

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

**WI-LAN INC.,**

**Plaintiff,**

**v.**

**ALCATEL-LUCENT USA INC. *et al.*,**

**Defendants.**

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**Case No. 6:10-cv-521-LED**

**JURY TRIAL DEMANDED**

**COMBINED PROPOSED JURY INSTRUCTIONS<sup>1</sup>**

Legend:

1. **Instructions highlighted in yellow** are those proposed by Plaintiff only.
2. **Instructions highlighted in blue** are proposed by Defendants only.
3. Instructions that are not highlighted are agreed.

<sup>1</sup> The parties are filing these proposed instructions and interrogatories as part of the matters required to be filed in the Docket Control Order, as amended. The parties reserve the right to request such additional or supplemental instructions and interrogatories as may be necessary. By submitting these requested instructions and interrogatories, the parties are not conceding that there are any fact issues for the jury to resolve or that there is legally sufficient evidence to support the submission of any claims or defenses. The parties expressly reserve their rights to file motions seeking judgment as a matter of law under Rule 50 of the Federal Rules of Civil Procedure. Moreover, by specifically noting some objections to certain proposed instructions, the parties are not waiving their right to assert additional objections to the Court’s instructions as provided for by Rule 51 of the Federal Rules of Civil Procedure.

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# **1 PRELIMINARY INSTRUCTIONS AT BEGINNING OF TRIAL**

## **1.1 GENERAL FIFTH CIRCUIT PRELIMINARY INSTRUCTIONS**

MEMBERS OF THE JURY:

You have now been sworn as the jury to try this case. As the jury you will decide the disputed questions of fact.

As the Judge, I will decide all questions of law and procedure. From time to time during the trial and at the end of the trial, I will instruct you on the rules of law that you must follow in making your decision.

Soon, the lawyers for each of the parties will make what is called an opening statement. Opening statements are intended to assist you in understanding the evidence. What the lawyers say is not evidence.

After the opening statements, Wi-LAN will call witnesses and present evidence. Then, the Defendants will have an opportunity to call witnesses and present evidence. After the parties' main case is completed, Wi-LAN may be permitted to present rebuttal evidence. After all the evidence is completed, the lawyers will again address you to make final arguments. Then I will instruct you on the applicable law. You will then retire to deliberate on a verdict.

Keep an open mind during the trial. Do not decide any fact until you have heard all of the evidence, the closing arguments, and my instructions.

Pay close attention to the testimony and evidence. If you would like to take notes during the trial, you may do so. If you do take notes, be careful not to get so involved in note taking that you become distracted and miss part of the testimony. Your notes are to be used only as aids to your memory, and if your memory should later be different from your notes, you should rely on your memory and not on your notes. If you do not take notes, rely on your own independent memory of the testimony. Do not be unduly influenced by the notes of other jurors. A juror's

notes are not entitled to any greater weight than the recollection of each juror concerning the testimony. Even though the court reporter is making stenographic notes of everything that is said, a typewritten copy of the testimony will not be available for your use during deliberations. On the other hand, any exhibits will be available to you during your deliberations.

Until this trial is over, do not discuss this case with anyone and do not permit anyone to discuss this case in your presence. Do not discuss the case even with the other jurors until all of the jurors are in the jury room actually deliberating at the end of the case. If anyone should attempt to discuss this case or to approach you concerning the case, you should inform the Court immediately. Hold yourself completely apart from the people involved in the case—the parties, the witnesses, the attorneys and persons associated with them. It is important not only that you be fair and impartial but that you also appear to be fair and impartial.

Do not make any independent investigation of any fact or matter in this case. You are to be guided solely by what you see and hear in this trial. Do not learn anything about the case from any other source. In particular, do not read any newspaper account of this trial or listen to any radio or television newscast concerning it. Also, do not search the Internet (*e.g.*, do not perform any “Google” or “Yahoo” searches) about any aspect of this case. Do not read any Internet articles about any aspect of this case.

During the 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. Do not consider any statement I make in the course of trial or in these instructions as an indication that I have any opinion about the facts of this case.<sup>2</sup>

## **1.2 THE POSITIONS OF THE PARTIES**

To help you follow the evidence, I will now give you a summary of the positions of the parties. Wi-LAN Inc., which will be referred to as “Wi-LAN,” is the plaintiff. The Defendants are (1) Alcatel-Lucent USA Inc., which will be referred to as “Alcatel-Lucent”; (2) Telefonaktiebolaget LM Ericsson and Ericsson Inc., which together will be referred to as “Ericsson”; (3) High Tech Computer Corporation, HTC America, Inc., and Exedea Inc., which together will be referred to as “HTC”; and (4) Sony Mobile Communications AB and Sony Mobile Communications (USA) Inc., which together will be referred to as “Sony Mobile.” The case involves United States Patent Nos. 6,088,326, 6,195,327, 6,222,819, and 6,381,211, obtained by Martin Lysejko, Paul Struhsaker, and Joemanne Chi Cheung Yeung, and transferred by the inventors to their employer at the time, Airspan Networks Inc. Wi-LAN subsequently purchased these patents from Airspan Networks, Inc. For the convenience of the lawyers, the parties, and the Court, patents are sometimes referred to by the last three digits of the patent number. For example, patent number 6,088,326 would be the ’326 patent; patent number 6,195,327 would be the ’327 patent; patent number 6,222,819 would be the ’819 patent, and patent number 6,381,211 would be the ’211 patent. I will collectively refer to all the patents as the “Asserted Patents.”

Wi-LAN alleges that Defendants Alcatel-Lucent and Ericsson have infringed a number of claims of the ’326, ’819, and ’327 patents by making products, specifically cell phone base

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<sup>2</sup> Fifth Circuit Pattern Jury Charge – Civil 1.1 (2006) (hereinafter “Fifth Circuit Model Instructions”) (note taking permitted) (modified to include instruction about not searching the internet).

stations, that support the High Speed Downlink Packet Access standard, or HSDPA standard.<sup>3</sup> Wi-LAN contends that Ericsson's and Alcatel-Lucent's base stations that support the HSDPA standard include all of the elements of certain claims of the '326, '819 and '327 patents. Wi-LAN further alleges that Defendants HTC and Sony Mobile have infringed a number of claims of the '211 patent by making products, specifically, smartphones, that support the HSDPA standard. Wi-LAN contends that HTC and Sony Mobile's cell phones supporting the HSDPA standard include all of the elements of certain claims of the '211 patent.

Wi-LAN alleges that Alcatel-Lucent and Ericsson each infringe claims 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of the '326 Patent; claims 1, 5, 8, 10, 11, 12, 13, and 15 of the '327 Patent; and claim 11 of the '819 Patent. Specifically, Wi-LAN alleges that Alcatel-Lucent and Ericsson have each made products that include all of the elements of those claims. Alcatel-Lucent and Ericsson deny that these claims are infringed.

Wi-LAN alleges that HTC and Sony Mobile each infringe claims 1, 2, 3, 4, and 5 of the '211 Patent. HTC and Sony Mobile deny that these claims are infringed.

The plaintiff, Wi-LAN, filed suit in this court seeking money damages from Alcatel-Lucent and Ericsson for allegedly infringing the '326, '327, and '819 patents by making, importing, using, selling, and offering for sale, within the United States products that Wi-LAN argues are covered by the asserted patents. Wi-LAN is seeking money damages from HTC and Sony Mobile for allegedly infringing the '211 patent by making, importing, using, selling, and offering for sale, within the United States products that Wi-LAN argues are covered by the asserted patents. Evidence concerning the '326, '327, and '819 patents should not be considered

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<sup>3</sup> In addition to objecting to Wi-LAN's proposed instruction generally, Defendants specifically object, both here and throughout Wi-LAN's proposed instructions, to Wi-LAN's reference to "the HSDPA standard." HSDPA is not a standard. Rather it is a feature set of the 3GPP standard.

when evaluating the liability of HTC or Sony Mobile since they are only accused of infringing the '211 patent. Similarly, evidence concerning the '211 patent should not be considered when evaluating the liability of Alcatel-Lucent or Ericsson since they are only accused of infringing the '326, '327, and '819 patents.

The Defendants deny that they have infringed the patents asserted by Wi-LAN and also argue that the patents are invalid. I will instruct you later as to the ways in which a patent may be invalid. In general, however, a patent is invalid if it is not new or is obvious in view of the state of the art at the relevant time, or if the description in the patent does not meet certain requirements.<sup>4</sup>

Ericsson and Sony Mobile allege that Wi-LAN has breached contracts previously entered into between these particular parties, known as the Patent and Conflict Resolution Agreements. Wi-LAN alleges that it has fully performed its obligations under the contracts with Ericsson and Sony Mobile, and denies that it has breached any provision of those contracts.

To fulfill your duties as jurors, you must decide whether the Defendants have infringed each patent claim that is asserted against them and whether or not those patent claims are invalid. If you decide that any asserted claim of the asserted patents listed above has been infringed and is not invalid, you will then need to decide any money damages to be awarded to Wi-LAN to compensate for that infringement. Conversely, if you decide that any claim of the patents has not been infringed or is invalid, then you do not need to decide any money damages to be awarded to Wi-LAN for that patent claim.<sup>5</sup> You will also need to determine whether Wi-LAN breached the contracts it entered into with Ericsson and Sony Mobile.

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<sup>4</sup> *Model Patent Jury Instructions*, The Federal Circuit Bar Association, February 2012 § A.2 [hereinafter referred to as "FBA Model Instructions"].

<sup>5</sup> Wi-LAN objects to this instruction as it is unnecessary and confusing.

It is my job as judge to determine the meaning of any claim language that needs interpretation. You must accept the meanings I give you and use them when you decide whether any claim of the patent has been infringed.<sup>6</sup>

### **1.3 OVERVIEW OF THE APPLICABLE LAW<sup>7</sup>**

In deciding the issues I just discussed, you will be asked to consider specific legal standards. I will give you an overview of those standards now and will review them in more detail before the case is submitted to you for your verdict.

The first issue you will be asked to decide is whether the Defendants have infringed the claims of the '326, '327, '819, or '211 patents. Infringement is assessed on a claim-by-claim basis. Therefore, there may be infringement as to one claim but not infringement as to another. In general, the Defendants may infringe the patents by making, using, selling, or offering for sale in the United States, or by importing into the United States, a product or by using a method meeting all the requirements of a claim of the patents. I will provide you with more detailed instructions on the requirements for infringement at the conclusion of the case.

Another issue you will be asked to decide is whether the patents are invalid. A patent may be invalid for a number of reasons, including because it claims subject matter that is not new or is obvious. For a claim to be invalid because it is not new, the Defendants must show, by clear and convincing evidence, that all of the requirements of a claim are present in a single previous device or method, or sufficiently described in a single previous printed publication or patent. We call these "prior art." If a claim is not new, it is said to be anticipated.

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<sup>6</sup> Model Patent Jury Instructions 1.3, *The National Jury Instruction Project* (June 2009) (as modified). [hereinafter NJIP Model Instructions]

<sup>7</sup> Wi-LAN objects to these preliminary law instructions because they omit the presumption of validity to which patents are entitled, they misstate the law, and they are not necessary at the beginning of the case, especially in view of this Court's practice of showing the Federal Judicial Center's video Introduction to Patents. Moreover, these proposed instructions, if given, overemphasize the issue of validity without giving sufficient instructions regarding infringement.

Another way that a claim may be invalid is that it may have been obvious. Even though every requirement of a claim is not shown or sufficiently described in a single piece of “prior art,” the claim may still be invalid if it would have been obvious to a person of ordinary skill in the field of technology of the patent at the relevant time. You will need to consider a number of questions in deciding whether the inventions claimed in the patents are obvious. I will provide you detailed instructions on these questions at the conclusion of the case.

A patent may also be invalid if its description in the specification does not meet certain requirements. To be valid, a patent must meet the “written description” requirement. In order to meet this written description requirement, the description of the invention in the specification portion of the patent must be detailed enough to demonstrate that the applicant actually possessed the invention as broadly as set forth in the claims of the issued patent. The disclosure of a patent must also meet the “enablement” requirement. To meet this requirement, the description in the patent has to be sufficiently full and clear to have allowed persons of ordinary skill in the field of technology of the patent to make and use the invention without undue experimentation, at the time the patent application was originally filed.

If you decide that any claim of the patents has been infringed and is not invalid, you will then need to decide any money damages to be awarded to Wi-LAN to compensate it for the infringement. A damages award should put Wi-LAN in approximately the same financial position that it would have been in had the infringement not occurred, but in no event may the damages award be less than what Wi-LAN would have received had it been paid a reasonable royalty. I will instruct you later on the meaning of a reasonable royalty. The damages you award are meant to compensate Wi-LAN and not to punish the Defendants. You may not include in your award any additional amount as a fine or penalty, and must only include what is

necessary to compensate Wi-LAN for the infringement. I will give you more detailed instructions on the calculation of damages at the conclusion of the case. If you decide that any claim of the patents is not infringed or invalid, then you do not need to decide any money damages for that patent claim.<sup>8</sup>

#### **1.4 BURDEN OF PROOF—PREPONDERANCE OF THE EVIDENCE**

When a party has the burden of proof on any claim or defense by a preponderance of the evidence, it means the evidence must persuade you that the claim is more likely true than not true.

You should base your decision on all the evidence, regardless of which party presented it.<sup>9</sup>

#### **1.5 BURDEN OF PROOF—CLEAR AND CONVINCING EVIDENCE**

When a party has the burden of proof on any claim or defense by clear and convincing evidence, it means that the evidence has produced in your mind a firm belief or conviction as to the matter at issue<sup>10</sup> the evidence has persuaded you that the claim or defense is highly probable.<sup>11</sup> The clear and convincing evidence standard requires greater proof than is necessary for the preponderance of the evidence standard. However, proof to an absolute certainty is not

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<sup>8</sup> FBA Model Instructions § A.4.

<sup>9</sup> NJIP Model Instructions 1.4; Fifth Circuit Pattern Instructions 2.20; *In re Omeprazole Patent Litig.*, 281 F. App'x 974, 978 (Fed. Cir. 2008); Court's Charge § 2.1, *CEATS, Inc. v. Continental Airlines, Inc.*, No. 6:10-CV-120-LED (E.D. Tex. Mar. 21, 2012), ECF No. 970 [hereinafter CEATS Charge]; Court's Charge § 3, *VirnetX Inc. v. Apple, Inc.*, No. 6:10-CV-417-LED (E.D. Tex. Nov. 6, 2012), ECF No. 597 [hereinafter VirnetX Charge].

<sup>10</sup> Fifth Circuit Model Instructions 2.14; *New Idea Farm Equip. Corp. v. Sperry Corp.*, 916 F.2d 1561, 1567 (Fed. Cir. 1990); *Trans World Mfg. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552, 1560 (Fed. Cir. 1984); CEATS Charge § 2.1; VirnetX Charge § 3.

<sup>11</sup> *Colorado v. New Mexico*, 467 U.S. 310, 316-17 (1984); *Pfizer Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1359 n.5 (Fed. Cir. 2007); *Intel Corp. v. Intern. Trade Comm'n*, 946 F.2d 821, 830 (Fed. Cir. 1991).

required.<sup>12</sup> Nevertheless, the clear and convincing evidence standard is not as high as the burden of proof applied in a criminal case, which is beyond a reasonable doubt.<sup>13</sup> <sup>14</sup>

Again, you should base your decision on all the evidence, regardless of which party presented it.<sup>15</sup>

## 2 FINAL INSTRUCTIONS AFTER THE CLOSE OF EVIDENCE

### 2.1 INTRODUCTORY INSTRUCTIONS

MEMBERS OF THE JURY:

You have heard the evidence in this case. I will now instruct you on the law that you must apply. It is your duty to follow the law as I give it to you. On the other hand, you the jury are the judges of the facts. Do not consider any statement that I have made in the course of trial or make in these instructions as an indication that I have any opinion about the facts of this case.

After I instruct you on the law, the attorneys will have an opportunity to make their closing arguments. Statements and arguments of the attorneys are not evidence and are not instructions on the law. They are intended only to assist the jury in understanding the evidence and the parties' contentions.

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<sup>12</sup> Fifth Circuit Model Instructions 2.14.

<sup>13</sup> Fifth Circuit Model Instructions 9.2; *Colorado v. New Mexico*, 467 U.S. 310, 316-17 (1984); *Pfizer Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1360 n.5 (Fed. Cir. 2007); *Intel Corp. v. Intern. Trade Comm'n*, 946 F.2d 821, 830 (Fed. Cir. 1991).

<sup>14</sup> Wi-LAN objects to this instruction because it is not necessary and is likely to confuse the jury. The jury is not being instructed on the "beyond a reasonable doubt" standard and therefore there is no need to distinguish the "clear and convincing" standard from the "beyond a reasonable doubt" standard. Moreover, although Defendants cite the Fifth Circuit Pattern Jury Instructions 9.2 as the source for this instruction, Defendants do not include the sentence which immediately follows that sentence – which says: "Each claim of the patent is presumed valid regardless of the status of any other claim in the patent." If the language proposed by Defendants is given, it should be followed by the rest of the language used in the Fifth Circuit pattern instructions.

<sup>15</sup> NJIP Model Instructions 1.5 (as modified); *New Idea Farm Equip. Corp. v. Sperry Corp.*, 916 F.2d 1561, 1567 (Fed. Cir. 1990); *Trans World Mfg. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552, 1560 (Fed. Cir. 1984). CEATS Charge § 2.1; VirnetX Charge § 3.

A verdict form has been prepared for you. You will take this form to the jury room and when you have reached unanimous agreement as to your verdict, you will have your foreperson fill in, date, and sign the form. Answer each question from the facts as you find them. Do not first decide who you think should win and then answer the questions accordingly. Your answers and your verdict must be unanimous.

When a party has the burden of proof on any claim or defense by a “preponderance of the evidence,” it means the evidence must persuade you that the claim or defense is more likely true than not true. You should base your decision on all the evidence, regardless of which party presented it.

When a party has the burden of proof on any claim or defense by “clear and convincing evidence,” it means the evidence **must have persuaded you that the claim or defense is highly probable<sup>16</sup> has produced in your mind a firm belief or conviction as to the matter.<sup>17</sup>** Again, you should base your decision on all the evidence, regardless of which party presented it.

You will recall that during the course of this trial I instructed you that certain testimony and certain exhibits were admitted into evidence for a limited purpose and I instructed you that you may consider some documents as evidence against one party but not against another. You may consider such evidence only for the specific limited purposes for which it was admitted.

In determining the weight to give to the testimony of a witness, you should ask yourself whether there was evidence tending to prove that the witness testified falsely concerning some important fact, or whether there was evidence that at some other time the witness said or did

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<sup>16</sup> Fifth Circuit Model Instructions 9.2; *Colorado v. New Mexico*, 467 U.S. 310, 316-17 (1984); *Pfizer Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1360 n.5 (Fed. Cir. 2007); *Intel Corp. v. Intern. Trade Comm’n*, 946 F.2d 821, 830 (Fed. Cir. 1991).

<sup>17</sup> Fifth Circuit Model Instructions 2.14; *New Idea Farm Equip. Corp. v. Sperry Corp.*, 916 F.2d 1561, 1567 (Fed. Cir. 1990); *Trans World Mfg. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552, 1560 (Fed. Cir. 1984); CEATS Charge § 2.1; VirnetX Charge § 3.

something, or failed to say or do something, that was different from the testimony the witness gave before you during the trial.

You should keep in mind, of course, that a simple mistake by a witness does not necessarily mean that the witness was not telling the truth as he or she remembers it, because people may forget some things or remember other things inaccurately. So, if a witness has made a misstatement, you need to consider whether that misstatement was an intentional falsehood or simply an innocent lapse of memory; and the significance of that may depend on whether it has to do with an important fact or with only an unimportant detail.

While you should consider only the evidence in this case, you are permitted to draw such reasonable inferences from the testimony and exhibits as you feel are justified in the light of common experience. In other words, you may make deductions and reach conclusions that reason and common sense lead you to draw from the facts that have been established by the testimony and evidence in the case.

The testimony of a single witness may be sufficient to prove any fact, even if a greater number of witnesses may have testified to the contrary, if after considering all the other evidence you believe that single witness.

There are two types of evidence that you may consider in properly finding the truth as to the facts in the case. One is direct evidence—such as testimony of an eyewitness. The other is indirect or circumstantial evidence—the proof of a chain of circumstances that indicates the existence or nonexistence of certain other facts. By way of example, if you wake up in the morning and see that the sidewalk is wet, you may find from that fact that it rained during the night. However, other evidence, such as a turned on garden hose, may provide a different explanation for the presence of water on the sidewalk. Therefore, before you decide that a fact

has been proved by circumstantial evidence, you must consider all the evidence in the light of reason, experience, and common sense.<sup>18</sup> As a general rule, the law makes no distinction between direct and circumstantial evidence.

When knowledge of technical subject matter may be helpful to the jury, a person who has special training or experience in that technical field—he is called an expert witness—is permitted to state his opinion on those technical matters. However, you are not required to accept that opinion. As with any other witness, it is up to you to decide whether to rely upon it.

In deciding whether to accept or rely upon the opinion of an expert witness, you may consider any bias of the witness, including any bias you may infer from evidence that the expert witness has been or will be paid for reviewing the case and testifying, or from evidence that he testifies regularly as an expert witness and his income from such testimony represents a significant portion of his income.

Certain testimony in this case was presented to you through a deposition. A deposition is the sworn, recorded answers to questions asked a witness in advance of the trial. This deposition testimony given under oath is entitled to the same consideration and is to be judged by you as to credibility and weight as if the witness had been present and had testified from the witness stand in court.

Any notes that you have taken during this trial are only aids to memory. If your memory should differ from your notes, then you should rely on your memory and not on the notes. The notes are not evidence. A juror who has not taken notes should rely on his or her independent recollection of the evidence and should not be unduly influenced by the notes of other jurors.

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<sup>18</sup> Wi-LAN objects to this proposed instruction because it is not necessary and improperly suggests that circumstantial proof is subject to different requirements than direct proof. Moreover, this language does not appear in the Fifth Circuit Pattern instructions that are the source for these instructions.

Notes are not entitled to any greater weight than the recollection or impression of each juror about the testimony.<sup>19</sup>

## 2.2 CONTENTIONS OF THE PARTIES

Wi-LAN contends the following eight Defendants make, use, offer to sell, sell, or import products that infringe its patents: Alcatel-Lucent USA Inc.; HTC Corporation; HTC America, Inc.; and Exedea Inc. (I will refer to HTC Corporation; HTC America, Inc.; and Exedea Inc., collectively, as “HTC”); Ericsson Inc. and Telefonaktiebolaget LM Ericsson (I will refer to Ericsson Inc. and Telefonaktiebolaget LM Ericsson, collectively, as “Ericsson”); and Sony Mobile Communications AB and Sony Mobile Communications (USA) Inc. (I will refer to Sony Mobile Communications AB and Sony Mobile Communications (USA) Inc. as “Sony Mobile”).

Wi-LAN contends that Defendants’ base station products that comply with the HSDPA standard necessarily infringe one or more of claims 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of the ’326 patent; one or more of claims 1, 5, 8, 10, 11, 12, 13, and 15 of the ’327 patent; and claim 11 of the ’819 patent. Wi-LAN also contends that Defendants’ cellular phone, smartphone, or handset products that comply with the HSDPA standard necessarily infringe one or more of claims 1, 2, 3, 4, and 5 of the ’211 patent.

Wi-LAN contends that Alcatel-Lucent makes, uses, offers to sell, sells, or imports into the United States certain products—specifically, cell phone base stations—that infringe the following claims of the patents at issue in this case: claims 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of U.S. Patent No. 6,088,326 (’326 Patent); claims 1, 5, 8, 10, 11, 12, 13, and 15 of U.S. Patent No. 6,195,327 (’327 Patent); and claim 11 of U.S. Patent No. 6,222,819 (’819 Patent).

Wi-LAN contends that several Alcatel-Lucent products, including but not limited to the Alcatel-Lucent 9300 W-CDMA Node B base station products and the Alcatel-Lucent 9360 Small

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<sup>19</sup> Fifth Circuit Model Instructions 3.1 (as modified)

Cell base station products, infringe the patent claims listed above. A full list of Alcatel-Lucent's accused products in this case is attached to my instructions as Exhibit 1.

Wi-LAN contends that Ericsson makes, uses, sells, offers for sale, or imports into the United States certain products—specifically, cell phone base stations—that infringe the following claims of the patents at issue in this case: claims 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of U.S. Patent No. 6,088,326 ('326 Patent); claims 1, 5, 8, 10, 11, 12, 13, and 15 of U.S. Patent No. 6,195,327 ('327 Patent); and claim 11 of U.S. Patent No. 6,222,819 ('819 Patent).

Wi-LAN contends that the following Ericsson products infringe the patent claims listed above: the Ericsson RBS-3000 and Ericsson RBS-6000 products. A full list of Ericsson's accused products in this case is attached to my instructions as Exhibit 2.

Wi-LAN contends that HTC makes, uses, sells, offers for sale, or imports into the United States certain products—specifically, smartphone handsets—that infringe the following claims of the patents at issue in this case: claims 1, 2, 3, 4, and 5 of U.S. Patent No. 6,381,211 ('211 Patent).

Wi-LAN contends that several HTC smartphones, including but not limited to the HTC Amaze 4G, the HTC myTouch 3G, and the HTC Dash 3G, infringe the patent claims listed above. A full list of HTC's accused products in this case is attached to my instructions as Exhibit 3.

Wi-LAN contends that Sony Mobile makes, uses, sells, offers for sale, or imports into the United States certain products—specifically, smartphone handsets—that infringe the following claims of the patents at issue in this case: claims 1, 2, 3, 4, and 5 of U.S. Patent No. 6,381,211 ('211 Patent).

Wi-LAN contends that several Sony Mobile smartphones, including but not limited to the Sony Mobile Xperia X10, the Sony Mobile Xperia Play, the Sony Mobile Xperia Ion, and the Sony Mobile Xperia X8, infringe the patent claims listed above. A full list of Sony Mobile's accused products in this case is attached to my instructions as Exhibit 4.

Wi-LAN contends that Alcatel-Lucent and Ericsson infringe the following claims:

- Claims 1–10 of the '326 Patent;
- Claims 1, 5, 8, 10, 11, 12, 13, and 15 of the '327 Patent;
- Claim 11 of the '819 Patent.

Wi-LAN contends that HTC and Sony Mobile infringe the following claims:

- Claims 1–5 of the '211 Patent.

I will refer, collectively, to all of these claims of the patents in suit as the “Asserted Claims” of those patents. Evidence concerning the '326, '327, and '819 patents should not be considered when evaluating the liability of HTC or Sony Mobile since they are only accused of infringing the '211 patent. Similarly, evidence concerning the '211 patent should not be considered when evaluating the liability of Alcatel-Lucent and Ericsson since they are only accused of infringing the '326, '327, and '819 patents.

Alcatel-Lucent, Ericsson, HTC, and Sony Mobile deny that they infringe the Asserted Claims, and contend that the Asserted Claims are invalid for anticipation, obviousness, lack of written description, and lack of enablement. Although a patent is presumed valid,<sup>20</sup> invalidity is a defense to infringement. Therefore, even though the PTO examiner has allowed the claims of the patents, you, the jury, must decide whether they are invalid. Your job is to decide whether

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<sup>20</sup> 35 U.S.C. § 282 (“A patent shall be presumed valid...”); *Microsoft Corp. v. i4i Ltd. P'ship*, 131 S.Ct. 2238, 2245 (2011) (“Thus, by its express terms, Section 282 establishes a presumption of patent validity, and it provides that a challenger must overcome that presumption to prevail on an invalidity defense.”).

Wi-LAN has proven by a preponderance of the evidence that Defendants infringe one or more asserted claims of the above four patents, and whether Defendants have proven by clear and convincing evidence that the asserted patent claims are invalid. If you decide that any valid claim of the patent has been infringed, you will then need to decide the money damages to be awarded to Wi-LAN as compensation for the infringement. Conversely, if you decide that any claim of the patents has not been infringed or is invalid, then you do not need to decide any money damages to be awarded to Wi-LAN for that patent claim.<sup>21</sup>

In addition to the patent claims at issue, Ericsson and Sony Mobile also assert that Wi-LAN has breached the Patent and Conflict Resolution Agreements by refusing to grant them most-favored-licensee status. Wi-LAN, on the other hand, contends that it has offered Ericsson and Sony Mobile most-favorable-licensee status and therefore Wi-LAN has not breached its obligation. Your job is to decide whether Ericsson and Sony Mobile have proven that Wi-LAN has breached the Patent and Conflict Resolution Agreements between Wi-LAN, and Ericsson and Sony Mobile.<sup>22</sup>

Ericsson and Sony Mobile also contend that Wi-LAN promised not to sue them for infringement based on the products accused in this case and that Wi-LAN promised to grant them licenses to Wi-LAN's patents, including the patents at issue here, on terms that are at least equivalent to the terms of a license that Wi LAN granted to other licensees after November 1, 2007, including BelAir Networks Inc. Your job is to decide (1) whether Wi-LAN promised not sue Ericsson and Sony Mobile for infringement based on the products accused in this case and

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<sup>21</sup> Wi-LAN objects to this instruction as it is unnecessary and confusing.

<sup>22</sup> Wi-LAN contends that this instruction should be given only in the event that the Court determines that the PCRAs apply to the patents-in-suit, and that there are fact questions to be resolved by the jury on the question of breach of contract.

(2) whether Wi-LAN promised to grant Ericsson and Sony Mobile licenses under the patents at issue.<sup>2324</sup>

### **2.3 PATENT CLAIMS**

The claims of a patent are the numbered sentences at the end of the patent. The claims describe the invention made by the inventor and describe what the patent owner owns and what the patent owner may prevent others from doing.

Claims are usually divided into parts or steps, called limitations or requirements. For example, a claim that covers the invention of a table may recite the tabletop, four legs and the glue that secures the legs on the tabletop. In this example, the tabletop, legs and glue are each a separate requirement of the claim.<sup>25</sup>

### **2.4 OPEN-ENDED OR “COMPRISING CLAIMS”**

The beginning, or preamble, of a number of the patent claims use the word “comprise” or “comprising.” “Comprising” means “including” or “containing but not limited to.” That is, if you decide that one of Alcatel-Lucent’s, Ericsson’s, HTC’s, or Sony Mobile’s accused products includes all the requirements in a particular claim, the claim is infringed. This is true even if the accused product includes components in addition to those requirements.

For example, a claim to a table comprising a tabletop, legs, and glue would be infringed by a table that includes a tabletop, legs, and glue, even if the table also includes wheels on the table’s legs.<sup>26</sup>

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<sup>23</sup> NJIP Model Instructions 2.1 (as amended)

<sup>24</sup> Wi-LAN objects to this instruction because the only issue that could possibly be for the jury to decide (if the Court denies the parties’ motions for summary judgment) is whether Wi-LAN breached or failed to comply with the terms of the PCRAs as written. Furthermore, Wi-LAN objects to the inclusion of a specific license because by including a specific licensee Defendants are asking the Court to comment on the weight of the evidence.

<sup>25</sup> CEATS Charge § 3.1.

<sup>26</sup> NJIP Model Instructions 3.4.

## **2.5 DEPENDENT CLAIMS**

This case involves two types of patent claims: independent claims 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, for example, claims 1 and 5 of the ’326 Patent; claims 1 and 11 of the ’327 Patent; and claims 1 and 5 of the ’211 Patent are independent claims.

The rest of the claims being asserted in this case are “dependent claims.” A dependent claim refers to another claim and includes all the requirements or parts of the claim to which it refers. In this way the claim “depends” on another claim. The dependent claim then adds its own, additional requirements. To determine what a dependent claim covers, it is necessary to look at both the dependent claim and any other claim to which it refers. A product or method that meets all of the requirements of both the dependent claim and the claim to which it refers is covered by that dependent claim.<sup>27</sup>

## **2.6 MEANS-PLUS-FUNCTION CLAIMS**

Some patent claim requirements may describe a “means” for performing a function, rather than describing the structure that performs the function. For example, let’s say that a patent describes a table in which the legs are glued to the tabletop. One way an inventor may claim the table is to require the tabletop, four legs, and glue between the legs and the tabletop. Another way to claim the table is to require the tabletop and the legs, but instead of stating “glue,” the inventor states a “means for securing the legs to the tabletop.” This second type of claim requirement is called a “means-plus-function” requirement. It describes a means for performing the function of securing the legs to the tabletop, rather than requiring the glue.

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<sup>27</sup> VirnetX Charge § 4.1.

When a claim requirement is in means-plus-function form, it covers the structures described in the patent specification for performing the function stated in the claim and also any structure equivalent to the described structures. In my example, the claim covers a table using glue to secure the legs to the tabletop, as described in the patent, and any equivalent structure to glue that performs the function of securing the legs to the tabletop.

Claims 6 and 7 of the '326 Patent include means-plus-function requirements. I have interpreted the meaning of the means-plus-function requirements in claims 6 and 7 of the '326 Patent and identified the structures corresponding to the means-plus-function requirements.

## **2.7 CONSTRUCTION OF CLAIMS**

In deciding whether or not a patent is infringed, the first step is to understand the meaning of the words used in the patent claims. It is my job as Judge to determine what the patent claims mean and to instruct you about that meaning. You must accept the meanings I give you and use those meanings when you decide whether or not the patent claims are infringed, and whether or not they are invalid. I have interpreted the meaning of<sup>28</sup> some of the language in the patent claims involved in this case. My interpretation of that claim language appears in Exhibit A to this charge, which I will now read to you.

The claim language I have not interpreted for you in Exhibit A is to be given its ordinary and accustomed meaning as understood by one of ordinary skill in the art, which is to say, in the field of technology of the patent. The meaning of the words in the patent claims must be the same when deciding both infringement and validity.

## **2.8 INFRINGEMENT—GENERALLY**

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<sup>28</sup> *Fractus S.A. v. Samsung Electronics Co.*, Civil Action No. 6:09-CV-203 (Jury Charge Dkt. No. 997).

Any person or business entity that, without the patent owner's permission, makes, uses, sells, or offers to sell a device that is covered by at least one claim of a patent, **before the patent expires,**<sup>29</sup> infringes the patent. Wi-LAN has the burden of proving infringement by a preponderance of the evidence. Only the claims of a patent can be infringed. You must consider each claim individually.

You must compare each of the asserted claims, as I have defined them, to each of the Defendants' accused devices, and determine whether or not there is infringement. **In order to prove infringement, Wi-LAN must prove that Defendants' products perform each and every requirement of the asserted claims.**<sup>30</sup>

Infringement can be proven in either of two ways: by literal infringement or by the doctrine of equivalents.

I will now instruct you on the specific rules you must follow to determine whether Wi-LAN has proven that Defendants have infringed any of the asserted claims of the patents-in-suit.<sup>31</sup>

## **2.9 INFRINGEMENT—LITERAL INFRINGEMENT**

You must decide whether Alcatel-Lucent, Ericsson, HTC, and Sony Mobile have made, used, sold, or offered for sale within the United States, or imported into the United States, a product covered by one or more of the asserted claims of the four patents at issue in this case. Literal infringement must be analyzed by taking one product and one claim at a time. You must compare each patent claim to each of the accused products of Alcatel-Lucent, Ericsson, HTC,

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<sup>29</sup> Wi-LAN objects to this language as confusing and misleading because there is no issue as to expiration.

<sup>30</sup> Wi-LAN objects to this language because it places undue emphasis on a general instruction and is repeated almost verbatim in the two following instructions.

<sup>31</sup> NJIP Model Instructions 3.1.

and Sony Mobile to determine whether each product includes all the requirements of the patent claim you are considering.

To prove literal infringement for a particular patent claim by a specific Defendant, Wi-LAN must prove that it is more likely true than not true that an accused product of that Defendant includes every requirement in that patent claim. If an accused product omits any requirement recited in a patent claim, then that product does not literally infringe that claim. In making your determination, you must consider each Defendant separately, each claim separately, and each accused product separately.<sup>32</sup>

For literal infringement, Wi-LAN is not required to prove the specific Defendant intended to infringe or knew of the patent.<sup>33</sup>

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<sup>32</sup> Adapted from the Court's Final Jury Charge in *Bedrock Computer Techs., LLC v. Google, Inc.*, No. 09-CV-269-LED (E.D. Tex. 2011) (Jury Charge Dkt. No. 745).

<sup>33</sup> Fifth Circuit Model Instructions 9.1; NJIP Model Instructions 3.2; AIPLA 2012 Model Jury Instructions § 3.1; CEATS Charge § 4; VirnetX Charge § 5.1. Defendants object to the inclusion of this language as unnecessary and irrelevant to the issue of literal infringement.

## 2.10 LITERAL INFRINGEMENT—COMPLIANCE WITH STANDARD

Wi-LAN may also prove literal infringement by showing that (a) all products that practice or comply with the HSDPA standard literally infringe one or more claims of the asserted patents and (b) the Defendant's accused product practices or complies with the HSDPA standard.<sup>34,35</sup>

## 2.11 INFRINGEMENT—DOCTRINE OF EQUIVALENTS

In addition to literal infringement, Wi-LAN alleges that Alcatel-Lucent, Ericsson, HTC, and Sony Mobile infringed certain claims of the four patents under the “doctrine of equivalents.” The doctrine of equivalents is an alternative way of showing infringement of a claim. Thus, a claim may be literally infringed, or it may be infringed under the doctrine of equivalents.

To prevail on its allegation of infringement under the doctrine of equivalents, Wi-LAN must prove that it is more likely true than not true that the accused product contains requirements identical or equivalent to each claimed requirement of the patented invention. You must proceed on a requirement-by-requirement basis. Wi-LAN must establish that each element in the claim is present in the accused product, either literally or under the doctrine of equivalents.

A claim element is present in an accused product under the doctrine of equivalents if the

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<sup>34</sup> *Fujitsu Limited v. Netgear, Inc.*, 620 F.3d 1321, 1327-28 (Fed. Cir. 2010) (if reach of a patent claim includes any device that practices a standard and the accused product operates in accordance with a standard, then comparing the claims to the standard is the same as comparing the claims to the accused product).

<sup>35</sup> Defendants object to the use of the phrase “HSDPA standard,” as there is no such standard. Instead, HSDPA refers to a set of features described by specifications within the 3GPP standards. Defendants further object to this instruction as an inaccurate statement of the law. As a threshold matter, “[o]nly in the situation where a patent covers every possible implementation of a standard will it be enough to prove infringement by showing standard compliance.” *Fujitsu Limited*, 620 F.3d at 1328. Further, “in many instances, an industry standard does not provide the level of specificity required to establish that practicing that standard would always result in infringement. Or, as with the [patent-in-suit], the relevant section of the standard is optional, and standards compliance alone would not establish that the accused infringer chooses to implement the optional section.” *Id.* at 1327-28.

difference between the claim requirement and a corresponding aspect of the accused product is insubstantial. In making this determination, you may consider whether the corresponding aspect in the accused product performs substantially the same function in substantially the same way to achieve substantially the same result as the element in the claim. You may also consider whether people of ordinary skill in the art believed that the corresponding aspect of the accused product and the element recited in the patent claim were interchangeable at the time of the alleged infringement. The proper time for evaluating equivalency—and thus knowledge of interchangeability between elements—is the time of infringement, not the time the patent was issued. Under the doctrine of equivalents, those of ordinary skill in the art do not have to know of the equivalent when the patent application was filed or when the patent issued. Thus, the inventor need not have foreseen, and the patent need not describe, all potential equivalents to the invention covered by the claims. Also, changes in technique or improvements made possible by technology developed after the patent application is filed may still be equivalent for the purposes of the doctrine of equivalents.

For infringement under the doctrine of equivalents, Wi-LAN is not required to prove the specific Defendant intended to infringe or knew of the patent to prove infringement.<sup>36</sup>

If an entity makes, uses, sells, offers to sell within, or imports into the United States a product that does not meet all of the requirements of a claim and thus does not literally infringe that claim, there can still be direct infringement if that product satisfies that claim “under the doctrine of equivalents.”

Under the doctrine of equivalents, a product infringes a claim if it contains elements corresponding to each and every requirement of the claim that is equivalent to, even though not

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<sup>36</sup> NJIP Model Instructions 3.8 (modified).

literally met by, the accused product. You may find that an element 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 element: (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 to prove infringement by “equivalents,” Wi-LAN must prove the equivalency of the element to a claim requirement by a preponderance of the evidence.<sup>37</sup>

## 2.12 COMPLIANCE WITH A STANDARD – DOCTRINE OF EQUIVALENTS

As with literal infringement, Wi-LAN may also prove infringement under the doctrine of equivalents by showing that (a) all products that practice or comply with the HSDPA standard infringe one or more claims of the asserted patents under the doctrine of equivalents and (b) the Defendant’s accused product practices or complies with the HSDPA standard.<sup>38,39</sup>

## 2.13 LIMITATIONS ON THE DOCTRINE OF EQUIVALENTS<sup>40</sup>

In order for an element to be considered equivalent under the doctrine of equivalents, it must not have been foreseeable to the patentee at the time the patent issued. An equivalent is

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<sup>37</sup> CEATS Charge § 4; VirnetX Charge § 5.1; FBA Model Instructions B.3.1c.

<sup>38</sup> *Fujitsu Limited v. Netgear, Inc.*, 620 F.3d 1321, 1327-28 (Fed. Cir. 2010) (if reach of a patent claim includes any device that practices a standard and the accused product operates in accordance with a standard, then comparing the claims to the standard is the same as comparing the claims to the accused product).

<sup>39</sup> Defendants object to this instruction for the same reasons as discussed above with respect to section 2.10.

<sup>40</sup> Wi-LAN specifically adds to its reservations the contentions that, as to Defendants’ Proposed Instructions 2.13.1 to 2.13.5, Defendants lack sufficient evidence to be entitled to a jury instruction on these issues, that these issues are not properly preserved, and that these instructions add unnecessary complication. Defendants reply that these issues were disclosed in Defendants’ expert reports and discussed during the depositions of Wi-LAN’s expert and Defendants’ experts.

foreseeable if a person of ordinary skill in the art would have known that the alternative existed in the field of art, even if the suitability of the alternative was unknown.<sup>41</sup>

If you find that subject matter alleged to be an equivalent was foreseeable or was available in prior art, then you cannot find infringement under the doctrine of equivalents.

### 2.13.1 Prior art

You may not find that a component in the accused products is equivalent to a requirement of the patent claim if by doing so the patent would cover products or methods that were already in the prior art.<sup>42</sup>

### 2.13.2 Foreseeability

In order for an element to be considered equivalent under the doctrine of equivalents, it must not have been foreseeable to the patentee at the time the patent issued. An equivalent is foreseeable if a person of ordinary skill in the art would have known that the alternative existed in the field of art, even if the suitability of the alternative was unknown.<sup>43</sup> If you find that subject matter alleged to be an equivalent was foreseeable, then you cannot find infringement under the doctrine of equivalents.<sup>44</sup>

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<sup>41</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 493 F.3d 1368, 1382 (Fed. Cir. 2007).

<sup>42</sup> *DePuy Spine, Inc. v. Medtronic Sofamore Danek, Inc.*, 567 F.3d 1314, 1322 (Fed. Cir. 2009); *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 677, 683, 685 (Fed. Cir. 1990); *Streamfeeder, LLC v. Sure-Feed Sys., Inc.*, 175 F.3d 974, 983 (Fed. Cir. 1999).

<sup>43</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 493 F.3d 1368, 1382 (Fed. Cir. 2007).

<sup>44</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 493 F.3d 1368, 1382 (Fed. Cir. 2007); *Sage Products, Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1425 (Fed. Cir. 1997) (“If Sage desired broad patent protection for any container that performed a function similar to its claimed container, it could have sought claims with fewer structural encumbrances. Had Sage done so, then the Patent and Trademark Office (PTO) could have fulfilled its statutory role in helping to ensure that exclusive rights issue only to those who have, in fact, contributed something new, useful, and unobvious. Instead, Sage left the PTO with manifestly limited claims that it now seeks to expand through the doctrine of equivalents. However, as between the patentee who had a clear opportunity to negotiate broader claims but did not do so, and the public at large, it is the patentee who must bear the cost of its failure to seek protection for this foreseeable alteration of its claimed structure.”); *see also Honeywell Int’l, Inc. v. Hamilton Sundstrand Corp.*, 523 F.3d

### 2.13.3 Vitiation<sup>45</sup>

You may not determine that an alternative aspect of an accused product 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 a requirement of the claim.<sup>46</sup>

### 2.13.4 Prosecution History Estoppel<sup>47</sup>

You are instructed that the doctrine of equivalents is limited by what is called “prosecution history estoppel.” As you have already heard, during prosecution of the patent, the patent applicant often makes arguments and amendments in an attempt to convince the PTO examiner to grant the patent. The party seeking to obtain a patent may amend his patent claims or submit arguments in order to define or narrow the meaning of the claims to obtain the patent. Once a patentee has done so, it is not entitled to patent coverage under the doctrine of equivalents that would be so broad that the equivalent would cover the same feature that was used to distinguish the invention during the prosecution of the patent.<sup>48</sup>

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1304, 1312-13 (Fed. Cir. 2008); *Freedman Seating Co. v. Am. Seating Co.*, 420 F.3d 1350, 1362 (Fed. Cir. 2005).

<sup>45</sup> Wi-LAN objects on the ground that claim vitiating is a question for the court, not the jury. *DePuy Spine, Inc. v. Medtronic Danek, Inc.*, 469 F.3d 1005, 1018–19 (Fed. Cir. 2006).

<sup>46</sup> FBA Model Instructions No. B.3.1d.

<sup>47</sup> Wi-LAN objects on the ground that prosecution history estoppel is a question for the court, not the jury. *Festo Corp. v. Shoketsu Kinzo Kogyo Kabushiki Co.*, 334 F.3d 1359, 1367–1368 (Fed. Cir. 2003) (en banc) (“We have stated on numerous occasions that whether prosecution history estoppel applies . . . presents a question of law.”).

<sup>48</sup> Adapted from AIPLA Model Patent Jury Instructions §3.13 (March 2008); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 733-34 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 30-34 (1997); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359, 1366-67 (Fed. Cir. 2003) (en banc); *see also Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 733-34 (2002) (“When, however, the patentee originally claimed the subject matter alleged to infringe but then narrowed the claim in response to a rejection, he may not argue that the surrendered territory comprised unforeseen subject matter that should be deemed equivalent to the literal claims of the issued patent.”).

### 2.13.5 Subject Matter Dedicated to the Public<sup>49</sup>

When a patent discloses subject matter but does not claim it, the patentee has dedicated that unclaimed subject matter to the public. If you find that a patent in suit discloses, but does not claim, subject matter alleged to be equivalent to a requirement of the patent claim, then you cannot find that the subject matter alleged to be equivalent in the Defendants' products are equivalent to that requirement of the patent claim. This is true even if the failure to claim the subject matter was wholly unintentional.<sup>50</sup>

### 2.14 LITERAL INFRINGEMENT—MEANS PLUS FUNCTION REQUIREMENTS

To establish literal infringement of a claim that includes means-plus-function requirements, Wi-LAN must prove two things:

1. the accused device employs a structure identical or equivalent to the structure described in the patent, and
2. the relevant structure in the accused device performs the identical function to the disclosed structure in the patent as I identified in Exhibit A.

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<sup>49</sup> Wi-LAN objects on the ground that a jury instruction on subject matter dedicated to the public is improper because application of the disclosure-dedication rule is a question of law. *Pfizer, Inc. v. Teva Pharms., USA, Inc.*, 429 F.3d 1364, 1378 (Fed. Cir. 2005); *Toro Co. v. White Consol. Indus., Inc.*, 383 F.3d 1326, 1331 (Fed. Cir. 2004); *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046, 1054–55 (Fed. Cir. 2002) (en banc). Additionally, there is no material in defendants' expert reports concerning subject matter dedicated to the public.

<sup>50</sup> Adapted from AIPLA Model Patent Jury Instructions §3.13 (March 2008); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 733-34 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 30-34 (1997); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359, 1366-67 (Fed. Cir. 2003) (en banc); *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046, 1054-55, 1067 (Fed. Cir. 2002) (en banc) (“[W]hen a patent drafter discloses but declines to claim subject matter . . . this action dedicates the unclaimed subject matter to the public. . . . [T]he patentee’s subjective intent is irrelevant in determining whether unclaimed subject matter has been disclosed and is therefore dedicated to the public.”).

Where the structure in the accused device and the structure disclosed in the patent specification are not identical, Wi-LAN has the burden of proving by a preponderance of the evidence that the relevant structure in the accused device is equivalent to the disclosed structure in the patent, as I have identified it for you.

A structure may be found to be “equivalent” to one of the structures I have defined as being described in the ’326 patent if a person having ordinary skill in the field of technology of the ’326 patent either would have considered the differences between them to be insubstantial at the time the patent issued or if that person would have found the structure(s) performed the function in substantially the same way to accomplish substantially the same result. In deciding whether the differences would be “insubstantial,” you may consider whether a person having an ordinary level of skill in the field of technology of the patent would have known of the interchangeability of the two structures or sets of structures. **Interchangeability itself is not sufficient; in order for the structures to be considered to be interchangeable, the interchangeability of the two structures must have been known to persons of ordinary skill in that art at the time the patent issued. The fact that a structure is known now and is “equivalent” is not enough. The structure or set of structures must also have been available at the time the patents issued.**<sup>51</sup> <sup>52</sup>

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<sup>51</sup> *Model Patent Jury Instructions*, The National Jury Instruction Project, June 17, 2009 § 3.9; *Model Patent Jury Instructions* 3.9; *Applied Med. Resources Corp. v. U.S. Surgical Corp.*, 448 F.3d 1324, 1333 (Fed. Cir. 2006); *Kraft Foods, Inc. v. Int’l Trading Co.*, 203 F.3d 1362, 1372–73 (Fed. Cir. 2000); *Al-Site Corp. v. VSI Int’l, Inc.*, 184 F.3d 1308, 1320–21 (Fed. Cir. 1999); *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1308–11 (Fed. Cir. 1998); *Carroll Touch, Inc. v. Electro Mechanical Sys., Inc.*, 15 F.3d 1573, 1578 (Fed. Cir. 1993); 351 U.S.C. § 271(a).

<sup>52</sup> Wi-LAN objects to this portion of the instruction as unsupported by the model authority cited. The added language would confuse the jury rather than correctly explain the law.

In order to prove infringement of a means-plus-function requirement, Wi-LAN must prove the above requirements are met by a preponderance of the evidence.<sup>53</sup>

## **2.15 INFRINGEMENT OF DEPENDENT CLAIMS**

So far, my instructions on infringement have applied to independent claims. As previously noted, the patents also contain dependent claims. Each dependent claim refers to an independent claim. A dependent claim includes each of the requirements of the independent claim to which it refers and one or more additional requirements. For example, claim 2 of the '326 patent includes all of the requirements of claim 1 of the '326 patent along with several additional requirements.

In the '326 Patent, claims 2, 3, 4, 6, 7, 8, 9, and 10 are dependent claims. The other claims in the '326 Patent (claims 1 and 5) are independent claims.

In the '327 Patent, claims 5, 8, 10, 12, 13, and 15 are dependent claims. The other claims in the '327 Patent (claims 1 and 11) are independent claims.

In the '819 Patent, claim 11 is a dependent claim.

In the '211 Patent, claims 2, 3, and 4 are dependent claims, while claims 1 and 5 are independent claims.

In order to find infringement of a dependent claim, you must first determine whether the independent has been infringed. If you decide that the independent claim has not been infringed, then the dependent claim cannot have been infringed. If you decide that the independent claim has been infringed, you must then separately determine whether each additional requirement of

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<sup>53</sup> NJIP Model Instructions 3.9; *Applied Med. Resources Corp. v. U.S. Surgical Corp.*, 448 F.3d 1324, 1333 (Fed. Cir. 2006); *Kraft Foods, Inc. v. Int'l Trading Co.*, 203 F.3d 1362, 1372–73 (Fed. Cir. 2000); *Al-Site Corp. v. VSI Int'l, Inc.*, 184 F.3d 1308, 1320–21 (Fed. Cir. 1999); *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 145 F.3d 1303, 1308–11 (Fed. Cir. 1998); *Carroll Touch, Inc. v. Electro Mechanical Sys., Inc.*, 15 F.3d 1573, 1578 (Fed. Cir. 1993); 351 U.S.C. § 271(a).

the dependent claim has also been included in the accused product. If each additional requirement has been included, then you must find that the dependent claim has been infringed.

Wi-LAN must prove infringement by a preponderance of the evidence.<sup>54</sup>

## **2.16 PERSON OF ORDINARY SKILL**

Several times in my instructions I have referred to a person of ordinary skill in the field of the invention. It is up to you to decide the level of ordinary skill in the field. You should consider all of the evidence introduced at trial in making this decision, including:

1. the levels of education and experience of persons working in the field;
2. the types of problems encountered in the field; and
3. the sophistication of the technology.<sup>55</sup>

Wi-LAN contends that the level of ordinary skill in the field of the invention was a four-year degree in Electrical Engineering, Physics, or Computer Science with some experience in wireless communications or associated technologies.<sup>56</sup>

## **2.17 INVALIDITY—GENERALLY**

Patent invalidity is a defense to patent infringement. Even though the PTO examiner has allowed the claims of a patent, you have the ultimate responsibility for deciding whether the claims of the patent are invalid. I will now instruct you on the invalidity issues you should consider. The Defendants must prove by clear and convincing evidence that a claim is invalid.

An issued patent is accorded a presumption of validity based on the presumption that the United States Patent & Trademark Office acted correctly in issuing a patent. From the issuance

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<sup>54</sup> NJIP Model Instructions 3.7.

<sup>55</sup> NJIP Model Instructions 5.13 (as modified); *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1125 (Fed. Cir. 2000); *SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1355 (Fed. Cir. 2000); *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718-19 (Fed. Cir. 1991).

<sup>56</sup> Defendants object to Wi-LAN's inclusion of its contention as the level of skill in the art in this instruction as unnecessary and misplaced.

of the patent, it is presumed that a claimed invention is novel, useful, not obvious, and satisfies the other legal requirements for a valid U.S. patent. Each claim of a patent is presumed valid independently of the validity of the other claims. The presumption of validity remains intact and the burden of proof remains on the parties (here, on the Defendants) who are challenging validity throughout this litigation. In other words, the burden never shifts to Wi-LAN to prove that its patents are valid.<sup>57</sup>

For a patent to be valid, the invention claimed in the patent must be new, useful, and not obvious. A patent cannot take away the ability to use what was known or would have been obvious before the invention was made.

In making your determinations as to invalidity, you must consider each claim separately. I will now instruct you on the invalidity defenses you must consider.<sup>58</sup>

## 2.18 ANTICIPATION

Defendants claim that all of the asserted claims of the patents in suit are invalid for being anticipated by prior art. Defendants bear the burden of establishing anticipation by clear and convincing evidence.

A patent claim is invalid if the claimed invention is not new. For a claim to be invalid on the basis of anticipation because it is not new, all of its requirements must be present in a single previous publication or patent. We call these things prior art. Defendants must also prove by clear and convincing evidence that an item is prior art. The description in a reference does not

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<sup>57</sup> VirnetX Charge § 6; *Schumer v. Lab. Computer Sys., Inc.*, 308 F.3d 1304, 1315 (Fed. Cir. 2002); CEATS Charge § 2.1; 35 U.S.C. 282 (“A patent shall be presumed valid...”); *Microsoft Corp. v. i4i Ltd. P’ship*, 131 S.Ct. 2238, 2245 (“Thus, by its express terms, Section 282 establishes a presumption of patent validity, and it provides that a challenger must overcome that presumption to prevail on an invalidity defense.”).

<sup>58</sup> VirnetX Charge § 6.0.; NJIP Model Instructions § 5.1; *DMI, Inc. v. Deere & Co.*, 802 F.2d 421, 427 (Fed. Cir. 1986); Jury Instructions at 13, *Alcatel-Lucent USA Inc. v. Overstock.com, Inc.* (No. 6:09-cv-422-LED) (E.D. Tex. Oct. 14, 2011), ECF 482; 35 U.S.C. § 282.

have to be in the same words as the claim, but all the requirements of the claim must be there, either stated expressly or necessarily implied or inherent in the level of ordinary skill in the field of technology of the patent at the time of the invention, so that someone of ordinary skill in the field of technology of the patent looking at that one reference would be able to make and use the claimed invention.

Something is inherent in an item of prior art if it is always present in the prior art or always results from the practice of the prior art and if a skilled person would understand that to be the case. Inherency may not be established by probabilities or possibilities. The mere fact that a certain thing may coincidentally result from a given set of circumstances is not sufficient. A party claiming anticipation by inherency must show that the elements of the claim are always present in the prior art or always result from the practice of the prior art.

You may not combine two or more items of prior art to make out an anticipation.<sup>59</sup>

As I explained, a patent claim is invalid if the claimed invention is not new—that is, because it is “anticipated” by an earlier invention. For a claim to be invalid because it is not new, all of its requirements must have existed in a single device or method that predates the claimed invention, or must have been described in a single previous publication or patent that predates the claimed invention. In patent law, such previous device, method, publication or patent is called a “prior art reference.” If a patent claim is not new we say it is “anticipated” by a prior art reference. Alcatel-Lucent, Ericsson, HTC, and Sony Mobile bear the burden to prove anticipation of each claim by clear and convincing evidence.

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<sup>59</sup> VirnetX Charge § 6.1.

For a claim to be invalid on the basis of anticipation, each and every element must have been described in a single previous publication or patent. We call these things “prior art.” You are not allowed to combine two or more items of prior art to make out anticipation.

The disclosure in a reference does not have to be in the same words as the claim, but all of the requirements of the claim must be described in sufficient detail or inherent in the reference, to enable someone of ordinary skill in the field of the invention looking at the reference to make and use at least one embodiment of the claimed invention.

Anticipation also occurs when the claimed invention inherently (necessarily) results from practice of what is disclosed in the written reference, even if the inherent disclosure was unrecognized or unappreciated by one of ordinary skill in the field of the invention.

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

- if the claimed invention was already publicly known or publicly used by others in the United States before the date of invention;
- if the claimed invention was already patented or described in a printed publication anywhere in the world before the date of invention. To qualify as a prior art reference, a “printed publication” must be at least reasonably accessible to those interested in the field, even if it is difficult to find. An electronic publication, including an on-line or internet publication, is a “printed publication” if it is at least reasonably accessible to those interested in the field even if it is difficult to find;<sup>60</sup>
- if the claimed invention was already described in another published U.S. patent application or issued U.S. patent that was based on a patent application filed before the patent holder’s date of invention.<sup>61</sup>

## 2.19 ANTICIPATION—PRIORITY OF INVENTION

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<sup>60</sup> Wi-LAN objects to this addition because the accessibility of printed publications is not in dispute.

<sup>61</sup> *DMI, Inc. v. Deere & Co.*, 802 F.2d 421, 427 (Fed. Cir. 1986); Jury Instructions at 13, *Alcatel-Lucent USA Inc. v. Overstock.com, Inc.* (No. 6:09-cv-422-LED) (E.D. Tex. Oct. 14, 2011), ECF 482; 35 U.S.C. § 282.

Defendants contend the asserted claims of the patents at issue are invalid as anticipated because the claimed inventions were already publicly known or publicly used by others in the United States before the date of invention. Defendants bear the burden of establishing anticipation by clear and convincing evidence.<sup>62</sup>

Since priority of invention is in dispute in this case, you must determine a date of conception and reduction to practice for the claimed invention and the prior art, and whether Wi-LAN's inventors were reasonably diligent in reducing the invention to practice. Conception of an invention is complete when the idea is so clearly defined in the inventor's mind that a person of ordinary skill in the field of the technology would be able to reduce the invention to practice without extensive research or experimentation. This requirement does not mean that the inventor has to have a prototype built or has to have actually explained her or his invention to another person. Conception may be proven when the invention is shown in its complete form by drawings, disclosure to another person, or other forms of evidence presented at trial.

Reduction to practice occurs either as of the filing of the patent application or when the invention was actually made and was shown to work for its intended purpose. Reasonable diligence means that the inventor worked continuously on reducing the invention to practice. Interruptions necessitated by the everyday problems and obligations of the inventor or others working with him or her do not prevent a finding of reasonable diligence.

Wi-LAN contends that the effective date of invention for the '326, '819, and '211 patents is at least as early as October 24, 1995, and in any case no later than December 5, 1996. Wi-LAN also contends that the effective date of invention for the '327 patent is at least as early as September 11, 1996, and in any case no later than December 5, 1996. Defendants contend that

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<sup>62</sup> Defendants object to the inclusion of this instruction as redundant with the previous section.

the effective date of invention for the patents in suit is the date the original patent applications were filed, December 20, 1996.

The person who first conceived of the claimed invention and first reduced it to practice is the first inventor. If one person conceived of the claimed invention first, but reduced it to practice second (including by filing a patent application), that person is the first inventor if that person (a) began to reduce the claimed invention to practice before the other party conceived of it and (b) continued to work with reasonable diligence to reduce it to practice from a time just before the other party's conception.<sup>63</sup>

#### **2.20 INVALIDITY—ANTICIPATION BY PRIOR PRINTED PUBLICATION OR PRIOR PATENT**

The Defendants contend the asserted claims of the patents-in-suit are anticipated by prior printed publications and prior patents. A patent claim is invalid if the invention defined by that claim was described in a printed publication anywhere in the world before the inventor made the claimed invention or more than one year before the application for the patent was filed in the United States, regardless of when the inventor made his invention. Printed publications may include issued patents as well as articles, treatises, and other written materials. The date that a printed publication becomes prior art is the date that it becomes available to the public. Published patent applications are printed publications as of their publication dates. The patents-in-suit were filed in the United States on November 26, 1997. Therefore, if a printed publication was published more than one year before November 26, 1997, then that publication will be prior art,

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<sup>63</sup> NJIP Model Instructions 5.6.

regardless of the date of the invention for the patent claims. The date of invention is irrelevant to this category of prior art.<sup>64</sup>

Printed publications may include issued patents as well as articles, treatises, and other written materials. A printed publication or patent will not anticipate unless it contains a description of the invention covered by the patent claims that is sufficiently detailed to teach a skilled person how to make and use the invention without undue experimentation. Factors to be considered in determining whether a disclosure would require undue experimentation include: (1) the quantity of experimentation necessary; (2) the amount of direction or guidance disclosed in the printed publication or patent; (3) the presence or absence of working examples in the printed publication or patent; (4) the nature of the invention; (5) the state of the prior art; (6) the relative skill of those in the art; (7) the predictability of the art; and (8) the breadth of the claims.<sup>65</sup>

## 2.21 OBVIOUSNESS

In this case, Defendants contend that certain of the Asserted Claims are invalid as obvious.

A patent claim is invalid if the claimed invention, as a whole, would have been obvious to a person of ordinary skill in the field of the invention at the time the application was filed. This means that even if all the requirements of the claim cannot be found in a single prior art reference that would anticipate the claim, a person of ordinary skill in the field of the invention who knew about all of the prior art would have come up with the claimed invention.

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<sup>64</sup> Virnetx Charge § 7.1.2; Court's Charge § 8.1.2, *Clearvalue, Inc. v. Pearl River Polymers, Inc.*, No. 6:06-cv-197 LED (ECF No. 559) (E.D. Tex. Apr. 20, 2010). Wi-LAN objects to this addition as confusing given sentence 2 of this proposed instruction.

<sup>65</sup> Defendants object to the inclusion of this instruction as redundant with the previous section.

But a patent claim composed of several requirements is not proved obvious merely by demonstrating that each of its requirements was independently known in the prior art. Although common sense directs one to look with care at a patent application that claims as innovation the combination of known requirements according to their established functions to produce a predictable result, it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the requirements in the way the claimed new invention does. This is so because inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known. Accordingly, you may evaluate whether there was some teaching, suggestion, or motivation to arrive at the claimed invention, as a whole, before the time of the claimed invention, although proof of this is not a requirement to prove obviousness. Teachings, suggestions, and motivations may also be found within the knowledge of a person with ordinary skill in the art including inferences and creative steps that a person of ordinary skill in the art would employ. Additionally, teachings, suggestions, and motivations may be found in the nature of the problem solved by the claimed invention, or any need or problem known in the field of the invention at the time of and addressed by the invention.

Therefore, in evaluating whether such a claim would have been obvious, you should consider a variety of factors:

1. Whether Defendants have identified a reason that would have prompted a person of ordinary skill in the field of the invention to combine the requirements or concepts from the prior art in the same way as in the claimed invention. There is no single way to define the line between true inventiveness on one hand (which is patentable) and the application of common sense and ordinary skill to solve a problem on the other hand (which is not patentable). For example, market forces or other design incentives may be what produced a change, rather than true inventiveness.

2. Whether the claimed invention applies a known technique that had been used to improve a similar device or method in a similar way.
3. Whether the claimed invention would have been obvious to try, meaning that the claimed innovation was one of a relatively small number of possible approaches to the problem with a reasonable expectation of success by those skilled in the art.

But you must be careful not to determine obviousness using hindsight; many true inventions can seem obvious after the fact. You should put yourself in the position of a person of ordinary skill in the field of the invention at the time the claimed inventions were made, and you should not consider what is known today or what is learned from the teaching of the patents.

The ultimate conclusion of whether a claim is obvious should be based on your determination of several factual issues:

1. You must decide the level of ordinary skill in the field of the invention that someone would have had at the time the claimed invention was made.
2. You must decide the scope and content of the prior art. In determining the scope and content of the prior art, you must decide whether a reference is pertinent, or analogous, to the claimed invention. Pertinent, or analogous, prior art includes prior art in the same field of endeavor as the claimed invention, regardless of the problems addressed by the reference, and prior art from different fields reasonably pertinent to the particular problem with which the claimed invention is concerned.
3. You should consider any difference or differences between the prior art and the claim requirements.

Finally, you should consider any of the following factors that you find have been shown by the evidence:

*Factors Tending to Show the Claims are Not Obvious*

1. commercial success of a product due to the merits of the claimed invention;
2. a long felt, but unresolved, need for the solution provided by the claimed invention;
3. unsuccessful attempts by others to find the solution provided by the claimed invention;

4. copying of the invention by others;
5. unexpected and superior results from the claimed invention;
6. acceptance by others of the claimed invention as shown by praise from others in the field of the invention or from the licensing of the claimed invention;
7. disclosures in the prior art that criticize, discredit, or otherwise discourage the claimed invention and would therefore tend to show that the invention was not obvious;
8. other evidence tending to show nonobviousness.

To be relevant to your determination of obviousness, any of these additional considerations must have a connection to the claimed invention set forth in the patent claims. You may consider the presence of any of the list factors 1–8 as an indication that the claimed invention would not have been obvious at the time the claimed invention was made.

*Factors Tending to Show the Claims are Obvious*

1. independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it;
2. other evidence tending to show obviousness.

Although you should consider any evidence of these factors, the relevance and importance of any of them to your decision on whether the claimed invention would have been obvious is up to you.

Defendants must prove by clear and convincing evidence that a claimed invention was obvious. If you find that a claimed invention was obvious as explained above, you must find that claim invalid.<sup>66</sup>

Even though an invention may not have been identically disclosed or described before it

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<sup>66</sup> CEATS Charge § 5.8.

was made by an inventor, in order to be patentable, the invention must also not have been obvious to a person of ordinary skill in the field of technology of the patent at the time the invention was made.<sup>67</sup>

In determining whether a claimed invention is obvious, you must consider the level of ordinary skill in the field of the invention that someone would have had at the time the claimed invention was made, the scope and content of the prior art, and any differences between the prior art and the claimed invention.<sup>68</sup>

Unlike anticipation, which allows consideration of only one item of prior art, obviousness may be shown by considering more than one item of prior art.<sup>69</sup> Furthermore, a prior art reference need not be enabled when being considered for obviousness.<sup>70</sup> The prior art reference qualifies as prior art for whatever is disclosed therein.<sup>71</sup>

A patent claim composed of several requirements is not proved obvious merely by demonstrating that each of its requirements was independently known in the prior art. Although common sense directs one to look with care at a patent application that claims as innovation the combination of known requirements according to their established functions to produce a predictable result, it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the requirements in the way the claimed new invention does. This is so because inventions in most, if not all, instances rely upon building blocks long since uncovered and claimed discoveries almost of necessity will be combinations of

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<sup>67</sup> FBP Model Instructions 4.3c.

<sup>68</sup> *Id.*

<sup>69</sup> American Intellectual Property Law Association, AIPLA's Model Patent Jury Instructions, § 7.0 at \*27 (2008).

<sup>70</sup> *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1357 (Fed. Cir. 2003) (“Under § 103, however, a reference need not be enabled; it qualifies as a prior art, regardless, for whatever is disclosed therein.”).

<sup>71</sup> *Id.*

what, in some sense, is already known. Accordingly, you may evaluate whether there was some teaching, suggestion, or motivation to arrive at the claimed invention before the time of the claimed invention, you may find a patent obvious without relying on teaching, suggesting or motivation. Teaching, suggestion or motivation is one way, but not the only way, of finding obviousness. Teachings, suggestions, and motivations may be found in one or more written references, including the prior art itself.

However, teachings, suggestions, and motivations may also be found within the knowledge of a person with ordinary skill in the art including inferences and creative steps that a person of ordinary skill in the art would employ. Additionally, teachings, suggestions, and motivations may be found in the nature of the problem solved by the claimed invention, or any need or problem known in the field of the invention at the time of and addressed by the invention. Therefore, in evaluating whether such a claim would have been obvious, you should consider a variety of factors, such as:

- whether the claimed invention was merely the predictable result of using prior art requirements according to their known function(s);<sup>72</sup>
- whether the claimed invention provides an obvious solution to a known problem in the relevant field;<sup>73</sup>
- whether the prior art teaches or suggests the desirability of combining requirements claimed in the invention;<sup>74</sup>
- whether the prior art teaches away from combining requirements in the claimed

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<sup>72</sup> *Model Patent Jury Instructions*, The Federal Circuit Bar Association, February 2012 § 4.3c.

<sup>73</sup> *Id.*

<sup>74</sup> *Id.*

invention;<sup>75</sup>

- whether it would have been obvious to try the combinations of requirements, such as when there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions; and<sup>76</sup>
- whether the change resulted more from design incentives or other market forces.<sup>77</sup>

You must be careful not to determine obviousness using hindsight; many true inventions can seem obvious after the fact. You need to put yourself in the position of a person of ordinary skill in the field of the invention at the time the claimed invention was made, and you should not consider what is known today or what is learned from the teaching of the patent.

The ultimate conclusion of whether a claim is obvious should be based on your determination of several factual issues:

- a. You must decide the level of ordinary skill in the field of the invention that someone would have had at the time the claimed invention was made.
- b. You must decide the scope and content of the prior art. In determining the scope and content of the prior art, you must decide whether a reference is pertinent, or analogous, to the claimed invention. Pertinent, or analogous, prior art includes prior art in the same field of endeavor as the claimed invention, regardless of the problems addressed by the reference, and prior art from different fields reasonably pertinent to the particular problem with which the claimed invention is concerned. Remember that prior art is not limited to patents and published materials, but includes the general knowledge that would have been available to one of ordinary skill in the field of the invention.
- c. You must decide what difference, if any, existed between the claimed invention and the prior art.

Finally, you must consider any of the following factors that you find have been shown by the evidence:

**Factors tending to show nonobviousness:**

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<sup>75</sup> *Id.*

<sup>76</sup> *Id.*

<sup>77</sup> *Id.*

- A. commercial success of a product due to the merits of the claimed invention;
- B. a long-felt, but unsolved, need for the solution provided by the claimed invention;
- C. unsuccessful attempts by others to find the solution provided by the claimed invention;
- D. copying of the claimed invention by others;
- E. unexpected and superior results from the claimed invention;
- F. acceptance by others of the claimed invention as shown by praise from others in the field of the invention or from the licensing of the claimed invention;
- G. disclosures in the prior art that criticize, discredit, or otherwise discourage the claimed invention and would therefore tend to show that the invention was not obvious; and
- H. other evidence tending to show nonobviousness.

To be relevant to your determination of obviousness, any of these additional considerations must have a connection to the claimed invention set forth in the patent claims.

**Factors tending to show obviousness<sup>78</sup>**

- A. independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it; and
- B. other evidence tending to show obviousness.

Although you must consider any evidence of these factors, the relevance and importance of any of them to your decision on whether the claimed invention would have been obvious is up to you. Alcatel-Lucent, Ericsson, HTC, and Sony Mobile must prove by clear and convincing evidence that a claimed invention was obvious. If you find that a claimed invention was obvious as explained above, you must find that claim invalid.

**2.22 WRITTEN DESCRIPTION**

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<sup>78</sup> Ceats Charge § 5.8; NJIP Model Patent Jury Instructions 5.9.

The patent law contains certain requirements for the written description of the patented invention. The written description requirement serves a teaching function, as a quid pro quo in which the public is given meaningful disclosure in exchange for being excluded from practicing the invention for a limited period of time. It serves to ensure that the patent applicant was in full possession of the claimed subject matter on the application filing date.

Defendants also contend that each asserted claim of the Wi-LAN patents is invalid for failure of the patents to provide an adequate written description of the claimed inventions. Defendants must prove these claims lack adequate written descriptions by clear and convincing evidence.

The written description requirement is satisfied if a person of ordinary skill in the field, reading the patent application as originally filed, would recognize that the patent application described the invention of these claims, even though the description might not use the exact words found in the claim. The written description is adequate if it shows that the inventor was in possession of each claim of the invention at the time the application for the patent was filed, even though the claim may have been changed or new claims added during the prosecution of the application. It is not necessary that each and every aspect of the claim be explicitly discussed, as long as a person of ordinary skill would understand that any aspect not expressly discussed is implicit in the patent application as originally filed. **The written description is not adequate if the specification fails to provide support for the full breadth of the claimed invention. For example, if a person skilled in the art would not understand that the inventors possessed the full scope of**

the subject matter alleged by Wi-LAN to be covered by the patents-in-suit at the time of filing, the patents-in-suit fail to provide the written description necessary to support the claims.<sup>79</sup> <sup>80</sup>

If you find that one or more of the claims challenged by Defendants lack an adequate written description, you must find each such claim invalid.<sup>81</sup>

### **2.23 ENABLEMENT**

Defendants contend that each asserted claim of the Wi-LAN patents is invalid because the patents do not disclose sufficient information to enable one skilled in the field of the invention, at the time the application was filed (or its effective filing date), to make and use the claimed invention. This requirement is known as the enablement requirement. If a patent claim is not enabled, it is invalid. Each claim must be analyzed for compliance with the enablement requirement. Defendants must prove with clear and convincing evidence that the claim was not enabled.

In considering whether a patent claim satisfies the enablement requirement, you must keep in mind that patents are written for persons of skill in the field of the invention. Thus, a patent need not expressly state information that skilled persons would be likely to know or could obtain. Defendants bear the burden of establishing lack of enablement by showing with clear and convincing evidence that a person skilled in the art, upon reading the patent document, would not

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<sup>79</sup> *LizardTech, Inc. v. Earth Resource Mapping, Inc.*, 424 F.3d 1336, 1344-1346 (Fed. Cir. 2005) (“Whether the flaw in the specification is regarded as a failure to demonstrate that the patentee possessed the full scope of the invention recited in claim 21 or a failure to enable the full breadth of that claim, the specification provides inadequate support for the claim under section 112, paragraph one. . . . Because a process of creating a seamless DWT is described, LizardTech argues that claim 21 is not invalid. However, that approach is at odds with the analysis this court employed in *Tronzo*, and it would lead to sweeping, overbroad claims because it would entitle an inventor to a claim scope far greater than what a person of skill in the art would understand the inventor to possess or what a person of skill in the art would be enabled to make and use.”).

<sup>80</sup> Wi-LAN objects to this addition as redundant and unnecessarily confusing.

<sup>81</sup> Court’s Charge § 6.8, *Mirror Worlds, LLC v. Apple Inc.*, No. 6:08-cv-88 LED (ECF No. 407) (E.D. Tex. Oct. 10, 2010) (“Mirror Worlds Charge”); NJIP Model Instruction 5.2.

be able to make the invention work without undue experimentation. The fact that some experimentation may be required for a skilled person to make or use the claimed invention does not mean that a patent fails to meet the enablement requirement. Factors you may consider in determining whether making the invention would require undue experimentation include:

1. the quantity of experimentation necessary;
2. the amount of direction or guidance disclosed in the patent;
3. the presence or absence of working examples in the patent;
4. the nature of the invention;
5. the state of the prior art;
6. the relative skill of those in the art;
7. the predictability of the art; and
8. the breadth of the claims.

If you find that one or more of these claims did not comply with the enablement requirement, you must find each such claim invalid.

## **2.24 LICENSE AND COVENANT NOT TO SUE/BREACH OF CONTRACT<sup>82</sup>**

The owner of a patent may agree to let another person make, use, sell, offer to sell, or import products or methods covered by the claims of the patent. This is called a license, and the person who is allowed to do those things is called a licensee. A patent owner may also agree not to sue another party for infringement. Such an agreement is called a covenant not to sue and can be written to convey different scopes of promises not to sue.

Ericsson and Sony Mobile have the burden of proving by a preponderance of the evidence that Wi-LAN promised: (1) not to sue them for infringement based on the products

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<sup>82</sup> Wi-LAN contends that this instruction may become appropriate only if the court determines that the PCRA's apply to the patents-in-suit.

accused in this case; and (2) to grant them licenses to Wi-LAN's patents, including the patents at issue here, on terms that are at least equivalent to the terms of any license granted by Wi-LAN after November 1, 2007, including the license Wi LAN granted to BelAir Networks Inc. To decide these issues, you must consider the intent of the parties, which is determined by considering the relationship of the parties, what they said and what they did, and all of the surrounding circumstances. A person's secret intent has no bearing; only the intent indicated by his or her words and acts may be considered.<sup>83</sup>

If you find that Wi-LAN, either in express language or by its conduct, promised either: (1) not to sue Ericsson and Sony Mobile for infringement based on the products accused in this case; or (2) to grant Ericsson and Sony Mobile licenses to Wi-LAN's patents, including the patents at issue here, on terms that are at least equivalent to the terms of any license granted by Wi-LAN after November 1, 2007, including the license Wi-LAN granted to BelAir Networks Inc., you will find for Ericsson and Sony Mobile. If you find that neither in express language nor by conduct did Wi-LAN make such promises, you will find for Wi-LAN.<sup>84</sup>

Ericsson and Sony Mobile contend that Wi-LAN breached the Patent and Conflict Resolution Agreements between them. Wi-LAN denies that it has breached the Patent and Conflict Resolution Agreements. Wi-LAN, Ericsson, and Sony Mobile agree that the Patent and Conflict Resolution Agreements are valid contracts. The parties contest whether Wi-LAN has offered Ericsson and Sony Mobile licenses at most-favorable licensee status.

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<sup>83</sup> Wi-LAN objects to this instruction insofar as it incorrectly and prejudicially frames the questions, it contains improper judicial comment on the evidence, and it assumes contested facts on which defendants bear the burden of proof.

<sup>84</sup> *Transcore, LP v. Elec. Transaction Consultants Corp.*, 563 F.3d 1271, 1275–76 (Fed. Cir. 2009); New York Pattern Jury Instructions—Civil; Instructions 4:1 and 4:1.1.

In determining what most favored licensee status would be, you must first consider whether any prior Wi-LAN licensee is similarly situated and, second, if so whether such licenses were granted at more favorable rates than those offered to Ericsson and Sony Mobile. To make this determination you must consider, for any similarly situated licensee (if any), all relevant factors including, but not limited to, the nature of license, notice of infringement, volume of sales, types of sales and patent coverage.

With this in mind, you must determine whether Wi-LAN has performed its obligations under the contract. Wi-LAN has performed its obligations under the contract if it has licensed or offered to license Ericsson and Sony Mobile at most-favored-licensee status.<sup>85</sup>

## **2.25 OBVIOUS BREACH OR OTHERWISE IN BAD FAITH<sup>86</sup>**

Ericsson and Sony Mobile also contend that Wi-LAN brought this lawsuit against them in bad faith or in obvious breach of its promise not sue them for infringement based on the accused products. If you find based on the evidence that Wi-LAN promised not sue Ericsson and Sony Mobile for infringement based on the accused products, then you must decide whether it brought this lawsuit against them in bad faith or in obvious breach of its promise.<sup>87</sup>

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<sup>85</sup>*Nat'l Mkt. Share, Inc. v. Sterling Nat'l Bank*, 392 F.3d 520, 525 (2d Cir. 2004); *First Invs. Corp. v. Liberty Mut. Ins. Cor.*, 152 F.3d 162, 168 (2d Cir. 1998); *RIJ Pharm. Corp. v. Ivax Pharms., Inc.*, 322 F. Supp. 2d 406, 412 (S.D.N.Y. 2004); *Wakeman v. Wheeler & Wilson Mfg. Co.*, 4 N.E. 264 (N.Y. 1886).

<sup>86</sup> Wi-LAN asserts that this is a question of law. Alternatively, should the court find this is a question of fact, the instruction should be modified throughout to reflect a more proper statement of the law: "obvious breach or otherwise in bad faith."

<sup>87</sup> *Artvale v. Rugby Fabrics Corp.*, 363 F.2d 1002, (2d Cir. 1966) ("In the absence of contrary evidence, sufficient effect is given the usual covenant not to sue if, in addition to its service as a defense, it is read as imposing liability [for attorneys' fees] only for suits brought in obvious breach or otherwise in bad faith . . .").

Ericsson<sup>88</sup> and Sony Mobile also contend that Wi-LAN brought this lawsuit against them in obvious breach of the PCRA or otherwise in bad faith. Wi-LAN denies that it acted in bad faith because it relied on a reasonable interpretation of the contract with Ericsson and Sony Mobile. If you find based on the evidence that Wi-LAN breached an agreement not to sue Ericsson and Sony Mobile for infringement based on the accused products, then you must decide whether its filing of this lawsuit was in bad faith.

Ericsson<sup>89</sup> and Sony Mobile also contend that WI-LAN's failure to offer them licenses to the patents-in-suit on terms that are at least equivalent to the terms of licenses Wi-LAN granted to other Wi-LAN licensees after November 1, 2007 was in bad faith. Wi-LAN denies that it acted in bad faith because it relied on a reasonable interpretation of the contract with Ericsson and Sony Mobile, and because Wi-LAN offered both Ericsson and Sony Mobile most-favored-licensee status. If you find based on the evidence that Wi-LAN breached an agreement to grant Ericsson and Sony Mobile most-favored licensee status, then you must decide whether it declined to grant them licenses under terms that are at least equivalent to the terms of the licenses Wi-LAN granted to other Wi-LAN licensees in bad faith.

## **2.26 DAMAGES—GENERALLY**

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<sup>88</sup> Wi-LAN contends that this instruction may become appropriate only if the court determines: (1) the covenant not to sue applies to the patents-in-suit, and (2) that bad faith, based on the reasonableness of a contract interpretation, is an issue to be resolved by the jury and not by the court alone. Wi-LAN does not concede any of these issues.

<sup>89</sup> Wi-LAN contends that this instruction may become appropriate only if the court determines: (1) the most-favored-licensee provision applies to after-acquired patents, such as the patents-in-suit, (2) determines that the most-favored-licensee provision does not require consideration of the similarly situated licensee provision or “more favorable rates,” and (3) that bad faith, based on the reasonableness of a contract interpretation, is an issue to be resolved by the jury and not by the court alone. Wi-LAN does not concede any of these issues.

I will now instruct you about the measure of damages. By instructing you on damages, I am not suggesting which party should win this case, on any issue. However, for purposes of answering this question, you should assume the patents are valid.

Wi-LAN seeks patent damages in the form of a reasonable royalty. Generally, a reasonable royalty is defined by the patent laws as the reasonable amount that someone wanting to use the patented invention should expect to pay to the patent owner and the owner should expect to receive. A damages award should put the patent owner in approximately the financial position it would have been in had the infringement not occurred. You may not add anything to the amount of damages to punish the infringer, or to set an example.

Wi-LAN has the burden to persuade you by a preponderance of the evidence that it suffered the damages it seeks. While Wi-LAN is not required to prove damages with mathematical precision, it must prove them with reasonable certainty. The patent owner is not entitled to damages that are remote or speculative.<sup>90,91</sup>

I will now instruct you on damages. If you find that Alcatel-Lucent, Ericsson, HTC, and/or Sony Mobile have infringed one or more valid claims of the asserted patents, you must determine the amount of money damages to compensate Wi-LAN for the infringement, if any. On the other hand, if you find that each of the asserted patent claims is either invalid or is not

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<sup>90</sup> VirnetX Charge § 7.0.

<sup>91</sup> Defendants object to this instruction as an incomplete and/or inaccurate statement of the law. In order to collect damages a defendant must infringe a valid patent. This instruction also fails to explain that the relevant time period to assess a reasonable royalty is just before the time of first alleged infringement. A reasonable royalty determined using a hypothetical negotiation must focus on the time period just before the time when the allegedly infringing sales first began. *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 76 (Fed. Cir. 2012) (“Indeed, the basic question posed in a hypothetical negotiation is: if, on the eve of infringement, a willing licensor and licensee had entered into an agreement instead of allowing infringement of the patent to take place, what would that agreement be?”).

infringed, then you need not address damages in your deliberations.<sup>92</sup> Even though I am instructing you on how you should measure damages, this should not be taken to mean that I believe that any of the Defendants has infringed any claim of the patents-in-suit or that any claim is valid. These are issues for you to resolve under the instructions I have given you. I am instructing you on damages only so that you will have guidance should you decide that Wi-LAN is entitled to recover.<sup>93</sup>

The amount of damages must be adequate to compensate Wi-LAN for the infringement of any claims that you have found to be valid and infringed. It may not be less than a “reasonable royalty.” At the same time, your damages determination must not include additional sums to punish Alcatel-Lucent, Ericsson, HTC, or Sony Mobile, or to set an example. You may award compensatory damages only for the loss that Wi-LAN proves are more likely true than not true caused by Alcatel-Lucent, Ericsson, Sony Mobile or HTC’s infringement. You cannot base your damages award on any evidence that is unrelated to the claimed inventions of the patents-in-suit.<sup>94</sup>

There are different types of damages that Wi-LAN may be entitled to recover. In this case, Wi-LAN seeks a reasonable royalty. A reasonable royalty is defined as the money amount the patent holder and the Defendants would have agreed upon as a fee for use of the invention at the time prior to when infringement began.<sup>95</sup>

## 2.27 DAMAGES—BURDEN OF PROOF

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<sup>92</sup> American Intellectual Property Law Association, AIPLA’s Model Patent Jury Instructions, at \*37 (2008).

<sup>93</sup> Fifth Circuit Pattern Jury Instructions – Civil § 9.7 (2006) (as modified).

<sup>94</sup> *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F. 3d 860, 866 (Fed. Cir. 2010) (“Any evidence unrelated to the claimed invention does not support compensation for infringement but punishes beyond the reach of the statute.”).

<sup>95</sup> *Model Patent Jury Instructions*, The Federal Circuit Bar Association, February 2012 § 6.1.

Where the parties dispute a matter concerning damages, it is Wi-LAN's burden to prove by a preponderance of the evidence (in other words, that it is more likely true than not true) that Wi-LAN's version is correct. Wi-LAN must prove the amount of damages with reasonable certainty, but need not prove the amount of damages with mathematical precision. However, Wi-LAN is not entitled to damages that are remote or speculative. The Defendants are not obligated to put on any evidence regarding what the amount of damages should be, if any.<sup>96 97</sup>

## 2.28 DAMAGES—WHEN DAMAGES BEGIN

The amount of damages Wi-LAN can recover from Ericsson and Sony Mobile is based on those acts of infringement by Ericsson or Sony Mobile that occurred after October 5, 2010.

For Alcatel-Lucent and HTC, however, the amount of damages Wi-LAN can recover, if any, is limited to those acts of infringement by Alcatel-Lucent or HTC that occurred after Wi-LAN gave such Defendant notice that it infringed the '326, '327, '819, and '211 patents. Notice of infringement can be actual or constructive, and I will explain in a moment what that means.

Actual notice means that Wi-LAN communicated to Alcatel-Lucent or HTC a specific charge of infringement of the patents-in-suit. This notice is effective as of the date given, which in this case is the day the lawsuit was filed.

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<sup>96</sup> NJIP Model Instructions 6.2; *Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co.*, 425 F.3d 1366, 1372–73 (Fed. Cir. 2005), *overruled on other grounds by Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc.*, 576 F.3d 1348 (Fed. Cir. 2009); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1164 (Fed. Cir. 1991); *ResQNet. com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 872 (Fed. Cir. 2010) (“The district court seems to have been heavily influenced by Lansa’s decision to offer no expert testimony to counter Dr. David’s [the plaintiff’s expert’s] opinion. But it was ResQNet’s burden, not Lansa’s, to persuade the court with legally sufficient evidence regarding an appropriate reasonable royalty. . . . As a matter of simple procedure, Lansa had no obligation to rebut until ResQNet met its burden with reliable and sufficient evidence.”).

<sup>97</sup> Wi-LAN objects because Defendants’ proposed instruction is already included in proposed instruction 2.26, *supra*.

Constructive notice means that Wi-LAN complied with the marking requirement of the patent law. “Marking” means that substantially all of the products made, offered for sale, or sold in the United States under the ’326, ’327, ’819, and ’211 patents (if any such products exist) are marked to display the word ‘patent’ or the abbreviation ‘pat.’, together with the number of the patents.

Only articles that are actually patented are required to be marked.<sup>98</sup> Therefore, Alcatel-Lucent and HTC first have the burden to show that the products made, offered for sale, or sold in the United States (if any) are patented articles. To do this, Alcatel-Lucent and HTC must show the products are covered under one or more of the ’326, ’327, ’819, or ’219 patents and are sold in the United States. If they do so,<sup>99</sup> Wi-LAN has the burden of establishing substantial compliance with the marking requirement or showing that there are no products practicing the invention made, offered for sale, sold, or imported in the United States.<sup>100</sup> To do so, Wi-LAN

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<sup>98</sup> *In re Katz Interactive Call Processing Litig.*, -- F. Supp. 2d ---, 2010 WL 8759122, at \*14 (C.D. Cal. May 14, 2010); *Unaya, Inc. v. Hewlett-Packard*, 2006 WL 5434534, at \*1 (C.D. Cal. Feb. 16, 2006); *Laitram Corp. v. Hewlett-Packard Co., Inc.*, 806 F. Supp. 1294, 1296–1297 (E.D. La. 1992).

<sup>99</sup> Defendants object to this instruction as an inaccurate and/or incomplete statement of the law. The burden of proof related to 35 U.S.C. § 287 lies with the patent holder. This includes proving that the patentee is not subject to marking requirements. *Soverain Software LLC v. Amazon.com, Inc.*, 383 F. Supp. 2d 904, 908 (E.D. Tex. 2005) (“The patentee bears the burden of proving compliance with the marking statute by a preponderance of the evidence.”); *see also WiAV Solutions LLC v. Motorola, Inc.*, 732 F. Supp. 2d 634, 640 (E.D. Va. 2010) (“Moreover, the law is clear that the patentee bears the burden of showing compliance with the marking statute. . . . This includes the burden of showing that the patentee is not subject to the requirements of § 287(a).”); *DR Sys., Inc. v. Eastman Kodak Co.*, 08-CV-0669H(BLM), 2009 WL 2632685, at \*4 (S.D. Cal. Aug. 24, 2009) (“In fighting over the burden of proof, neither party has adduced significant evidence regarding the existence of specific unmarked products embodying the ’811 Patent. However, because the Court concludes that it was Kodak’s burden to produce such evidence, Kodak’s failure to do so warrants summary judgment limiting damages.”).

<sup>100</sup> *Soverain Software LLC v. Amazon.com, Inc.*, 383 F. Supp. 2d 904, 908 (E.D. Tex. 2005) (“The patentee bears the burden of proving compliance with the marking statute by a preponderance of the evidence.”); *see also WiAV Solutions LLC v. Motorola, Inc.*, 732 F. Supp. 2d 634, 640 (E.D. Va. 2010) (“Moreover, the law is clear that the patentee bears the burden of

must show it is more probable than not that substantially all of the products it made, offered for sale, or sold (if any) in the United States under the '326, '327, '819, and '211 patents were marked, and that Wi-LAN made reasonable efforts to ensure that its licensees who made, offered for sale, or sold products (if any) under the '326, '327, '819, and '211 patents marked substantially all of their products. Substantial compliance with the marking requirement is satisfied if Wi-LAN's licensees marked at least 95% of their products with the '326, '327, '819 and '211 patents.

Your job is to calculate damages from the date Alcatel-Lucent and HTC received either actual or constructive notice, whichever was first. You should not award damages for any infringement by Alcatel-Lucent or HTC occurring before they first received notice of the patents. If Wi-LAN does not prove notice by a preponderance of the evidence then you should use the date Wi-LAN filed its lawsuit as the start of the damages period: October 5, 2010.<sup>101</sup> However, if you find that neither Wi-LAN nor its licensees sold products in the United States that are covered by the patents-in-suit, damages begin without the requirement for actual or constructive notice (that is, damages for Alcatel-Lucent and HTC begin at the first act of infringement).<sup>102</sup>

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showing compliance with the marking statute. . . . This includes the burden of showing that the patentee is not subject to the requirements of § 287(a).”); *DR Sys., Inc. v. Eastman Kodak Co.*, 08-CV-0669H(BLM), 2009 WL 2632685, at \*4 (S.D. Cal. Aug. 24, 2009) (“In fighting over the burden of proof, neither party has adduced significant evidence regarding the existence of specific unmarked products embodying the '811 Patent. However, because the Court concludes that it was Kodak’s burden to produce such evidence, Kodak’s failure to do so warrants summary judgment limiting damages.”); *Dunlap v. Schofield*, 152 U.S. 244, 248 (1894); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111-12 (Fed. Cir. 1996).

<sup>101</sup> Adapted from NJIP Model Instruction 6.3.

<sup>102</sup> Defendants object to the instruction as it is an incomplete and/or inaccurate statement of the law. Wi-LAN bears the burden of proof to show that it has met the requirements of 35 U.S.C. § 287. In addition, the marking statute applies to those products that are offered for sale, made, or imported into the United States, as well as those products that are sold in the United States. 35 U.S.C. § 287.

## 2.29 DAMAGES—MULTIPLE DEFENDANTS

You must not award compensatory damages more than once for the same injury. For example, if Wi-LAN prevails on two patents and establishes a dollar amount for its injuries, you must not award Wi-LAN any additional compensatory damages on each patent. Wi-LAN is only entitled to be made whole once, and may not recover more than it has lost.<sup>103</sup>

You **should**<sup>104</sup> **may** impose damages for infringement of a claim solely upon the Defendant or Defendants that you find are liable on that claim. Although there are four Defendants in this case, it does not necessarily follow that if one is liable, all or any of the others also are liable. Each Defendant is entitled to fair, separate and individual consideration of his case without regard to your decision as to the other Defendants. If you find that only one Defendant is responsible for infringement, then you must award damages for that infringement only against that Defendant.<sup>105</sup>

## 2.30 REASONABLE ROYALTY—DEFINITION

A royalty is a payment made to a patent holder in exchange for rights to make, use, offer to sell, sell, or import the claimed invention. A reasonable royalty is the payment that would have resulted from a negotiation between a patent holder and the infringer taking place just

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<sup>103</sup> Wi-LAN objects that defendants' proposed instruction is unnecessarily confusing.

<sup>104</sup> Defendants object to this instruction as an incomplete and/or inaccurate statement of the law. *Minco, Inc. v. Combustion Eng'g, Inc.*, 95 F.3d 1109, 1121 (Fed. Cir. 1996) (“Minco has the burden of proving the amount, if any, of its entitlement.”); *Lindemann Maschinenfabrik GmbH v. Am. Hoist & Derrick Co., Harris Press & Shear Div.*, 895 F.2d 1403, 1407 (Fed. Cir. 1990) (“As above indicated, the statute obviates the need to show the fact of damage when infringement is admitted or proven, but that does not mean that a patentee who puts on little or no satisfactory evidence of a reasonable royalty can successfully appeal on the ground that the amount awarded by the court is not ‘reasonable’ and therefore contravenes section 284.”); *Devex Corp. v. Gen. Motors Corp.*, 667 F.2d 347, 363 (3d Cir. 1981) *aff'd*, 461 U.S. 648, 103 S. Ct. 2058, 76 L. Ed. 2d 211 (1983) (“The statute requires the award of a reasonable royalty, but to argue that this requirement exists even in the absence of any evidence from which a court may derive a reasonable royalty goes beyond the possible meaning of the statute.”).

<sup>105</sup> Adapted from Fifth Circuit Model Instruction 15.14.

before the time when the infringing sales first began. In this case, for Alcatel-Lucent, Ericsson, and HTC, the patent holder at that time was Airspan Networks, Inc., so the hypothetical negotiation is between those Defendants and Airspan Networks, Inc. The parties agree that the hypothetical negotiation takes place in 2005 for Alcatel-Lucent and Ericsson and in 2008 for HTC. The patent holder at the time Sony Mobile's first allegedly infringing sales began in 2009 was Wi-LAN. Accordingly, Sony Mobile's hypothetical negotiation took place in 2009 between Wi-LAN and Sony Mobile. In considering the nature of these negotiations, the focus is on what the expectations of the patent holder and infringer would have been had they entered into an agreement at that time and acted reasonably in their negotiations. However, **only for purposes of this hypothetical negotiation**, you must assume that both parties believed the patent was valid and infringed. In addition, you must assume that patent holder and infringer were willing to enter into an agreement; your role **in arriving at a reasonable royalty** is to determine what that agreement would have been. The test for damages is what royalty would have resulted from the hypothetical negotiation and not simply what either party would have preferred.

**In this trial you have heard evidence of things that happened after the infringement began. That evidence can be considered to the extent that the evidence aids in your assessing what royalty would have resulted from a hypothetical negotiation. Such evidence that you may consider in assessing a reasonable royalty resulting from a hypothetical negotiation includes the negotiators' knowledge at the time of the hypothetical negotiation, based on their knowledge and experience, as well as certain future events, such as the extent to which any Defendant made use**

of the invention after the patent that was infringed issued, that the negotiators would have found relevant to their negotiation.<sup>106107</sup>

The list below includes factors that you may consider. This list does not include every possible factor, but it will give you an idea of the kinds of things that normally prudent business people would consider in negotiating the hypothetical license:

- Licenses or offers to license the patent at issue in this case;
- Licenses involving comparable patents;
- The licensing history of the parties;
- Licensing practices in the relevant industry;
- Whether the patent owner had an established policy of refusing to license the patent at issue;
- The relationship between the patent owner and alleged infringer, including whether or not they are competitors;
- The significance of the patented technology in promoting sales of the alleged infringer's products and earning it profit;
- Alternatives to the patented technology and advantages provided by the patented technology relative to the alternatives;
- The portion of the alleged infringer's profit that should be credited to the invention as distinguished from nonpatented features, improvements or contributions;

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<sup>106</sup> CEATS Charge § 6.4; VirnetX Charge § 7.1; FBA Model Instructions 6.6; AIPLA 2012 Model Instructions § 11.1 (as modified).

<sup>107</sup> Defendants object to this instruction as an incomplete and/or inaccurate statement of the law. This instruction is not found in the NJIP Model Instructions cited by Wi-LAN. That instruction properly focuses on the time period “just before the time when the infringing sales first began.” NJIP Model Instruction 6.6. *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 76 (Fed. Cir. 2012) (“Indeed, the basic question posed in a hypothetical negotiation is: if, on the eve of infringement, a willing licensor and licensee had entered into an agreement instead of allowing infringement of the patent to take place, what would that agreement be?”).

- Any other economic factor that a normally prudent businessperson would, under similar circumstances, take into consideration in negotiating the hypothetical license.

In considering the opinion testimony of qualified experts and other evidence of a reasonable royalty, you are not required to accept one specific figure or another for the reasonable royalty. You are entitled to determine what you consider to be a reasonable royalty based upon your consideration of all of the evidence presented by the parties, whether that evidence is of a specific figure or a range of figures.<sup>108,109</sup>

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

(1) The royalties received by the patentee for the licensing of the patents-in-suit, proving or tending to prove an established royalty. Note, however, that the licenses a party relies on in proving damages must be sufficiently technically and economically comparable to the hypothetical license at issue here.<sup>110</sup> A party cannot rely on license agreements that are radically

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<sup>108</sup> CEATS Charge § 6.4; VirnetX Charge § 7.1; FBA Model Instructions 6.6; AIPLA 2012 Model Instructions § 11.1 (as modified).

<sup>109</sup> Defendants object to this instruction as an incomplete and/or inaccurate statement of the law. This instruction is not found in the NJIP Model Instructions cited by Wi-LAN. Moreover, it is Wi-LAN's burden to prove damages by a preponderance of the evidence.

<sup>110</sup> *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1316 (Fed. Cir. 2011) (“The court noted that the ‘licenses relied on by the patentee in proving damages [must be] sufficiently comparable to the hypothetical license at issue in suit.’”) (quoting *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1325 (Fed. Cir. 2009)). *see also*, *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 77, 80 (Fed. Cir. 2012); *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1316–17 (Fed. Cir. 2011), *reh'g denied* (Mar. 22, 2011); *Wordtech Sys., Inc v. Integrated Networks Solutions, Inc.*, 609 F.3d 1308, 1319–20 (Fed. Cir. 2010) (“We concluded that four of the eight licenses, though lump-sum agreements, were not ‘sufficiently comparable’ because they arose from divergent circumstances and covered different material. We rejected the remaining four licenses, which contained running royalties, because the patentee provided no basis for comparing those running royalties to the jury's lump-sum award. Similarly, in *ResQNet.com, Inc. v. Lansa, Inc.* (decided after argument in this case), we overturned a running royalty verdict based on seven licenses, ‘five of which had no relation to the claimed invention,’ and the other

different from the hypothetical agreement under consideration to determine a reasonable royalty.<sup>111</sup>

(2) The rates paid by the licensee for the use of other patents comparable to the patent-in-suit.

(3) The nature and scope of the license, as exclusive or nonexclusive, or as restricted or nonrestricted in terms of territory or with respect to whom the manufactured product may be sold.

(4) The licensor's established policy and marketing program to maintain his or her patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly.

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two of which arose from litigation. 594 F.3d 860, 870 (Fed. Cir. 2010). We stressed that comparisons of past patent licenses to the infringement must account for ‘the technological and economic differences’ between them.”); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869, 871–72 (Fed. Cir. 2010) (“By its terms, this factor considers only past and present licenses to the actual patent and the actual claims in litigation. This court has long required district courts performing reasonable royalty calculations to exercise vigilance when considering past licenses to technologies other than the patent in suit. . . . The first Georgia–Pacific factor, which Dr. David found to be controlling and which the district court in turn adopted, must consider licenses that are commensurate with what the defendant has appropriated. If not, a prevailing plaintiff would be free to inflate the reasonable royalty analysis with conveniently selected licenses without an economic or other link to the technology in question.”); *Lucent Technologies, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1326–31 (Fed. Cir. 2009) (“Lucent had the burden to prove that the licenses were sufficiently comparable to support the lump-sum damages award. The law does not require an expert to convey all his knowledge to the jury about each license agreement in evidence, but a lump-sum damages award cannot stand solely on evidence which amounts to little more than a recitation of royalty numbers, one of which is arguably in the ballpark of the jury's award, particularly when it is doubtful that the technology of those license agreements is in any way similar to the technology being litigated here.”).

<sup>111</sup> *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1316 (Fed. Cir. 2011) (“[T]his court determined that a patentee could not rely on license agreements that were radically different from the hypothetical agreement under consideration to determine a reasonable royalty.” (internal quotation marks and citation omitted)).

(5) The commercial relationship between the licensor and licensee, such as whether they are competitors in the same territory in the same line of business, or whether they are inventor and promoter.

(6) The effect of selling the patented specialty in promoting sales of other products of the licensee, the existing value of the invention to the licensor as a generator of sales of his nonpatented items, and the extent of such derivative or conveyed sales.

(7) The duration of the patent and the term of the license.

(8) The established profitability of the product made under the patents, its commercial success, and its current popularity.

(9) The utility and advantages of the patented property over the old modes or devices, if any, that had been used for working out similar results.

(10) The nature of the patented invention, the character of the commercial embodiment of it as owned and produced by the licensor, and the benefits to those who have used the invention.

(11) The extent to which the infringer has made use of the invention and any evidence probative of the value of that use.

(12) The portion of the profit or of the selling price that may be customary in the particular business or in comparable business to allow for the use of the invention or analogous inventions.

(13) The portion of the realizable profits that should be credited to the invention as distinguished from nonpatented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer.

(14) The opinion and testimony of qualified experts.

(15) The amount that a licensor (such as the patentee) and a licensee (such as the infringer) would have agreed upon (at the time the infringement began) if both had been reasonably and voluntarily trying to reach an agreement; that is, the amount which a prudent licensee—who desired, as a business proposition, to obtain a license to manufacture and sell a particular article embodying the patented invention—would have been willing to pay as a royalty and yet be able to make a reasonable profit and which amount would have been acceptable by a prudent patentee who was willing to grant a license.

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

If you have found that one or more Defendant has infringed a valid patent, you must determine the reasonable royalty for that Defendant or Defendants separately.<sup>112</sup>

### 2.31 HYPOTHETICAL NEGOTIATION—LICENSE COMPARABILITY<sup>113</sup>

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<sup>112</sup> *Model Patent Jury Instructions*, The Federal Circuit Bar Association, February 2012 § 6.7 (as modified).

<sup>113</sup> Alcatel-Lucent and HTC propose including this instruction on License Comparability; Wi-LAN objects. Should the court choose to instruct the jury on license comparability, Wi-LAN contends that its additions render the instruction a more correct and complete statement of the law.

In order to consider any a license to patents other than the patents-in-suit<sup>114</sup> as the basis for a reasonable royalty that would have been considered by the parties to a hypothetical negotiation agreed upon at the hypothetical negotiation, the license must be comparable to the license that a Defendant and the patent holder would have agreed to at the time of the hypothetical negotiation. The party seeking to use the such a license bears the burden of proving comparability. Factors you may use to determine if a license is comparable include: (1) whether the technology covered by the patent(s) in the license agreement is comparable to the technology claimed by the patents-in-suit, (2) whether the structure of the license is comparable to the structure of the hypothetical negotiation license agreement, (3) whether the scope of the license—including timing, geography, and the number of patents—is comparable to the scope of the license that would result from the hypothetical negotiation, (4) whether the license was between two parties with a relationship similar to the relationship between the patent holder and the Defendant at the time of the hypothetical negotiation, and (5) the time period when the license was entered into relative to the timing of the hypothetical negotiation.<sup>115</sup>

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<sup>114</sup> Defendants object to this modification as an inaccurate and incomplete statement of the law. An agreement must still be comparable even if it includes a license to the patents-in-suit. *See, e.g., Wordtech Sys., Inc v. Integrated Networks Solutions, Inc.*, 609 F.3d 1308, 1319-20 (Fed. Cir. 2010) (noting that licenses that included the patents-in-suit were not comparable for use in the hypothetical negotiation).

<sup>115</sup> *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 77, 80 (Fed. Cir. 2012); *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1316–17 (Fed. Cir. 2011), *reh'g denied* (Mar. 22, 2011); *Wordtech Sys., Inc v. Integrated Networks Solutions, Inc.*, 609 F.3d 1308, 1319–20 (Fed. Cir. 2010) (“We concluded that four of the eight licenses, though lump-sum agreements, were not ‘sufficiently comparable’ because they arose from divergent circumstances and covered different material. We rejected the remaining four licenses, which contained running royalties, because the patentee provided no basis for comparing those running royalties to the jury’s lump-sum award. Similarly, in *ResQNet.com, Inc. v. Lansa, Inc.* (decided after argument in this case), we overturned a running royalty verdict based on seven licenses, ‘five of which had no relation to the claimed invention,’ and the other two of which arose from litigation. 594 F.3d 860, 870 (Fed. Cir. 2010). We stressed that comparisons of past patent licenses to the infringement must account for ‘the technological and economic differences’ between them.”); *ResQNet.com, Inc. v.*

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*Lansa, Inc.*, 594 F.3d 860, 869, 871–72 (Fed. Cir. 2010) (“By its terms, this factor considers only past and present licenses to the actual patent and the actual claims in litigation. This court has long required district courts performing reasonable royalty calculations to exercise vigilance when considering past licenses to technologies other than the patent in suit. . . . The first Georgia–Pacific factor, which Dr. David found to be controlling and which the district court in turn adopted, must consider licenses that are commensurate with what the defendant has appropriated. If not, a prevailing plaintiff would be free to inflate the reasonable royalty analysis with conveniently selected licenses without an economic or other link to the technology in question.”); *Lucent Technologies, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1326–31 (Fed. Cir. 2009) (“Lucent had the burden to prove that the licenses were sufficiently comparable to support the lump-sum damages award. The law does not require an expert to convey all his knowledge to the jury about each license agreement in evidence, but a lump-sum damages award cannot stand solely on evidence which amounts to little more than a recitation of royalty numbers, one of which is arguably in the ballpark of the jury’s award, particularly when it is doubtful that the technology of those license agreements is in any way similar to the technology being litigated here.”).

## 2.32 ENTIRE MARKET VALUE OR ROYALTY BASE

The general rule is that a reasonable royalty must be based not on the value of the entire product, but instead on the smallest salable patent-practicing unit in the product. A narrow exception to this general rule is called the entire market value rule. In order to apply the entire market value rule and consider the overall revenues associated with an accused product, Wi-LAN must prove that the patented feature constitutes the basis for customer demand for the entire product. That is, the entire value of the whole product as a marketable article must be properly and legally attributable to the patented feature in order to base damages on the value of the entire product. It is not enough to merely show that the patented feature is viewed as valuable, important, or even essential to the product. Nor is it enough to show that product without the patented feature would be commercially unviable. Instead, Wi-LAN must prove that the patented feature constitutes the basis for customer demand for the entire product. If Wi-LAN cannot meet this test, you may not award damages as a percentage of revenues or profits attributable to the entire product.

If the entire market value rule is not met, a royalty must be based on the smallest salable patent-practicing unit, and Wi-LAN must provide evidence tending to separate or apportion the Defendants' profits and Wi-LAN's damages between the patented feature and unpatented features, and such evidence must be reliable and tangible, and not conjectural or speculative. Any evidence of a reasonable royalty must carefully tie proof of damages to the claimed invention's footprint in the market place.<sup>116</sup>

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<sup>116</sup> *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 67–68 (Fed. Cir. 2012); *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1318–21 (Fed. Cir. 2011), *reh'g denied* (Mar. 22, 2011); *Lucent Technologies, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1336–37 (Fed. Cir. 2009);

In determining a royalty base, you should not use the value of an entire apparatus or product unless: (1) the patented feature creates the basis for customers' demand for the product, or the patented feature substantially creates the value of the other component parts of the product; (2) the product in question constitutes the smallest saleable unit containing the patented feature;<sup>117</sup> or (3) where it is “economically justified.”<sup>118</sup>

Use of the entire apparatus or base may be “economically justified” where the evidence shows that the licensing practices of the parties is to award a royalty based upon either the sales price or number of units sold of the licensed product.<sup>119</sup> <sup>120</sup>

### 2.33 NON-INFRINGEMENT ALTERNATIVES

In determining a reasonable royalty, you may consider whether or not the Defendants found to infringe had commercially acceptable non-infringing alternatives to taking a license

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*Mirror Worlds, LLC v. Apple, Inc.*, 784 F. Supp. 2d 703, 724, 726–27 (E.D. Tex. 2011), *aff'd sub nom. Mirror Worlds, LLC v. Apple Inc.*, 692 F.3d 1351 (Fed. Cir. 2012), and appeal dismissed in part, 439 F. App'x 908 (Fed. Cir. 2011); *IP Innovation L.L.C. v. Red Hat, Inc.*, 705 F. Supp. 2d 687, 689–91 (E.D. Tex. 2010) (C.J. Rader sitting by designation); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869 (Fed. Cir. 2010) (“the trial court must carefully tie proof of damages to the claimed invention’s footprint in the market place”).

<sup>117</sup> VirnetX Charge § 7.3

<sup>118</sup> *Mondis Tech., Ltd. v. LG Elect., Inc.*, Nos. 2:07-CV-565-TJW-CE & 2:08-CV-4789-TJW, 2011 WL2417367, at \*3 (E.D.Tex. June 14, 2011).

<sup>119</sup> *Id.*

<sup>120</sup> Defendants object to this instruction as an inaccurate statement of the law. Defendants are aware of no Federal Circuit case law allegedly recognizing an “exception” to the requirements of the entire market value rule based on “standard industry licensing practices,” nor does Plaintiff cite any such authority. Indeed, Federal Circuit case law sets forth a stringent test for meeting EMVR and provides no exception to that test.” *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 70 (Fed. Cir. 2012); *see also Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1321 (Fed. Cir. 2011), *reh'g denied* (Mar. 22, 2011).

from Wi-LAN that were available at or before the time of the hypothetical negotiation and whether that would have affected the reasonable royalty the parties would have agreed upon.<sup>121</sup>

A noninfringing substitute is available if Alcatel-Lucent, Ericsson, HTC, and/or Sony Mobile had all the necessary equipment, materials, know-how, and experience to design and manufacture the substitute and sell the substitute instead of its infringing product at the time the infringing product was sold. The substitute also must be acceptable to the specific purchasers of the infringing products, not the public in general.

The test is whether buyers of the accused products bought the infringing products because of the patented features. If so, non-infringing products without those patented features would not be “acceptable non-infringing substitutes,” even if they could compete in the marketplace with the patented products.<sup>122</sup>

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<sup>121</sup> *Bedrock Computer Techs., LLC v. Google, Inc.*, Civil Action No. 09-CV-269-LED (E.D. Tex. April 15, 2011) (Jury Charge Dkt. No. 745); *see also Riles v. Shell Exploration and Production Co.*, 298 F.3d 1302, 1312 (Fed. Cir. 2002) (“Thus, under the constraints of the hypothetical negotiation, the market could not award Riles a royalty for his method divorced of all relation to a potential non-infringing alternative method. The economic relationship between the patented method and non-infringing alternative methods, of necessity, would limit the hypothetical negotiation.”); *Zygo Corp. v. Wyko Corp.*, 79 F.3d 1563, 1571–72 (Fed. Cir. 1996) (“Wyko would have been in a stronger position to negotiate for a lower royalty rate knowing it had a competitive noninfringing device ‘in the wings.’”). If this paragraph is included without the two following paragraphs proposed by Wi-LAN, Wi-LAN objects that this paragraph, taken alone, is an incomplete and/or inaccurate statement of the law.

<sup>122</sup> FBA Model Instructions 6.2; *Am. Seating Co. v. USSC Grp.*, 514 F.3d 1262, 1270 (Fed. Cir. 2008) (“[A] non-infringing replacement product is not considered a substitute unless it is acceptable to all purchasers of the infringing product. . . . [B]uyers must view the substitute as equivalent to the patented device.”) (internal citations omitted); *Standard Havens Prods., Inc. v. Gencor Indus.*, 953 F.2d 1360, 1373 (Fed. Cir. 1991); *SmithKline Diagnostics, Inc. v. Helena Lab. Corp.*, 926 F.2d 1161, 1166 (Fed. Cir. 1991). Defendants object to this instruction as an inaccurate and/or incomplete statement of the law. An accused infringer may present evidence of its “next best alternative” to the patented technology. Wi-LAN’s instruction also excludes portions of the FBA Model Instruction 6.2 which explain that the realities of the market place determine if an alternative is acceptable. FBA Model Instructions 6.2; *SmithKline Diagnostics, Inc. v. Helena Laboratories Corp.*, 926 F.2d 1161, 1166 (Fed. Cir. 1991) (“SKD argues in effect that the noninfringing products lacked one or more features of the patented invention and,

### 2.34 NATURE OF THE MARKET

Proof of patent damages requires sound economic proof on the nature of the market and likely outcomes with infringement factored out of the economic picture. Any evidence unrelated to the claimed invention does not support compensation for infringement but punishes beyond the reach of the patent statute. Any damages analysis requires sound economic and factual predicates.<sup>123</sup> <sup>124</sup>

### 2.35 INSTRUCTIONS FOR DELIBERATIONS

You must perform your duties as jurors without bias or prejudice as to any party. The law does not permit you to be controlled by sympathy, prejudice, or public opinion. All parties expect that you will carefully and impartially consider all the evidence, follow the law as it is now being given to you, and reach a just verdict, regardless of the consequences. It is your sworn duty as jurors to discuss the case with one another in an effort to reach agreement if you

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therefore, would not be deemed part of the market. However, by definition, noninfringing products do not represent an embodiment of the invention. Thus, the district court properly considered the realities of the marketplace in connection with an assertion that ‘but for’ the infringing activities, the patent owner would have made the sales.”); *Grain Processing Corp. v. Am. Maize-Products Co.*, 185 F.3d 1341, 1351 (Fed. Cir. 1999) (“Thus, an accurate reconstruction of the hypothetical ‘but for’ market takes into account any alternatives available to the infringer.”).

<sup>123</sup> *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869 (Fed. Cir. 2010) (“Thus, the trial court must carefully tie proof of damages to the claimed invention’s footprint in the market place. . . Any evidence unrelated to the claimed invention does not support compensation for infringement but punishes beyond the reach of the statute.”); *Grain Processing Corp. v. American Maize-Products Co.*, 185 F.3d 1341, 1350 (Fed. Cir. 1999) (“To prevent the hypothetical from lapsing into pure speculation, this court requires sound economic proof of the nature of the market and likely outcomes with infringement factored out of the economic picture.”); *Riles v. Shell Exploration & Prod. Co.*, 298 F.3d 1302, 1312 (Fed. Cir. 2002) (“[T]he market would pay [the patentee] only for his product.... [The patentee’s damages] model [does not support the award because it] does not associate [the] proposed royalty with the value of the patented method at all, but with the unrelated cost of the entire Spirit platform.”); *Riles v. Shell Exploration & Prod. Co.*, 298 F.3d 1302, 1311 (Fed. Cir. 2002) (“This analysis, in turn, requires sound economic and factual predicates.”).

<sup>124</sup> Wi-LAN objects because this instruction is vague and unnecessarily confusing.

can do so. Each of you must decide the case for yourself, but only after full consideration of the evidence with the other members of the jury. While you are discussing the case, do not hesitate to re-examine your own opinion and change your mind if you become convinced that you are wrong. However, do not give up your honest beliefs solely because the others think differently, or merely because you want to finish the case.

Remember that in a very real way you are the judges—judges of the facts. Your only interest is to seek the truth from the evidence in the case, and provide a just and fair verdict. You should consider and decide this case as a dispute between persons of equal standing in the community, of equal worth, and holding the same or similar stations in life. A corporation is entitled to the same fair trial as a private individual. All persons, including corporations, and other organizations stand equal before the law and are to be treated as equals.

Now, when you retire to the jury room to deliberate, you will take with you this charge document that I have been referring to, the exhibits that the Court has admitted into evidence, and the verdict form that you must answer. You should select your Foreperson and conduct your deliberations. Your answers to the questions, and your verdict, must be unanimous. If you recess during your deliberations, follow all of the instructions that I have given you before concerning your conduct during the trial.

After you have reached your unanimous verdict, your Foreperson must fill in your answers to the written questions and sign and date the verdict form. Return this charge document, together with your written answers to the questions. Unless I direct you otherwise, do not reveal your answers until such time as you are discharged. You must never disclose to anyone, not even to me, your numerical division on any question.

If you want to communicate with me at any time, please give a written message to the bailiff, who will bring it to me. I will then respond as promptly as possible, either in writing or by meeting with you in the courtroom. I will always first show the attorneys your question and my response before I answer your question.

After you have reached a verdict, you are not obligated to talk with anyone about the case unless I order you to do so.

You may now retire to the jury room to conduct your deliberations.<sup>125</sup>

### **3 PROPOSED EXHIBITS**

#### **3.1 Wi-LAN'S PROPOSED EXHIBIT 1**

Wi-LAN contends that the products made, used, sold, offered for sale, or imported into the United States by Alcatel-Lucent infringe the patent claims listed above: Alcatel-Lucent 9300 W-CDMA Node B Products, Alcatel-Lucent 9311 Macro Node B, Alcatel-Lucent 9326 Digital 2U Base Band Unit, Alcatel-Lucent 9360 Small Cell, Alcatel-Lucent 9361 Home Cell, Alcatel-Lucent 9362 Enterprise Cell, Alcatel-Lucent 9362 Enterprise Cell 2100, Alcatel-Lucent 9363 Metro Cell Indoor, Alcatel-Lucent 9364 Metro Cell Outdoor, and Alcatel-Lucent 9926 Digital 2U Node B.

#### **3.2 Wi-LAN'S PROPOSED EXHIBIT 2**

Wi-LAN contends that the following products made, used, sold, offered for sale, or imported into the United States by Ericsson infringe the patent claims listed above: RBS 3000 and RBS 6000 base station products.

#### **3.3 Wi-LAN'S PROPOSED EXHIBIT 3**

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<sup>125</sup> *Fractus S.A. v. Samsung Electronics Co.*, Civil Action No. 6:09-CV-203 (Jury Charge Dkt. No. 997); Fifth Circuit Pattern Instructions 2.11, 2.12, 3.1.

Wi-LAN contends that the following products made, used, sold, offered for sale, or imported into the United States by HTC infringe the patent claims listed above: HTC Amaze 4G, HTC Aria, HTC Dash 3G, HTC Desire, HTC Evo Design 4G, HTC Freestyle, HTC G1, HTC G2, HTC HD2, HTC HD7, HTC HD7 S, HTC Hero S, HTC Imagio, HTC Inspire 4G, HTC Jetstream, HTC Legend, HTC myTouch 3G, HTC myTouch 3G Slide, HTC myTouch 4G, HTC myTouch 4G Slide, HTC One S, HTC One X, HTC Pure, HTC Radar, HTC Radar 4G, HTC Sensation, HTC Sensation 4G, HTC Shift, HTC Status, HTC Surround, HTC Tilt2, HTC Titan, HTC Titan II, HTC Touch Cruise, HTC Touch Diamond2, HTC Touch Pro2, HTC Vivid, and HTC Wildfire S.

### **3.4 Wi-LAN'S PROPOSED EXHIBIT 4**

Wi-LAN contends that the following products made, used, sold, offered for sale, or imported into the United States by Sony Mobile infringe the patent claims listed above: Sony Mobile Aino, Sony Mobile Aspen, Sony Mobile Cedar, Sony Mobile Equinox, Sony Mobile G705a, Sony Mobile Live with Walkman, Sony Mobile Naite, Sony Mobile Satio, Sony Mobile T707, Sony Mobile Vivaz, Sony Mobile Vivaz Pro, Sony Mobile W508, Sony Mobile W518a, Sony Mobile Xperia active, Sony Mobile Xperia arc, Sony Mobile Xperia arc S, Sony Mobile Xperia ion, Sony Mobile Xperia mini, Sony Mobile Xperia mini pro, Sony Mobile Xperia neo, Sony Mobile Xperia neo V, Sony Mobile Xperia Play, Sony Mobile Xperia Play 4G, Sony Mobile Xperia pro, Sony Mobile Xperia Pureness, Sony Mobile Xperia ray, Sony Mobile Xperia X2a, Sony Mobile Xperia X8, Sony Mobile Xperia X10, Sony Mobile Xperia X10 mini, and Sony Mobile Yari.

### 3.5 WI-LAN'S PROPOSED EXHIBIT A

During your deliberations, you must apply these meanings:

Wireless link means “a radio connection between a central terminal and a particular subscriber terminal for communicating data items therebetween.”

Orthogonal codes means “codes that cross-correlate to zero.”

Orthogonal channels means “a set of channels created using orthogonal codes.”

Time Division Multiplexing (TDM) Techniques means “techniques for allocating an interval of time within a predetermined frame period to a data item, based on one or more characteristics associated with the data item.”

Time slot means “an interval of time.”

TDM encoder means “hardware and/or software for applying TDM techniques.”

TDM decoder means “hardware and/or software for extracting a data item from a channel that has been encoded using TDM techniques.”

Overlay code means “an additional code that subdivides an orthogonal channel.”

The phrase selectively designate one or more of said traffic channels as locked channels means “make one or more data channels unavailable for transmission.”

The following clause used in claim 6 of the '326 patent is in a special form called a means-plus-function clause: channelisation means for determining which of the orthogonal channels will be subject to TDM techniques, and for transmitting that information to a plurality of subscriber terminals within the wireless telecommunication system. This clause requires a special interpretation. Those words cover the structure described in the patent specification and drawings, as well as equivalents of the structure. That structure is: “Figure 17. A modem shelf including a demand assignment engine connected to a network and one or more modems, the demand assignment engine determining which of the orthogonal channels will be subject to

TDM techniques using the algorithm (1) consider whether the subscriber terminal to which data will be transmitted incorporates the features necessary to support TDM techniques; (2) consider the type of data that is to be transmitted in an orthogonal channel; and (3) if the subscriber terminal supports TDM techniques and the data type is one for which TDM techniques should be applied, then apply TDM techniques (otherwise do not).” The function performed by that structure, or its equivalents, is: “determining which of the orthogonal channels will be subject to TDM techniques and transmitting that information to a plurality of subscriber terminals within the wireless telecommunication system.”

The following clause used in claim 7 of the '326 patent is in a special form called a means-plus-function clause: channelisation means for determining, for those orthogonal channels subject to TDM techniques, how many time slots will be provided within each orthogonal channel. This clause requires a special interpretation. Those words cover the structure described in the patent specification and drawings, as well as equivalents of the structure. That structure is “a demand assignment engine connected to a network and one or more modems [where] the demand assignment engine determin[es] how many time slots will be provided within each orthogonal channel using the algorithm: (1) consider the type of data that is to be transmitted in an orthogonal channel, and (2) choose a suitable number of time slots to provide within the orthogonal channel to achieve an acceptable data rate.” The function performed by that structure is “determining, for those orthogonal channels subject to TDM techniques, how many time slots will be provided within each orthogonal channel.”<sup>126</sup>

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<sup>126</sup> Defendants object to Wi-LAN’s inclusion of extraneous, incorrect language not included in the Court’s construction of the disputed terms.

### 3.6 DEFENDANTS' PROPOSED EXHIBIT A<sup>127</sup>

Claim Term	Court's Construction
"orthogonal codes"	"codes that cross-correlate to zero"
"orthogonal channel"	"a set of channels created using orthogonal codes"
"time division multiplexing (TDM) techniques"	"techniques for allocating an interval of time within a predetermined frame period to a data item, based on one or more characteristics associated with the data item"
"time slot"	"an interval of time"
"TDM encoder"	"hardware and/or software for applying TDM techniques"
"TDM decoder"	"hardware and/or software for extracting a data item from a channel that has been encoded using TDM techniques"
"overlay code"	"an additional code that subdivides an orthogonal channel"
"selectively designate one or more of said traffic channels as locked channels"	"make one or more data channels unavailable for transmission"
"wireless link"	"a radio connection between a central terminal and a particular subscriber terminal for communicating data items therebetween"
"subscriber terminal"	The Court has not interpreted this term, so you must give it its ordinary and accustomed meaning as understood by one of ordinary skill in the art. You are instructed, however, that each of the Asserted Claims includes a limitation requiring a subscriber terminal.
<b>Means-Plus-Function Requirements</b>	
Claim 6, '326 Patent: "channelisation means for determining which of the orthogonal"	Function: determining which of the orthogonal channels will be subject to TDM techniques

<sup>127</sup> Plaintiff objects to Defendants' inclusion of extraneous, incorrect language not included in the Court's construction of the disputed terms.

<p>channels will be subject to TDM techniques and for transmitting that information to a plurality of subscriber terminals within the wireless telecommunication system”</p>	<p>and transmitting that information to a plurality of subscriber terminals within the wireless telecommunication system.</p> <p>Structure: Figure 17. A modem shelf including a demand assignment engine connected to a network and one or more modems, the demand assignment engine determining which of the orthogonal channels will be subject to TDM techniques using the algorithm (1) consider whether the subscriber terminal to which data will be transmitted incorporates the features necessary to support TDM techniques; (2) consider the type of data that is to be transmitted in an orthogonal channel; and (3) if the subscriber terminal supports TDM techniques and the data type is one for which TDM techniques should be applied, then apply TDM techniques (otherwise do not).</p>
<p>Claim 7, '326 Patent: “channelisation means for determining, for those orthogonal channels subject to TDM techniques, how many time slots will be provided within each orthogonal channel”</p>	<p>Function: determining, for those orthogonal channels subject to TDM techniques, how many time slots will be provided within each orthogonal channel.</p> <p>Structure: A demand assignment engine connected to a network and one or more modems, the demand assignment engine determining how many time slots will be provided within each orthogonal channel using the algorithm: (1) consider the type of data that is to be transmitted in an orthogonal channel, and (2) choose a suitable number of time slots to provide within the orthogonal channel to achieve an acceptable data rate.</p>

#### 4 WI-LAN’S PROPOSED VERDICT FORM

##### 4.1 QUESTION NO. 1—INFRINGEMENT

##### QUESTION NO. 1

Did Wi-LAN prove by a preponderance of the evidence (in other words, that it is more likely true than not true) that the accused products of Defendants Alcatel-Lucent, Ericsson, HTC, and Sony Mobile infringed the following claims of the patents in issue?

Answer “Yes” or “No” in each box. “Yes” is a finding that the claim is infringed. “No” is a finding that the claim is not infringed.

<b>‘326 Patent Claims</b>	<b>Alcatel-Lucent</b>	<b>Ericsson</b>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

<b>‘327 Patent Claims</b>	<b>Alcatel-Lucent</b>	<b>Ericsson</b>
1		
5		
8		
10		
11		

12		
13		
15		

<b>'819 Patent Claims</b>	<b>Alcatel-Lucent</b>	<b>Ericsson</b>
11		

<b>'211 Patent Claims</b>	<b>HTC</b>	<b>Sony Mobile</b>
1		
2		
3		
4		
5		

#### 4.2 QUESTION NO. 2—INVALIDITY

Have the Defendants (Alcatel-Lucent, Ericsson, HTC, and Sony Mobile) proven by clear and convincing evidence (in other words, has the evidence produced in your mind a firm belief or conviction on the matter) that the following claims are invalid because the claimed inventions were either anticipated or obvious?

*Answer “Yes” or “No” as to each patent claim. “Yes” is a finding that the claim is invalid. “No” is a finding that the claim is valid.*

<b>‘326 Patent Claims</b>	<b>Anticipated?</b>	<b>Obvious?</b>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

<b>‘327 Patent Claims</b>	<b>Anticipated?</b>	<b>Obvious?</b>
1		
5		
8		
10		
11		
12		
13		
15		

<b>'819 Patent Claims</b>	<b>Anticipated?</b>	<b>Obvious?</b>
11		

<b>'211 Patent Claims</b>	<b>Anticipated?</b>	<b>Obvious?</b>
1		
2		
3		
4		
5		

### **4.3 QUESTION NO. 3—REASONABLE ROYALTY**

#### **4.3.1 Alcatel**

#### **QUESTION NO. 3A**

*Answer Question No. 3A only if you answered “Yes” to one or more of the parts of Question Nos. 1 or 2, finding that Alcatel-Lucent infringed one or more of the claims of the patents in issue. If you answered “No” for Alcatel-Lucent as to every claim in Question Nos. 1 and 2, do not answer Question No. 3A.*

What damages, stated in terms of a reasonable royalty, do you find Wi-LAN has proven by a preponderance of the evidence (in other words, that it is more likely true than not true) were suffered as a result of Alcatel-Lucent’s infringement as found by you in answer to Question Nos. 1 and/or 2?

Total Royalty Owed by Alcatel-Lucent:

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### 4.3.2 Ericsson

#### **QUESTION NO. 3B**

*Answer Question No. 3B only if you answered “Yes” to one or more of the parts of Question Nos. 1 or 2, finding that Ericsson infringed one or more of the claims of the patents in issue. If you answered “No” for Ericsson as to every claim in Question Nos. 1 and 2, do not answer Question No. 3B.*

What damages, stated in terms of a reasonable royalty, do you find Wi-LAN has proven by a preponderance of the evidence (in other words, that it is more likely true than not true) were suffered as a result of Ericsson’s infringement as found by you in answer to Question Nos. 1 and/or 2?

Total Royalty Owed by Ericsson: \_\_\_\_\_

### 4.3.3 HTC

#### **QUESTION 3C**

*Answer Question No. 3C only if you answered “Yes” to one or more of the parts of Question Nos. 1 or 2, finding that HTC infringed one or more of the claims of the patents in issue. If you answered “No” for HTC as to every claim in Question Nos. 1 and 2, do not answer Question No. 3C.*

What damages, stated in terms of a reasonable royalty, do you find Wi-LAN has proven by a preponderance of the evidence (in other words, that it is more likely true than not true) were

suffered as a result of HTC's infringement as found by you in answer to Question Nos. 1 and/or 2?

Total Royalty Owed by HTC: \_\_\_\_\_

#### **4.3.4 Sony Mobile**

#### **QUESTION 3D**

*Answer Question No. 3D only if you answered "Yes" to one or more of the parts of Question Nos. 1 or 2, finding that Sony Mobile infringed one or more of the claims of the patents in issue. If you answered "No" for Sony Mobile as to every claim in Question Nos. 1 and 2, do not answer Question No. 3D.*

What damages, stated in terms of a reasonable royalty, do you find Wi-LAN has proven by a preponderance of the evidence (in other words, that it is more likely true than not true) were suffered as a result of Sony Mobile's infringement as found by you in answer to Question Nos. 1 and/or 2?

Total Royalty Owed by Sony Mobile: \_\_\_\_\_

**4.4 QUESTION NO. 4—BREACH OF PATENT AND CONFLICT RESOLUTION AGREEMENT (IF REQUIRED)**

**QUESTION NO. 4A**

Do you find by a preponderance of the evidence (in other words, that it is more likely true than not true) that Wi-LAN has breached its Patent and Conflict Resolution Agreement with Ericsson?

*Answer “Yes” or “No.”*

Question 6A: \_\_\_\_\_

**QUESTION NO. 4B**

Do you find by a preponderance of the evidence (in other words, that it is more likely true than not true) that Wi-LAN has breached its Patent and Conflict Resolution Agreement with Sony Mobile?

*Answer “Yes” or “No.”*

Question 6B: \_\_\_\_\_

**4.5 SIGNATURE OF THE FOREPERSON**

You have now reached the end of the Verdict Form and should review it to ensure it accurately reflects your unanimous deliberations. The Foreperson should then sign and date the Verdict Form in the spaces below and notify the marshal that you have reached a verdict. The

Foreperson should retain possession of the Verdict Form and bring it when the jury is brought back into the courtroom.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
FOREPERSON

**<sup>1</sup>IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

WI-LAN INC., )  
)  
)  
Plaintiff, )  
)  
)  
v. )  
) Civil Action No. 6:10-CV-521-LED  
ALCATEL-LUCENT USA INC.; )  
TELEFONAKTIEBOLAGET LM ) JURY TRIAL DEMANDED  
ERICSSON; ERICSSON INC.; SONY MOBILE )  
COMMUNICATIONS AB; SONY MOBILE )  
COMMUNICATIONS (USA) INC.; HTC )  
CORPORATION; HTC AMERICA, INC.; )  
EXEDEA INC. )  
)  
)  
Defendants. )  
)  
\_\_\_\_\_ )

**PROPOSED VERDICT FORM**

**In answering these questions, you are to follow all of the instructions I have given you in the Court's charge.**

\_\_\_\_\_  
<sup>1</sup> Defendants object to Wi-LAN's proposed verdict form in its entirety and submit this proposed verdict form to the Court.

**FINDINGS ON INFRINGEMENT CLAIMS**

**1. Did Wi-LAN prove by a preponderance of the evidence that Alcatel-Lucent infringed any of the following claims of the '326, '327, or '819 Patents?**

Answer "Yes" or "No" for each of the listed claims in the spaces provided below. For this question, "Yes" is a finding for Wi-LAN and "No" is a finding for Alcatel-Lucent.

**'326 Patent:**

Claim 1: \_\_\_\_\_

Claim 2: \_\_\_\_\_

Claim 3: \_\_\_\_\_

Claim 4: \_\_\_\_\_

Claim 5: \_\_\_\_\_

Claim 6: \_\_\_\_\_

Claim 7: \_\_\_\_\_

Claim 8: \_\_\_\_\_

Claim 9: \_\_\_\_\_

Claim 10: \_\_\_\_\_

**'327 Patent:**

Claim 1: \_\_\_\_\_

Claim 5: \_\_\_\_\_

Claim 8: \_\_\_\_\_

Claim 10: \_\_\_\_\_

Claim 11: \_\_\_\_\_

Claim 12: \_\_\_\_\_

Claim 13: \_\_\_\_\_

Claim 15: \_\_\_\_\_

**'819 Patent:**

Claim 11: \_\_\_\_\_

**2. Did Wi-LAN prove by a preponderance of the evidence that Ericsson infringed any of the following claims of the '326, '327, or '819 Patents?**

Answer "Yes" or "No" for each of the listed claims in the spaces provided below. For this question, "Yes" is a finding for Wi-LAN and "No" is a finding for Ericsson.

**'326 Patent:**

Claim 1: \_\_\_\_\_

Claim 2: \_\_\_\_\_

Claim 3: \_\_\_\_\_

Claim 4: \_\_\_\_\_

Claim 5: \_\_\_\_\_

Claim 6: \_\_\_\_\_

Claim 7: \_\_\_\_\_

Claim 8: \_\_\_\_\_

Claim 9: \_\_\_\_\_

Claim 10: \_\_\_\_\_

**'327 Patent:**

Claim 1: \_\_\_\_\_

Claim 5: \_\_\_\_\_

Claim 8: \_\_\_\_\_

Claim 10: \_\_\_\_\_

Claim 11: \_\_\_\_\_

Claim 12: \_\_\_\_\_

Claim 13: \_\_\_\_\_

Claim 15: \_\_\_\_\_

**'819 Patent:**

Claim 11: \_\_\_\_\_

**3. Did Wi-LAN prove by a preponderance of the evidence that HTC infringed any of the following claims of the '211 Patent?**

Answer "Yes" or "No" for each of the listed claims in the spaces provided below. For this question, "Yes" is a finding for Wi-LAN and "No" is a finding for HTC.

**'211 Patent**

Claim 1: \_\_\_\_\_

Claim 2: \_\_\_\_\_

Claim 3: \_\_\_\_\_

Claim 4: \_\_\_\_\_

Claim 5: \_\_\_\_\_

**4. Did Wi-LAN prove by a preponderance of the evidence that Sony Mobile infringed any of the following claims of the '211 Patent?**

Answer "Yes" or "No" for each of the listed claims in the spaces provided below. For this question, "Yes" is a finding for Wi-LAN and "No" is a finding for Sony Mobile.

**'211 Patent**

Claim 1: \_\_\_\_\_

Claim 2: \_\_\_\_\_

Claim 3: \_\_\_\_\_

Claim 4: \_\_\_\_\_

Claim 5: \_\_\_\_\_

**FINDINGS ON INVALIDITY DEFENSES**

**5. Did any of the Defendants prove by clear and convincing evidence that any of the claims of the patents-in-suit are invalid?**

Answer “Yes” in the space provided beside the particular claim if you find that claim to be invalid. Answer “No” in the space provided beside the particular claim if you find that claim not to be invalid. Answer for all asserted claims regardless of whether you have found those claims infringed. For this question, “Yes” is a finding for the Defendants and “No” is a finding for Wi-LAN.

**‘326 Patent:**

Claim 1: \_\_\_\_\_

Claim 2: \_\_\_\_\_

Claim 3: \_\_\_\_\_

Claim 4: \_\_\_\_\_

Claim 5: \_\_\_\_\_

Claim 6: \_\_\_\_\_

Claim 7: \_\_\_\_\_

Claim 8: \_\_\_\_\_

Claim 9: \_\_\_\_\_

Claim 10: \_\_\_\_\_

**‘327 Patent:**

Claim 1: \_\_\_\_\_

Claim 5: \_\_\_\_\_

Claim 8: \_\_\_\_\_

Claim 10: \_\_\_\_\_

Claim 11: \_\_\_\_\_

Claim 12: \_\_\_\_\_

Claim 13: \_\_\_\_\_

Claim 15: \_\_\_\_\_

**'819 Patent:**

Claim 11: \_\_\_\_\_

**'211 Patent**

Claim 1: \_\_\_\_\_

Claim 2: \_\_\_\_\_

Claim 3: \_\_\_\_\_

Claim 4: \_\_\_\_\_

Claim 5: \_\_\_\_\_

**FINDINGS ON DAMAGES (IF APPLICABLE)**

If you have found any claim infringed and valid, answer question 6; otherwise, do not answer question 6.

**6. For each Defendant listed below, what amount did Wi-LAN prove based on a preponderance of the evidence it is entitled to as a reasonable royalty to compensate it for the valid patent claims you have found to be infringed, if any?**

Any amount should be written in dollars and cents.

**Alcatel-Lucent:** \_\_\_\_\_

If you wrote an amount above, how is that amount attributed among the patents-in-suit?

'326 Patent \_\_\_\_\_

'327 Patent \_\_\_\_\_

'819 Patent \_\_\_\_\_

If an amount was found, did you apply a royalty rate to a royalty base? Answer "Yes" or "No." \_\_\_\_\_

If you used a royalty rate, what rate did you apply? \_\_\_\_\_

**Ericsson:** \_\_\_\_\_

**HTC:** '211 patent \_\_\_\_\_

If an amount was found, did you apply a royalty rate to a royalty base? Answer "Yes" or "No." \_\_\_\_\_

If you used a royalty rate, what rate did you apply? \_\_\_\_\_

**Sony Mobile:** \_\_\_\_\_

**7. Did Wi-LAN prove by a preponderance of the evidence that it gave Alcatel-Lucent actual or constructive notice of its alleged infringement before the current lawsuit?**

Answer “Yes” or “No” for the patents below. For this question, “Yes” is a finding for the Wi-LAN and “No” is a finding for Alcatel-Lucent.

‘326 Patent: \_\_\_\_\_

If you found that Wi-LAN did prove notice, what is the date of notice you found: \_\_\_\_\_

‘327 Patent: \_\_\_\_\_

If you found that Wi-LAN did prove notice, what is the date of notice you found: \_\_\_\_\_

‘819 Patent: \_\_\_\_\_

If you found that Wi-LAN did prove notice, what is the date of notice you found: \_\_\_\_\_

**8. Did Wi-LAN prove by a preponderance of the evidence that it gave HTC actual or constructive notice of its alleged infringement before the current lawsuit?**

Answer “Yes” or “No” for the patents below. For this question, “Yes” is a finding for the Wi-LAN and “No” is a finding for HTC.

‘211 Patent: \_\_\_\_\_

If you found that Wi-LAN did prove notice, what is the date of notice you found: \_\_\_\_\_

**FINDINGS ON BREACH OF CONTRACT**

- 9. Did Ericsson and Sony Mobile prove by a preponderance of the evidence that Wi-LAN promised, in Section III of the Patent and Conflict Resolution Agreement, not to sue them for infringement based on the products accused in this case?**

For this question, “Yes” is a finding for the Ericsson and Sony Mobile and “No” is a finding for Wi-LAN.

Answer “Yes” or “No.” \_\_\_\_\_

- 10. Answer the following question only if you answered “Yes” to Question Number 9, above. If you answered “No” to Question Number 9, go directly to Question Number 11.**

**Did Ericsson and Sony Mobile prove by a preponderance of the evidence that Wi-LAN brought this lawsuit against them in bad faith or in obvious breach of its promise not to sue them for infringement based on the accused products?**

For this question, “Yes” is a finding for the Ericsson and Sony Mobile and “No” is a finding for Wi-LAN.

Answer “Yes” or No.” \_\_\_\_\_

- 11. Did Ericsson and Sony Mobile prove by a preponderance of the evidence that Wi-LAN promised, in Section VII.1 of the Patent and Conflict Resolution Agreement, to grant them licenses to Wi-LAN’s patents, including the patents-in-suit, on terms that are at least equivalent to the terms of the license Wi-LAN granted to BelAir Networks Inc.?**

For this question, “Yes” is a finding for the Ericsson and Sony Mobile and “No” is a finding for Wi-LAN.

Answer “Yes” or “No.” \_\_\_\_\_

The foreperson must sign and date this verdict form:

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DATE

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FOREPERSON