

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

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|   |   |                                  |
|---|---|----------------------------------|
| Eolas Technologies Incorporated and The Regents of<br>the University of California,<br><br><i>Plaintiffs and Counterdefendants,</i> | ) |                                  |
|   | ) |                                  |
|   | ) |                                  |
| vs.   | ) | Civil Action No. 6:09-CV-446-LED |
|   | ) |                                  |
| Adobe Systems Inc.; Amazon.com, Inc.; Apple Inc.;   | ) | JURY TRIAL DEMANDED              |
| CDW Corp.; Citigroup Inc.; eBay Inc.; Frito-Lay,  | ) |                                  |
| Inc.; The Go Daddy Group, Inc.; Google Inc.; J.C.   | ) |                                  |
| Penney Corporation, Inc.; JPMorgan Chase & Co.;   | ) |                                  |
| New Frontier Media, Inc.; Office Depot, Inc.; Perot   | ) |                                  |
| Systems Corp.; Playboy Enterprises International,   | ) |                                  |
| Inc.; Rent-A-Center, Inc.; Staples, Inc.; Sun   | ) |                                  |
| Microsystems, Inc.; Texas Instruments Inc.; Yahoo!  | ) |                                  |
| Inc.; and YouTube, LLC,   | ) |                                  |
|   | ) |                                  |
| <i>Defendants and Counterclaimants.</i>   | ) |                                  |

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**JOINT PROPOSED PRELIMINARY JURY INSTRUCTIONS<sup>1,2</sup>**

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<sup>1</sup> The Parties reserve the right to amend, supplement, or modify these proposed Jury Instructions as the case proceeds. Additionally, the Parties do not waive any objection to instructions on issues that are currently the subject of pending or resolved motions. Such objections are hereby reasserted.

<sup>2</sup> While not every defendant requests every aspect of the proposed set of instructions contained herein, Defendants submit these instructions at this stage of the case as a basis for the parties' meet and confer process.

## **I. PRELIMINARY INSTRUCTIONS<sup>3</sup>**

### **Duty of the Jury and Issues to be Decided**

#### MEMBERS OF THE JURY:

I am now giving you some preliminary instructions. Your role as the jury is going to be to decide all disputed questions of fact. And it is my role as the Judge to decide all questions of law and procedure. I will provide you with instructions on the rules of law and procedure that you must follow in making your decision in this case. At the end of the trial, I will give you more detailed, final instructions on the law and procedure you must follow in reaching a verdict in this case.

Today, we are beginning the actual trial of the case. After I have completed my preliminary instructions, you will then hear the attorneys' opening statements. An opening statement is an overview of what each side expects the evidence will show, but, remember, what the attorneys say is not evidence. It is only intended as a roadmap to help you understand the evidence as you hear it during the course of the trial.

The evidence that you will actually decide the case on is not what the attorneys say in opening statement or closing argument but the testimony you hear from that witness stand and the exhibits that are admitted into evidence.

After the opening statements, the Plaintiffs will then present their evidence; then the

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<sup>3</sup> Source: Adapted from the Joint Proposed Preliminary Instructions in *Alacatel-Lucent USA Inc. v. Amazon.com, Inc.*, No. 6:09-CV-422 (E.D. Tex. Oct. 2011) (Dkt. No. 466); transcript of the Court's Preliminary Jury Instructions in *Cheetah Omni LLC v. Verizon Services Corp., et al*, No. 6:09-CV-260 (E.D. Tex. March 2011) (Dkt. No. 447).

Defendants will present their evidence; and finally, the Plaintiffs will present what we call any rebuttal evidence.

Once all of the evidence is in, I will then give you my final instructions, after which time both sides will present their closing arguments. And, finally and only then will you retire to the jury room and for the first time begin to discuss the case among yourselves, and in your collective wisdom, reach a verdict in this case.

During the course of the trial, you should keep an open mind until you have heard all of the evidence, my final instructions, which is called the Court's Charge, and the attorneys' closing arguments. Be sure to pay close attention to all of the testimony and evidence. To help you, you may take notes during the trial, if you wish. A juror notebook has been provided for your convenience.

If you would, write your name on the front cover of your juror notebook. On the left, you will see a steno notebook. Take that notebook out, if you would, and write your name on the front cover of the notebook. That will be your notebook to keep during the course of the trial. You can keep it on the inside of the black juror notebook, which has the copy of the patents in it.

These will be turned in each day and then will be returned to you the following day. Everything you write in your notebook will be kept confidential and will be shredded at the end of the case.

You do not have to take notes; but if you do, don't get so involved in your note-taking that you become distracted and miss part of the testimony. Your notes are to be used as an aid to

your memory, and if your memory should later be different than your notes, then you should rely on your memory and not your notes. Just because something gets written down on the notepad doesn't make it anymore important than your recollection or another juror's recollection. So don't be unduly influenced by the notes that others may take.

Until this trial is over, do not discuss this case with anyone and do not permit anyone to discuss this case in your presence. This includes your family, friends, and even your fellow jurors. So when you take a break or when we break for lunch or when you're walking to the car, there might be a natural tendency, if you're walking and chatting with one of your fellow jurors, to say something about the case. Again, please don't. The reason for that is, as the jury, you're working as a unit, and it would be improper and could jeopardize the case if two or three of you started discussing the case among yourselves. You shouldn't discuss it at all until the end of the case when you begin your deliberations, and then you should only discuss it with all eight of you present.

So, for example, if someone has to go to the bathroom during your final deliberations, you should stop discussing the case until that person comes back. The reason for that is simple: So that all of you will hear everything that is said in reaching your collective decision as to the verdict in this case.

If anyone should attempt to discuss this case with you or approach you concerning this case, you should inform me immediately through my court staff.

During this trial, you should hold yourself completely apart from the people involved in the case; the parties, the witnesses, and the attorneys and the persons associated with them. It is important not only that you be fair and impartial but also that you appear to be fair and impartial. And that is why you should not have any contact with any of the persons involved in the case.

And they understand that. They're not going to be talking to you in the hallway or elevators. They're not being rude, and they know you're not being rude by not chatting with them as well.

Also, if any of you happen to use a social networking internet site or tool, such as Facebook, MySpace, or Twitter, you should not discuss, mention, or post updates in any manner about this trial or your involvement in it or the case. Likewise, do not send or receive text messages about the case.

You should also not make any independent investigation of any fact or matter in this case. Do not learn anything about the case from any other outside source. Do not watch television or read the newspaper about this case. Do not use the internet or Google to find out more information about the case, the parties, or the attorneys in this case.

For example, if you have a home computer, during this case, do not go home and start trying to figure things out on your own. You are to be guided solely by the evidence in this case, only by what you see and hear here in this courtroom, not by anything outside the courtroom. Again, that's why that would be improper to do any searches or investigation. It would not be legally admissible evidence. So please refrain from that.

During trial it may be necessary for me to confer with the lawyers out of your hearing or to conduct a part of the trial out of your presence. I will handle these matters as briefly and as conveniently for you as I can, but you should remember that they are a necessary part of any trial.

### **The Parties and Nature of the Case**

This is a patent case that involves two patents. Plaintiffs Eolas Technologies, Inc. and the Regents of the University of California are asserting certain claims of two patents. Those patents are U.S. Patent No. 5,838,906 and U.S. Patent No. 7,599,985. Patents are often referred to by their last three digits, such as the '906 Patent and the '985 Patent. These patents will also be collectively referred to as the “patents-in-suit.”

**[UC and Eolas propose: The “Defendants” in this case are: Adobe Systems Inc. (“Adobe”), Amazon.com, Inc. (“Amazon”), CDW Corp. (“CDW”), Citigroup Inc. (“Citigroup”), The Go Daddy Group, Inc. (“Go Daddy”), Google Inc. (“Google”), J. C. Penney Company, Inc. (“J.C. Penney”), Staples, Inc. (“Staples”), Yahoo! Inc. (“Yahoo!”), and YouTube LLC (“YouTube”).]**

Plaintiffs allege that **[UC and Eolas propose: Defendants infringe the patents-in-suit by providing certain embedded interactive functionalities on their accused websites]** **[Defendants propose: the operation of the accused websites of each Defendant infringes the patents-in-suit]** and that Plaintiffs are entitled to damages for such infringement. Plaintiffs must prove their infringement claims by a preponderance of the evidence. We'll discuss what that term

means in a minute. Defendants deny such infringement and damages. Defendants also allege that the '906 and '985 Patents are invalid as being either anticipated by or obvious in light of what is called prior art and not supported by written description in the patent. **[UC and Eolas**

**propose: Defendants must prove their invalidity claims by clear and convincing evidence.]**

**[Defendants propose: Invalidity is a defense to infringement and whether or not a patent is valid is viewed from the point of view of someone of ordinary skill in the field, not necessarily from the viewpoint of you or me, so please keep that in mind.]<sup>4</sup> [CDW, Go**

**Daddy, and JCP propose: Defendants CDW, Go Daddy, and J.C. Penney also contend that they are contractually authorized or licensed to use the inventions claimed in the patents-**

**in-suit.] [Defendants propose: Defendants also allege that the '906 and '985 Patents are unenforceable due to inequitable conduct before the Patent and Trademark Office.]<sup>5</sup>**

Generally, for the '906 and '985 Patents, there are three questions you will be called upon to answer at the end of the case.

No. 1: Is one or more of the claims of the patent infringed?

No. 2: Are any of the claims of the patents invalid?

**[CDW, Go Daddy, and JCP propose: No. 3: Are Defendants CDW, Go Daddy, and J. C. Penney contractually authorized or licensed to use the inventions claimed in the patents-in-suit?]**

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<sup>4</sup>**Source: Adapted from the Joint Proposed Preliminary Instructions in *Alcatel-Lucent USA Inc. v. Amazon.com, Inc.*, No. 6:09-CV-422 (E.D. Tex. Oct. 2011) (Dkt. No. 466).**

<sup>5</sup>**The Plaintiffs object to this instruction because the defense of inequitable conduct is an equitable issue for the Court to try.**



**[Defendants propose: No. 3: Are the patents-in-suit unenforceable due to inequitable conduct?]<sup>6</sup>**

And No. 4. If a patent claim is infringed, valid, **[Defendants propose: and enforceable,]<sup>7</sup>** what are the damages for the infringement?

**[Defendants propose: As I mentioned, this case involves two patents. Please keep in mind that you will be asked to decide certain questions about each individual claim of each individual patent rather than the patents collectively. For example, you may decide that some of the claims of some of the patents are infringed while others are not or that some of the claims of some of the patents are valid while others are not.<sup>8</sup>]**

#### Patent Protection

Now, let me visit with you about our patent system. You've seen the video. You saw that prior to jury selection about how the U.S. patent system works.

The United States Constitution empowers the United States Congress to enact patent laws and issue patents to protect inventions. The purpose of the patent system is to help advance science and technology.

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<sup>6</sup>**Id.**

<sup>7</sup>**Id.**

<sup>8</sup>**Source: Adapted from the Joint Proposed Preliminary Instructions in *Alcatel-Lucent USA Inc. v. Amazon.com, Inc.*, No. 6:09-CV-422 (E.D. Tex. Oct. 2011) (Dkt. No. 466).**

The patent system achieves this purpose by granting to the owner of a patent the right, for the life of the patent, to exclude any other person from making, using, offering for sale, or selling anywhere in the United States the invention covered by the patent.

A patent has a life for a limited amount of time, which, for the patents involved in this case, have not yet ended. **[UC and Eolas propose: A valid United States patent gives the patent holder certain rights for up to 20 years from the date the patent application was filed or for 17 years from the date the patent issued.]**

Once a patent expires, the invention then becomes part of what we call the public domain, which means that anyone is then free to use it and the patent owner may no longer exclude anyone from making use of the invention claimed in the patent.

However, during the term of the patent, if another person, without the patent owner's permission, makes, uses, sells, or offers to sell something that is covered by the claims of the patent, then that person is said to infringe the patent.

The patent owner may enforce a patent against persons or companies believed to be infringers in a lawsuit in federal court.

Everyone, however, has the right to use existing knowledge and principles. A patent cannot remove from the public the ability to use what was known or obvious before the invention was made or patent protection was sought.

Thus, to be entitled to patent protection, an invention must be new, useful, and non-obvious.

## Patent Prosecution

To obtain a patent, the applicant must file a patent application with the United States Patent Office. **[UC and Eolas propose: The Patent office is an agency of the federal government and employs trained examiners who review applications for patents.<sup>9</sup>]** After the applicant files a patent application, a Patent Examiner examines the application to determine whether the invention described in the patent application meets the requirements of the patent laws for patentable inventions.

In examining a patent application, the Patent Examiner makes a search in the Patent Office records for prior art pertinent to the claims of the patent application. The Patent Office records may or may not contain all of the prior art pertinent to the claims of the patent application.

The prior art is defined by statute, and I will give specific instructions, after the close of evidence, as to what constitutes prior art. But, generally, prior art is technical information, such as journals, publications and patents, products and knowledge that was already known to the public prior to the time the person named as the inventor on the patent came up with his or her invention.

**[UC and Eolas propose: The Patent Examiner advises the applicant of his or her findings in a communication called an office action. The Examiner may reject the claims if he or she believes that they do not meet the requirements for patentable inventions.]**

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<sup>9</sup>***i4i v. Microsoft*, C.A. No. 6:07-CV-113-LED (E.D. Tex.) at Dkt. No. 329.**

**The applicant may then respond to the rejection with arguments to support the claims and may sometimes make changes or amend the claims or submit new claims.<sup>10]</sup>**

If the Examiner concludes that the legal requirements for a patent have all been satisfied, then the Patent Examiner allows the claims, and the application then issues as a United States patent.

This process, from the filing of the patent application to the issuance of the patent, is what is called the patent's prosecution.

The record of papers relating to the patent prosecution is referred to as the prosecution history, or the file history. In other words, it's the written history of what happened during the prosecution of the patent before the Patent Office.

**[UC and Eolas propose: The granting of a patent by the United States Patent Office carries with it the presumption that the patent is valid. From the issuance of a patent, it is presumed that its subject matter is new, useful, and constitutes an advance that was not at the time the invention was made obvious to one of ordinary skill in the art. However, that presumption may be rebutted at trial. Therefore, even though the patent was granted by the United States Patent Office, you the jury may find the patent to be invalid.]**

**[Defendants propose: Patent invalidity is a defense to patent infringement. Even though**

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<sup>10</sup> ***Id.***

**the PTO examiner has allowed the claims of a patent, you have the ultimate responsibility for deciding whether the claims of the patent are valid.<sup>11]</sup>**

### **Parts of a Patent**

You have been provided with copies of the two patents-in-suit in your notebook. As an example, please refer to the '906 patent in your binder. It's at Tab \_\_\_\_.

Look at the first page of the '906 patent. It provides identifying information. You'll notice up in the right-hand corner, you'll see Patent Number 5,838,906. That is the patent number for the '906 patent, which is identified by the last three digits.

Next, you'll see the date of the patent, November 17, 1998. That's the date that the patent issued.

In the left-hand column, you'll see the inventors' names. And then you'll see the next line, Assignee – that's who the patent was assigned to – The Regents of the University of California, one of the Plaintiffs in this case.

You will then see down near the bottom, prior art publication data. And you will see several references of prior art publications that were considered by the Patent Office when deciding to issue the patent.

Next, you will see the abstract. On the right-hand column near the middle, you will see a paragraph titled abstract. The abstract is a brief statement about the subject matter of the invention.

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<sup>11</sup>**National Jury Instruction Project, MODEL PATENT JURY INSTRUCTIONS, Instruction 5.1 (June 17, 2009).**

On the next several pages are drawings, which appear as Figures 1 through 10. The drawings depict various aspects or features of the invention. They are described in words later in the patent.

So flip on over past the drawings. Then you'll see a typewritten page with two columns, a Column 1 and 2. This begins what's called the written description. In this portion of the patent, each page is divided into two columns, which are numbered at the top.

See the Column 1 and Column 2. You'll also see down the margin between the two columns in the middle of the page are numbers. These are line numbers: 5, 10, 15, 20, and so forth. And the reason for this is it's for ease of reference. **[UC and Eolas propose: The written description includes a background section, a summary of the invention and a detailed description of the invention including some specific examples.]**

For example, if you wanted to look at Column 1, Line 18, you would find what's called the background of the invention. So at any point in the testimony, if someone's testifying about the specification or you see a reference to the specification in some of the documents, it will be referred to by Column and Line numbers. If you'll notice on the next page, it continues with Columns 3, 4, et cetera.

Now, let me step through the written description with you. You will see a number of paragraphs beginning in Column 1. As I mentioned, you will see the background of the invention. Then in Column 6, there's a summary of the invention in column 7, a brief description

of the drawings, and in Column 8 a detailed description of example embodiments of the invention.

Then flipping all the way over to Column 16, you'll find that the written description in the patent ends with numbered paragraphs that are called claims.

If you'll look in Column 16, Line 62, it says:

What is claimed is; and then No. 1, A method for running an application program in a computer network environment ... And then it lists a number of elements of that claim.

You'll see that the claims continue on through the next page through Column 18, Claim No. 10 at the end. So this patent has 10 different claims in it. Not all of those claims are asserted in this case, and the attorneys will visit with you about which claims are.

### **Significance of Patent Claims**

Let me visit with you about the significance of the patent claims. The claims of a patent are a main focus of a patent case, because the claims are what define the patent owner's rights under the law; that is, the claims define what the patent owner may exclude others from doing during the term of the patent.

The claims of a patent serve two purposes. First, they set the boundaries of the invention covered by the patent.

Second, they provide notice to the public of those boundaries. The claims of the patent are what are infringed when patent infringement occurs, because the claims define what the patent is.

Thus, when a product or method is accused of infringing the patent, the patent claims are compared to the accused product or method to determine whether there is infringement.

And you'll see this in the testimony. You'll hear experts from both sides that will take each of the claims that are asserted in this case; they will list the elements of each of the claims; and they will have testimony about whether each of these elements is or is not met by the accused products.

The claims are also at issue when the validity of a patent is challenged. In reaching your determination with respect to infringement and validity, you must consider each claim separately.

### **Independent and Dependent Patent Claims**

Patent claims exist in two forms, referred to as independent claims and dependent claims. An independent claim does not refer to any other claim of the patent. In other words, it's not necessary to look at any other claim to determine what an independent claim covers.

For example, in the '906 patent, if you'll look at Claim No. 1, which is in Column 16, Line 62, you'll see Claim No. 1, which starts with, "A method for running an application program in a computer network environment ..."

**[Defendants propose: Then, at line 64, you'll see: providing at least one client workstation and one network server coupled to said network environment, wherein said network environment is a distributed hypermedia environment.]**



**I'm not going to go into the detail at this point, but that is an independent claim.**

**Each one of those steps, such as the one at line 64, is contained within that independent claim.<sup>12]</sup>**

Now, a dependent claim refers to at least one other claim in the patent. A dependent claim includes each of the limitations of the other claim to which it refers as well as the additional limitations recited in the dependent claim itself.

Therefore, to determine what a dependent claim covers, it is necessary to look at both the dependent claim and the other claims to which it refers.

For example, turning now to Column 17, Line 29, Claim 2 is a dependent claim. Claim 2 is not at issue in this case, but is presented as an example only. Claim 2 says: “The method of claim 1, wherein said executable application is a controllable application and further comprising the step of:”

That is the wording of a dependent claim. As you can see, it refers back to Claim 1. To determine what the Dependent Claim 2 covers, it must satisfy all of the elements of not only Claim 2 but Claim 1 as well, the independent claim to which it refers.

If an independent claim is not infringed, then **[UC and Eolas propose: any asserted]** dependent claims depending from that independent claim cannot be infringed. If an independent claim is infringed, then you still have to determine if the additional limitation or limitations of the **[UC and Eolas propose: asserted]** dependent claim are met.

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<sup>12</sup> Source: Adapted from the Joint Proposed Preliminary Instructions in *Alcatel-Lucent USA Inc. v. Amazon.com, Inc.*, 6:09-CV-422 (E.D. Tex. Oct. 2011) (Dkt. No. 466).

I know that all sounds complicated. There's complicated terminology. You're going to have a lot of good experts in helping you understand all of this as we work through it.

### **Meaning of Patent Claims**

While the claims define the inventions, sometimes there is a disagreement between the parties as to what certain words or terms in the claims mean. When this happens, the parties ask the Court to interpret these terms in light of the patent as a whole. This is to help resolve their disagreement and to give you, the jury, guidance in applying the claims to the facts of the case.

This happened in this case, and at some point prior to trial, we had a hearing where both sides came in and said: Your Honor, we have a disagreement as to what these words in the claim mean. Plaintiffs would say we think it means X. Defendants would say we think it means Y. And they would submit it to me, and I would then interpret those words in light of the specification, and gave them a claim construction of those terms.

And they and you are bound by the construction that I have given to those terms.

**[Defendants propose: If you'll flip back to Tab \_\_\_\_ of your notebook, you'll see the exact claim terms that there was a disagreement about. For example, there was a disagreement among the parties as to what the term "XX" means that is used in Claims XX and XX.]**

**I then concluded and gave this construction, that "XX" means "XXXX." So that resolved the dispute.]**

You, the attorneys, the parties, and the experts will all be guided by the construction I have given to these terms. You must use these meanings when you decide the issues of infringement and invalidity in the case.

### **Burden of Proof**

Now, the issues to be decided by you, as I mentioned earlier, there are really three questions or issues that you will be asked to resolve by the verdict you return in this case.

Those issues are, No. 1, infringement; No. 2, invalidity; **[CDW, Go Daddy, and JCP propose: No. 3 contractual authorization or license]**<sup>13</sup> **[Defendants propose: No. 3, inequitable conduct;]**<sup>14</sup> and, No. 4, damages.

Plaintiffs have the burden of proof on the issues of infringement and damages. Defendants have the burden of proof on the issue of invalidity **[CDW, Go Daddy, and JCP propose: No. 3 contractual authorization or license]**<sup>15</sup> **[Defendants propose: and inequitable conduct.]**<sup>16</sup>

In any legal action, facts must be proved by a required standard of evidence known as the burden of proof. You have probably heard of the “beyond a reasonable doubt” burden of proof required in criminal cases. This is the very highest burden of proof. It is not involved in this

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<sup>13</sup>**The Regents of the University of California and Eolas object to the inclusion of the defenses of contractual authorization or license as they are issues for the Court.**

<sup>14</sup>**The Regents of the University of California and Eolas object to the inclusion of “inequitable conduct” in this instruction because it is an equitable defense to be tried to the Court.**

<sup>15</sup>**The Regents of the University of California and Eolas object to the inclusion of the defenses of contractual authorization or license as they are issues for the Court.**

<sup>16</sup>***Id.***

case. 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.

The preponderance of the evidence burden of proof means that you must be persuaded that what the party seeks to prove is more probably true than not true. Put another way, if you were to put the evidence for and against the party who must prove the fact on the opposite sides of the scale, the preponderance of the evidence standard requires that the scale tip at least somewhat toward the party that has the burden of proof.

In this case, Plaintiffs have the burden of proving infringement and damages by the preponderance of the evidence standard.

Defendants' burden of proof for invalidity however, is clear and convincing evidence.

**[UC and Eolas propose: By law, because the Patent and Trademark Office issued the asserted patents, the asserted patent claims carry with them a presumption that they are valid.<sup>17</sup>]** **[Defendants propose: Defendants' burden of proof for inequitable conduct is also clear and convincing evidence.]<sup>18</sup>** **[UC and Eolas propose: When a party has a burden of**

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<sup>17</sup>**Defendants object to this proposed instruction as redundant and potentially confusing. See National Jury Instruction Project, Model patent Jury Instructions, Instruction 5.1 (June 17, 2009) (“The presumption of validity, like all legal presumptions, is a procedural device. In light of the procedural role of the presumption of validity, instructing the jury on the presumption in addition to informing it of the highly probable burden of proof may cause jury confusion as to its role in deciding invalidity.”)**

<sup>18</sup>**The Regents of the University California and Eolas object to this instruction because inequitable conduct is an equitable defense for the Court to try.**

**proof by clear and convincing evidence, it means that the evidence must produce in your minds a firm belief or conviction as to the matters sought to be established.**

**In other words, if you were to put the evidence for and against the party who must prove the fact on the opposite sides of a scale, clear and convincing evidence requires that the scale tip more heavily toward the party who has the burden of proof.<sup>19]</sup>**

**[Defendants propose: Even though the PTO examiner has allowed the claims of the patent you have the ultimate responsibility for deciding whether the claims of the patent are valid. Furthermore, you can consider the fact of whether or not the PTO examiner considered the prior art being asserted by Defendants in making your evaluation.<sup>20]</sup>**

**[Defendants propose: Clear and convincing evidence means evidence that convinces you that it is highly probable that the particular proposition is true. This is a higher burden of proof than “preponderance of the evidence.”<sup>21]</sup>**

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<sup>19</sup>**This paragraph and the portion of the previous paragraph submitted by The Regents of the University of California and Eolas are taken directly from the preliminary instructions in *i4i LP v. Microsoft Corp.*, No. 6:07-CV-113 (E.D. Tex. May 2009).**

<sup>20</sup>**Source: Defendants requested language is based on the Supreme Court’s recent decision in *Microsoft Corp. v. i4i Ltd. P’ship*, 131 S. Ct. 2238, 2251 (2011) (“Simply put, if the PTO did not have all material facts before it, its considered judgment may lose significant force. And, concomitantly, the challenger’s burden to persuade the jury of its invalidity defense by clear and convincing evidence may be easier to sustain. In this respect, although we have no occasion to endorse any particular formulation, we note that a jury instruction on the effect of new evidence can, and when requested, most often should be given.”) (citations omitted).**

<sup>21</sup>**Defendants’ requested language is based on AIPLA’s Model Patent Jury Instructions states that “clear and convincing” evidence regarding validity means that the evidence “shows it is highly probable that the claims are invalid.” AIPLA’s Model Patent Jury Instructions at § II.**

**[CDW, Go Daddy, and JCP propose: For their contractual authorization and license defenses, however, Defendants CDW, Go Daddy, and J.C. Penney have the burden of proving those defenses by the preponderance of the evidence standard.]**

**[UC and Eolas propose: Infringement and Invalidity**

**Now let me visit with you about infringement. The Regents of the University of California and Eolas contend that:**

- 1. Defendant Adobe's accused websites infringe claims 1, 3, 10, 16, 18, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.**
- 2. Defendant Amazon.com's accused websites infringe claims 1, 3, 10, 16, 18, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.**
- 3. Defendant CDW's accused websites infringe claims 1, 3, 10, 16, 18, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.**
- 4. Defendant Citigroup's accused websites infringe claims 1, 3, 10, 16, 18, 20 and 22 of the '985 patent, and claims 1 and 6 of the '906 patent.**
- 5. Defendant Go Daddy's accused websites infringe claims 1, 3, 10, 16, and 18 of the '985 patent, and claims 1 and 6 of the '906 patent.**
- 6. Defendant Google's accused websites infringe claims 1, 3, 10, 16, 18, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.**
- 7. Defendant J.C. Penney's accused websites infringe claims 1, 3, 10, 16, 18, 20**

and 22 of the '985 patent, and claims 1 and 6 of the '906 patent.

8. Defendant Staples' accused websites infringe claims 1, 3, 10, 16, 18, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.
9. Defendant Yahoo!'s accused websites infringe claims 1, 3, 10, 16, 18, 19, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.
10. Defendant YouTube's accused websites infringe claims 1, 3, 10, 16, 18, 20, 22, 36, 38, 40 and 42 of the '985 patent, and claims 1 and 6 of the '906 patent.

You may mark those claims on the patents in your notebooks by circling those claim numbers.

The Regents of the University of California and Eolas contend that Defendants directly infringe the asserted claims of the asserted patents. Defendants deny that they directly infringe any of these claims. To prove direct infringement of a particular claim, a party must prove by a preponderance of the evidence that the opposing party makes, uses, sells, or offers to sell an accused product or instrumentality that includes each and every limitation of a particular claim. The Regents of University of California and Eolas also contend that the Defendants infringe indirectly by inducing or contributing to the direct infringement of others. To prove that a Defendant induced someone else to infringe, the Regents of the University of California and Eolas must prove by a preponderance of the evidence: that the Defendant encouraged another person or corporation to use a product in a manner that infringes; that the Defendant knew of the patent and knew or should have

**known that the encouragement or instructions would result in the other person doing that which you find to be an infringement; that the Defendant intended to cause the encouraged acts; and that the encouraged acts were actually performed by the other person.**

**To prove that the Defendant contributed to another's direct infringement, the Regents of the University of California and Eolas must prove by a preponderance of the evidence that the Defendant sold or supplied to another person a component that is a material part of the patented invention and is not suitable for other substantial non-infringing use; that the other person directly infringed the patent claims; and that the Defendant knew that the component was especially made for use in an infringing manner.**

**Now, with regard to willful infringement, the Regents of the University of California and Eolas claim that Adobe, Amazon, Citigroup, Google and Yahoo! willfully infringed the claims.**

**To prove willful infringement, the Regents of the University of California and Eolas must prove that the Defendants acted despite an objectively high likelihood that its actions constituted infringement of a valid patent and that the Defendant either knew or should have known of that risk.**

**The willful infringement claim requires a higher burden of proof, the clear and convincing standard, than the other claims, which require a preponderance of the evidence standard.**



**I will explain in more detail, at the end of the case, how you will decide infringement.**

**Now let me explain the defense of invalidity. Defendants contend that the asserted claims of the Asserted Patents are invalid. The Regents of the University of California and Eolas deny that the asserted patent claims are invalid. A person accused of infringement has the right to assert that the claimed invention in a patent did not meet the requirements for patentability and, therefore, that the issued patent claim is invalid. However, the granting of a patent by the Patent and Trademark Office carries with it the presumption that the patent is valid. When a party asserting patent invalidity relies on prior art references that were considered during examination or reexamination, that party bears the added burden of overcoming the deference that is due to a qualified governmental agency presumed to have done its job.<sup>22</sup>**

**I will now explain to you briefly the legal requirements for each of the grounds on which the Defendants rely to contend that the asserted patent claims are invalid. I will provide more details for each ground in my final instructions at the end of the case. The first ground is what is called anticipation. Defendants contend that the inventions covered by the asserted claims of the asserted patents are not new. An invention that is not new is said to be anticipated by the prior art. To prove that a claim is anticipated by prior art, a**

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<sup>22</sup>**This statement is taken verbatim from *Pharmastem Therapeutics, Inc. V. Viacell, Inc.*, 491 F.3d 1342, 1366 (Fed. Cir. 2007); *Polaroid corp. V. Eastman Kodak Co.*, 789 F.2d 1556, 1560 (Fed. Cir. 1986).**

**party must prove by a preponderance of the evidence that each and every limitation of the claim was present in a single item of prior art.**

**Defendants also contend that the asserted claims of the patents-in-suit are invalid for obviousness. To prove invalidity of a patent based on obviousness, a party must prove by a preponderance of the evidence that the invention defined by the claim would have been obvious to a hypothetical person of ordinary skill in the art at the time the invention was made. It will be up to you to decide the level of ordinary skill in the art of the patents based on all the evidence introduced at trial, including the level of education and experience of persons working in the field, the types of problems encountered in the field and the sophistication of the technology.]**

**[UC and Eolas propose: Damages**

**Now with regard to damages, the Regents of the University of California and Eolas claim that they have suffered damages as a result of Defendants' infringement and are entitled to a reasonable royalty. Damages cannot be speculative. A party must prove the damages it has suffered as a result of alleged infringement by a preponderance of the evidence. The fact that I am instructing you about damages now does not mean that the Regents of the University of California and Eolas are or are not entitled to recover damages.<sup>23</sup>]**

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<sup>23</sup>**Defendants object to Plaintiffs' detailed instructions as confusing and inappropriate for preliminary instructions, and as an incomplete and inaccurate statement of the parties' contentions and of the law. As noted in the Joint Proposed Jury Instructions, the parties will continue to meet and confer regarding more complete jury instructions, including specifically**

## **Duty of the Jury**

I want to discuss your duties as jurors. Really, you have two duties. Your first duty is to decide the facts from the evidence in this case. That is your job and yours alone. Your second duty is to apply the law that I give you to the facts. You must follow the instructions I give you even if you disagree with them.

This just about concludes my preliminary instructions. Do not be concerned if you feel a little bit lost at this point.

I will be giving you much more detailed, written final instructions at the end of the case that will have all of these instructions in much greater detail, accompanied by a verdict form that will ask you some very simple questions dealing with these three issues of infringement, invalidity, and damages.

By the time you get to those questions, you will have a much greater understanding and confidence in answering them than you probably do today before you have heard any of the evidence.

Also, let me reassure you, you do not have to be an expert on patent law or the field of the invention. We have very fine attorneys on both sides who will do a good job of simplifying and explaining all of this to you, and they will call very capable experts who will help you to understand the issues and facts of this case.

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**with respect to instruction on indirect infringement. Defendants reserve the right to propose different or additional language should the court decide to give such detailed instructions at the outset of trial.**

I have tried many of these cases, and almost always by the end of the case, the jury feels very comfortable and confident in deciding the issues in the case. I'm sure your experience will be no different.

It is now time for opening statements and the Court will recognize counsel for the Plaintiffs for purposes of opening statement.