

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

LEADER TECHNOLOGIES, INC.,)	
a Delaware corporation,)	
)	
Plaintiff-Counterdefendant,)	Civil Action No. 08-862-LPS
)	
v.)	
)	JURY TRIAL DEMANDED
FACEBOOK, INC.,)	
a Delaware corporation,)	
)	
Defendant-Counterclaimant)	

JOINT PROPOSED FINAL JURY INSTRUCTIONS

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1.0 GENERAL INSTRUCTIONS

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.1 INTRODUCTION

Members of the jury, now it is time for me to instruct you about the law that you must follow in deciding this case.

I will start by explaining your duties and the general rules that apply in every civil case.

I will explain some rules that you must use in evaluating particular testimony and evidence.

I will explain the positions of the parties and the law you will apply in this case.

Finally, I will explain the rules that you must follow during your deliberations in the jury room, and the possible verdicts that you may return.

Please listen very carefully to everything I say.

You will have a written copy of these instructions with you in the jury room for your reference during your deliberations. You will also have a verdict form, which will list the questions that you must answer to decide this case.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware, Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.2
JURORS' DUTIES

You have two main duties as jurors. The first one is to decide what the facts are from the evidence that you saw and heard here in court. Deciding what the facts are is your job, not mine, and nothing I have said or done during this trial was meant to influence your decisions about the facts in any way.

Your second duty is to take the law that I give you, apply it to the facts, and decide, under the appropriate burden of proof, which party should prevail on each of the issues presented. It is my job to instruct you about the law, and you are bound by the oath that you took at the beginning of the trial to follow the instructions that I give you, even if you personally disagree with them. This includes the instructions that I gave you before and during the trial, and these instructions. All the instructions are important, and you should consider them together as a whole.

Perform these duties fairly. Do not let any bias, sympathy or prejudice that you may feel toward one side or the other influence your decision in any way.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware, Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

DISPUTED PROPOSED JURY INSTRUCTION NO. 1.3
EVIDENCE DEFINED

You must make your decision based only on the evidence that you saw and heard here in court. Do not let rumors, suspicions, or anything else that you may have seen or heard outside of court influence your decision in any way.

The evidence in this case includes only what the witnesses said while they were testifying under oath (including deposition testimony that has been played or read to you), the exhibits that I allowed into evidence, and any facts that the parties agreed to by stipulations.

Nothing else is evidence. The lawyers' statements and arguments are not evidence. Their questions and objections are not evidence. My legal rulings are not evidence. My comments and questions are not evidence. The notes taken by any juror are not evidence.

During the trial I may have not let you hear the answers to some of the questions the lawyers asked. I also may have ruled that you could not see some of the exhibits that the lawyers wanted you to see. You must follow my orders and completely ignore all of these things. Do not even think about them. Do not speculate about what a witness might have said or what an exhibit might have shown. These things are not evidence, and you are bound by your oath not to let them influence your decision in any way.

[Further, sometimes I may have ordered you to disregard things that you saw or heard, or struck things from the record. You must follow my instructions to completely disregard such things you saw or heard, and completely ignore those things struck from the record. Do not even think about them. These things are not evidence, and you are bound by your oath not to let them influence your decision in any way.]

Make your decision based only on the evidence, as I have defined it here, and nothing else.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware,
Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

LEADER'S SUPPORT FOR DISPUTED PROPOSED JURY INSTRUCTION NO.

1.3

Leader objects to the proposed language in brackets that Facebook is suggesting as unnecessary and redundant. There is no reason to deviate from the model jury instruction to include the addition that Facebook is proposing.

FACEBOOK'S SUPPORT FOR DISPUTED PROPOSED JURY INSTRUCTION
NO. 1.3

Facebook's additional instruction in brackets reminds the jurors that those things that were ordered to disregard or were struck from the record are not evidence.

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.4
DIRECT AND CIRCUMSTANTIAL EVIDENCE

You have heard the terms “direct evidence” and “circumstantial evidence.”

Direct evidence is evidence like the testimony of any eyewitness which, if you believe it, directly proves a fact. If a witness testified that she saw it raining outside, and you believed her, that would be direct evidence that it was raining.

Circumstantial evidence is simply a chain of circumstances that indirectly proves a fact. If someone walked into the courtroom wearing a raincoat covered with drops of water and carrying a wet umbrella, that would be circumstantial evidence from which you could conclude that it was raining.

It is your job to decide how much weight to give the direct and circumstantial evidence. The law makes no distinction between the weight that you should give to either one, nor does it say that one is any better than the other. You should consider all the evidence, both direct and circumstantial, and give it whatever weight you believe it deserves.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware, Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.5
CONSIDERATION OF EVIDENCE

You should use your common sense in weighing the evidence. Consider it in light of your everyday experience with people and events, and give it whatever weight you believe it deserves. If your experience tells you that certain evidence reasonably leads to a conclusion, you are free to reach that conclusion.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware,
Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.5A
STATEMENTS OF COUNSEL

A further word about statements and arguments of counsel. The attorney's statements and arguments are not evidence. Instead, their statements and arguments are intended to help you review the evidence presented. If you remember the evidence differently from the attorneys, you should rely on your own recollection.

The role of attorneys is to zealously and effectively advance the claims of the parties they represent within the bounds of the law. An attorney may argue all reasonable conclusions from evidence in the record. It is not proper, however, for an attorney to state an opinion as to the truth or falsity of any testimony or evidence. What an attorney personally thinks or believes about the testimony or evidence in a case is not relevant, and you are instructed to disregard any personal opinion or belief concerning testimony or evidence that an attorney has offered during opening or closing statements, or at any other time during the course of the trial.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware, Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.6
CREDIBILITY OF WITNESSES

You are the sole judges of each witness's credibility. You should consider each witness's means of knowledge; strength of memory; opportunity to observe; how reasonable or unreasonable the testimony is; whether it is consistent or inconsistent; whether it has been contradicted; the witness's biases, prejudices or interests; the witness's manner or demeanor on the witness stand; and all circumstances that, according to the evidence, could affect the credibility of the testimony.

If you find the testimony to be contradictory, you must try to reconcile it, if reasonably possible, so as to make one harmonious story of it all. But if you can't do this, then it is your duty and privilege to believe the testimony that, in your judgment, is most believable and disregard any testimony that, in your judgment, is not believable.

In determining the weight to give to the testimony of a witness, you should ask yourself whether there is evidence tending to prove that the witness testified falsely about some important fact, or, whether there is evidence that at some other time the witness said or did something, or failed to say or do something was different from the testimony he or she gave at trial. You have the right to distrust such witness's testimony in other particulars and you may reject all or some of the testimony of that witness or give it such credibility as you may think it deserves.

You should remember that a simple mistake by a witness does not necessarily mean that the witness was not telling the truth. People may tend to forget some things or remember other things inaccurately. If a witness has made a misstatement, you must consider whether it was simply an innocent lapse of memory or an intentional falsehood, and that may depend upon whether it concerns an important fact or an unimportant detail.

This instruction applies to all witnesses.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware,

Sample: Miscellaneous Jury Instructions (GMS) (January 2006)

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.7
NUMBER OF WITNESSES

One more point about the witnesses. Sometimes jurors wonder if the number of witnesses who testified makes any difference.

Do not make any decisions based only on the number of witnesses who testified. What is more important is how believable the witnesses were, and how much weight you think their testimony deserves. Concentrate on that, not the numbers.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware, Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.8
EXPERT TESTIMONY

Expert testimony is testimony from a person who has a special skill or knowledge in some science, profession, or business. This skill or knowledge is not common to the average person but has been acquired by the expert through special study or experience.

In weighing expert testimony, you may consider the expert's qualifications, the reasons for the expert's opinions, and the reliability of the information supporting the expert's opinions, as well as the factors I have previously mentioned for weighing testimony of any other witness. Expert testimony should receive whatever weight and credit you think appropriate, given all the other evidence in the case. You are free to accept or reject the testimony of experts, just as with any other witness.

AUTHORITY:

Uniform Jury Instructions in the United States District Court for the District of Delaware, Sample: Miscellaneous Jury Instructions (GMS) (January 2006).

LEADER'S PROPOSED JURY INSTRUCTION NO. 1.9
DEPOSITION TESTIMONY

A deposition is the sworn testimony of a witness taken before trial. The witness is placed under oath and swears to tell the truth, and lawyers for each party may ask questions. A court reporter is present and records the questions and answers.

Deposition testimony is entitled to the same consideration and is to be judged, insofar as possible, in the same way as if the witness had been present to testify.

AUTHORITY:

Third Circuit Model Civil Jury Instructions, § 2.5, (November 2009).

**FACEBOOK'S OBJECTIONS TO LEADER'S PROPOSED JURY
INSTRUCTION NO. 1.9**

An additional instruction regarding erratas should be included. This instruction is necessary to inform the jury that an errata does not erase the original testimony of a witness, and that the jury is free to disregard or give substantially less weight to a conflicting errata subject to the same principles that govern the jurors' assessment of witness credibility in general. *See Donald M. Durkin Contracting, Inc. v. City of Newark*, 2006 WL 2724882 (D. Del. Sept. 22, 2006); *Burns v. Bd. of Cty. Cm'rs of Jackson Cty.*, 330 F.3d 1275, 1282 (10th Cir. 2003).

Facebook additionally objects to Leader's proposed discussion of Mr. Lamb's errata because the Court has not ruled that Facebook has no recourse regarding this errata. Magistrate Judge Stark noted that he thought they looked like clarifications, but that he would support an effort by Facebook to take another deposition of Mr. Lamb to clarify these issues and nothing at the pretrial conference on July 1, 2010 altered that. *See* Transcript from Discovery Hearing at 52:19-24. Judge Stark noted that he could not order the deposition because Mr. Lamb was a third party in Ohio, not Delaware. Leader's counsel, representing Mr. Lamb, was obstructionist and refused to allow the deposition to take place without expensive and time-consuming motion practice. Leader's counsel represents Mr. Lamb, and any claim to the contrary is simply false. Although Leader and Mr. Lamb hired local Ohio counsel to file the motions to quash Facebook's deposition subpoenas, the declaration filed in support of both motions to quash was created by counsel at King & Spalding, LLP, who stated that King & Spalding—Leader's counsel—was "counsel of record for third party Jeffrey Lamb."

The fact that Facebook withdrew the subpoena to Mr. Lamb instead of engaging in such motion practice is not a "waiver" of anything, as Leader contends, and has nothing to do with the fact that the jury is entitled to know it has the right to weigh or disregard the errata. Facebook reserved its right to depose Mr. Lamb in Delaware and

will proceed in doing so as he currently plans to appear at trial and thus will be under this Court's jurisdiction.

Leader claims that Facebook's withdrawal of the subpoena prevented Leader's obtaining a ruling on whether Facebook could properly take another deposition of Mr. Lamb. However, Leader ignores that this Court specifically found that it would support the taking of a second deposition of Mr. Lamb, and leave of the court is all that is required to take a second deposition of a party. *See* Transcript from Discovery Hearing at 52:19-24; Fed. R. Civ. P. 30(a)(2)(A)(ii)

Further, when Facebook agreed to withdraw the subpoena of Mr. Lamb, it specifically informed Leader's counsel, who also represents Mr. Lamb, that it intended to pursue a deposition of Mr. Lamb in Delaware if and only if he chose to appear in Delaware. Thus, nothing about Facebook's conduct could give a reasonable person the belief that Facebook did not intend to pursue Mr. Lamb's deposition in Delaware. Further, Leader is clearly on notice as this issue has been further discussed throughout the jury instruction meet and confer process.

FACEBOOK'S PROPOSED JURY INSTRUCTION NO. 1.9
DEPOSITION TESTIMONY

A deposition is the sworn testimony of a witness taken before trial. The witness is placed under oath and swears to tell the truth, and lawyers for each party may ask questions. A court reporter is present and records the questions and answers.

Deposition testimony is entitled to the same consideration and is to be judged, insofar as possible, in the same way as if the witness had been present to testify.

A deposition is not a take home exam. However, after a deposition, a witness may submit written corrections to his or her answers to depositions questions, for example because of typographical or other errors. The submission of written changes does not erase the original answers given by the witness during the deposition, which remain among the evidence you may consider.

It is up to you to decide what weight, if any, to give to a witness's written changes to his or her answers to deposition questions. Factors you may consider include the credibility of the witness's explanation or motive for the changes; the nature of the changes; the timing and circumstances of the submission of the written changes; and the importance of the original testimony to the issues you must decide in the case. You have the right to reject all or some of the witness's written changes to his or her testimony or give those changes the weight you think they deserve.

AUTHORITY:

Modified Third Circuit Model Civil Jury Instructions, § 2.5, (November 2009); *Donald M. Durkin Contracting, Inc. v. City of Newark*, 2006 WL 2724882 (D. Del. Sept. 22, 2006); *Burns v. Bd. of Cty. Cm'rs of Jackson Cty.*, 330 F.3d 1275, 1282 (10th Cir. 2003).

**LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY
INSTRUCTION NO. 1.9**

The entire basis for Facebook's proposed language regarding erratas to deposition testimony is directed toward the testimony of Mr. Lamb. Mr. Lamb, however, has confirmed that he will be at trial. Thus, such proposed language in this instruction regarding Mr. Lamb's errata is unnecessary.

To the extent any of Mr. Lamb's testimony is played in Court, an instruction about how to question the weight of deposition testimony where there is an errata is argumentative and unduly prejudicial, as it instructs the jury to question the testimony of Leader's witness. Federal Rule of Evidence 403. Clarification of deposition testimony is completely appropriate and permitted under the law. Fed. R. Civ. P. 30; *Durkin Contracting, Inc. v. City of Newark*, 2006 WL 2724882 at *10 (D. Del. 2006) (district court recognized that Fed. R. Civ. P. 30 (e) allows a deponent to make changes to deposition testimony in form or substance). Also, there is already an instruction regarding how to view a witness' testimony in Stipulated Instruction No. 1.6. Having an additional instruction focused solely on the deposition testimony places an undue and prejudicial emphasis on Mr. Lamb's testimony.

Furthermore, Facebook is estopped from trying to have an instruction regarding an errata to deposition testimony, particularly as it relates to Mr. Lamb. *Great American Credit Corp. v. Wilmington Housing Authority*, 680 F.Supp. 131, 134 (D.Del. 1988); see also *Heckler v. Community Health Services of Crawford Cty., Inc.*, 467 US 51 (1984). This Court has already ruled that Mr. Lamb's errata was an appropriate clarification. The Court stated in regard to Facebook's motion *in limine* to exclude Mr. Lamb's errata: "That motion is denied. The Court has previously ruled, in the court's view the changes in the

errata sheet are not substantive.” Hearing Transcript at 6: 9-13 (July 1, 2010). The Court previously held that the errata was a clarifying document, not a substantive one. *See* April 9, 2010 hearing tr. at 51:21-52:7.

Furthermore, Facebook issued two additional deposition subpoenas on Mr. Lamb for a second deposition on two occasions, but withdrew both subpoenas *after* Mr. Lamb objected to them and filed two motions to quash in two different Ohio district courts. Facebook's withdrawal of its subpoenas for a second deposition of Mr. Lamb on the morning of Mr. Lamb's hearing on his second expedited motion to quash prevented Mr. Lamb from attaining an appropriate ruling on the matter. Indeed, for the very same reasons, Facebook should be estopped from seeking any further deposition of Mr. Lamb during trial.

To the extent an instruction regarding how to weigh an errata is necessary, Leader proposes the following language be included in the instruction:

This Court has determined that Mr. Lamb's errata was a clarification to his existing deposition testimony. Deponents are permitted to make such clarifications to their testimony.

LEADER'S PROPOSED JURY INSTRUCTION NO. 1.10
BURDEN OF PROOF

In any legal action, facts must be proven by a required standard of evidence, known as the "burden of proof." In a patent case such as this, there are two different burdens of proof that are used. The first is called "preponderance of the evidence." The second is called "clear and convincing evidence."

Leader has the burden of proving patent infringement by what is called a preponderance of the evidence. When a party has the burden of proof by a preponderance of the evidence, it means that you must be persuaded that what the party seeks to prove is more probably true than not true. To put it differently, if you were to put Leader's and Facebook's evidence on the opposite sides of a scale, the evidence supporting Leader's assertions would have to make the scales tip somewhat on its side.

Facebook is also contending that the asserted claims of the '761 Patent are invalid. Because patents are presumed valid, Facebook must prove its claims that the '761 Patent is invalid by clear and convincing evidence. When a party has the burden of proof by clear and convincing evidence, it means that the evidence must produce in your mind a firm belief and conviction that it is highly probable that the matter sought to be established is true. Proof by clear and convincing evidence, therefore, is a higher burden than proof by a preponderance of the evidence.

You may have heard of the "beyond a reasonable doubt" burden of proof from criminal cases. That requirement is the highest burden of proof. It does not apply to civil cases and, therefore, you should put it out of your mind.

AUTHORITY:

Modified Uniform Jury Instructions for Patent Cases in the United States Court for the District of Delaware § 1.3 (March 1993).

**FACEBOOK'S OBJECTIONS TO LEADER'S PROPOSED JURY
INSTRUCTION NO. 1.10**

Facebook has proposed its own instruction on the burden of proof, which relies on Chief Judge Sleet's more recent March 2010 suggested instruction regarding burden of proof and Final Jury Instruction No. 9 from *Finjan Software, Ltd. v. Secure Computing Corp.* Facebook believes the more recent instructions are both more informative and more concise, and avoid the duplicative language of Leader's Proposed Instruction No. 1.10.

FACEBOOK’S PROPOSED JURY INSTRUCTION NO. 1.10
BURDEN OF PROOF

Leader has the burden of proving infringement by what is called a preponderance of the evidence. That means that Leader has to produce evidence which, considered in light of all of the facts, leads you to believe that what Leader claims is more likely true than not. To put it differently, if you were to put Leader’s and Facebook’s evidence on the opposite sides of a scale, the evidence supporting Leader’s claims would have to make the scales tip somewhat on Leader’s side. If Leader fails to meet this burden, the verdict must be for Facebook.

Facebook bears the burden of proving its defense of invalidity by clear and convincing evidence. Clear and convincing evidence is evidence that produces an abiding conviction that the truth of a factual contention is highly probable.

Finally, keep in mind that “proof beyond a reasonable doubt” does not play any part in this case and you therefore should not consider it at all in your deliberations.

AUTHORITY:

Modified Preliminary Jury Instructions—Patent (Sleet, J.) (rev. March 16, 2010); Modified Final Jury Instruction No. 9, *Finjan Software, Ltd. v. Secure Computing Corp.*, 06-cv-369-GMS (D. Del.) (D.I. 225); Uniform Jury Instructions for Patent Cases in the United States Court for the District of Delaware § 1.3 (March 1993).

LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY

INSTRUCTION 1.10

Leader objects to Facebook's proposed instruction because it includes unbalanced, prejudicial and unnecessary assertions regarding how to find a verdict for Facebook. Federal Rules of Evidence 402 and 403. Facebook's instruction does not provide for how the jury can find for Leader. Lastly, Facebook's instruction fails to inform the jury which standard of proof corresponds with the specific issues in this case. This is important as different issues have different requisite burdens of proof, which is largely why there is this instruction in patent cases.

AUTHORITY:

Third Circuit Model Civil Jury Instructions, § 1.9, (November 2009).

STIPULATED PROPOSED JURY INSTRUCTION NO. 1.11
USE OF NOTES

You may use notes taken during the trial to assist your memory. Remember that your notes are for your personal use. They may not be given or read to anyone else. Do not use your notes, or any other juror's notes, as authority to persuade fellow jurors. Your notes are not evidence, and they are by no means a complete outline of the proceedings or list of the highlights of the trial. Your notes are valuable only as a way to refresh your memory. Your memory is what you should be relying on when it comes time to deliberate and render your verdict in this case.

AUTHORITY:

Modified Third Circuit Model Civil Jury Instructions, § 1.9, (November 2009).

2.0 THE PARTIES AND THEIR CONTENTIONS

**STIPULATED PROPOSED JURY INSTRUCTION NO. 2.1
THE PARTIES**

I will now review for you the parties in this action, and the positions of the parties that you will have to consider in reaching your verdict. The plaintiff is Leader Technologies, Inc., which I will refer to as “Leader.” The defendant is Facebook Inc., which I will refer to as “Facebook.”

Leader is the owner of United States Patent No. 7,139,761. I will refer to this patent as the ’761 Patent.

AUTHORITY:

Uniform Jury Instructions for Patent Cases in the United States Court for the District of Delaware § 2.1 (March 1993).

DISPUTED PROPOSED JURY INSTRUCTION NO. 2.2
THE PARTIES' CONTENTIONS

Leader contends that Facebook infringes Claims 1, 4, 7, 9, 11, 16, 21, 23, 25, 31, and 32 of United States Patent No. 7,139,761. These claims may be referred to as the "asserted claims." [Leader also contends that Facebook actively induces infringement and contributorily infringes Claims 9, 11 and 16 of the '761 Patent.]

Facebook contends that it does not infringe any of the asserted claims of the '761 Patent. Facebook further contends that the asserted claims are invalid as being anticipated and/or obvious in light of the prior art.

AUTHORITY:

Uniform Jury Instructions for Patent Cases in the United States Court for the District of Delaware § 2.2-2.3 (March 1993).

**LEADER'S SUPPORT FOR DISPUTED PROPOSED JURY
INSTRUCTION NO. 2.2**

Leader has asserted contributory and inducing infringement as causes of action in this case, which is why Leader has proposed the sentence in brackets. Dr. Vigna has opined that such infringement by Facebook is occurring. *See e.g.* Disclosure of Expert Testimony for Giovanni Vigna, PhD at paragraphs 132, 212-214. Facebook's expert refutes these contentions. *See e.g.* Expert Report of Michael Kearns at paragraphs 94-95. Leader has evidence of all of the elements it needs to prove its infringement claims. To the extent Facebook contends something to the contrary, this is a proper issue for the jury to decide. Thus, these issues should be included in a jury instruction that gives a summary of the patent issues in the case.

FACEBOOK'S SUPPORT FOR DISPUTED PROPOSED JURY
INSTRUCTION NO. 2.2

Facebook objects to Leader's inclusion of contributory or inducement of infringement theories against Facebook, as no such theories of infringement were properly disclosed in discovery, nor are such theories supported by any evidence of direct infringement by a third party. In particular, Leader has not provided any evidence of intent or knowledge to support its indirect infringement claims.

LEADER'S PROPOSED JURY INSTRUCTION NO. 2.3
SUMMARY OF PATENT ISSUES

You must decide the following issues in this case:

(1) Whether Leader has proven by a preponderance of the evidence that Facebook directly infringes any asserted claim of the '761 Patent, either literally or under the doctrine of equivalents.

(2) Whether Leader has proven by a preponderance of the evidence that Facebook indirectly infringes any asserted claim of the '761 Patent, either by inducement and/or under contributory infringement.

(3) Whether Facebook has proven by clear and convincing evidence that any asserted claim of the '761 Patent is invalid.

AUTHORITY:

Uniform Jury Instructions for Patent Cases in the United States Court for the District of Delaware § 2.4 (March 1993).

**FACEBOOK'S OBJECTIONS TO LEADER'S PROPOSED JURY
INSTRUCTION NO. 2.3**

Facebook objects to this instruction as being unnecessary as this information will be included on the special verdict form.

FACEBOOK'S PROPOSED JURY INSTRUCTION NO. 2.3
SUMMARY OF PATENT ISSUES

You must decide the following issues in this case:

(1) Whether Leader has proven by a preponderance of the evidence that Facebook's manufacture or use of the Facebook website, or the methods practiced by the Facebook website, infringe any of the asserted claim of the '761 patent.

(2) Whether Facebook has proven by clear and convincing evidence that any asserted claim of the '761 patent is invalid due to anticipation, obviousness, prior public use, or the on-sale bar.

AUTHORITY:

Final Jury Instruction No. 2.4, *Telcordia Techs., Inc. v. Cisco Sys., Inc.*, 04-cv-876-GMS (D. Del. May 10, 2007); Uniform Jury Instructions for Patent Cases in the United States Court for the District of Delaware § 2.4 (March 1993).

**LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY
INSTRUCTION NO. 2.3**

A statement of the issues to be decided is a standard jury instruction, given in nearly all patent cases. After hearing days of testimony on the technology, it is helpful to the jury to have a short, succinct, and unbiased summary of the issues for the jury to decide.

Leader objects to Facebook's proposed jury instruction because it is not a correct or complete statement of the issues in the case. Facebook's proposal represents its arguments, making it confusing and unduly prejudicial. Federal Rule Evidence 403.

STIPULATED JURY INSTRUCTION NO. 2.4
STATEMENT OF FACTS

The following facts are undisputed between the parties:

1. Leader is the assignee of all ownership rights, title, and interest in the '761 Patent.
2. The '761 Patent issued on November 21, 2006.
3. Facebook owns and operates the Facebook website which is currently located at www.facebook.com and was formerly located at www.thefacebook.com.
4. Facebook was launched on February 4, 2004.
5. Facebook provides a developer wiki at http://wiki.developers.facebook.com/index.php/Main_Page and <http://developers.facebook.com/docs/>.

3.0 INFRINGEMENT

STIPULATED PROPOSED JURY INSTRUCTION NO. 3.1 THE PATENT LAWS

At the beginning of the trial, I gave you some general information about patents and the patent system and a brief overview of the patent laws relevant to this case. I will now give you more detailed instructions about the patent laws that specifically relate to this case. If you would like to review my instructions at any time during your deliberations, they will be available to you in the jury room.

AUTHORITY:

TruePosition Inc. v. Andrew Corp., C.A. No. 05-747-SLR (Sept. 14, 2007) (“The Patent Laws”).

DISPUTED PROPOSED JURY INSTRUCTION NO. 3.2
THE ASSERTED CLAIMS

Before you can decide any issues in this case, you will have to understand the patent “claims.” The patent claims are the numbered sentences at the end of the patent.

The patent claims involved here are Claims 1, 4, 7, 9, 11, 16, 21, 23, 25, 31, and 32 of the ‘761 Patent, which are located in Columns 20, 21, 22, 23, and 24 of the ‘761 Patent, which is exhibit __ in evidence. The claims are intended to define, in words, the boundaries of the invention. [The claims define the patent owner’s property rights. Infringement is the act of trespassing on those rights.] Only the claims of the patent can be infringed. Neither the specification, which is the written description of the invention, nor the drawings of a patent can be infringed. Each of the claims must be considered individually. [In addition, the claims of a patent do not have to cover every feature of the patented invention.] You must use the same claim meaning for both your decision on infringement and your decision on invalidity.

[There are three types of claims at issue in this case. These types of claims are (1) system claims, (2) computer-readable medium claims and (3) method claims.]

AUTHORITY:

Modified AIPLA’s Model Patent Jury Instructions § 2.0(March 2008) which cites 35 U.S.C. § 112; *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc); *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1286 (Fed. Cir. 2002); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (en banc), *aff’d*, 517 U.S. 370 (1996); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 882 (Fed. Cir. 1988); *See also, Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1328-1329 (Fed. Cir. 2008); *AT&T Corp. v. Microsoft Corp.*, 414 F.3d 1366, 1367 (Fed. Cir. 2005); *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1289-90 (Fed. Cir. 2005).

**LEADER’S SUPPORT FOR DISPUTED PROPOSED JURY
INSTRUCTION NO. 3.2**

The language in brackets is necessary to clarify a number of issues in this case and is in accord with the Federal Circuit law. The disputed language in brackets in paragraph 2 of the proposed instruction simply states that the patent claims “define the patent owner’s property rights” and that “infringement is the act of trespassing on those rights.” These are fundamental principles of patent law and assist the jury to understand the concept of infringement in non-legal or layman’s terms. In fact, the Federal Circuit has used this exact language to describe infringement. *See Hoechst-Roussel Pharmaceuticals, Inc. v. Lehman*, 109 F.3d 756 (Fed. Cir. 1997). Leader’s instruction provides basic information presented by the video that will be shown to the jury at the beginning of trial, which is appropriate after hearing days of testimony on the technology of the patent.

Leader’s proposed language in brackets in the final paragraph simply informs the jury in a very straightforward manner the three types of claims at issue in this case. Facebook’s objection to this language, claiming that Claims 1, 21, and 23 of the ‘761 Patent are so-called "hybrid claims," is not a basis for objecting to the plain language of the claims that will be before the jury.

A hybrid claim requires the use of an apparatus within a method claim. *See IPXL Holdings, L.L. C. v. Amazon. com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005) (Federal Circuit finding “mixed method-apparatus” claims indefinite.). The only way *IPXL* could apply is if the ‘761 Patent was rewritten to require the user to use the context or tracking component. In contrast, however, the ‘761 Patent provides a functional limitation of the tracking component, which performs certain actions when a user accesses data from a second context.

Parties in several recent cases have attempted to convince district courts to find claims invalid under *IPXL*. In almost all cases, district courts have held that the suspect

claims did not cover both an apparatus and a method, but rather were apparatus claims containing functional limitations. *See e.g., Ricoh Co., Ltd. v. Katun Corp.*, 486 F.Supp.2d 395, 402-403 (D.N.J. 2007) (claim covering photocopier toner bottle, which was limited by language in preamble that read, "to selectively plug or unplug a discharge mouth of a developer container mounted to an image forming apparatus," did not describe active use, but described claimed apparatus in functional terms were not impermissible method-apparatus claim); *Yodlee, Inc. v. CashEdge, Inc.*, 2006 WL 3456610, at *3-5 (N.D.Cal. 2006) (claims which described an apparatus when used a certain way did not claim the *use* of the apparatus and were not invalid mixed method-apparatus claims); *Toshiba Corp. v. Juniper Networks, Inc.*, 2006 WL 1788479, at *2-5 (D.Del. 2006) (claim relating to data networks which focused on an apparatus that incorporated limitations that were directed to the function of the claimed device, and not the method of using the claimed device, was not invalid); *Collegenet, Inc. v. XAP Corp.*, 442 F.Supp.2d 1036, 1062-63 (D.Or. 2006) (method claims for processing customized forms and payment information from a user were not invalid for indefiniteness, despite accused infringer's contentions that asserted claims included descriptions of apparatus and functional limitations associated with the apparatus); *Collaboration Props., Inc. v. Tandberg ASA*, 2006 WL 1752140, at *6-7 (N.D.Cal. 2006) ("configured to" claim language indicated functionality, such as might be implemented in hardware or software, but did not render claims invalid.); *Sienna, LLC v. CVS Corp.*, 2007 WL 13102, at *7-8 (S.D.N.Y. 2007) ("notwithstanding the use of excessive manual force to attempt to overcome such interference" claim language is not a separate method step, but rather is descriptive of the apparatus and is not indefinite).

In *Yodlee*, the defendants argued that the claim language, "activation of the presented link," did not provide whether infringement "occurs when the computer-readable storage device is manufactured or sold, *or* whether infringement occurs when a user activates such a system's presented link, *or both*." 2006 WL 3456610 at *4. The

Yodlee court rejected that argument, stating that infringement occurs “if a device presents such a link, and activating such link would initiate the process described under paragraph (b), the device infringes.” *Id.* at * 5. The *Yodlee* court provided a simple but useful analogy to determine if a claim is a "mixed-method claim":

[A] claim which physically describes a pair of scissors designed to cut paper, then states, “upon opening and closing the sharp edges of the scissors on a piece of paper, the paper is cut.” The language describes the capability of the scissors; it is function language. Infringement occurs upon the manufacturing and sale of scissors that are capable of cutting paper. The IPXL rule would apply only if the patent claimed the physical description of the scissors, then stated within the same claim: “and the method of using said scissors to cut a piece of paper.

Id. Here, the ‘761 Patent provides a functional limitation of the tracking component, which performs certain actions when a user accesses data from a second context. Thus, Claims 1, 21 and 23 of the ‘761 Patent contain purely functional language and are not mixed method apparatus claims.

**FACEBOOK'S SUPPORT FOR DISPUTED PROPOSED JURY
INSTRUCTION NO. 3.2**

Facebook objects to Leader's additional statements (in brackets) as overly confusing and because they introduce too many outside concepts into the instruction. The statements that the claims "define the patent owner's property rights" and that "infringement is the act of trespassing on those rights" are unfairly prejudicial. Neither of these sentences appear in either the AIPLA or Delaware instructions and are irrelevant to this jury instruction, which explains what a claim of a patent is.

Patent rights are intangible statutory rights that should not be described using loaded terms like "patent owner's property rights" or "trespass," which improperly attempt to exploit the positive societal views toward ownership of real and personal property, and thus may impact the jury's assessment of invalidity defenses.

Facebook also objects to the unnecessary and confusing classifications of the asserted claims in Leader's proposed instruction (i.e., as "system," "method," and "computer-readable medium" claims), as the claims themselves are self-explanatory and Leader's descriptions add nothing of significance. Leader's characterizations are also inaccurate, as they do not explain that claims 1 and 23 are hybrid system/method claims (system claims that recite a method step), while claim 21 is a hybrid computer-readable medium/method claim.

Facebook also objects to Leader's insertion into the jury instructions of briefing regarding improper hybrid claims under *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005). As Facebook does not believe that the jury instruction objections are the proper forum for this argument, in response Facebook refers the Court to its briefing on Facebook's Motion for Summary Judgment No. 1 and the parties' oral argument on July 1, 2010. *See* D.I. Nos. 382-384, 528; July 1, 2010 Hearing Tr. at 31:18-32:22.

LEADER'S PROPOSED JURY INSTRUCTION NO. 3.3
INDEPENDENT AND DEPENDENT CLAIMS

This case involves two types of patent claims, referred to as independent and dependent claims. An "independent claim" sets forth all of the requirements that must be met in order to be covered by that claim. Thus it is not necessary to look at any other claim to determine what an independent claim covers. In this case, Claims 1, 9, 21 and 23 of the '761 Patent are each independent claims. The remainder of the claims in the '761 Patent are "dependent claims." For example, Claims 4 and 7 depend upon Claim 1. Claims 11 and 16 depend upon Claim 9. Claims 25, 31, and 32 depend upon Claim 23.

A dependent claim does not itself recite all of the requirements of the claim but refers to another claim for some of its requirements. In this way, the claim "depends" on another claim. A dependent claim incorporates all of the requirements of the other claim or claims to which it refers, as well as the additional requirements recited in the dependent claim itself. Therefore, to determine the scope of a dependent claim, it is necessary to look at both the dependent claim and the other claim or claims to which it refers.

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions, § 2.2(a) (February 2010).

**FACEBOOK'S OBJECTIONS TO LEADER'S PROPOSED JURY
INSTRUCTION NO. 3.3**

Facebook objects to Leader's instruction because it should include a chart explaining which dependent claims rely on which independent claims, as suggested by Federal Circuit Bar Association Model Patent Jury Instructions § 2.2(a).

FACEBOOK’S PROPOSED JURY INSTRUCTION NO. 3.3
INDEPENDENT AND DEPENDENT CLAIMS

This case involves two types of patent claims, referred to as independent and dependent claims. An “independent claim” sets forth all of the requirements that must be met in order to be covered by that claim. Thus it is not necessary to look at any other claim to determine what an independent claim covers.

On the other hand, a dependent claim does not itself recite all of the requirements of the claim but refers to another claim for some of its requirements. In this way, the claim “depends” on another claim. A dependent claim incorporates all of the requirements of the other claim or claims to which it refers, as well as the additional requirements recited in the dependent claim itself. Therefore, to determine the scope of a dependent claim, it is necessary to look at both the dependent claim and the other claim or claims to which it refers.

The following is a chart of each claim and what other claim it incorporates, if any.

Claim	Type of Claim	Incorporated Claim
1	Independent	None
4	Dependent	1
7	Dependent	1
9	Independent	None
11	Dependent	9
16	Dependent	9
21	Independent	None
23	Independent	None
25	Dependent	23
31	Dependent	23
32	Dependent	23

If you find that a claim on which other claims depend is not infringed, there cannot be infringement of any dependent claim that refers directly or indirectly to that independent claim.

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions, § 2.2(a)
(February 2010).

**LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY
INSTRUCTION NO. 3.3**

Facebook's requirement of including the chart is unwieldy, cannot be read to the jury and is unnecessary. Leader's instruction provides in a readable format the same claim information conveyed in Facebook's chart. Facebook's chart, which Leader assumes Facebook intends to use to support its positions in the case, is an attempt to argue positions that Facebook intends to take in the case.

STIPULATED PROPOSED JURY INSTRUCTION NO. 3.4
CLAIM CONSTRUCTION FOR THE CASE

I will now explain to you the meaning of some of the words of the claims in this case. In doing so, I will explain some of the requirements of the claims. You must accept my definition of these words in the claims as correct. You should not take my definition of the language of the claims as an indication that I have a view regarding how you should decide the issues that you are being asked to decide, such as infringement and invalidity. These issues are yours to decide. I instruct you that the following claim terms have the following definitions:

1. The term “context” means “environment.” The term “context” appears in Claims 1, 4, 7, 23, and 25 of the ‘761 Patent.
2. The term “component” means “a computer-related entity, either hardware, a combination of hardware and software, software, or software in execution.” The term “component” appears in Claims 1, 4, 7, 23, 25, 31 and 32 of the ‘761 Patent.
3. The term “many-to-many functionality” means “two or more users able to access two or more data files.” The term “many-to-many functionality” appears in Claim 32 of the ‘761 Patent.
4. The term “dynamically” means “automatically and in response to the preceding event.” The term “dynamically” appears in Claims 1, 9, 21 and 23 of the ‘761 Patent.

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions, § 2.3 (February 2010) which cites *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996); *O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1360-63 (Fed. Cir. 2008); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (en banc); *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1304 (Fed. Cir. 1999); *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448, 1456 (Fed. Cir. 1998); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 977 (Fed. Cir. 1995); Court’s March 9, 2010 Claim Construction Order.

LEADER'S PROPOSED JURY INSTRUCTION NO. 3.5
OPEN ENDED OR "COMPRISING" CLAIMS

The preamble to Claim 1 uses the phrase "[a] computer-implemented network-based system that facilitates management of data, comprising . . ." The word "comprising" means "including the following but not excluding others."

If you find that Facebook's system practices all of the elements in Claim 1, the fact that Facebook's system might include additional components would not avoid literal infringement of a claim that uses "comprising" language.

The preamble to Claim 9 uses the phrase "[a] computer-implemented method of managing data, comprising computer executable acts of . . ."

If you find that Facebook practices all of the steps in Claim 9, the fact that Facebook might include additional steps would not avoid literal infringement of a claim that uses "comprising" language.

The preamble to Claim 21 uses the phrase "[a] computer-readable medium for storing computer-executable instructions for a method of managing data, the method comprising . . ."

If you find that Facebook's computer-readable medium practices all of the elements in Claim 21, the fact that Facebook's computer readable medium might include additional steps would not avoid literal infringement of a claim that uses "comprising" language.

AUTHORITY:

Modified AIPLA's Model Patent Jury Instructions § 3.7 (March 2008) which cites *Invitrogen Corp. v. Biocrest Mfg. LP*, 327 F.3d 1364, 1368 (Fed. Cir. 2003); *AFG Indus. v. Cardinal IG Co.*, 239 F.3d 1239, 1244-45 (Fed. Cir. 2001); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1271 (Fed. Cir. 1986); *AB Dick Co. v. Burroughs Corp.*, 713 F.2d 700, 703 (Fed. Cir. 1983).

LEADER'S SUPPORT FOR LEADER'S PROPOSED JURY INSTRUCTION NO.

3.5

Leader's instruction follows the model jury instruction and provides the jury a simple, unbiased definition for the asserted claims containing "comprising" terminology. This is a standard instruction in patent cases containing "comprising" terminology. Leader's instruction points to the specific claims that contain the "comprising" terminology.

Facebook's objections are based on its attempt to improperly read a limitation into the claim requiring that the steps of a claim be performed in sequential order. In *Interactive Gift Express Inc. v. Compuserve Inc.*, the Federal Circuit stated: "Unless the steps of a method actually recite an order, the steps are not ordinarily construed to require one." 256 F.3d 1323, 1342-43 (Fed. Cir. 2001). The Federal Circuit in *Altiris, Inc. v. Symantec Corp.* held there was no reason to limit claim language to a preferred embodiment were the claim language did not expressly or logically require particular sequence. 318 F.3d 1363 (Fed. Cir. 2003)(Federal Circuit overturning Utah district court decision that a software patent designed to intercept and control networked computer's booting process must be performed in sequential order). The Federal Circuit further cautioned that while some cases implicitly require that method steps be performed in the order written, "careless application of so ambivalent a standard can be a recipe for error." *Id.* at 1369.

Facebook's suggestion that there is a sequential order based on claim construction invites reversible error and is just an attempt to argue Facebook's non-infringement position. The Court's construction of "dynamically" did not create a requisite sequencing of the claim language, namely that each step has to occur in the order listed in the claims. Indeed, such an argument requires reading the claim language out of context and ignoring some of the claim language. The bottom line is that this is Facebook's non-infringement

position and it wants to ignore the “comprising” language in the asserted claims to make its point.

**FACEBOOK’S OBJECTIONS TO LEADER’S PROPOSED JURY
INSTRUCTION NO. 3.5**

This is an unnecessary and confusing instruction, particularly in the context of the asserted claims of the ’761 patent. Facebook has not argued and does not intend to argue at trial that it does not infringe the ’761 patent because Facebook includes structures or employs steps in addition to those recited in the asserted claims. This instruction will serve no purpose other than a risk of confusing the jury and create the risk of disregarding the core principle of patent infringement – that all elements of the claim must be present in order to find infringement. This risk is particularly heightened in this case.

Each asserted claim of the ’761 patent recites a specific sequence of steps or actions that must be taken “dynamically,” i.e., automatically and *in response to the preceding event* recited in the claim. This cause-and-effect relationship is an essential component of Leader’s burden of proof on infringement. Thus, the claim language here must be construed to require an order, as the term “dynamically” has been defined by the Court such that the claim “actually recite[s] an order” of steps. *Interactive Gift Express Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1342-43 (Fed. Cir. 2001). A gratuitous instruction on the meaning of the “comprising” transitional phrase in the preamble, however, may confuse the jury into believing that it can disregard the cause-and-effect relationships in the body of the claim elements. For example, the instruction might confuse the jury into believing that an accused system that performs all of the steps of a claim, but not in response to the specific preceding events that the claim requires, nonetheless infringes because of the presence of the “comprising” transitional phrase. This would be improper.

DISPUTED PROPOSED JURY INSTRUCTION NO. 3.6
PATENT INFRINGEMENT GENERALLY

I will now instruct you how to decide whether or not Facebook has infringed the '761 Patent. Infringement is assessed on a claim-by-claim basis. Therefore, there may be infringement as to one claim but no infringement as to another.

[In this case, there are several possible ways that a claim may be infringed. The types of infringement are called: direct infringement; active inducement; and contributory infringement. Active inducement and contributory infringement are referred to as indirect infringement. There cannot be indirect infringement without someone else engaging in direct infringement. To prove indirect infringement, Leader must also prove that Facebook's indirect infringement caused direct infringement.]

In this case, Leader has alleged that Facebook directly infringes Claims 1, 4, 7, 9, 11, 16, 21, 23, 25, 31, and 32 of the '761 Patent.

[In addition, Leader has alleged that others directly infringe Claims 9, 11 and 16 of the '761 Patent and that Facebook is liable for actively inducing and contributing to direct infringement by others.]

In order to prove infringement, Leader must prove that the requirements for one or more of these types of infringement are met by a preponderance of the evidence, i.e., that it is more likely than not that all of the requirements for infringement have been proven.

I will now explain each of these types of infringement in more detail.

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions, § 3.1 (February 2010) which cites 35 U.S.C. § 271; *Warner-Lambert Co. v. Teva Pharms. USA, Inc.*, 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005); *Seal-Flex, Inc. v. Athletic Track & Court Constr.*, 172 F.3d 836, 842 (Fed. Cir. 1999); *Morton Int'l, Inc. v. Cardinal Chem. Co.*, 5 F.3d 1464, 1468-69 (Fed. Cir. 1993).

LEADER'S SUPPORT FOR DISPUTED PROPOSED JURY INSTRUCTION NO.

3.6

Leader's instruction closely follows Federal Circuit Model Jury Instructions and merely informs the jury of the claims and infringement theories at issue in this case. Facebook objects to all the proposed language in brackets, which is Facebook's attempt to exclude indirect infringement from the case. However, indirect infringement is one of the theories of infringement that Leader is currently asserting against Facebook. This instruction provides a straightforward identification of the asserted patent claims that correspond to each theory of infringement.

FACEBOOK'S SUPPORT FOR DISPUTED PROPOSED JURY INSTRUCTION
NO. 3.6

As active inducement and contributory infringement should not be included in this case, Facebook objects to the paragraph discussing different types of infringement, as well as the additional discussion of Leader's allegations of indirect infringement at the close of the third paragraph.

LEADER'S PROPOSED JURY INSTRUCTION NO. 3.7
DIRECT LITERAL INFRINGEMENT

There are two types of "direct infringement": (1) "literal infringement" and (2) "infringement under the doctrine of equivalents." In order to prove direct infringement by literal infringement, Leader must prove by a preponderance of the evidence, i.e., that it is more likely than not, that Facebook made, used, sold, offered for sale within, or imported into the United States the Facebook website which meets all of the requirements of the asserted claims and did so without the permission of Leader during the time the '761 Patent was in force. You must compare the Facebook website with each and every one of the requirements of the asserted claims to determine whether all of the requirements of that claim are met.

Facebook can also be liable for literal infringement of a method claim if it by itself or in combination with a third party performed all of the steps of the claimed method. To the extent that there are others apart from Facebook that performed one or more method steps of the claims, there is direct infringement of those method claims if Leader has proven that Facebook controlled or directed the activity of the others who performed the method steps.

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

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions, § 2.2(a) (February 2010) which cites *Kim v. ConAgra Foods, Inc.*, 465 F.3d 1312, 1316, n.1 (Fed. Cir. 2006); *MicroStrategy Inc. v. Bus. Objects, S.A.*, 429 F.3d 1344, 1352-53 (Fed. Cir. 2005); *Cross Med. Prods. v. Medtronic Sofamor Danek*, 424 F.3d 1293, 1309-11 (Fed. Cir. 2005); *Netword, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353-54 (Fed. Cir. 2001); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261 (Fed. Cir. 1986); *See also, Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1328-1329 (Fed. Cir. 2008); *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1289-90 (Fed. Cir. 2005).

**FACEBOOK'S OBJECTIONS TO LEADER'S PROPOSED JURY
INSTRUCTION NO. 3.7**

Miscellaneous Objections

Facebook believes the first sentence is unnecessary, as this instruction is purely about direct literal infringement. Another instruction will explain infringement under the doctrine of equivalents; including a mention of it here is potentially confusing to jurors. Facebook also objects to the use of the term “computer-readable medium.” Facebook’s instruction relies in part on the Model Patent Jury Instructions for the Northern District of California (2007), as it believes the wording is clearer and more understandable.

Third Party Direction or Control

Facebook objects to Leader’s description of direct infringement based on direction or control of third parties who perform some steps of a patent claim. Leader’s description merely lists “control or direction” without explaining what type of control or direction is required. For instance, a person can direct a tourist how to get to a landmark, but this sort of “direction” is not what the Federal Circuit in *BMC* and *Muniauction* had in mind. Thus, Facebook’s proposed instruction includes additional clarifications from case law to help explain to jurors what is and is not “control or direction.” As discussed below, due to the “evidence” Leader suggests shows control or direction of Facebook users by Facebook, this is all the more important so as not to mislead the jury. Thus, Leader’s contention that “control” or “direction” are self-explanatory terms is inaccurate, and Facebook has thus provided guidance to the jury as to their meaning. Leader’s suggestion that the parties are in agreement that the terms are self-explanatory is false.

As set forth below, the case law requires a high threshold to find direction or control: a contractual relationship or other relationship that would give rise to vicarious liability. This can only be found when the third party is acting *on behalf of* the “mastermind.” See *BMC Resources*, 498 F.3d at 1379 (noting that vicarious liability arises in situations where “the liable party *controls the actions of* the acting party” and

the acting party is carrying out steps on *behalf of* the liable party) (emphasis added). Thus, the case law requires that the third party be acting under some sort of obligation, contractual or otherwise, and the “mastermind” can compel the third party to perform acts which, when combined with the acts of the “mastermind,” allegedly infringe a patented claim.

In *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329 (Fed. Cir. 2008), the asserted claims required actions by the accused website and the end-users of the website. *Id.* at 1328-29. The court clarified that “the control or direction standard is satisfied in situations where the law would traditionally hold the accused direct infringer vicariously liable for the acts committed by another party that are required to complete performance of a claimed method.” *Id.* at 1330. The plaintiff argued that the defendant controlled or directed users by controlling access to its online system and instructing end-users in its use, but the Federal Circuit found those actions insufficient. *Id.* at 1330 (“That [defendant] controls access to its system and instruct bidders on its use is not sufficient to incur liability for direct infringement.”). The Federal Circuit further noted in *Muniauction* that not only is such evidence insufficient to find direction or control, it is not even relevant. *Id.* at 1329 (rejecting a jury instruction that had the jury evaluate whether the accused infringer was teaching, instructing or facilitating users' participation in the acts accused of infringement, finding that these topics are not relevant to whether the accused infringer satisfied the “control or direction” standard of *BMC*).

Similarly, Leader’s assertion that Facebook “requires” users to log-in to Facebook in order to use the system is insufficient to find Facebook liable for the user’s acts, as this is simply “controlling access to its system.” *Id.* Facebook’s provision of a help center that gives users instructions as to use of the site is merely “instructing end-users in its use.” *Id.*

Federal court decisions after *Muniauction* have reaffirmed this principle and have repeatedly rejected the theory that website operators exercise “control or direction” over

their users. For example, in *PA Advisors, LLC v. Google, Inc.*, ___ F. Supp. 2d ___, No. 2:07-cv-480, 2010 WL 986618 (E.D. Tex. Mar 11, 2010), Chief Judge Rader of the Federal Circuit, sitting by designation, granted summary judgment of non-infringement in a case similar to the present case. The Court found that “While Google and Yahoo benefit and invite users to visit their websites and run searches, they in no way ‘control or direct’ them once they are there. Significantly, users are free to search as they please.” *Id.* at *8. Similarly, Facebook’s user agreement, which provides certain terms of use of the Facebook website, does not give Facebook control or direction over its users such that it could compel them to perform specific functions on the Facebook website that would meet limitations of the claims of the ’761 patent. Rather, the terms of use state rules such as not uploading copyrighted content.

In *Global Patent Holdings, LLC v. Panthers BRHC LLC*, 586 F. Supp. 2d 1331 (S.D. Fla. 2008), the plaintiff alleged that the defendant’s website infringed a claim that required the actions of both the website operator and the end-user. That court similarly rejected the plaintiff’s “control or direction” argument, noting that the plaintiff “has, in no way, alleged that remote users are contractually bound to visit the website, it has not alleged that the remote users are Defendant’s agents who visit the website within the scope of their agency relationship nor has it alleged any facts which would render Defendant otherwise vicariously liable for the acts of the remote user.” *Id.* at 1335; *see also McKesson Info Solutions, LLC v. Epic Sys. Corp.*, No. 06-CV-2965, 2009 WL 2915778 at *4 (N.D. Ga. Sept. 8, 2009) (following *Muniauction*); *Desenberg v. Google, Inc.*, 2009 WL 2337122, at *8 (S.D.N.Y. July 30, 2009) (“[Plaintiff] has not alleged that those who participate in Google AdWords do so at the behest of Google, even under an expansive interpretation of ‘direction or control.’”). Similarly, Facebook users do not use the Facebook website at the behest of Facebook, nor are they contractually bound to use the Facebook website, nor do they use the website in the scope of an agency relationship.

Leader's evidence of "control or direction" is misleading and this Court, as gatekeeper, must ensure that the jury is not misled into believing that such contentions are relevant to a determination of Facebook's liability for direct infringement based in part on its users actions. The best way to do this is to include a detailed instruction such as the one provided by Facebook to fully inform the jury on the law. Leader's assertion that because this is a factual issue for the jury to decide, no definitions of "direction" or "control" are necessary, is problematic as it is essentially asking the jury to apply its own definitions of these words, rather than the established case law. Allowing the jury to do this would be contrary to law and highly prejudicial to Facebook, as Leader would be allowed to confuse the jury as to the actual legal standard and introduce evidence that has no relation to the actual issue: whether Facebook directs or controls the specific actions of its users that Leader contends meet one or more elements of a patent claim.

Further, Leader's citations to *Fantasy Sports* and *American Patent* are misplaced. *Fantasy Sports* was decided several years before the *Muniauction* decision, which clarified and defined the law on direct infringement of websites where one or more claim steps are performed by an end user. The claim language in that case, moreover, recited a computer that provided means for playing "fantasy" football over the internet, and the claim language did not require any action to be taken by the end user. *Fantasy Sports*, 287 F.3d at 1111-12. Similarly, in *American Patent*, the court found no divided infringement issue because the steps of the claim were performed by the accused software and the claim "include[d] no step (such as a step where a user requests a video product) that must unequivocally be performed by a remote computer user." *American Patent*, 637 F. Supp. at 236. Both of these cases stand in stark contrast to every asserted claim of the '761 patent, whose plain language unequivocally includes a step in which "the user employs" or "the user accesses" data from a second context, user environment or user workspace. See '761 patent, claims 1, 9, 21, 23.

Finally, in its objections, Leader proposes a “definition” of control or direction that Leader purports is consistent with the findings of *BMC Resources*. A review of *BMC Resources* on the cited pages reveals nothing resembling Leader’s proposed definition. Leader may be relying on the fact that *BMC Resources* cites to *Engle v. Dinehart*, 213 F.3d 639 (5th Cir.2000) (unpublished decision), which itself cites to the *Restatement (Second) of Agency* § 220 cmt. D. Leader’s proposed definition appears to be a highly modified version of a few factors set out in this portion of the Restatement.

Due in part to these modifications, Leader’s instruction is inaccurate, misleading and confusing, in particular the contention that the following is a factor involved in determining control or direction: “(1) the extent of control which by the agreement, **Facebook** may exercise over the **use of the website**.” This comes from a passage describing the difference between an independent contractor and an employee, which originally read “(1) the extent of control which, by the agreement, **the master** may exercise over the **details of the work**.” Restatement (2d) of Agency § 220(2)(a). Leader’s equation of “details of the work” performed by an independent contractor or employee with “use of the website” by Facebook users makes no sense. Facebook’s users are neither employees nor independent contractors of Facebook. Leader’s proposed instruction does not point to an “agreement” that relates to performing steps of a patented process, so this instruction, aside from being nonsensical, is misleading and confusing as well.

Leader’s second “factor” listed is “(2) whether Facebook supplies the instrumentalities, tools, and the website for the person using the website.” The Restatement text Leader has modified states the following: “whether the **employer or the workman** supplies the instrumentalities, tools, and **the place of work for the person doing the work**.” Restatement (2d) of Agency § 220(2)(e) (emphasis added). Leader’s equation of “the place of work” with “the website” is nonsensical and contrary to law and the evidence in this case. Further, this factor is invalid as a matter of law, as *Muniauction*

shows that merely supplying a website – the alleged instrumentality – is insufficient to find direction or control over its users without the sort of contractual or other relationship that shows direction or control. *See Muniauction*, 532 F.3d at 1330.

Here, Leader's improper changes to the Restatement of Agency to support its untenable legal theory that Facebook controls or directs its users, and its refusal to follow recent precedent, highlights that Leader's instruction on direct infringement is contrary to law. It would be reversible error to fail to instruct the jury on the meaning of "control or direction" because *Muniauction* makes clear that certain activities do not -- as a matter of law -- constitute control or direction for purposes of direct infringement liability. See *Muniauction*, 532 F.3d at 1330 (reversing jury verdict of infringement based on erroneous jury instruction that failed to define relevant factors for direction or control).

FACEBOOK'S PROPOSED JURY INSTRUCTION NO. 3.7
DIRECT LITERAL INFRINGEMENT

In order to directly and literally infringe a patent claim, a product must include every limitation or element of the claim. If the accused Facebook system or method omits even a single element recited in a patent claim, then you must find that the accused Facebook system or method has not literally infringed that claim.

If the accused Facebook system or method does not itself include every requirement in the patent claim, Facebook cannot be liable for infringement merely because Facebook users may have supplied missing elements of the claims, unless Facebook directed or controlled the acts by those parties to do so. To show that Facebook directed or controlled the acts by those third parties, Leader must show by a preponderance of the evidence that the third parties supplied the missing elements on Facebook's behalf by virtue of a contractual obligation or other relationship through which Facebook compelled its users to perform acts that, when combined with acts by Facebook, meet all of the elements of the patent claim. Evidence that Facebook teaches, instructs or facilitates users' participation in the acts accused of infringement is not relevant to whether Facebook exerts "control or direction" over those users. The fact that Facebook controls access to the Facebook website and instructs Facebook users on its use is not sufficient to show direction or control over its users' actions. Nor is the fact that Facebook may be benefitting from users visiting its website or inviting users to visit its website.

You must determine, separately for each asserted claim, whether or not there is infringement. There is one exception to this rule. If you find that a claim on which other claims depend is not infringed, there cannot be infringement of any dependent claim that refers directly or indirectly to that independent claim. On the other hand, if you find that an independent claim has been infringed, you must still decide, separately, whether the system or method meets additional requirements of any claims that depend from the

independent claim, thus, whether those claims have also been infringed. A dependent claim includes all the requirements of any of the claims to which it refers plus additional requirements of its own.

AUTHORITY:

Modified Final Jury Instruction No. 16, *Finjan Software, Ltd. v. Secure Computing Corp.*, 06-cv-369-GMS (D. Del. March 12, 2008).

Modified Model Patent Jury Instructions for the Northern District of California, § 3.3 (Nov. 2007), which cites *MicroStrategy Inc. v. Business Objects, S.A.*, 429 F.3d 1344, 1352-53 (Fed. Cir. 2005); *Networld, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353 (Fed. Cir. 2001); *Cole v. Kimberly-Clark Corp.*, 102 F.3d 524, 532 (Fed. Cir. 1996); *Cross Med. Prods. v. Medtronic Sofamor Danek*, 424 F.3d 1293 (Fed. Cir. 2005); *On Demand Machine Corp. v. Ingram Industries, Inc.*, 442 F.3d 1331 (Fed. Cir. 2006); *BMC Res., Inc. v. Paymentech, L.P.*, 2007 U.S. App. LEXIS 22413 (Fed. Cir. 2007).

Modified The Federal Circuit Bar Association Model Patent Jury Instructions, § 2.2(a) (Feb. 2010) which cites *Kim v. ConAgra Foods, Inc.*, 465 F.3d 1312, 1316, n.1 (Fed. Cir. 2006); *MicroStrategy Inc. v. Bus. Objects, S.A.*, 429 F.3d 1344, 1352-53 (Fed. Cir. 2005); *Cross Med. Prods. v. Medtronic Sofamor Danek*, 424 F.3d 1293, 1309-11 (Fed. Cir. 2005); *Networld, LLC v. Centraal Corp.*, 242 F.3d 1347, 1353-54 (Fed. Cir. 2001); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261 (Fed. Cir. 1986).

Muniauction, Inc. v. Thomson Corp., 532 F.3d 1318, 1328-1329 (Fed. Cir. 2008); *PA Advisors, LLC v. Google, Inc.*, 07-cv-480 (RRR), 2010 WL 986618, --- F. Supp. 2d --- (E.D. Tex. Mar. 11, 2010); *Global Patent Holdings, LLC v. Panthers BRHC LLC*, 586 F. Supp. 2d 1331 (S.D. Fla. 2008).

LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY

INSTRUCTION NO. 3.7

Leader objects to Facebook's proposed instruction for a number of reasons. First, it fails to correctly state the law of "joint infringement" pursuant to 35 U.S.C. §271(a). Two Federal Circuit cases set out the correct standard: *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1328 (Fed. Cir. 2008) and *BMC Resources Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1379 (Fed. Cir. 2007). Both cases make clear that the "control or direction standard is satisfied in situations where the law would traditionally hold the accused direct infringer vicariously liable for acts committed by another party that are required to complete performance of a claimed method." *Id.* Second, Facebook's proposed instruction instructs the jury that "Leader must show by a preponderance of the evidence that the third parties supplied the missing elements on Facebook's behalf by virtue of a contractual obligation or other relationship...." By emphasizing "contractual relationship," Facebook is attempting to create a greater burden than the law requires, namely a "contractual obligation" -- an attempt that is prejudicial to Leader and confusing to the jury. It is improper to instruct a jury how to find "control or direction" based on the specific facts of the case. This is an issue for the jury to decide.

Third, Facebook also attempts to limit the scope of what can fall under vicarious liability by limiting its instruction to just situations where Facebook compelled users to perform acts when combined with acts of Facebook. However, there are additional forms of vicarious liability, as discussed below. Fourth, Facebook's instruction is unfair and unbalanced and argumentative because it instructs the jury how to find for Facebook and provides Facebook's non-infringement arguments.

Delaware courts have found that direct infringement is appropriately before the jury when there are questions of fact regarding the direction and control element of joint infringement. *American Patent Development Corp. v. Movielink LLC.*, 637 F.Supp.2d 224, 236 (D.Del 2009). The court found that the accused infringer “had the continuing capacity to revoke customers’ licenses,” such that the jury could determine whether the accused had retained control over the software, such that summary judgment was not warranted. *Id.* at 237. This is analogous to the instant case where Leader with factual evidence and with its experts, have proffered evidence to support its direct infringement claim that is an appropriate issue for the jury to decide. Just a few examples include the fact that Facebook requires users to log-in in order to use the website, as well as comply with the user license or have the account revoked. Facebook users cannot modify the underlying architecture of the Facebook website, nor deviate from the license agreement, and thus Facebook retains control over the Facebook website and its users.

Leader’s position is consistent with precedent involving joint infringement. In *Fantasy Sports Props., Inc. v. Sportsline.com, Inc.*, the Federal Circuit held that software infringed so long as a user could activate “the functions programmed into a piece of software . . . only [by] activating means that are already present in the underlying software.” 287 F.3d 1108, 1118 (Fed. Cir. 2002). Thus, the Federal Circuit concluded that the users of the accused product on the accused infringer’s server accessed the necessary software that was “maintained and controlled” by the accused infringer. *See id.* This is precisely the situation in this case, where Facebook users also access the necessary Facebook software on Facebook’s server and thus this software is maintained and controlled by Facebook.

In *Muniauction*, the Federal Circuit reiterated the well-settled rule that "a defendant cannot [] avoid liability for direct infringement by having someone else carry out one or more of the claimed steps on its behalf." 532 F.3d at 1329. The issue of infringement rested on whether the accused infringer sufficiently controlled or directed other parties (e.g. the bidder), such that it could be held that the accused infringer itself performed every step of the asserted claims. *Id.* The *Muniauction* court found that the accused infringer, "neither performed every step of the claimed methods nor had another party perform steps on its behalf, and *Muniauction* has identified no legal theory under which the accused infringer might be vicariously liable for the actions of the bidders." *Id.* The instant case is very different. Leader has indeed identified how Facebook is vicariously liable. For example, Facebook has control or direction over Facebook users, because among other things, Facebook has a user agreement and retains control of the Facebook website. Facebook is also vicariously liable for the actions of its employees, who are under Facebook's "control or direction." Facebook's contentions in its proposed jury instruction interprets case law and instructs the jury on how to interpret the evidence of "control or direction."

Moreover, *Muniauction* did not hold that teaching, instructions, or facilitating uses was not relevant. Rather, the case focused on the insufficiency of evidence provided to prove that the accused infringer retained "control or direction." In contrast, Leader's instruction informs the jury that Leader must prove that Facebook controlled or directed the activity of others who performed the method steps.

In *BMC Resources, Inc. v. Paymentech, L.P.*, the asserted claims involved a method for paying bills over the telephone. 498 F.3d 1373 (Fed. Cir. 2007). It appeared

that the claims required four different parties to perform different acts within one claim. *Id.* at 1377. The patentee proffered evidence to establish some relationship between the accused infringer and the debit networks. *Id.* at 1381. The record contained no evidence of a contractual relationship between the accused infringer and the other parties. *Id.* Here, there is a contractual agreement between Facebook and the Facebook users. In addition, there is no dispute that Facebook maintains a help center which provides users with instructions on how to use the Facebook website, what can and cannot be posted, who owns the copyright, who is liable for copyright infringement, among other things. There is evidence of “control and direction” in this case should it be required, and Facebook should not be allowed to influence the jury on how to weigh such evidence.

Facebook objects to Leader’s jury instruction because it does not define “control” or “direction.” But Facebook itself does not provide a definition. So it would appear the parties are in agreement that “control” or “direction” does not require a definition. While a definition of “control or direction” is unnecessary because that is a factual question for the jury to decide, to the extent an instruction regarding direction and control is required, it should be as follows in compliance with the standard set forth in *BMC Resources* 498 F.3d 1373, 1380-81 (Fed. Cir. 2007). Leader proposes the following language if such an instruction is necessary:

To determine whether a party can be held vicariously liable for the acts of another in circumstances showing that the liable party controlled the conduct of the acting party, there are several factors that may determine whether Facebook directs or controls acts of another, including (1) the extent of control, which by the agreement, Facebook may exercise over

the use of the website; and (2) whether Facebook supplies the instrumentalities, tools, and the website for the person using the website.

STIPULATED PROPOSED JURY INSTRUCTION NO. 3.8

INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS

If you decide that Facebook does not literally infringe an asserted patent claim, you must then decide whether Facebook infringes the asserted claim under what is called the “doctrine of equivalents.”

Under the doctrine of equivalents, Facebook can only infringe an asserted patent claim if the Facebook website includes parts or steps that are identical or equivalent to the requirements of the claim. If there is missing an identical or equivalent part or step to even one part or step of the asserted patent claim, Facebook cannot infringe the claim under the doctrine of equivalents. Thus, in making your decision under the doctrine of equivalents, you must first look at each individual requirement of the asserted patent claim and decide whether the Facebook website has an identical or equivalent part or step to that individual claim requirement.

You may find that an element or step is equivalent to a requirement of a claim that is not met literally if a person having ordinary skill in the field of technology of the patent would have considered the differences between them to be “insubstantial” or would have found that the structure or action: (1) performs substantially the same function and (2) works in substantially the same way (3) to achieve substantially the same result as the requirement of the claim. In order for the structure or action to be considered interchangeable, the structure or action must have been known at the time of the alleged infringement to a person having ordinary skill in the field of technology of the patent. Interchangeability at the present time is not sufficient. In order to prove infringement by “equivalents,” Leader must prove the equivalency of the structure or action to a claim element by a preponderance of the evidence.

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions § 3.1(c) (February 2010) which cites *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535

U.S. 722 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 609 (1950); *Interactive Pictures Corp. v. Infinite Pictures Inc.*, 274 F.3d 1371, 1381-82 (Fed. Cir. 2001); *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002); *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999); *Hughes Aircraft Co. v. United States*, 140 F.3d 1470, 1475 (Fed. Cir. 1998); *Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1480 (Fed. Cir. 1998); *Dolly, Inc. v. Spalding & Evenflo Cos.*, 16 F.3d 394, 397 (Fed. Cir. 1994).

Modified AIPLA Model Jury Instructions § 3.11 (March 2008) which cites *Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 609 (1950); *Johnson & Johnston Assoc. v. R.E. Service Co.*, 285 F.3d 1046, 1053-54 (Fed. Cir. 2002) (en banc); *Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1480 (Fed. Cir. 1998); *Dolly, Inc. v. Spalding & Evenflo Cos.*, 16 F.3d 394, 397 (Fed. Cir. 1994).

DISPUTED PROPOSED JURY INSTRUCTION NO. 3.8A
LIMITATIONS ON DIRECT INFRINGEMENT UNDER THE
DOCTRINE OF EQUIVALENTS

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

[Prior Art Ensnarement:]

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

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

Once you have this equivalent “hypothetical claim” in mind, you must decide whether this hypothetical claim would have been invalid for either anticipation or obviousness. I will instruct you later on how to determine if a claim is invalid for anticipation or obviousness. You should use these same rules to determine whether or not the “hypothetical claim” would be invalid for anticipation or obviousness. If you determine that the “hypothetical claim” would have been invalid for anticipation or obviousness, then you must find that there is no infringement of this particular claim under the doctrine of equivalents.

[Leader has the burden of showing, by a preponderance of the evidence, that such a proposed hypothetical claim would not have been obvious from, and thus does not ensnare, the prior art.]

[Vitiation:

In addition, you may not determine that an alternative aspect of a product or process is equivalent to an unmet requirement of a claim if a finding of infringement under the doctrine of equivalents would effectively eliminate that requirement. Specifically, the alleged equivalent cannot eliminate or ignore an element or requirement of the claim.]

AUTHORITY:

The Federal Circuit Bar Association Model Patent Jury Instructions § 3.1(d) (February 2010) which cites *Honeywell Int'l v. Hamilton Sundstrand Corp.*, 370 F.3d 1131 (Fed. Cir. 2004); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359 (Fed. Cir. 2003) (en banc); *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371, 1380 (Fed. Cir. 2001); *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1320 (Fed. Cir. 1999); *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 676, 684 (Fed. Cir. 1990).

**LEADER'S SUPPORT FOR DISPUTED PROPOSED JURY INSTRUCTION NO.
3.8A**

Leader objects to having any instruction on the issue of ensnarement for the same reasons discussed in Leader's motion *in limine* No. 2 to exclude portions of the proposed testimony of Dr. Kearns. Thus, Leader has provided the first sentence in brackets to preserve its objections. This issue is a matter of law, and a very confusing one, and not an issue for the jury to decide. *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1324 (Fed. Cir. 2009) (holding that it is not proper to bring evidence of ensnarement in front of a jury). Here, unlike the parties in *DePuy Spine*, Leader has not consented to submitting this issue to the jury. *Id.* at 1324 (citing *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371, 1375 (Fed. Cir. 2001)).

To the extent the Court overruled Leader's objections, Leader disputes the remaining bracketed language in the proposed jury instruction which is Facebook's proposal. As a preliminary matter, there is no need to parse the jury instruction into sections regarding prior art ensnarement and vitiation. Facebook's proposed inclusion of the theory of vitiation found in the last bracketed paragraph is Facebook's attempt to combine theories of hypothetical claims, and vitiation. Vitiation, however, is not an issue in this case, as Facebook never disclosed any expert to testify on the issue. Thus, it should not be included in this instruction.

Finally, Leader objects to the second to last paragraph, which is bracketed that states: "Leader has the burden of showing, by a preponderance of the evidence, that such a proposed hypothetical claim would not have been obvious from, and thus does not ensnare, the prior art." As this is an issue which Facebook bears of proof, it makes no sense to recite the burden of proof that Leader has to rebut an ensnarement allegation and not provide Facebook's burden of proof. Furthermore, to the extent that Facebook claims that it raised ensnarement in the case, it did so only in its rebuttal expert report on the issue of infringement. Since there was no provision in the case for Leader providea

rebuttal to Facebook's rebuttal report, Leader is entitled to rebut Facebook's claims on the issue, as permitted by law.

**STIPULATED LIMITING INSTRUCTION REGARDING PROPOSED JURY
INSTRUCTION NO. 3.8A**

Facebook's witness, Dr. Kearns, provided testimony about eBay and Yahoo!. This testimony regarding eBay and Yahoo! can be considered by you the jury for the sole purpose of rebutting Leader's infringement allegations under the doctrine of equivalents. Dr. Kearns' testimony cannot be used in connection with any issues related to Facebook's allegations of invalidity or defenses to literal infringement.

AUTHORITY:

July 1, 2010 Hearing Transcript 9:14-20

**FACEBOOK'S RESPONSE TO LEADER'S OBJECTIONS TO FACEBOOK'S
PROPOSED JURY INSTRUCTION NO. 3.8A**

Leader cites *DePuy Spine, Inc. v. Medtronic Sofamore Danke, Inc.*, 567 F.3d 1314, 1324 (Fed. Cir. 2009), for the proposition that it is not proper to instruct the jury on ensnarement. However, in *DePuy Spine*, the Federal Circuit squarely held that the Court can present this issue to the jury, for example, through an advisory verdict. *See DePuy Spine, Inc.*, 567 F.3d at 1324 (“If a district court believes that an advisory verdict would be helpful, and that a ‘hypothetical claim’ construct would not unduly confuse the jury as to equivalence and validity, then one may be obtained under Federal Rule of Civil Procedure 39(c).”). *See also Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371, 1375 (Fed. Cir. 2001). Despite Leader’s protestations that it has not consented to such an advisory opinion, such consent is only necessary for an advisory verdict under Rule 39(c)(2). Rule 39(c)(1) allows the Court, “on motion or on its own” to “try any issue with an advisory jury.” Facebook asserts one would be particularly helpful and appropriate here, particularly as Facebook’s expert, Dr. Kearns, will be permitted to testify on these topics. *See Tr.* at 9:10-13.

As the jury will hear evidence relating to this issue, it should be called upon to render an advisory verdict regarding this issue. The hypothetical claim analysis will help the jury better understand the doctrine of equivalents and determine the proper scope of the proposed “equivalents.”

The impact of the prior art on the doctrine of equivalents is a common sense principle that will not confuse the jury. The two prior art systems identified by Dr. Kearns that constrain the doctrine of equivalents, Yahoo! and eBay, are clearly described in the two publicly-available textbooks cited in his report, *Yahoo! for Dummies* (1999) and *eBay for Dummies* (2001). As their titles should clearly suggest, these textbooks contain simple, straightforward descriptions of the Yahoo! and eBay prior art systems that are well within the jury’s ability to understand.

Facebook does not object to the limiting instruction stipulated to by the parties, clarifying that Dr. Kearns's testimony about those two systems is offered solely to rebut Leader's claim under the doctrine of equivalents and is not offered as evidence of the invalidity of the asserted claims.

Leader contends that Facebook is "confusing" the issues of prior art ensnarement and vitiation. Rather, Facebook believes both issues are relevant. In order to allay any potential confusion for the jurors, Facebook has inserted subheadings. Further, claim vitiation is in the case. *See, e.g.*, Facebook's Motion for Summary Judgment No. 3 at 19 (D.I. 391).

Finally, Leader asserts that Facebook bears a burden of proof on this issue; this is false, as it goes to infringement, which is Leader's burden. Facebook has produced expert testimony on this issue. Leader has the burden to prove that the prior art does not ensnare any hypothetical claim that Leader contends is equivalent to the claims of the '761 patent.

However, despite having received Kearns' report on April 22, 2010, Leader has failed to request an opportunity to rebut this testimony in a supplemental expert report. Leader has had two and a half months during which it could have submitted a supplemental report or requested the opportunity to do so. Leader also could have conducted a redirect at either of Leaders' experts' depositions and asked for his opinion regarding Dr. Kearns' ensnarement analysis. Leader failed to do any of these things.

Rather, Leader waited until its last round of edits to the jury instructions, on July 14, 2010, to suggest that it is entitled to present at trial a rebuttal to Dr. Kearns' ensnarement testimony. As Facebook has yet to receive any such analysis, Leader apparently intends to present this evidence with no notice to Facebook whatsoever, in contradiction of Rule 26, which requires an expert report to be "a complete statement of all of the opinions a witness will express," and this Court's statements during the July 1,

2010 Pretrial Conference to the effect that experts should not testify beyond the scope of their reports. *See* Transcript of July 1, 2010 Pretrial Conference at 4:18-5:8; 5:18-20.

Even were Leader to issue a supplemental report now, it would be untimely. Absent stipulation or court order to the contrary, the Federal Rules require the following in Rule 26(a)(2)(C)(ii): “[I]f the evidence is intended solely to contradict or rebut evidence on the same subject matter identified by another party under Rule 26(a)(2)(B), within 30 days after the other party's disclosure.” Leader failed to supply any supplemental rebuttal testimony within 30 days of Facebook’s disclosure and failed to request the ability to submit a supplemental report. Further, Facebook would have been deprived of its right to depose the expert offering the supplemental report with regard to the testimony disclosed by such a report.

FACEBOOK'S PROPOSED JURY INSTRUCTION NO. 3.8B
INDIRECT INFRINGEMENT—GENERALLY

Leader also argues that Facebook contributed to infringement by another of and induced another to infringe claims 9, 11 and 16 of the '761 patent. Facebook cannot contributorily infringe or induce infringement unless Leader proves that a single third party, that is, someone other than Facebook, directly infringes the patent claim by making, using, selling, offering for sale or importing a product or method that includes all of the requirements of the asserted claims. If Leader has not proven by a preponderance of the evidence that there is direct infringement by a third party, Facebook cannot have contributed to infringement or induced infringement.

AUTHORITY:

Model Patent Jury Instructions for the Northern District of California, § 3.8 (Nov. 2007), which cites *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1468-69 (Fed. Cir. 1990).

LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY

INSTRUCTION NO. 3.8B

Leader objects to this instruction as it is unnecessary because it is redundant of the parties' proposed instruction 3.6. This instruction is prejudicial as it is unbalanced and argumentative because it tells the jury how to find in favor of Facebook. Such an instruction is gratuitous and unnecessary.

**FACEBOOK'S RESPONSE TO LEADER'S OBJECTIONS TO FACEBOOK'S
PROPOSED JURY INSTRUCTION NO. 3.8B**

Facebook notes that this instruction is not redundant of previous instructions if Facebook's language is accepted in Jury Instruction No. 3.6.

DISPUTED PROPOSED JURY INSTRUCTION NO. 3.9
INDIRECT INFRINGEMENT—ACTIVE INDUCEMENT

[Facebook does not believe this instruction is necessary.]

Leader alleges that Facebook is liable for infringement by actively inducing others to directly infringe Claims 9, 11 and 16 of the '761 Patent literally or under the doctrine of equivalents. You must determine also determine whether there has been active inducement on a claim-by-claim basis.

In order to show liability for active inducement of a claim, Leader must prove by a preponderance of the evidence that:

(1) Facebook took action during the time the '761 Patent was in force intending to cause acts by others to perform the steps of the asserted method claims;

(2) Facebook was aware of the '761 Patent and knew or should have known that the acts, if taken, would constitute infringement of that patent; and

(3) the acts are actually carried out by others and directly infringe the asserted method claims. [In order for there to be inducement of infringement by Facebook, someone else must directly infringe a claim of the '761 Patent; if there is no direct infringement by anyone, there can be no induced infringement.]

In order to establish active inducement of infringement, it is not sufficient that third parties directly infringe the claims. Nor is it sufficient that Facebook was aware of the acts by third parties that allegedly constitute the direct infringement. Rather, you must find that Leader has proven by a preponderance of the evidence that Facebook specifically intended the third parties to infringe the '761 Patent, in order to find inducement of infringement. [In addition, Facebook may be found liable for inducement without evidence of its actual knowledge of the '761 Patent if Facebook acted with deliberate indifference of a known risk that the '761 Patent existed.]

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions § 3.2 (February 2010) which cites 35 U.S.C. § 271(b); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006); *MGM Studios Inc. v. Grokster*, 419 F.3d 1005 (Fed. Cir. 2005); *Insituform Techs., Inc. v. CAT Contracting, Inc.*, 385 F.3d 1360, 1377-78 (Fed. Cir. 2004); *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1342 (Fed. Cir. 2003); *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1363-66 (Fed. Cir. 2003); *See also SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360 (Fed. Cir. 2010).

**LEADER'S SUPPORT FOR DISPUTED PROPOSED JURY
INSTRUCTION NO. 3.9**

Facebook proposed the following language in brackets: “In order for there to be inducement of infringement by Facebook, someone else must directly infringe a claim of the '761 Patent; if there is no direct infringement by anyone, there can be no induced infringement.” Leader objects to this language because it is redundant of earlier instructions as well as this instruction and therefore suggests that Leader has a greater burden to prove active inducement. *See e.g.*, Proposed Jury Instruction 3.6. Including this language multiple times makes the jury instructions unbalanced, argumentative, and prejudicial. Furthermore, Leader disagrees with Facebook’s objections to the extent they are contrary to the evidence in this case.

Leader proposed the last sentence in brackets because it is a statement of the law with respect to how a jury can find active inducement. *SEB SA v. Montgomery Ward & Co.*, 594 F.3d 1360 (Fed. Cir. 2010).

**FACEBOOK'S OBJECTIONS TO DISPUTED PROPOSED JURY
INSTRUCTION NO. 3.9**

Facebook does not believe this instruction is necessary because this issue should not be in the case.

Facebook would include a statement that there must be direct infringement by a third party in order to find active inducement of infringement.

Finally, Facebook objects to Leader's additional last sentence, "In addition, Facebook may be found liable for inducement without evidence of its actual knowledge of the '761 Patent if Facebook acted with deliberate indifference of a known risk that the '761 Patent existed." This sentence is not from the jury instruction, but rather is an inaccurate interpretation of the holding of a factually distinct case, *SEB SA v. Montgomery Ward & Co.*, 594 F.3d 1360 (Fed. Cir. 2010). In *SEB*, the Federal Circuit upheld a finding of inducement when "[t]he record contains adequate evidence to support a conclusion that Pentalpha deliberate disregarded a known risk that SEB had a protective patent." In *SEB*, there was evidence that not only did the infringer know of the patent owner, but the infringer blatantly copied the infringer's product. Here, Leader has presented no evidence that Facebook even had any knowledge of Leader or its products prior to the filing of this lawsuit. Thus, this sentence is inapplicable to this case, as Leader has not produced any evidence that Facebook was acting with a deliberate indifference of a known risk that its actions would infringe a valid patent.

LEADER'S PROPOSED JURY INSTRUCTION NO. 3.10
INDIRECT INFRINGEMENT—CONTRIBUTORY INFRINGEMENT

Leader contends that Facebook is also liable for contributory infringement by contributing to the direct infringement of Claims 9, 11 and 16 of the '761 Patent by others. Contributory infringement is found in instances in which it may be presumed from distribution of an article in commerce that the distributor intended the article to be used to infringe another's patent, and so may justly be held liable for that infringement. You must determine contributory infringement on a claim-by-claim basis.

To show contributory infringement, Leader must prove that it is more likely than not that (1) there was an act of direct infringement, (2) Facebook knew that the combination for which its components were especially made was both patented and infringing, and (3) that Facebook's components have no substantial non-infringing uses.

AUTHORITY:

35 U.S.C. § 271(c); *Lucent Technologies, Inc., v. Gateway, Inc.*, 580 F.3d 1301, 1321 (Fed. Cir. 2009)(citing *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.* 545 U.S. 913, 932 (2005)); *Cross-Medical Products, Inc., v. Medtronic Sofamor Danek Inc.*, 424 F.3d 1293, 1312 (Fed. Cir. 2005)(citing *Golden Blount, Inc., v. Robert H. Peterson Co.*, 365 F.3d 1054, 1061 (Fed. Cir. 2004)).

**FACEBOOK’S OBJECTIONS TO LEADER’S PROPOSED JURY
INSTRUCTION NO. 3.10**

Leader’s instruction does not track any model instruction and is misleading, inaccurate, and biased in favor of Leader. 35 U.S.C. § 271 states the law as follows (emphasis added):

(c) Whoever **offers to sell or sells** within the United States or **imports** into the United States a component of a patented machine, manufacture, combination, or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

Leader’s choice of the sentence “Contributory infringement is found in instances in which it may be presumed from distribution of an article in commerce that the distributor intended the article to be used to infringe another’s patent” is misleading. Leader is attempting to equate “distribution” with an actual offer for sale, sale, or import of the Facebook website. However, Facebook does not sell, offer to sell, or import the Facebook website. Thus, contributory infringement has no place in this case, and Facebook objects to the inclusion of this instruction at all. Facebook further objects that Leader has provided no evidence supporting its claim of contributory infringement and Facebook has shown that the Facebook website is capable of substantial non-infringing use.

Leader’s reliance on *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.* to challenge Facebook’s instruction on contributory infringement is misplaced. 545 U.S. 913 (2005). Although the Court in *Grokster* cited patent law to support its analysis of indirect infringement in a copyright case, the Court there addressed inducement rather than contributory infringement. *Id.* at 936 (“For the same reasons that *Sony* took the staple-article doctrine of patent law as a model for its copyright safe-harbor rule, the inducement rule, too, is a sensible one for copyright.”). Separate legal standards apply to

inducement and contributory infringement in patent law, despite the fact that they are both forms of indirect infringement, as indicated by their distinct statutory provisions. *See* 35 U.S.C. Section 287(b) (inducement infringement); 35 U.S.C. Section 287(c) (contributory infringement). Thus, Leader’s reliance on a copyright case analysis of inducement has no bearing on an instruction in a patent case for contributory infringement.

Moreover, the contributory infringement statute, 35 U.S.C. Section 271(c), clearly states that liability accrues when one “offers to sell or sells...or imports...a component...or material or apparatus for use in practicing a patented invention.” Facebook’s proposed instruction merely follows the language of the statute by requiring a finding of a sale, offer to sell, or importation of a product, apparatus or component for use in the patented process. In addition, the Federal Circuit has emphasized that there must be a sale of a “product,” as opposed to provision of a service, for contributory liability to attach. *Pharmastem Therapeutics, Inc. v. Viacell, Inc.*, 491 F.3d 1342, 1357-58 (Fed. Cir. 2007) (noting that all the descriptions in the statute refer to the sale of a product of some sort and referring to the legislative history indicating the restricted nature of Section 271(c) contributory infringement). This evidences that contributory infringement is a narrow doctrine and that the language of Section 271(c) should be read narrowly. *See BMC Resources*, 498 F.3d at 1381 (contrasting the strict liability of direct infringement with the more stringent requirements to find indirect infringement, and noting that “contributory infringement under § 271(c) . . . is limited to sales of components or materials without substantial noninfringing uses”).

Further, Facebook has maintained a strong non-infringement defense throughout this case, and thus, any suggestion that Facebook “knew” its website could be used to “infringe” is improper. *See BMC Resources*, 498 F.3d at 1381 (“[C]ontributory infringement . . . requires a mens rea (knowledge)” and thus is not a strict liability offense.).

If an instruction is used, Facebook suggests its modification of the Federal Circuit Bar Association model instruction. This uses plain, straightforward language, rather than specific lines from cases that are prejudicial to Facebook due to the specific issues in this case.

FACEBOOK'S PROPOSED JURY INSTRUCTION NO. 3.10
INDIRECT INFRINGEMENT—CONTRIBUTORY INFRINGEMENT

Leader contends that Facebook is liable for contributory infringement by contributing to the direct infringement of claims 9, 11 and 16 of the '761 Patent by others. You must determine contributory infringement on a claim-by-claim basis.

In order to show liability for contributory infringement of a claim, Leader must prove by a preponderance of the evidence that:

(1) Facebook sells, offers to sell, or imports within the United States a product or apparatus for use in a process during the time the '761 Patent is in force;

(2) the component or apparatus has no substantial, noninfringing use;

(3) the component or apparatus constitutes a material part of the invention;

(4) Facebook was aware of the '761 Patent and knows that the products or processes for which the component or apparatus has no other substantial use may be covered by a claim of the '761 Patent or may satisfy a claim of the '761 Patent under the doctrine of equivalents; and

(5) that use directly infringes the claim.

To prove contributory infringement, Leader must prove that each of the above requirements is met. This proof of each requirement must be by a preponderance of the evidence, i.e., that it is more likely than not that each of the above requirements is met.

In order for there to be contributory infringement by Facebook, someone other than Facebook must directly infringe a claim of the '761 patent; if there is no direct infringement by anyone, there can be no contributory infringement.

AUTHORITY:

35 U.S.C. § 271(c).

Modified The Federal Circuit Bar Association Model Patent Jury Instructions § 3.3 (February 2010) which cites 35 U.S.C. § 271(c); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964); *Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325, 1327 (Fed. Cir. 2008), *cert denied*, 129 S. Ct. 2864 (2009); *Alloc, Inc. v. ITC*, 342

F.3d 1361, 1374 (Fed. Cir. 2003); *Mentor H/S, Inc. v. Med. Device Alliance, Inc.*, 244 F.3d 1365 (Fed. Cir. 2001); *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1469 (Fed. Cir. 1990); *Preemption Devices, Inc. v. Minn. Mining & Mfg. Co.*, 803 F.2d 1170, 1174 (Fed. Cir. 1986).

Modified Patent Jury Instructions for the Northern District of California, § 3.9 (Nov. 2007), which cites 35 U.S.C. § 271(c); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1303 (Fed. Cir. 2006); *Mentor H/S, Inc. v. Med. Device Alliance, Inc.*, 244 F.3d 1365 (Fed. Cir. 2001); *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1469 (Fed. Cir. 1990); *Preemption Devices, Inc. v. Minn. Mining & Mfg. Co.*, 803 F.2d 1170, 1174 (Fed. Cir. 1986).

**LEADER’S OBJECTIONS TO FACEBOOK’S PROPOSED JURY
INSTRUCTION NO. 3.10**

Leader objects to this instruction as confusing, unbalanced, and not a correct recitation of the law and the allegations in this case. Leader objects to Facebook’s instruction as it improperly limits contributory infringement to a “product” or “apparatus.” Leader’s instruction relies on case law to define contributory infringement. 35 U.S.C. § 271(c) is not meant to be read as limiting as Facebook’s proposed instruction. Contrary to Facebook’s argument, the Supreme Court in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.* discussed the theory of contributory infringement and the intent of §271(c) of the Patent Act: “The doctrine was devised to identify instances in which it may be presumed from distribution of an article in commerce that the distributor intended the article to be used to infringe another's patent, and so may justly be held liable for that infringement.” 545 U.S. 913, 932 (2005).

While *Metro-Goldwyn-Mayer Studios, Inc v. Grokster* dealt with copyright issues, the Supreme Court was explicit in stating that “a copyright or patent defendant who ‘not only expected but invoked [infringing use] by advertisement’ was liable for infringement ‘on principles recognized in every part of the law.’” *Id.* Facebook places its website into the stream of commerce and its contentions that “Facebook does not sell, offer to sell, or import the Facebook website” are disingenuous. In 2009, Facebook’s annual revenues were hundreds of millions of dollars. Facebook would not be able to generate this income but for the Facebook website. Leader will provide evidence that the Facebook website is not capable of substantial non-infringing use and is liable for contributory infringement.

Furthermore, Leader's instruction is a clear and concise summary of the law, which will aid the jury in understanding the issues in this case because it addresses the law appropriately for the issues that are to be determined in this case and not in the limited manner of Facebook's noninfringement position. In addition, element (4) of Facebook's instruction is an incorrect statement of law because it states that in order for Facebook to be liable for contributory infringement Leader must prove that "Facebook was aware of the '761 Patent and knows that the products or processes for which the component or apparatus has no other substantial use may be covered by a claim of the '761 Patent or may satisfy a claim of the '761 Patent under the doctrine of equivalents."

In fact, the Federal Circuit has cited the Supreme Court for the proposition that a patentee need only show that an accused infringer "knew that the combination for which its components were especially made was both patented and infringing, and that the defendant's components have no substantial non-infringing use." *Lucent Technologies, Inc., v. Gateway, Inc.*, 580 F.3d 1301, 1321 (Fed. Cir. 2009)(citing *Metro-Goldwyn-Mayer Studios*. 545 U.S. at 932). Thus, Leader need only show that Facebook "knew that the combination for which its components were especially made was both patented and infringing, and that the defendant's components have no substantial non-infringing use." *Id.* Further, Facebook's website is not capable of non-infringing use.

In *i4i Limited Partnership v. Microsoft Corporation*, the Federal Circuit cited factors that a jury could consider in assessing whether a use was substantial: "use's frequency, use's practicality, the invention's intended purpose, and the intended market." 2010 U.S. App. LEXIS 5010 at *37. The court then found that the jury could have reasonably concluded that the custom XML editor had no substantial, noninfringing uses

and that Microsoft knew that the use of the custom XML editor would infringe i4i's patent. *Id.* Similarly, Leader will provide evidence to the jury that Facebook's components have no substantial non-infringing uses and thus Facebook is liable for contributory infringement.

4.0 VALIDITY DEFENSES
LEADER'S PROPOSED JURY INSTRUCTION NO. 4.1
VALIDITY – IN GENERAL

The granting of a patent by the Patent Office carries with it the presumption that the patent is valid. Facebook contends that all of the asserted claims of the '761 Patent are invalid. I will now instruct you on the rules you must follow in deciding whether or not Facebook has proven that Claims 1, 4, 7, 9, 11, 16, 21, 23, 25, 31 and 32 of the '761 Patent are invalid. To prove that any claim of a patent is invalid, Facebook must persuade you by clear and convincing evidence, i.e., you must be left with a clear conviction that the claim is invalid.

AUTHORITY:

Modified The Federal Circuit Bar Association Model Patent Jury Instructions § 4.1 (February 2010) which cites 35 U.S.C. § 282; *Schumer v. Lab. Computer Sys., Inc.*, 308 F.3d 1304, 1315 (Fed. Cir. 2002); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988); *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986).

**FACEBOOK'S OBJECTIONS TO LEADER'S PROPOSED JURY
INSTRUCTION NO. 4.1**

Facebook notes that the jury will learn what new and nonobvious mean soon hereafter in these jury instructions, and this should alleviate any confusion by its use of these words, particularly as Facebook's instruction lets the jury know that these words have special meanings. Facebook uses a recent Delaware jury instruction that conveys a balanced background of the invalidity doctrine.

FACEBOOK'S PROPOSED JURY INSTRUCTION NO. 4.1
VALIDITY – IN GENERAL

Only a valid patent may be infringed. For a patent to be valid, the invention claimed in the patent must be new, useful and nonobvious. A patent cannot take away from the public its right to use what was known or what would have been obvious when the invention was made. The terms “new” and “nonobvious” have special meanings in patent law.

I will now instruct you on the rules you must follow in deciding whether Facebook has proven by clear and convincing evidence that claims 1, 4, 7, 9, 11, 16, 21, 23, 25, 31 and 32 of the ‘761 patent are invalid.

AUTHORITY:

Final Jury Instruction No. 20, *Finjan Software, Ltd. v. Secure Computing Corp.*, 06-cv-369-GMS (D. Del. March 12, 2008).

**LEADER'S OBJECTIONS TO FACEBOOK'S PROPOSED JURY
INSTRUCTION NO. 4.1**

Facebook's instruction appears to be reciting the law of 35 U.S.C. §§ 101, 102, and 103. Section 101 is not an issue in this case. Furthermore, Facebook's instruction will confuse the jury in that it states that “new” and “nonobvious” are legal terms of art, thus leaving the jury to guess at what those terms might mean.