used in  
20 government, military, space, and infrastructure projects, the Court again finds that  
21 this factor still favors ATC. However, in light of the fact that ATC is discontinuing  
22 the 545L capacitor, this factor supports ATC less than what the Court originally  
23 found.  
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26 Summing up all four permanent injunction factors, the Court finds that  
27 irreparable harm and the balance of hardships favors Presidio, whereas the public  
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1 interest slightly favors ATC. The inadequacy of money damages does not favor  
2 either party. Thus, balancing the factors supports a permanent injunction.

3  
4 Accordingly, the Court **GRANTS** Presidio’s motion for a permanent injunction.

5 Presidio seeks entry of the following paragraphs in the permanent injunction:

6  
7 3. It is hereby Ordered that ATC and its successors, assigns,  
8 officers, agents, servants, employees, attorneys, and persons in active  
9 concert or participation with them, including any parent and  
10 subsidiary entities during the period commencing on the date hereof  
11 and through the date of expiration of the ’356 patent are hereby  
12 enjoined and restrained from infringing Claims 1-5, 16, and 18-19 of  
13 the ’356 patent and are further hereby enjoined and restrained from  
14 making, using, selling, or offering to sell in the United States, or  
15 importing into the United States the 545L capacitor or any other  
16 product of another name that is not colorably different from the 545L  
17 capacitor.

18 [Doc. No. 432-6, Ex. E, Proposed Permanent Injunction.]

19 The Court declines to adopt in full paragraph 3 of Presidio’s proposed  
20 injunction because it is overbroad. First, the Court does not include successors,  
21 assigns, and parent and subsidiary entities in the language of the injunction because  
22 Federal Rule of Civil Procedure 65(d) does not include these entities as among those  
23 that an injunction order binds. Eli Lilly and Co. v. Premo Pharm. Labs., Inc., 843  
24 F.2d 1378, 1381 (Fed. Cir. 1988) (citing Regal Knitwear Co. v. NLRB, 324 U.S. 9,  
25 14 (1945)); see also Int’l Rectifier Corp. v. IXYS Corp., 383 F.3d 1312, 1313, 1315  
26 (Fed. Cir. 2004) (holding that an injunction must satisfy the requirements of Rule  
27 65(d)). The Court notes, however, that these entities “may come within the  
28 description of persons in active concert or participation with [a defendant] in

1 violation of an injunction. If they are, by that fact they are brought within the scope  
2 of contempt proceedings by the rules of civil procedure.” Eli Lilly, 843 F.2d at 1381  
3  
4 (citing Regal Knitwear, 324 U.S. at 14).

5 The Court also excludes the language from the proposed injunction which  
6 enjoins and restrains the infringement of Claims 1-5, 16, and 18-19 of the ‘356 patent  
7 because it is overly broad. “In the patent infringement context, [the Federal Circuit]  
8 has rejected as overly broad a permanent injunction that simply prohibits future  
9 infringement of a patent.” Int’l Rectifier, 383 F.3d at 1316; see also Additive  
10 Controls & Measurement Sys., Inc. v. Flowdata, Inc., 986 F.2d 476, 479-80 (Fed. Cir.  
11 1993) (rejecting an injunction as overly broad because “the order failed to state which  
12 acts constituted infringement or to expressly limit its prohibition to the manufacture,  
13 use, or sale of the specific device found to infringe . . .”). Because the language  
14 does not specify which acts constitute infringement of Claims 1-5, 16, and 18-19, the  
15 Court finds that this language is overbroad.  
16  
17  
18  
19

20 Finally, the effective date of the injunction will be September 1, 2013, to allow  
21 ATC to finish shipping those 545L capacitors that had been ordered prior to the date  
22 of oral argument. ATC stated at oral argument that the last batch of 545L capacitors  
23 will be delivered in August of 2013.  
24

25 The Court declines to adopt the remainder of ATC’s revisions to Presidio’s  
26 proposed injunction because the Court finds no case law precedent requiring them.  
27

28 [Doc. No. 443, Ex. R, ATC’s Proposed Permanent Injunction.]

1 The Court hereby **ORDERS** as follows:

2 1. ATC has been found to infringe Claims 1-5, 16, and 18-19 of United  
3 States Patent No. 6,816,356 (“‘356 patent”).

4  
5 2. The Court of Appeals for the Federal Circuit has determined that ATC’s  
6 infringement results in irreparable harm to Presidio.

7  
8 3. It is hereby ordered that ATC and its officers, agents, servants,  
9 employees, attorneys, and persons in active concert or participation with them, during  
10 the period commencing on September 1, 2013 and through the date of expiration of  
11 the ‘356 patent are hereby enjoined and restrained from making, using, selling, or  
12 offering to sell in the United States, or importing into the United States the 545L  
13 capacitor or any other product of another name that is not colorably different from the  
14 545L capacitor.  
15

16  
17 4. ATC is required, within ten (10) business days of issuance, to provide  
18 notice of this Order to all distributors, customers, or other third parties who have  
19 ordered, received, or purchased any 545L capacitor from ATC or any entities recited  
20 in Paragraph 3 above.  
21

## 22 **II. Motion for Supplemental Damages**

23  
24 Under the Patent Act’s damages provision, “the court shall award the claimant  
25 damages *adequate to compensate* for the infringement, but in no event less than a  
26 reasonable royalty for the use made of the invention by the infringer, together with  
27 interest and costs as fixed by the court.” 35 U.S.C. § 284 (emphasis added). There is  
28

1 a scarcity of analysis and case law “regarding the proper method for calculating  
2 supplemental damages . . . .” in the patent context. Apple, Inc. v. Samsung Elecs.  
3 Co., --- F. Supp. 2d ---, 2013 WL 772525, at \*3 (N.D. Cal. Mar. 1, 2013) (“[T]he  
4 cases discussing supplemental damages in the patent context are few. . . .”).  
5

6 The court may award supplemental damages for infringement between a jury  
7 verdict and the entry of judgment. See Hynix Semiconductor Inc. v. Rambus, Inc.,  
8 609 F. Supp. 2d 951, 960-61 (N.D. Cal. 2009); see also Stryker Corp. v. Davol, Inc.,  
9 234 F.3d 1252, 1254 (Fed. Cir. 2000).  
10

11 “The patentee bears the burden of proving damages.” Uniloc USA, Inc. v.  
12 Microsoft Corp., 632 F.3d 1292, 1315 (Fed. Cir. 2011); Lucent Techs., Inc. v.  
13 Gateway, Inc., 580 F.3d 1301, 1324 (Fed. Cir. 2009). “To properly carry this burden,  
14 the patentee must ‘sufficiently [tie the expert testimony on damages] to the facts of  
15 the case.’” Uniloc USA, 632 F.3d at 1315 (quoting Daubert v. Merrell Dow  
16 Pharmaceuticals, Inc., 509 U.S. 579, 591 (1993)). “If the patentee fails to tie the  
17 theory to the facts of the case, the testimony must be excluded.” Uniloc USA, 632  
18 F.3d at 1315.  
19  
20  
21

22 Although calculation of damages may involve some approximation, “damages  
23 may not be determined by mere speculation or guess.” Del Mar Avionics Inc. v.  
24 Quinton Instrument Co., 836 F.2d 1320, 1327 (Fed. Cir. 1987) (quoting Story  
25 Parchment Co. v. Paterson Parchment Paper Co., 282 U.S. 555, 563 (1931)).  
26  
27

28 **A. Number of Infringing Units**

1 In its reply memorandum, Presidio argues that the number of infringing units  
2 for the 2010-2013 period is 1,966,871. [Doc. No. 448, Reply to Mot. for Supp.  
3 Damages, Ex. 1, Ex. 2] In its opposition brief, ATC contends that the number of  
4 545Ls sold in the relevant period is 1,928,921. [Doc. No. 444, Opp. to Mot. for  
5 Supp. Damages at 2.] At oral argument, the parties agreed that the number of  
6 infringing units for the relevant 2010-2013 period is 1,966,871. Therefore, the Court  
7 accepts this number.  
8

### 10 **B. Amount of Damages**

11 “[S]upplemental damages are calculated consistent with the damages awarded  
12 in the jury verdict.” See Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs., Inc.,  
13 2009 WL 920300, at \*3 (D.Ariz. Mar.31, 2009); accord Aero Prods. Int’l, Inc. v.  
14 Intex Recreation Corp., 2005 WL 1498667, at \*2 (N.D. Ill. June 9, 2005) (setting  
15 supplemental damages for the period between the jury verdict and the imposition of  
16 permanent injunction at 13.5% based upon extrapolation from the jury’s general  
17 verdict); Stryker Corp. v. Davol, Inc., 75 F. Supp. 2d 746, 746–47 (W.D.Mich.1999)  
18 (setting supplemental damages for the period between the jury verdict and the  
19 imposition of a permanent injunction at 20%, which was the reasonable royalty found  
20 by the jury for the period of infringement); Oscar Mayer Foods Corp. v. Conagra,  
21 Inc., 869 F. Supp. 656, 668 (W.D.Wis.1994) (setting additional damages for post-  
22 judgment infringing sales at the ratio of damages to sales determined from the jury’s  
23 verdict).  
24  
25  
26  
27  
28

1 Thus, “[i]n most . . . cases, a jury determined what the appropriate royalty rate  
2 would be, allowing the court to simply apply the jury’s stated methodology to the  
3 proven or estimated post-verdict sales.” Hynix Semiconductor Inc. v. Rambus Inc.,  
4 609 F. Supp. 2d 951, 964 (N.D. Cal. 2009). “[I]n applying the same royalty rate used  
5 by the jury, courts have explained that the rationale for continuing the jury’s award,  
6 rather than using some other method, is that there is an absence of any meaningful  
7 distinction between pre-verdict and post-verdict infringement.” Apple, 2013 U.S.  
8 Dist. LEXIS 29051, at \*20 (internal quotation omitted).

9  
10  
11  
12 In the present case, the jury did not award Presidio a reasonable royalty, but  
13 rather lost profits. The jury awarded Presidio \$1,048,677 in lost profits based on the  
14 782,000 545L capacitors sold by ATC between mid-2006 and September 30, 2009.  
15 [Trial Tr. Day 4, at 177:6–178:24.] The jury calculated the lost profits award by  
16 considering Presidio’s sales and profits for 2006, 2007, 2008, and 2009. However,  
17 the majority of the cases that Presidio cites in its motion for supplemental damages  
18 are cases where the jury awarded a reasonable royalty.  
19  
20

### 21 **1. \$1.34 Per Unit as Supplemental Damages Amount**

22 Presidio in its motion for supplemental damages argues that supplemental  
23 damages should be calculated consistent with the damages awarded in the jury verdict  
24 and contends that the damages should be \$1.34 per infringing 545L capacitor. [Doc.  
25 No. 431, Mot. for Supp. Damages at 2.] Presidio argues that the average of the jury  
26 award was \$1.34 per infringing unit.  
27  
28

1 Presidio arrived at this amount from a previous order of this Court that  
2 “extrapolate[d] that the jury awarded Presidio approximately \$1.34 per 545L  
3 capacitor sold between the period of 2006 and 2009” “based on the ratio of damages  
4 to sales . . . .” Presidio Components Inc. v. Am. Technical Ceramics Corp., 2010 WL  
5 3070370, at \*2 (S.D. Cal. Aug. 5, 2010) aff’d in part, vacated in part, 702 F.3d 1351  
6 (Fed. Cir. 2012). Presidio argues that this amount should be assessed for all sales  
7 made by ATC from April 13, 2010 until entry of the injunction. [Id. at 4-5.]

8  
9 Presidio also argues that “the Federal Circuit has repeatedly advised that the  
10 jury’s verdict is typically increased to account for the considerable strengthening of  
11 the patent owner’s post-verdict bargaining position.” [Doc. No. 431-1, Presidio’s  
12 Mot. at 8.] Presidio argues that because its request for supplemental damages is  
13 “merely equal to (and not higher than) the amount determined to be adequate  
14 compensation by the jury[, it] is more than reasonable.” [Id.] However, the case that  
15 Presidio cites, Amado v. Microsoft, was in the context of increasing a *reasonable*  
16 *royalty* to account for post-verdict bargaining position. 517 F.3d 1353, 1361-62 (Fed.  
17 Cir. 2008).

18  
19 This this rationale is not applicable to lost profits as the purpose of  
20 supplemental damages is to compensate the patentee;<sup>2</sup> increasing the amount of lost  
21 profits to account for post-verdict bargaining position would result in a windfall to  
22

23  
24  
25  
26  
27  
28 <sup>2</sup> Presidio concedes that “[s]upplemental damages are compensatory in nature.” [Presidio’s  
Mot. at 5.]

1 the patentee. Presidio appears to conflate reasonable royalties with lost profits. The  
2 Court finds that \$1.34 per unit is inappropriate as the supplemental damages award.  
3  
4 First, the \$1.34 figure was never found by the jury; rather, it was a figure adopted by  
5 the Court as a weighted average for the limited purpose of awarding supplemental  
6 damages for the short time period between December 1, 2009 and April 13, 2010.  
7  
8 Presidio Components, 2010 WL 3070370, at \*1-2. Using this number would be  
9 contrary to the methodology Presidio presented to the jury for lost profits. See Bard  
10 Peripheral Vascular, 2009 WL 920300, at \*3.

11  
12 Second, the jury adopted the approach of Presidio's expert, Mr. Newman. Mr.  
13 Newman stated on direct examination that the proper method to calculate lost profit  
14 would be to "look at it from a year-to-year basis." [Doc. No. 444, ATC's Opp., Ex.  
15 B, 12/409 Tr. Transcript at 179.] Mr. Newman testified that "it wouldn't be  
16 appropriate to look at sales that occurred in 2009 of 545s and apply the old 2006  
17 profit [as t]hat would misstate the loss of profits." [Id.] He also testified that the BB  
18 sale price and profit margins have been decreasing "consistent with the marketplace."  
19 [Id. at 178.]<sup>3</sup>

20  
21  
22 Finally, awarding Presidio \$1.34 per unit would result in a windfall to Presidio  
23 under ATC's calculations that the average selling price between 2010 and 2013 was  
24 between \$1.23 and \$1.32. [Doc. No. 444, Opp. to Mot. for Supp. Damages at 2, 4-7.]  
25  
26

---

27  
28 <sup>3</sup> Mr. Newman's table shows that Presidio's average lost profit per BB decreased from \$1.68  
in 2006 to \$1.21 in 2009. [Doc. No. 444, ATC's Opp., Ex. C at 10.]



1 Even Mr. Newman, Presidio’s expert, calculated lost profits to be less than \$1.34 per  
2 unit. [Doc. No. 440, Reply to Mot. for Supp. Damages at 7.] For all the reasons  
3  
4 above, the Court finds that \$1.34 per unit is inappropriate as the measure of  
5 supplemental damages between 2010 and 2013.

## 6 **2. Alternate Amount**

7  
8 Because the Court rejects Presidio’s \$1.34 per unit for supplemental damages,  
9 the Court considers alternate amounts to determine what amount of supplemental  
10 damages is appropriate.

### 11 **a. \$0.25 per Unit**

12  
13 ATC argues that the Court should award \$0.25 per infringing unit, which is the  
14 ongoing royalty amount rate that the Court determined. [Doc. No. 444, Opp. to Mot.  
15 for Supp. Damages at 8; Doc. No. 465, Surreply to Mot. for Supp. Damages at 9.]

16  
17 ATC contends that this amount “is the very same amount that Presidio’s Mr.  
18 Newman endorsed as the rate which was adequate to compensate Presidio for  
19 infringement.” [Doc. No. 444 Opp. to Mot. for Supp. Damages at 8.] Moreover, ATC  
20 asserts that “for four years, [it] has reasonably and justifiably relied on this rate as its  
21 cost to compensate Presidio and set its pricing and strategy for 545L sales based on  
22 the \$0.25 rate.” [Id.]

23  
24  
25 ATC does not provide any case law or reasoning to support why awarding the  
26 royalty payment determined by the Court would be appropriate as a measure of  
27 supplemental damages. The Court also cannot find any precedent to support the  
28

1 award of supplemental damages based on a reasonable royalty when the jury awarded  
2 lost profits. See Bard Peripheral Vascular, 2009 WL 920300, at \*3. Accordingly, the  
3 Court declines to award supplemental damages in the amount of \$0.25 per unit.  
4

5 **b. \$0.35 per Unit**

6 ATC also argues that Presidio should be compensated at a rate of \$0.35, which  
7 is the amount the Court awarded ATC as a per-BB capacitor fine for Presidio's false  
8 marking. [Doc. No. 444, Opp. to Mot. for Supp. Damages at 8; Doc. No. 465,  
9 Surreply to Mot. for Supp. Damages at 9.] Again, ATC does not present any case law  
10 to support its argument. Therefore, the Court declines to accept \$0.35 per unit for  
11 supplemental damages as this figure is not consistent with the damages awarded by  
12 the jury. See Bard Peripheral Vascular, 2009 WL 920300, at \*3.  
13  
14  
15

16 **c. Hybrid Amount**

17 The Court next analyzes the method used by the jury to determine lost profits,  
18 using price per unit and costs to calculate supplemental damages.  
19

20 **i. Price Per Unit**

21 The method used by Mr. Newman at trial, and adopted by the jury is that  
22 average price per unit should be based on actual unit and dollar sales to customers,  
23 subject to certain volume thresholds. [Doc. No. 440, Ex. A, Newman Decl. at 3.]  
24 Mr. Newman used actual historic prices when calculating lost profits. [Id.] The  
25 Court replicates the table provided by Mr. Newman in his declaration, summarizing  
26 the BB 0502's average selling price in the relevant time period.  
27  
28

1 **BB 0502 Average Selling Price (Newman)**

2

3 <b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2010-2013</b>
4 \$1.47	\$1.48	\$1.60	\$1.42	\$1.52

5

6 [Id.] The Court adopts Mr. Newman’s methodology for calculating the average  
7 selling price as it is the method accepted by the jury at trial.  
8

9 Dr. Kennedy suggests a different methodology to calculate average price,  
10 which uses Presidio’s year-by-year list price schedules for the BB 502 capacitors and  
11 the pricing agreements it offered to certain overlapping customers. [Doc. No. 444,  
12 Ex. A, Kennedy Decl. at 5-6.] Mr. Newman criticizes Dr. Kennedy’s approach as  
13 being “inconsistent with the methodology presented to and accepted by the jury at  
14 trial.” [Doc. No. 440, Ex. A, Newman Decl. at 3.] Although Dr. Kennedy believes  
15 this approach is “more realistic and more appropriate” than that of Mr. Newman  
16 [Doc. No. 444, Ex. A, Kennedy Decl. at 6], the Court declines to adopt Dr.  
17 Kennedy’s approach to calculate average price per unit, as the jury did not utilize this  
18 method during trial. See Bard Peripheral Vascular, 2009 WL 920300, at \*3.  
19  
20  
21  
22

23 **ii. Costs**

24 Revenue alone, without costs, is insufficient to prove lost profit damages. See  
25 Designing Health, Inc. v. Erasmus, 132 Fed. Appx. 826, 832 (Fed. Cir. 2005)  
26 (unpublished). The Federal Circuit has stated: “The evidence of DH’s gross sales  
27  
28

1 figures . . . is also insufficient to establish damages. This evidence fails to establish  
2 the *profits*, if any, that DH derived from sales of [its] products . . . .” Id.  
3

4 In response to discovery requests, Presidio only produced evidence of its gross  
5 revenues from BB sales for the years 2010-2013. [Doc. No. 444, Opp. to Mot. for  
6 Supp. Damages at 10.] Presidio did not produce BB-specific cost or profit  
7 information for 2010-2013. [Id.] Presidio compiled and annually updated a BB-  
8 specific cost file from 2006-2009, which both parties’ experts relied upon to calculate  
9 lost profits at trial. [Id.] A letter from Presidio’s counsel Brett Schatz to counsel for  
10 ATC, Timur Slonim confirmed that Presidio has not maintained this cost file since  
11 2009. [Doc. No. 444, Ex. G, 5/3/13 Letter from Schatz to Slonim.] ATC also  
12 contends that “[d]espite being asked by ATC for costs and profits, and ordered by the  
13 Court on April 23, 2013 to produce everything related to BB costs and profits,  
14 Presidio did not produce the source documents—materials’ costs, labor costs,  
15 production yields, sales commissions, etc.—from which such annual BB-specific cost  
16 information could have been compiled by ATC’s expert.” [Doc. No. 444, Opp. to  
17 Mot. for Supp. Damages at 11.]  
18  
19  
20  
21

22 Because Presidio discontinued maintenance of BB-specific cost information,  
23 the Court is unable to follow the exact methodology expounded by Mr. Newman and  
24 adopted by the jury at trial, The cost information that Mr. Newman used to calculate  
25 his lost profits amounts is not available for 2010-2013. Therefore, the Court must  
26 approximate the amount of costs for the relevant time period. The Court considers in  
27  
28

1 turn the methodology of each party's expert to determine which is more reliable as an  
2 estimate of costs.

3  
4 The Court declines to adopt Mr. Newman's determination of costs because it is  
5 speculative. Mr. Newman estimates that BB 0502 direct costs for 2010-2013 are  
6 consistent with those presented at trial. He therefore concludes that the costs were  
7 \$0.16 per unit, based on 2009 costs. To support his conclusion, Mr. Newman  
8 summarily states that "[b]ased on discussions with Lambert Devoe and Alan Devoe,  
9 Presidio does not believe that its unit costs for the BB 0502 capacitors have increased  
10 since 2009." [Doc. No. 440, Ex. A, Newman Decl. at 4.] Mr. Newman fails to  
11 explain the basis of Mr. Lambert Devoe's and Mr. Alan Devoe's conclusions that unit  
12 costs have not increased. The declaration of Mr. Lambert Devoe also does not  
13 provide adequate support for his conclusion that costs have not increased. [Doc. No.  
14 440, Ex. B, Lambert Devoe Decl.] Because Mr. Newman fails to adequately support  
15 his conclusion that costs between 2010 and 2013 are the same as those in 2009, the  
16 Court does not adopt Mr. Newman's cost methodology as it is speculative.

17  
18  
19  
20  
21 Dr. Kennedy uses information from Presidio's company-wide profit and loss  
22 statements covering the period between September 2010 through January 2013 to  
23 determine cost. [Doc. No. 465, Ex. C, Kennedy Decl. at 4.] Dr. Kennedy uses these  
24 financial statements to determine the costs of goods sold and incremental operating  
25 expenses. [Doc. No. 444, Ex. A, Kennedy Decl. at 7.] Dr. Kennedy states that he  
26 used Presidio's financial statements because Presidio did "not maintain cost of goods  
27  
28

1 sold for the BB capacitors by model and represents that Presidio’s financial  
 2 statements represent Presidio’s costs and profits related to the BB product line, to the  
 3 fullest extent possible.” [Id.] Dr. Kennedy summarizes his findings for cost of goods  
 4 in a table attached to his declaration, which is reproduced below.  
 5

6 **BB 0502 Gross Profit Margin and Cost of Goods (Kennedy)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Avg.</b>
9 Cost of Goods Sold (%)	31.5%	32.2%	29.4%	29.4%	30.6%
11 Cost of Goods Sold (\$)	\$0.39	\$0.41	\$0.39	\$0.37	\$0.39

13  
 14 [Doc. No. 465, Ex. C, Kennedy Decl. at 5; Doc. No. 444, Ex. A, Kennedy Decl. at  
 15 Ex. E.] The Court also reproduces Dr. Kennedy’s table summarizing his findings for  
 16 other incremental costs.  
 17

18 **BB 0502 Other Incremental Costs**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Avg.</b>
21 Incremental Costs (%)	19.9%	18.6%	17.3%	17.3%	18.21%
23 Incremental Costs (\$)	\$0.24	\$0.24	\$0.23	\$0.22	\$0.23

24  
 25 [Doc. No. 465, Ex. C, Kennedy Decl. at 7.]  
 26  
 27  
 28

1 Presidio has not met its burden to show that the Court should adopt 2009 costs  
2 for the 2010-2013 time period. See Uniloc USA, 632 F.3d at 1315. The Court adopts  
3 Dr. Kennedy's analysis using Presidio's financial statements to determine costs. As  
4 the method adopted by the jury using BB capacitor-specific cost data cannot be  
5 reproduced as that data is no longer available, the Court finds that Dr. Kennedy's  
6 method is the best approximation presented to the Court. See Del Mar Avionics, 836  
7 F.2d at 1327.

10 **iii. Damages Figure**

11 Combining Mr. Newman's analysis on selling price and Dr. Kennedy's  
12 analysis on costs, the Court finds that incremental profit is \$0.78. The Court  
13 summarizes Dr. Kennedy's analysis in the following chart:  
14

16 **Incremental Profit Per Unit**

	<b>Newman Selling Price/Kennedy Costs</b>
Average Selling Price	\$1.52
Direct Material	(0.47)
Gross Profit	1.05
Other Incremental Costs	(0.28)
Incremental Profit	\$0.78 <sup>4</sup>

28 <sup>4</sup> Dr. Kennedy appears to round the incremental profit amount to \$0.78.

1 [Doc. No. 465, Ex. C, Kennedy Decl. at 5.] The following chart summarizes the  
2 damages to be awarded to Presidio based on the number of units sold, 1,966,871.

3  
4 **Newman Selling Price/Kennedy Costs Damages Calculation**

5 Incremental Profit	\$0.78 <sup>5</sup>
6 All Units	1,966,871
7 Damages	\$1,530,578

9  
10 **ii. Retained Sales**

11  
12 ATC then argues that the above amount should be reduced by the amount of  
13 sales to TriQuint and Agilent, which stated that they would or could not buy BB  
14 capacitors. [Doc. No. 465, Surreply to Mot. for Supp. Damages at 6-7.] ATC also  
15 argues that the amount of damages should be reduced by the amount of sales to Inphi  
16 because Presidio refused to do business with Inphi. [Id.] Presidio did not address  
17 ATC's request to reduce damages by retained sales in its briefing or at oral argument.  
18  
19 [See Doc. No. 440, Reply to Mot. for Supp. Damages.]

20  
21 To support its argument that the Agilent would not or could not buy BB  
22 capacitors, ATC cites the following language from an email between Gunter Vorlop  
23 and John Steward from Steward Technology, and CC to Lambert Devoe of Presidio,  
24 regarding a meeting with Bobby Wong and Jonathan Storie:<sup>6</sup> "There is a compelling  
25  
26

27 <sup>5</sup> Dr. Kennedy appears to use \$0.778 as the number by which he multiplies the total number  
28 of units to arrive at the total damages amount. He rounds \$0.778 to \$0.78 in his chart.

<sup>6</sup> ATC does not explain who these two individuals are.



1 reason . . . to start using ATC545-L inside box (20 places) due to its reduced loss and  
2 reduced price (\$1.50 each).” [Doc. No. 443, Opp. to Mot. for PI at 4; Doc. No. 443,  
3  
4 Ex. E, PCI-10176.] The context of this email is unclear. It is also unclear whether  
5 this comment was a passing observation by Jonathan Storie, or a solid commitment to  
6 move away from using BB capacitors.

7  
8 To support its argument that TriQuint would not or could not buy BB  
9 capacitors, ATC cites an email from Gunter Vorlop to Lambert Devoe, and consisted  
10 of his notes from a visit with TriQuint. ATC specifically cites the following sentence  
11 from Gunter Vorlop’s summary of the impressions of Kurt Cimino, a TriQuint  
12 engineer: “Kurt is looking for (lower) loss improvements at the high frequency end.”  
13 [Doc. No. 443, Opp. to Mot. for PI at 4-5; Doc. No. 443, Ex. F, PCI-10163.]  
14

15  
16 However, this statement does not demonstrate that TriQuint would not buy BB  
17 capacitors.

18  
19 From the statements cited by ATC, it is far from clear that Agilent and  
20 TriQuint demonstrate that these companies would not buy BB capacitors when the  
21 545Ls become unavailable. Accordingly, the Court declines to reduce the amount of  
22 supplemental damages by the amount of sales to TriQuint and Agilent.  
23

24 ATC also contends that sales to Inphi should be excluded because Presidio  
25 refused to do business with them. [Doc. No. 443, Opp. to Mot. for PI at 4; Doc. No.  
26 443, Ex. D, PCI-10416.] ATC cites a chart that lists Inphi and contains the following  
27 note in the comments field: “VB4040 cracks at Kyocera CM. Not our fault. Inphi  
28

1 handled badly. LD doesn't want bus anymore." ATC interprets this statement to  
2 mean that Lambert Devoe no longer wants Inphi's business. [Doc. No. 465, Surreply  
3 to Mot. for Supp. Damages at 7.] ATC argues that therefore, the 28,800 units of  
4 545L capacitors that ATC sold to Inphi should not be included in supplemental  
5 damages. [Id.; Doc. No. 443, Opp. to Mot. for PI at 4.] Presidio did not refute  
6 ATC's argument, nor did it dispute the number of units that ATC states it sold to  
7 Inphi in its briefing or at oral argument. Because Presidio was unwilling to continue  
8 sales to Inphi, who then bought 545L capacitors from ATC, the Court excludes  
9 28,800 units from the supplemental damages calculation. The final amount of  
10 damages is then \$1,508,114, as summarized by the chart below.  
11  
12  
13

14 **Final Supplemental Damages Calculation**

15

16 Damages	\$1,530,578
17 Units Sold to Inphi	28,800
18 Incremental Profit	\$0.78
19 Inphi Reduction in Damages	\$22,464
20 <b>Adjusted Damages</b>	<b>\$1,508,114</b>

21  
22

23

24 **C. Interest**

25 Presidio argues that it is entitled to an award of prejudgment interest on the  
26 entire supplemental damages award. [Doc. No. 431-1, Mot. for Supp. Damages at 8-  
27  
28

1 9.] ATC does not oppose an award of prejudgment interest on supplemental damages  
2 for the 269,725 units sold between April 14, 2010 and the date this Court entered  
3 judgment in this case, October 26, 2010. [Doc. No. 444, Opp. to Mot. for Supp.  
4 Damages at 12.] However, ATC contends that infringing units sold after October 26,  
5 2010 should be subject to post-judgment interest. [Id.]

6  
7  
8 Several courts of appeals have held that where a first judgment is vacated, post-  
9 judgment interest accrues from the entry of judgment on remand. Lewis v. Whelan,  
10 99 F.3d 542, 545 (2d Cir. 1996); see also Cordero v. De Jesus-Mendez, 922 F.2d 11,  
11 16 (1st Cir. 1990) (citing Kaiser Alum. & Chem. Corp. v. Bonjorno, 494 U.S. 827,  
12 836 (1990)); FDIC v. Rocket Oil Co., 865 F.2d 1158, 1161 (10th Cir. 1989).

13  
14 On October 26, 2010, the clerk entered judgment in this case. [Id.] On  
15 February 25, 2013, the Court spread the mandate of the Federal Circuit, which  
16 affirmed-in-part and vacated-in-part the judgment, and remanded to this Court for  
17 further proceedings. Because the Federal Circuit vacated this Court's judgment on  
18 the issuance of the permanent injunction, the date judgment is entered for the  
19 permanent injunction and supplemental damages is the date of the entry of judgment  
20 on remand. In accordance with the aforementioned case law, the Court awards  
21 prejudgment interest on supplemental damages until the date of entry of judgment on  
22 remand, to be reflected on the docket after the filing of this Order.  
23  
24  
25

### 26 **III. Motions to Strike**

#### 27 **A. Presidio's Motion to Strike Rabe Declaration**

1 Presidio moves to strike the declaration of Mr. Stephan Rabe, arguing that it is  
2 based on hearsay and not based on personal knowledge. [Doc. No. 446, Mot. to  
3 Strike Rabe Decl.] Because the Court did not consider Mr. Rabe’s declaration when  
4 ruling on the motions for permanent injunction and supplemental damages, the Court  
5 **DENIES AS MOOT** Presidio’s motion.  
6

7  
8 **B. ATC’s Motion to Strike Newman and Devoe Declarations**

9 ATC argues that the Court should strike both the Newman and Devoe  
10 declarations because they provide affirmative evidence, which is not permitted in a  
11 reply brief. [Doc. No. 454, Mot. to Strike Newman and Devoe Decl.; Doc. No. 461,  
12 P. & A. for Mot. to Strike Newman and Devoe Decl. at 1.] Presidio contends that the  
13 motion should be denied as the “declarations . . . are solely in rebuttal to ATC’s . . .  
14 theory regarding supplemental damages.” [Doc. No. 462, Opp. to Mot. to Strike  
15 Newman and Devoe Decl. at 2.]  
16  
17

18 “Rebuttal evidence is properly admissible when it will ‘explain, repel,  
19 counteract or disprove the evidence of the adverse party.’” Crowley v. Chait, 322 F.  
20 Supp. 2d 530, 551 (D. NJ 2004) (quoting United States v. Chrzanowski, 502 F.2d  
21 573, 576 (3d Cir. 1974)). “As long as a rebuttal expert witness speaks to the same  
22 subject matter addressed by opposing counsel’s expert and does not introduce novel  
23 arguments, his testimony is proper under Rule 26 and the case law interpreting it in  
24 the Ninth Circuit and in this district. The fact that Plaintiff has only designated a  
25 rebuttal expert, and not an initial expert, is not grounds to strike his report or exclude  
26  
27  
28

1 his testimony.” Donell v. Fid. Nat. Title Agency of Nevada, 2012 WL 170990, at \*3  
2 (D. Nev. Jan. 20, 2012). “The admissibility of evidence in rebuttal is committed to  
3 the discretion of the trial judge.” Crowley, 322 F. Supp. 2d at 551 (citing  
4 Chrzanowski, 502 F.2d at 576).

### 6 **1. Newman Declaration**

7  
8 ATC asserts that the Newman Declaration presents both affirmative and  
9 rebuttal testimony. [Doc. No. 461, P. & A. for Mot. to Strike Newman and Devoe  
10 Decl. at 2.] ATC asks the Court to strike the portions that present affirmative  
11 testimony. [Id.] ATC also argues that Presidio’s decision to not submit a declaration  
12 from Mr. Newman with its opening brief, but instead to withhold it until its rebuttal,  
13 “severely prejudices” ATC. [Id.] Presidio, conversely, argues that Mr. Newman’s  
14 declaration is limited to those issues discussed by Dr. Kennedy: Presidio’s lost  
15 profits at trial; average selling price of the BB capacitor; incremental costs for the BB  
16 capacitor; and supplemental damages. [Doc. No. 462, Opp. to Mot. to Strike  
17 Newman and Devoe Decl. at 4-8.] The Court permitted ATC to address Mr.  
18 Newman’s declaration in a surreply. The Court also allowed ATC to respond to Mr.  
19 Newman’s declaration at oral argument. Accordingly, the Court **DENIES** ATC’s  
20 motion to strike the Newman declaration.

### 25 **2. Devoe Declaration**

26  
27 ATC argues that the Court should strike the Devoe declaration for five reasons:  
28 (1) it is affirmative evidence that Presidio filed to present in its opening brief; (2) it is

1 not rebuttal to the Kennedy declaration; (3) it is a summary of undisclosed and  
2 undefined cost and comparative probability information; (4) it should be excluded as  
3 a sanction for Presidio's discovery misconduct; and (5) it should be excluded as  
4 unreliable. [Doc. No. 461, P. & A. for Mot. to Strike Newman and Devoe Decl. at 7-  
5 8.] Because the Court does not rely on the Devoe declaration for its rulings, the  
6 Court **DENIES AS MOOT** ATC's motion to strike the Devoe declaration.  
7


8  
9 **CONCLUSION**

10 In light of the foregoing, the Court **GRANTS** Presidio's motion for a  
11 permanent injunction. The Court **GRANTS** Presidio's motion for supplemental  
12 damages and awards damages in the amount of \$1,508,114. The Court **DENIES AS**  
13 **MOOT** the motion to Presidio's motion to strike the Rabe declaration. The Court  
14 **DENIES** ATC's motion to strike the Newman declaration. The Court **DENIES AS**  
15 **MOOT** ATC's motion to strike the Devoe declaration.  
16  
17

18 The parties shall submit a stipulated judgment correctly reflecting the  
19 prejudgment interest on the supplemental damages awarded.  
20

21 **IT IS SO ORDERED.**

22 Dated: August 12, 2013

23   
24 IRMA E. GONZALEZ, District Judge  
25 United States District Court  
26  
27  
28