

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

Anascape, Ltd.,

Plaintiff,

v.

Microsoft Corp., and
Nintendo of America, Inc.,

Defendants.

Civil Action No. 9:06-cv-158-RC

PROPOSED FINAL JURY INSTRUCTIONS¹

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.

When words are used in these instructions in a sense that varies from the meaning commonly understood, you are given a proper legal definition, which you are bound to accept in place of any other meaning.

¹ Taken in substantial part from those given in *TGIP v. AT&T et. al.* and *Computer Acceleration Corp. v. Microsoft Corp.*, except where otherwise noted. Where the wording of the jury instructions is disputed, the parties have indicated Anascape's proposed instructions in underline and Defendants' proposed instructions in *italic*.

Answer each question from the facts as you find them. Do not decide who you think should win and then answer the questions accordingly. Your answers and your verdict must be unanimous.

1. What is and What is not Evidence

You will be instructed to answer some questions based upon a “preponderance of the evidence.” This means you must be persuaded by the evidence that the claim is more probably true than not true. You will be instructed to answer other questions by “clear and convincing evidence.” This is a higher burden than by a preponderance of the evidence, but it does not require proof beyond a reasonable doubt. Clear and convincing evidence is evidence that shows something is highly probable. In deciding whether any fact has been proved in the case, you may, unless otherwise instructed, consider the testimony of all witnesses, regardless of who may have called them, and all exhibits received in evidence, regardless of who may have produced them. 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 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.

In making up your mind and reaching your verdict, do not make your decisions simply because there were more witnesses on one side than on the other. Do not reach a conclusion on a particular point just because there were more witnesses testifying for one side on that point. 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.

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.

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, which is the proof of a chain of circumstances that indicates the existence or nonexistence of certain other facts. As a general rule, the law makes no distinction between direct and circumstantial evidence, but simply requires that you find the facts from a preponderance of all the evidence, both direct and circumstantial.

During the trial I sustained objections to certain questions and exhibits. You must disregard those questions and exhibits entirely. Do not speculate as to what the witness would have said if permitted to answer the question or as to the contents of an exhibit.

Also, do not assume from anything I may have done or said during the trial that I have any opinion concerning any of the issues in this case. Except for the instruction to you on the law, you should disregard anything I may have said during the trial in arriving at your own findings as to the facts.

If you have taken notes they are to be used only as aids to your memory, and if your memory should be different from your notes, you should rely on your memory and not on your notes. If you did 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.

If scientific, technical, or other specialized knowledge may be helpful to the jury, a witness with special training or experience may testify and state an opinion concerning such

matters. However, you are not required to accept that opinion. You should judge such testimony like any other testimony. You may accept it or reject it, and give it as much weight as you think it deserves, considering the witness's education and experience, the soundness of the reasons given for the opinion, and all other evidence in the case.

In deciding whether to accept or rely upon the opinion of such a 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 that his income from such testimony represents a significant portion of his income.

2. [Anascape:² -³ **United States Patents**

This is a patent case. Patents are issued by the United States Patent and Trademark Office, which is part of our government. The government is authorized by the United States Constitution to enact patent laws and issue patents to protect inventions. Inventions that are protected by patents may be of systems, or of methods for doing something, or for using or making a product.

The owner of a patent has the right, for the life of the patent, to prevent others from making, using, offering for sale, or selling the invention covered by the patent.

A patent is granted for a set period of time. During the term of the patent if another person makes, uses, offers to sell, or sells something that is covered by the patent without the patent owner's consent, that person is said to infringe the patent. The patent owner

² [Anascape: Taken from *TGIP* (p. 5) and *Finisar* (p. 5). The Federal Circuit Bar Association's Model Patent Jury Instructions, the AIPLA's Model Patent Jury Instructions, and the Model Patent Jury Instructions for the Northern District of California all have similar explanatory instructions.]

³ *[Defendants: Defendants object to this instruction. It is redundant in view of the video shown during the preliminary instructions and many of the instructions that follow. As result, it results in undue emphasis on the subjects addressed. It was omitted from the instructions in both CAC and Blackboard.]*

enforces a patent against persons believed to be infringers in a lawsuit in federal court, such as in this case.

To be entitled to patent protection an invention described in a claim must be new, and nonobvious, or the claim is “invalid.” A patent cannot legally take away from people their right to use that which was known, or that which was obvious from what was known, before the invention was made. That which was already known at the time of the invention is called the “prior art.” You have heard about the prior art relating to the patent-in-suit during the trial, and I will give you more instructions about what constitutes prior art in these instructions.]

3. The Nature of the Action, the Parties, and the Contentions

The patent involved in this case is United States Patent No. 6,906,700. This may be referred to as the “‘700 patent” or the “patent-in-suit.” The owner of the ‘700 patent is Anascape, Ltd. (“Anascape”). The Plaintiff, Anascape, contends that the Defendant Microsoft Corp. (“Microsoft”) makes, uses, offers to sell, or sells within the United States videogame controllers that infringe Claims 12-15, 19-20, 22-23, and 32-33 of the ‘700 patent; and that Defendant Nintendo of America, Inc. (“Nintendo”) makes, uses, offers to sell, or sells within the United States videogame controllers that infringe Claims 14, 16-20, 22-23, and 32-33 of the ‘700 patent. Anascape also asserts that this infringement is willful.

Defendants deny that they infringe the ‘700 patent. Defendants also contend that the ‘700 patent is invalid. Invalidity is a defense to infringement. Therefore, even though the PTO examiner has allowed the claims of the ‘700 patent, you, the jury, have the ultimate responsibility for deciding whether the claims of the ‘700 patent are valid.

4. Claim Construction and Claim Interpretation

Before you decide whether Defendants have infringed the claims of the ‘700 patent or whether the ‘700 patent is invalid, you will have to understand the patent claims. The patent claims are numbered sentences at the end of the patent. Each claim describes a separate invention. The claims are divided into parts or steps called “limitations” or “elements.” The claims are “word pictures” intended to define, in words, the boundaries of the inventions. Only

the claims of the patents can be infringed. Neither the written description, sometimes called the specification, nor the drawings of a patent can be infringed. Each of the claims must be considered individually. In this case, there are thirteen [Anascape:⁴ “apparatus”] [Defendants:⁵ asserted] claims. They are claims 12-20, 22-23, and 32-33. [Anascape:⁶ These describe a physical entity such as a product or a device.]

To decide the questions of infringement and invalidity, you must first understand what the claims of the patents cover, that is, what they prevent anyone else from doing. This is called “claim interpretation.” You must use the same claim interpretation for both your decision on infringement and your decision on invalidity.

⁴ [Anascape: The claims here are apparatus claims, that have functional limitations. The parties have not agreed to, and the Court has not sanctioned, any construction where Anascape must prove any more than the capability of the apparatuses. As noted by other Courts, active language in an apparatus claim merely relates to the capability of the apparatus and does not import an actual method step required to infringe the claim. See *Yodlee Inc. v. Cashedge, Inc.*, No. 05-CV-1550-SI, 2006 U.S. Dist. LEXIS 86699, at *13 (N.D. Cal. Nov. 29, 2006) (stating that “[t]he claims simply use active language to describe the capability of the apparatuses; they do not claim the activity itself.”); *Microprocessor Enhancement Corp. v. Tex. Instruments Inc.*, No. 2007-1249, at *12-13 (Fed. Cir. Apr. 1, 2008) (slip op.) (finding that the subject claim was limited to an apparatus “possessing the recited structure and capable of performing the recited functions”) (emphasis in original). Anascape need only prove the capability of the claimed apparatuses, and not the actual use of those apparatuses. See *id.*; see also Dkt. No. 242 at 3 (suggesting that Anascape has provided evidence that the accused products are capable of controlling objects and navigating viewpoints).)]

⁵ *[Defendants: Defendants object to Anascape’s proposed language. This language appears to have its origin in a case in which there were both apparatus and method claims asserted and it was appropriate to draw a distinction between them. That distinction is both unnecessary and inappropriate here because the parties have agreed to, and the Court adopted, a claim construction for at least some of the asserted claims that require action in addition to structure. See, e.g., Order on Agreed Claim Terms (Docket No. 187), at p. 2 (“‘active tactile feedback vibration.’ Used in ‘700 patent, Claims 1, 2, and 12. means: ‘vibration created by an electro-mechanical structure.’”)]*

⁶ *[Defendants: Defendants object to Anascape’s proposed language as it is unnecessary and is inconsistent with the claim language and constructions that require actions as opposed to just physical entities such as products or devices. See Defendants’ previous footnote, supra.]*

It is my duty as Judge to explain what [Anascape:⁷ -⁸ some] of the words used in the patent claims mean. Attached as **Appendix A** to this charge is the text of the claims of the '700 patent. In each claim I have set in bold the terms which I have defined for you. The definitions appear following the claims in **Appendix A**. You must accept as correct the definitions contained in **Appendix A**.

⁷ [Anascape: The Court need not construe each and every word of a claim. At most, *O2 Micro Intern. Ltd. v. Beyond Innovation Technology Co.*, Nos. 2007-1302, 2007-1303, 2007-1304, 2008 WL 878924, at *7-8 (Fed. Cir. 2008), stands for the proposition that “[w]hen the parties raise an *actual* dispute regarding the proper *scope* of these claims, the court, not the jury, must resolve that dispute. . . . A determination that a claim term ‘needs no construction’ or has the ‘plain and ordinary meaning’ *may be inadequate* when a term has more than one ‘ordinary’ meaning or when reliance on a term’s ‘ordinary’ meaning does not resolve the parties’ dispute.” (emphasis added). *O2* stated that “district courts are not (and should not be) required to construe every limitation present in a patent’s asserted claims.” *Id.* at *9. Furthermore, based on the Court’s inherent power to manage procedure and its own docket, the Court need only address claim terms and arguments properly raised during the *Markman* process.]

⁸ [Defendants: Defendants object to Anascape’s proposed language as an incorrect statement of the law. The Court’s obligation to construe the claim applies to all claim language that requires construction. *O2 Micro Int’l Ltd. v. Beyond Innovation Technology Co.*, Nos. 2007-1302, -1303, -1304 slip op. (Fed. Cir. April 3, 2008). *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995). After determining its claim construction, the Court is responsible to instruct the jury as to that construction. *Exxon Chem. Patents, Inc. v. Lubrizol Corp.*, 64 F.3d 1553, 1555 (Fed. Cir. 1995) (“The duty of the trial judge is to determine the meaning of the claims at issue, and to instruct the jury accordingly.”)].

It is impermissible for the jury to deviate from the Court’s claim construction or to perform the Court’s claim construction responsibility. *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448, 1454 (Fed. Cir. 1998) (“the law is clear that the judge, and not the jury, is to construe the claims”). *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1366 (Fed. Cir. 2004) (“The jury must be told that the court has made a claim construction ruling that the jury must follow and cannot be left free to apply its own reading of disputed terms to the facts of the case.”). To instruct the jury as to an incomplete claim construction that requires further interpretation relying on the specification, file history and POSA is an abdication of the Court’s responsibility and would defeat the very purpose of the claim construction exercise required by *Markman*—which is to interpret the meaning of the claims in a way that can be understood and applied by a lay jury.

The claim language I have not defined for you in **Appendix A** is to be given its [Anascape:⁹ ordinary and accustomed meaning as understood by one of ordinary skill in the art, in the context of the patent specification and prosecution history.] [Defendants:¹⁰ plain-English meaning.]

[Anascape:¹¹ -¹² A person of ordinary skill in the art in this particular case is someone with the equivalent of a “four-year” degree from an accredited institution (usually denoted in this country as a B.S. degree) in mechanical or electrical engineering, and at least three years of experience designing, developing or improving electronic systems that include sensors and/or controllers for computers, robotics, video games or other electronic devices. He or she should have some familiarity with pressure-sensitive variable conductance material.

⁹ [Anascape: This instruction is the same as those given by this Court in *Blackboard* (at p. 6), *CAC* (p. 6), *TGIP* (p. 8), and *Finisar* (p. 7).]

¹⁰ *[Defendants: Defendants object to Anascape’s proposed language as an incorrect statement of the law. This instruction impermissibly invites the jury to construe the claims. It is the Court’s responsibility to construe the claims and instruct the jury as to their meaning. Those instructions, as stated above, are to be given the plain-English meaning, as are any other words in the claim not defined by the Court. See Defendants’ previous footnote for citations. See also Harte-Hanks Communications, Inc. v. Connaughton, 491 U.S. 657, n.7 (1989)(“By instructing the jury ‘in plain English’ at appropriate times during the course of the trial concerning the not-so-plain meaning of this phrase, the trial judge can help ensure that the [appropriate] standard is properly applied.”)]*

¹¹ [Anascape: Defendants do not dispute the wording of the person of ordinary skill instruction, but would move it to the “Effective Filing Date” section below. The Court typically instructs the jury on one skilled in the art in the “Claim Construction and Claim Interpretation” section. See *TGIP* (p. 8); *CAC* (p. 6-7); *Blackboard* (p. 6); *Finisar* (p.7). Anascape has tracked the Court’s POSA finding here, but notes that pressure-sensitive variable conductance material is not at issue in the ‘700 patent’s trial.]

¹² *[Defendants: Defendants object to the location of this instruction. It only makes sense if the jury is to apply the POSA standard and construe the claim terms. However, as explained in Defendants’ two preceding footnotes, this is improper. Thus, this instruction should be presented in connection with the validity issues—when it is permissible for the jury to apply the POSA standard.]*

Extensive experience and technical training might substitute for educational requirements, while advanced degrees might substitute for some of the experience.]

5. Infringement

Anascape claims Microsoft's video game controllers infringe Claims 12-15, 19-20, 22-23, and 32-33 of the '700 patent; and that Nintendo's video game controllers infringe Claims 14, 16-20, 22-23, and 32-33 of the '700 patent. A company can directly infringe a patent without knowing it is doing so, and even if it believes in good faith that what it is doing is not infringement.

[Anascape:¹³ -¹⁴ There are two ways in which a patent claim can be directly infringed. First, a claim can be literally infringed. Second, a claim can be infringed under what is called the "doctrine of equivalents."]

[In either case, however,] just because a system or method accomplishes the same goals as a patent claim, does not mean it infringes that claim.

[Defendants:¹⁵ ¹⁶ Anascape has brought this case against two defendants, Microsoft and Nintendo. There is no allegation that these Defendants acted or conspired

¹³ [Anascape: Defendants wrongly assert that Anascape has "waived" its doctrine of equivalents case. Although Anascape intends on proving that Defendants literally infringe the patent-in-suit, the same evidence at trial may support a favorable finding under the doctrine of equivalents. See also Anascape's Response to Defendants' Motion in Limine.]

¹⁴ *[Defendants: Defendants object to this instruction because Anascape had failed to identify its theory of infringement under the doctrine of equivalents or to identify evidence to support such a theory. See Defendants' footnote concerning the Doctrine of Equivalents instruction, infra.]*

¹⁵ *[Anascape: If this instruction is given in the preliminary instructions, it is redundant and unnecessary here. Furthermore, Defendants will have the opportunity at trial to point out to the jury that there is no conspiracy type charge levied against them by Anascape.]*

¹⁶ *[Defendants: This language was agreed to in the Preliminary Instructions and should be repeated, like almost all of the other preliminary instructions, to remind the jury that the Defendants are separately accused, and should be separately considered.]*

together in performing the accused actions. Each of the Defendants is entitled to have the allegations against it considered separately. Thus, you should consider the allegations against each Defendant and the defenses raised by each Defendant separately.]

A. [Anascape:¹⁷ **Literal Infringement**

A patent claim is literally infringed only if a Defendant’s video game controller includes each and every element in that patent claim. If a Defendant’s video game controller omits even one of the elements in that claim, a Defendant does not literally infringe that claim. You must determine literal infringement with respect to each patent claim individually.]

B. [Defendants:¹⁸ **Literal Infringement**

To establish “literal infringement” of a claim, Anascape must prove by a preponderance of the evidence that Defendants have made, used, offered for sale, sold within the United States or imported into the United States a video game controller that meets each and every requirement in that patent claim. You must compare the accused products with each and every one of the requirements of that claim of the ‘700 patent to determine whether each claim requirement is met by the accused products.¹⁹ If a Defendant’s product does not meet even one of the requirements in that claim, that Defendant does not literally infringe that claim. You must determine literal infringement with respect to each patent claim, each accused product individually.]

¹⁷ [Anascape: *Finisar* (p. 8); *TGIP* (p. 9)]

¹⁸ *[Defendants: Defendants object Anascape’s proposed construction and offers its own instruction to cure the problems present in Anascape’s. Defendants’ instruction was derived from the Blackboard case (with modifications). It more closely tracks the language of 35 U.S.C. §271 (a). It sets forth the burden of proof. As in Anascape’s proposed instruction it states the “all elements rule.” Finally, it instructs the jury that each product must be considered separately. This is indisputably correct and in this case, with multiple products from multiple defendants accused of infringing various claims, must be told to the jury to prevent confusion.]*

¹⁹ [Anascape: This sentence purports to require Anascape to prove, to establish infringement, that all of the accused products infringe a single claim. Anascape has, as it is entitled to do, asserted infringement of different claims by different accused products.]

C. [Anascape: ²⁰ - ²¹ **Infringement by Equivalents**

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

I will now explain the circumstances under which you may find that a product satisfies a claim under the doctrine of equivalents. Under the doctrine of equivalents, a product satisfies a claim if, for each and every requirement of the claim that is not literally present in the accused product, the accused product has some corresponding alternative feature that is equivalent to the unmet claim requirement. I will explain to you shortly what equivalent means.

²⁰ [Anascape: Defendants wrongly assert that Anascape has “waived” its doctrine of equivalents case. Although Anascape intends on proving that Defendants literally infringe the patent-in-suit, the same evidence at trial may support a favorable finding under the doctrine of equivalents. See also Anascape’s Response to Defendants’ Motion in Limine.]

²¹ *[Defendants: Defendants object to instructing the jury as to the Doctrine of Equivalents. As part of their motion for summary judgment of no infringement Defendants moved for a finding of no-infringement under the doctrine of equivalents because Anascape and its experts have failed to provide the required “particularized testimony from an expert or person skilled in the art that specifically address[es] equivalents ‘on a limitation-by-limitation basis;’ explain[s] the insubstantiality of the differences between the patented method and the accused product; or discuss[es] the function, way, result test.” Aquatex Indus., Inc. v. Techniche Solutions, 479 F.3d 1320, 1329 (Fed. Cir. 2007) (summary judgment of no equivalents infringement where the patentee failed to meet burden). [Docket No. 203 at p. 9]. In response, Anascape made the blanket statement that “the same evidence [used for its literal infringement] may support a favorable finding under the doctrine of equivalents.” [Docket No. 222, p. 15]. However, it did not identify any aspect of its Infringement Contentions, Interrogatory Response or expert reports that provided the required particularized testimony. Id. The Court denied Defendants’ motion without discussing the doctrine of equivalents. [Docket No. 242].*

Despite its obligations to present its theory of the doctrine of equivalents in its preliminary infringement contentions, in response to a direct interrogatory on the subject of the doctrine of equivalents and its expert reports, Anascape has yet to do so, much less provide the detailed evidence necessary to support such a theory. See Nike, Inc. v. Adidas America Inc., 479 F.Supp.2d 664, 670 (E.D. Tex. 2007) (finding waiver of doctrine of equivalents based on insufficient disclosure in preliminary infringement contentions). It should not be allowed to do so for the first time at trial.]

Depending on the nature of the requirement that is not met literally, the alternative feature of the product may be an alternative component.

In making your decision as to whether or not a product is equivalent under the doctrine of equivalents, you must look at each and every requirement of that claim and decide whether or not the product either meets that requirement or has some alternative feature that is equivalent to the unmet requirement. If it does, the product satisfies the claim under the doctrine of equivalents. If, instead, (i) the product has an alternative to the unmet requirement but the alternative is not equivalent to the unmet requirement; or (ii) the product has no corresponding alternative feature to the unmet requirement, you must find that the requirement is not satisfied under the doctrine of equivalents and there is no infringement under the doctrine of equivalents.

I will now explain how to determine whether an alternative feature of the product at issue is “equivalent” to a requirement of the claim. An alternative is considered to be “equivalent” to an unmet requirement of a claim if a person having ordinary skill in the field of technology of the patent, as I have defined that person for you, would have considered the differences between them to be “insubstantial” at the time of the alleged infringement. In deciding whether an alternative feature of the product is equivalent to an unmet requirement of the claim, you may consider whether the alternative feature and the unmet claim requirement: (i) perform substantially the same function; (ii) work in substantially the same way; (iii) to achieve substantially the same result. You may also consider whether, at the time of the alleged infringement, the person I have defined for you as having ordinary skill in the field of technology of the patent would have known of the interchangeability of the alternative feature and the unmet requirement of the claim.

Interchangeability at the present time is not sufficient in order for the structures to be considered interchangeable, rather, the interchangeability of the two structures must have been known to persons of ordinary skill in the field of technology of the invention at the time the invention was made.

In order to prove infringement by “equivalents,” Anascape must prove by a preponderance of the evidence that any differences between the unmet requirement and the alternative are insubstantial. This means that Anascape must prove that it is more likely than not that Defendants’ video game controllers have an alternative feature that is “equivalent” to the unmet claim requirement.

The doctrine of equivalents cannot be used to “eliminate” a claim limitation. Each element contained in a patent claim is deemed material in defining the scope and limits of the patented invention, and thus the doctrine of equivalents must be applied to individual elements of the claims, not to the invention as a whole. The public is entitled to rely on the limitations of the claims in order to avoid infringement. Therefore, the doctrine of equivalents cannot be used to erase the limitations found in the claims. Application of the doctrine of equivalents is improper if it would render any claim limitation unnecessary.

The doctrine of equivalents is also limited by what is called “prosecution history estoppel.” During prosecution of the patent, the patent applicant often makes arguments and amendments in an attempt to convince the patent 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 it has done so, it is not entitled to patent coverage under the doctrine of equivalents that would be so broad that it would cover the same feature that was used to distinguish the invention during the prosecution of the patent.]

D. Independent and Dependent Claims²²

²² Taken in substantial part from jury instructions given in *Finisar Corp. v. the DirectTV Group, Inc., et al.* See also Federal Circuit Bar Association Model Patent Jury Instruction § 2.2a (2007); *SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1359 (Fed. Cir. 2000); *Mehl/Biophile Int’l Corp. v. Milgraum*, 192 F.3d 1362, 1367 (Fed. Cir. 1999); *Globetrotter Software, Inc. v. Elan Computer Group, Inc.*, 236 F.3d 1363, 1369-70 (Fed. Cir. 2001); *Dow Chem. Co. v. United States*, 226 F.3d 1334, 1341 (Fed. Cir. 2000); *Sandt Tech., Ltd. v. Resco Metal & Plastics Corp.*, 264 F.3d 1344, 1356 (Fed. Cir. 2001) (dependent claims include limitations in addition to those limitations in the claims from which they depend).

There are two different types of claims in the patent. One type of claim is called an independent claim. The other type of claim is called a dependent claim.

An independent claim does not refer to any other claim of the patent. An independent claim must be read separately from the other claims to determine the scope of the claim.

A dependent claim is a claim that refers to at least one other claim in the patent. A dependent claim incorporates all of the elements of the claim to which the dependent claim refers, as well as the elements recited in the dependent claim itself.

Claim 19 in the '700 patent, for example, is an independent claim. Claim 20 is a dependent claim that refers to claim 19. Claim 20, therefore, requires every element of claim 19, as well as the additional limitation identified in claim 20 itself.

To establish literal infringement of claim 20, for example, Anascape must prove literal infringement of claim 19, and also prove infringement of each element of claim 20. If you find that claim 19 from which claim 20 depends is not literally infringed, then you cannot find that claim 20, or any other claim dependent on claim 19, is literally infringed.

The independent claims asserted in this matter are claims 13-17, 19, and 32. Claim 18 is dependent on claim 17. Claims 20, 22, and 23 are dependent on claim 19. Claim 33 is dependent on claim 32.

E. [Anascape: Preamble²³ - ²⁴

²³ [Anascape: Memorandum Opinion and Order Construing Claim Terms of United States Patent Nos. 6,222,525 and 6,906,700 - Part II (Docket No. 186 at 13); *Symantec Corp. v. Computer Assocs. In'l, Inc.*, Nos. 2007-1201, 2007-1239, 2008 WL 1012443, at *4 (Fed. Cir. Apr. 11, 2008) (“Thus, in general, the purpose of a claim preamble is to give context for what is being described in the body of the claim; if it is reasonably susceptible to being construed to be merely duplicative of the limitations in the body of the claim (and was not clearly added to overcome a rejection), we do not construe it to be a separate limitation.”); *Black’s Law Dictionary* (8th ed. 2004); *Allen Eng’g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1346 (Fed. Cir. 2002) (“It is well settled that if the body of the claim sets out the complete invention, and the preamble is not necessary to give life, meaning and vitality to the claim, then the preamble is of no significance to claim construction because it cannot be said to constitute or explain a claim limitation.”); *Altiris, Inc. v. Symantec Corp.*, 318 F.3d 1363, 1371 (Fed. Cir. 2003); *Intirtool, Ltd.*

All of the asserted claims in this case have preambles. A preamble is the first words of a patent claim and is often a single phrase indicating the field of art. The preambles here are not claim limitations. Rather, the remaining parts of the claim define the scope of the invention.]

F. “Comprising” Claims

The preambles to all of the asserted claims of the ‘700 patent use the phrase “comprising.” The word “comprising” means “including the following but not excluding others.”

v. Texar Corp., 369 F.3d 1289, 1295 (Fed. Cir. 2004) (citing Pitney Bowes, Inc. v. Hewlett-Packard Co., 182 F.3d 1298, 1305 (Fed. Cir. 1999); Catalina Mktg. Int’l, Inc. v. CoolSavings.com, Inc., 289 F.3d 801, 809 (Fed. Cir. 2002); E-Watch, Inc. v. March Networks Corp., No. 9:06-CV-25, 2006 U.S. Dist. LEXIS 54366, at *12 (E.D. Tex. Aug. 4, 2006).

Regarding Defendants’ argument in the footnote below, the Court has not ruled that the preambles limit the claims in any way. In particular, Defendants already moved for summary judgment of noninfringement on the basis of this preamble, and lost. As noted in Anascape’s Sur-Reply to that MSJ (Dkt. No. 240), the Court may construe a term in the preamble, such as “3-D”, to help the jury understand better understand the context of the claim, without holding that the preamble acts as a claim limitation.]

²⁴ [Defendants: Defendants object to Anascape’s proposed construction as it would render part of the Court’s Markman ruling a meaningless academic exercise. In particular, the Court construed “3-D” even though it appears only in the preamble. If the preamble were not a limitation, this construction would be unnecessary.

Rather, the preambles are limitations because: 1) they recite structure or steps underscored as important by the specification (Catalina Mktg. Int’l. v. Coolsavings.com, 289 F.3d 801, 808 (Fed. Cir. 2002) (emphasis added, citations omitted); see also Poly-America, L.P. v. GSE Lining Tech., Inc., 383 F.3d 1303, 1310 (Fed. Cir. 2004)). 2) otherwise the claims would not describe a complete invention (On Demand Mach. Corp. v. Ingram Indus., 442 F.3d 1331, 1343–44 (Fed. Cir. 2006)). Here, the claims recite an assortment of elements (e.g., sensors, potentiometers, and vibration) but recite no associated structure to unify them. Indeed, some claims are a mere recitation of unconnected elements. (See, e.g., claim 13). Absent the preamble, many of the recited elements are not required to be in a controller at all (let alone a single controller).]

If you find that Defendants’ video game controllers include all of the elements in claim 14, for example, the fact that the video game controller might include additional features would not avoid infringement of that claim.

G. [Anascape:²⁵ -²⁶ **Actual Use**

To prove infringement of a claim, Anascape must prove that Defendants’ video game controller has been made, used, sold, or offered for sale in a manner covered by that claim. Defendants’ video game controllers may be found to infringe a claim if they are reasonably capable of satisfying each element of that claim without being altered, even though they may also be capable of non-infringing modes of operation.]

H. [Anascape: **Induced Infringement**²⁷ -²⁸ -²⁹

²⁵ [Anascape: see TGIP (p. 13); see also Order Denying Motions for Summary Judgment (Docket No. 242 at 2-3); Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 441-42 (1984); Dawson Chem. Co. v. Rohm & Hass Co., 448 U.S. 176, 198 (1980); Hilgraeve Corp. v. Symantec Corp., 265 F.3d 1336, 1343 (Fed. Cir. 2001).]

²⁶ *[Defendants: Defendants object to Anascape’s “Actual Use” instruction as it incorrectly states the concept of direct infringement of an apparatus claim. It is also confusing in that it refers to “modes of operation” implying that use of the accused products in a particular mode of operation is necessary. This type of instruction is more properly addressed in an instruction regarding induced infringement, not direct infringement. However, as discussed in Defendants’ next footnote, an instruction on induced infringement is not appropriate in this case.]*

²⁷ [Anascape: Anascape intends to rely on the sale of the accused products as infringing the patents, and does not intend to rely on actual use of the products to show infringement of the patents. However, in the event that the Court requires evidence of actual use of the products, Anascape proposed the following “Induced Infringement” instruction. Defendants erroneously contend that claim 19 requires actual use of the accused products to infringe that claim. See Yodlee Inc. v. Cashedge, Inc., No. 05-CV-1550-SI, 2006 U.S. Dist. LEXIS 86699, at *13 (N.D. Cal. Nov. 29, 2006) (stating that “[t]he claims simply use active language to describe the capability of the apparatuses; they do not claim the activity itself.”); Microprocessor Enhancement Corp. v. Tex. Instruments Inc., No. 2007-1249, at *12-13 (Fed. Cir. Apr. 1, 2008) (slip op.) (finding that the subject claim was limited to an apparatus “possessing the recited structure and capable of performing the recited functions”) (emphasis in original).

²⁸ *[Defendants: Defendants object to instructing the jury on indirect infringement. Anascape’s expert report does not address induced infringement and Anascape has not taken the*

Anascape also alleges that Defendants are liable for infringement by actively inducing another to directly infringe the '700 patent. As with direct infringement, you must determine whether there has been active inducement on a claim-by-claim basis.

A Defendant is liable for active inducement of a claim only if:

- (1) That Defendant took action which encourages acts by someone else; and
- (2) the encouraged acts constitute direct infringement of that claim; and
- (3) that Defendant was aware of the patent, and knew or should have known that the encouraged acts constitute infringement of that patent;
- (4) that Defendant had an intent to cause the encouraged acts; and
- (5) the encouraged acts are actually carried out by someone else.

In order to prove induced infringement, Anascape must prove that each of the above requirements is met by a preponderance of the evidence. To establish induced infringement, it is not sufficient for Anascape to prove only that those who are allegedly induced to infringe directly infringe the claim. Nor is it sufficient for Anascape to prove that a Defendant was aware of the acts that allegedly constitute the direct infringement. Rather, to find inducement of infringement, you must find that a Defendant specifically intended to infringe the patent. If you do not find the Defendant specifically intended to infringe, then you must find that the accused infringer has not actively induced the alleged infringement.

Keep in mind while considering induced infringement that merely because an accused product does not always infringe, or can possibly be used in a way that does not infringe, does not mean that it is a non-infringing product. However, it is necessary that you find by a

discovery necessary to support such a claim. Accordingly, it is inappropriate to instruct the jury as to this theory.]

²⁹ [Anascape: If the Court requires actual use to infringe a claim, Anascape may still show inducement by a combination of game demonstrations, game controller manuals, testimony of Microsoft and Nintendo engineers, and inferences regarding the actual knowledge of programmers and designers regarding the intended and actual use of the controllers.]

preponderance of the evidence that there has been specific instances in which the accused product did infringe either directly or indirectly as I have described to you above.]

I. **Willful Infringement**^{30 31 32}

In this case, Anascape claims both that Defendants infringed and that Defendants infringed willfully. *[Defendants:*³³ *To prove willful infringement on the part of a Defendant, Anascape must first persuade you that the Defendant infringed a valid and enforceable claim of Anascape’s patent. The requirements for proving such infringement were discussed in my prior instructions. The requirements for proving invalidity are discussed later in my instructions. In addition,]* To prove willful infringement, Anascape must prove by clear and convincing evidence that *[Defendants:*^{34 35} *prior to the filing date of the complaint, July 31, 2006];*

³⁰ [Anascape: see TGIP (p. 13-14); Finisar (p. 11-12); 35 U.S.C. § 284; WMS Gaming Inc. v. Int’l Game Tech., 184 F.3d 1339, 1354 (Fed. Cir. 1999); Georgia-Pacific Corp. v. United States Gypsum Co., 195 F.3d 1322, 1334 (Fed. Cir. 1999); John’s Hopkins University v. Cellpro, 152 F.3d 1342, 1363 (Fed. Cir. 1998); Comark Comm., Inc. v. Harris Corp., 156 F.3d 1182, 1191 (Fed. Cir. 1998).]

³¹ *[Defendants: Defendants object to the placement of this instruction before the validity instructions. It is misleading and confusing to instruct the jury as to willful infringement before instructing them as to validity, the determination of which is a prerequisite to consideration of willfulness. Defendants propose that the “Willful Infringement” instruction follow the validity instructions.]*

³² [Anascape: The Court typically places the Willfulness instruction here. See TGIP (p. 13); Finisar (p. 11); CAC (p. 12).]

³³ *[Defendants: Defendants object to this instruction without Defendants’ proposed language. This language was derived from the instruction given in the CAC case (at p. 12). It is misleading and confusing to have the jury consider willfulness without instructing them that only a valid claim can be infringed, particularly where willfulness instruction is placed before the validity instructions.]*

³⁴ *[Defendants: Defendants object to instructing the jury that post-suit willful infringement can be found. In re Seagate Tech. LLC., 497 F.3d 1360, 1374 (Fed. Cir. 2007) (“A patentee who does not attempt to stop an accused infringer’s activities [by seeking a preliminary injunction] should not be allowed to accrue enhanced damages based solely on the infringer’s post-filing conduct.”).]*

(i) The Defendant was aware of the ‘700 patent, [*Defendants*:³⁶ *if defendants were not actually aware of the ‘700 patent, they could not have willfully infringed it*]; and

[Anascape: ³⁷ (ii) The Defendant engaged in the accused infringing activities recklessly and without a reasonable basis for believing its video game controller did not infringe the ‘700 patent or that the ‘700 patent was invalid. Specifically, Anascape must show that the Defendant acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, and that this objectively defined risk was either known or so obvious that it should have been known to the accused infringer. The state of mind of the Defendant is not relevant to this objective standard. In deciding whether a Defendant committed willful infringement, you must consider all of the facts, which include but are not limited to:

³⁵ [Anascape: Anascape is not relying solely on Defendants’ post-suit conduct. However, even if it were, a willfulness finding would still be appropriate. The language Defendants cite from *Seagate* is *dicta*, not persuasive, and is out of line with recent Supreme Court patent cases. See Anascape’s Response to Defendants’ Motion for Summary Judgment of No Willful Infringement (Docket No. 252 at 27-28).]

³⁶ *[Defendants: Knowledge of a patent is a prerequisite to willful infringement. Gustafson, Inc. v. Interstystems Indust. Prods., Inc., 897 F.2d 508 (Fed. Cir. 1990) (“[A] party cannot be found to have ‘willfully’ infringed a patent of which the party had no knowledge.”).]*

³⁷ *[Defendants: Defendants object to Anascape’s proposed construction as it fails to state the correct test for willfulness, is confusing and misleading. Anascape’s instruction does not even refer to the second prong of the “reckless disregard” test for willfulness, namely the subjective state of mind of Defendants. This incomplete statement of the test is particularly confusing because Anascape lists several “subjective” factors. This list of factors is misleading and incomplete. If post-suit conduct is to be considered, Microsoft’s successful request for Reexamination and the Patent Office’s Response are the most relevant factors. It is factually misleading to instruct that copying of a product covered by a patent is a factor. At best, this factor could only be indirectly relevant and would require, at the least, proof the product was actually covered, that the accused infringer knew the product was covered, and that the alleged infringer knew it was copying the features of that product that were covered. Here, the accused infringers’ design process took place largely, if not completely, before the ‘700 patent issued. As a result, this factor could not be relevant. Moreover, the list of factors is legally misleading in that it suggests that Defendants had a duty to seek an opinion of counsel. They did not. In re Seagate Tech. LLC., 497 F.3d 1360 (Fed. Cir. 2007). This instruction appears to be derived from the Federal Circuit Bar Association Model instruction 3.8. However, that instruction contains the note the opinion of counsel factor should only be listed where the accused infringer actually relies on such an opinion.]*

(i) Whether the Defendant intentionally copied a product covered by the ‘700 patent;

(ii) Whether the Defendant, when it learned of Anascape’s patent protection, investigated the scope of the patent and formed a good faith belief that the patent was invalid or that it was not infringed before the Defendant started or continued any possible infringing activity;

(iii) Whether the Defendant had a substantial defense to infringement and reasonably believed that the defense would be successful if litigated;

(iv) Whether the Defendant made a good faith effort to avoid infringing the patent, for example, that the Defendant took remedial action upon learning of the patent by ceasing infringing activity or attempting to design around the patent;

(v) Whether the Defendant tried to cover up its infringement; and

(vi) Whether the Defendant obtained, and relied on, a legal opinion that appeared to it to be well supported and believable; and that advised the Defendant that its product did not infringe the ‘700 patent, or that the ‘700 patent was invalid.]

[Defendants:³⁸ (ii) the Defendant acted with reckless disregard of the claims of ‘700 patent.

To demonstrate such “reckless disregard,” Anascape must satisfy a two-part test. The first part of the test is objective. Anascape must persuade you that the Defendant acted despite an objectively high likelihood that its actions constituted infringement of a valid and enforceable patent. The state of mind of the Defendant is not relevant to this inquiry. You should focus on whether a reasonable person in the position of the Defendant, after learning of the patent, could have reasonably believed that it did not infringe or reasonably believed the patent

³⁸ *[Defendants: Defendants’ proposed language tracks that used by the Court in the CAC case (at pp. 12-13).]*

was invalid or unenforceable. If a reasonable person in the position of the Defendant could not have held such belief, then you need to consider the second part of the test.

The second part of the test does depend on the state of mind of the Defendant. Anascape must prove that the Defendant actually knew, or it was so obvious that the Defendant should have known, that its actions constituted infringement of a valid and enforceable patent.

In deciding whether a Defendant acted with reckless disregard for the ‘700 patent, you should consider all of the facts surrounding the alleged infringement including whether the Defendant acted in a manner consistent with the standards of commerce for its industry.]

The fact that you may have determined that the Defendant was wrong and that the patent is infringed does not mean that the Defendant’s infringement was willful. All that is required to avoid a finding of willful infringement is that the Defendant had a good faith belief that it did not infringe, or that the patent was invalid, and that its belief was reasonable under all of the circumstances.

The issue of willful infringement is not relevant to your decision of whether there is infringement. A finding of willful infringement may, in certain circumstances, result in the court awarding the patent owner increased damages. If you decide that the Defendant willfully infringed the ‘700 patent’s claims, then it will be the Court’s job to decide whether or not to award increased damages to Anascape. You should not consider willful infringement in making your damage award, if any.

6. Invalidity

Only a valid patent may be infringed. For a patent to be valid, the invention claimed in the patent must be new and non-obvious and must comply with certain statutory requirements. A patent cannot take away from people their right to use what was known or what would have been obvious when the invention was made.

Defendants assert that the claims in the ‘700 patent are not valid because they are not new and/or are obvious. Defendants also assert that the claims of the ‘700 patent *[Defendants:³⁹ are not valid because the application for the ‘700 patent does not comply with the statutory requirement to describe the claims as issued in the ‘700 patent]* *[Anascape:⁴⁰ do not meet the so-called “written description” requirement, which I will explain to you later in these instructions.]*

[Anascape:⁴¹ Each claim in a patent issued by the United States Patent Office is presumed to be valid.⁴² Defendants may rebut this presumption as to each claim, by proving by clear and convincing evidence that the claim in question is not valid. There are several ways in which Defendants may try to prove that the invention described in a particular claim is not new and/or is obvious, and therefore is invalid. These ways are described below. You must consider each of these separately as to each claim, and decide whether Defendants have proven any of them by clear and convincing evidence.] *[Defendants:⁴³ Defendants normally bear the burden*

³⁹ *[Defendants: Defendants object to Anascape’s proposal as it fails to include Defendants’ written description defense in this summary of the invalidity defenses.]*

⁴⁰ *[Anascape: added to respond to Defendants’ comment about lack of written description defense in this summary.]*

⁴¹ *[Defendants: Defendants object to Anascape’s proposal as it fails to include written description as a basis for invalidity.]*

⁴² *[Anascape: Finisar (p. 13); TGIP (p. 15).]*

⁴³ *[Defendants: Defendants object to instructing the jury as to both the presumption of validity and the burden of proof. “[T]he presumption [of validity] is one of law, not fact, and does not constitute ‘evidence’ to be weighed against a challenger’s evidence.” Avia Group Int’l Inc. v. L.A. Gear Cal., Inc., 853 F.2d 1557, 1562 (Fed. Cir. 1988). Moreover, the presumption of validity and the defendant’s burden of proof for proving validity are “in reality different expressions of the same thing—a single hurdle to be cleared.” Am. Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1360 (Fed. Cir. 1984). Instructing the jury about both the presumption of validity and the Defendants’ burden of proof will cause the jury to incorrectly believe that there are two hurdles that must be overcome in proving the invalidity of Anascape’s patents. This is both incorrect and unduly prejudicial. See Chiron Corp. v. Genentech, Inc., 363 F.3d 12476, 1258-59 (Fed. Cir. 2004) (affirming District Court decision to instruct as to the*

of proving invalidity by clear and convincing evidence that the claim in question is not valid. However, where Defendants’ defense or evidence was not considered by the Patent Office in deciding to allow the patent, that burden is diminished and may be met by a mere preponderance of the evidence. There are several ways in which Defendants may try to prove that the invention described in a particular claim is invalid. These ways are described below. You must consider each of these separately as to each claim.]

A. [Anascape: Written Description^{44 45}

The Defendants may establish that a patent claim is invalid by showing, by clear and convincing evidence, that the written description of the invention in the patent is not

burden of proof and not on the presumption of validity). The Federal Circuit Bar Association Model Jury instructions (see B.4.1), the AIPLA Model Jury Instructions (see 4.), and the N.D, Cal. Model Patent Jury Instructions (see B.4.1) all instruct only as to the burden of proof and do not mention the presumption of validity.

Defendants also object to all instructions which specify the “clear and convincing” evidence standard for proving invalidity. The Supreme Court in KSR International Co. v. Teleflex Inc., 127 S.Ct. 1727, 1745 (2007) acknowledged the statutory presumption of validity and noted that the rationale for the presumption of validity “seems much diminished” where the PTO did not consider the issues raised by the defendant. While this does not eliminate the statutory presumption of validity that results in the Defendants bearing the burden of proof of invalidity, it does call into question the appropriateness of requiring a heightened “clear and convincing” standard of proof for defenses not considered by the PTO. Defendants acknowledge this Court’s Order that “[t]he jury will be instructed that it will make the decision as to invalidity based on the evidence admitted under the clear and convincing standard approved by the appellate courts.” (Docket No. 219, at 1-2). However, Defendants must raise this issue here to assure that their rights are preserved for appeal.]

⁴⁴ [Anascape: Federal Circuit Bar Association Model Patent Jury Instruction § 4.2a (2007); 35 U.S.C. § 112(1) & (2); *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247 (Fed. Cir. 2004); *Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000); *Lampi Corp. v. Am. Power Prods., Inc.*, 228 F.3d 1365, 1377-78 (Fed. Cir. 2000); *Gentry Gallery, Inc. v. Berklene Corp.*, 134 F.3d 1473, 1478-80 (Fed. Cir. 1998); *In re Alton*, 76 F.3d 1168, 1172 (Fed. Cir. 1996).]

⁴⁵ *[Defendants: Defendants’ “Written Description” instruction is found below. Defendants object to placement of the instruction here and believe that it is confusing to address written description before dealing with the prior art defenses.]*

adequate. In the patent application process, the applicant may change the claims between the time the patent application is first filed and the time a patent is finally granted. An applicant may amend the claims or add new claims. These changes may narrow or broaden the scope of the claims. The purpose of the written description requirement is to ensure that the patent provides an adequate description of the invention and to ensure that the scope of the claims that are eventually issued remain within the scope of the written description of the invention that was provided with the application as it was first filed.

In deciding whether the patent satisfies this written description requirement, you must consider the description from the viewpoint of a person of ordinary skill in the field of technology of the patent, as I have defined that person for you. The written description requirement is satisfied if the person of ordinary skill reading the patent application as originally filed would recognize that it describes the invention as it is finally claimed in the issued patent.

The written description requirement may be satisfied by the words, structures, figures, diagrams, formulas, etc., in the patent application, and any combination of them, as understood by one of ordinary skill in the field of the technology of the invention. A requirement in a claim need not be expressly disclosed in the patent application as originally filed; provided persons of ordinary skill in the field of technology of the invention would have understood that the missing requirement is inherent in the written description in the patent application.]

B. [Defendants:⁴⁶ *Prior Art*

⁴⁶ *[Defendants: In order to assist the jury in understanding what decisions it must make, Defendants' instruction identifies the prior art it relies upon (subject to change depending on evidentiary and other rulings); identifies what art is agreed to be prior art; and for each item of disputed art instructs the jury what it must decide to determine whether it is prior art. This is the same format the Court used in the CAC case (see pp. 14-15). This very specific format is necessary to allow the jury to understand what decisions they need to make because there are several disputed items of prior art many of which require the resolution of different issues. Merely setting forth the statutory language, and leaving it to the jury to figure out which decisions must be made for each which item of prior art, as proposed by Anascape, is an invitation to confusion and error. Accordingly, Defendants object to Anascape's proposed instructions.]*

Some of these instructions will refer to “prior art,” or a “prior art reference.” In general, prior art means technology and information that was accessible to the interested public before the ‘700 patent’s priority date. However, there are statutes that specifically define the requirements of various types prior art. In some cases, the parties dispute whether these requirements are satisfied, it will be up to you to decide.

Defendants are relying on the following items as prior art.⁴⁷

The Cyberman Controller

Furukawa (Japanese patent application, Publication No. 5-87760, Nov. 26, 1993)

The “Sega” Prior Art

- (i) Saturn 3-D Control Pad controller*
- (ii) Himoto patent (European Patent Application No. EP 0 085 676 A1)*
- (iii) Sega Saturn 3-D Control Pad Manual;*

The “Sony” Prior Art

- (i) Sony Dual Shock controller*
- (ii) Sony Dual Shock 2 controller;*
- (iii) Goto patent (European Patent Application No. EP 0 867 212 A1);*
- (iv) Sony PlayStation Analog Controller Manual*
- (v) Sony Official PlayStation Magazine – “Two-rific” article*
- (vi) Sony’s September 13, 1999 Press Release*

Anascope and Defendants agree that items (specify) are prior art to all claims of the ‘700 patent.

⁴⁷ *[Defendants: This list of prior art is subject to change based on evidentiary considerations and various rulings from the Court.]*

Anascape and Defendants agree that items (specify) are prior art if the claims of the '700 patent are not entitled to a priority date of July 5, 1996. You will need to decide this question and I will instruct you shortly on the law you should apply to do so.

Anascape and Defendants agree the items (specify) are prior art if they were known or publicly used in the United States or described in a printed publication anywhere in the world before the invention date of the claims of the '700 patent. Again, you will need to decide this and I will instruct you shortly on the law you are to apply.]

C. [Anascape:⁴⁸ **Prior Art**

Some of these instructions will refer to “prior art,” or a “prior art reference.” Prior art means technology and information that was accessible to the interested public before the '700 patent’s priority date.

Defendants are relying on various items of prior art. Defendants are relying on items that Anascape does not agree are prior art:

(i) [To Be Inserted If Defendants Have Prior Art Admitted into Evidence].

Anascape and Defendants agree that the following reference is prior art, and there is no dispute that this reference came before the invention claimed in the '700 patent:

(ii) [To Be Inserted If Defendants Have Prior Art Admitted into Evidence].

Defendants must prove that these items are prior art. In order to do so, Defendants must prove, by clear and convincing evidence, that the items fall within one or more of the different categories of prior art recognized by the patent laws. These categories include:

(i) anything that was publicly known or used in the United States by someone other than the inventor before the inventor made the invention;

(ii) anything that was in public use or on sale in the United States more than one year before the effective filing date of the '700 patent;

⁴⁸ [Anascape: *TGIP* (p. 15-16); *CAC* (p. 14-15); *Blackboard* (p. 13-14).]

(iii) anything that was patented or described in a printed publication anywhere in the world before the inventor made the invention, or more than one year before the effective filing date of the ‘700 patent; and

(iv) anything that was invented by another person in this country before the inventor made the invention, if the other person did not abandon, suppress or conceal his or her prior invention.]

(2) *[Defendants:^{49 50} Effective Filing Date*

⁴⁹ *[Defendants: The Federal Circuit recently clarified: a) that the PTO does not normally decide priority claims (see also MPEP 202.02); and b) that a patent owner, not the accused infringer, normally bears the burden of establishing entitlement to a claimed priority date. PowerOasis, Inc. v. T-Mobile USA, Inc., No. 2007-1265, slip op. at 8-9 (Fed. Cir. April 11, 2008); 35 U.S.C. § 120. Anascape’s instruction also fails to mention the need for a claim-by-claim determination. Accordingly, Defendants object to Anascape’s proposed instruction.]*

⁵⁰ *[Anascape: PowerOasis does not apply to this situation. First, the reasoning in PowerOasis only applies to applications that issue as CIPs, where, as a matter of law, even after prosecution, there is sometimes an unresolved question of whether the claims are entitled to the priority date of the earlier application. Unlike PowerOasis, here, the patent issued as a continuation, therefore, the reasoning of PowerOasis is inapposite. Even if PowerOasis applied to patents that issued as continuations, here, unlike in PowerOasis, the Patent Office plainly identified and considered the issue of whether the ‘700 patent was properly a continuation or a continuation-in-part of the ‘525 patent. The examiner considered whether the ‘700 patent was appropriately a continuation or a continuation-in-part, concluding that the claims did not rely on new material. See Pirkle v. Ogontz Controls Co., 90-2430, 1992 U.S. Dist. LEXIS 9601 at *7 n.6 (D. Pa. July 9, 1992) (noting that “no continuation claim will be accepted if it would constitute a new matter if inserted into the parent”). Thus, because the patent office made the determination that the ‘700 patent was a continuation of the ‘525 patent, the patent office implicitly found that the claims were supported by the original ‘525 application, and were entitled to the filing date of that application. This decision is entitled to the presumption of validity, and Defendants must disprove such entitlement by clear and convincing evidence. See PowerOasis, 2008 WL 1012561, at *4 (reiterating that a party asserting invalidity faces “the added burden of overcoming the deference that is due to a qualified government agency presumed to have properly done its job, which includes one or more examiners who are assumed to have some expertise in interpreting the references and to be familiar from their work with the level of skill in the art and whose duty it is to issue only valid patents”) (quoting Am. Hoist & Derrick Co. v. Sowa & Sons, 725 F.2d 1350, 1360 (Fed. Cir. 1984)).]*

In deciding what is prior art to the '700 patent, you must first determine the effective filing date for each claim of the '700 patent. I will now explain to you how to determine this date.

*The application for the '700 patent was filed with the Patent Office on November 16, 2000. Anascape asserts that each claim of the '700 patent is entitled to an earlier **effective** filing date of July 5, 1996, the date on which Mr. Armstrong filed a related patent application. If a patent applicant files a second patent application while an earlier application is still pending, and there are some differences between the two applications, then sometimes the claims that issue from the second application are entitled to the filing date of the first application and sometimes they are not so entitled. Because here Mr. Armstrong's November 16, 2000, application is different in some respects than his earlier, July 5, 1996, application, you must decide, for each asserted patent claim, whether the claim is entitled to the earlier filing date, or not. Defendants contend that the 1996 patent application does not support the claims in the '700 patent. The Patent Office has not decided this issue.*

It is Anascape's burden to prove, for each claim of the '700 patent, that the claim is entitled to a July 5, 1996, filing date. To do that, Anascape must show, by a preponderance of the evidence, that the July 5, 1996 application, as filed, provided an adequate written description for the later-filed claim. I explain next how to determine whether a patent application provides an adequate written description for a later-filed patent claim.

(3) **[Anascape: Effective Filing Date]**⁵¹

⁵¹ [Anascape: See Order Denying Motions for Summary Judgment, Docket No. 242 (citing *Tronzo v. Biomet, Inc.*, 156 F.3d 1154, 1158 (Fed. Cir. 1998) and *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247, 1252, 1259 (Fed. Cir. 2004)); see also *Noelle v. Lederman*, 355 F.3d 1343, 1348 (Fed. Cir. 2004) (“Thus the test to determine if an application is to receive the *benefit* of an earlier filed application is whether a person of ordinary skill in the art would recognize that the applicant possessed what is claimed in the later filed application as of the filing date of the earlier filed application.”); *Cordis Corp. v. Medtronic AVE, Inc.*, 339 F.3d 1352, 1364 (Fed. Cir. 2003) (stating that the written description requirement is evaluated under a “clear and convincing” standard; whether the specification provides support for a claim is a question of fact

Many of the different categories of prior art refer to the “effective filing date” or the “priority date” of the patent. I will now explain to you how to determine this date.

The ‘700 patent is presumed to have an effective filing date of at least July 5, 1996, the date that Anascape claims to be the effective filing date. Defendants contend that the patent is entitled to an effective filing date of November 16, 2000. At trial, to show that the patent is not entitled to a July 5, 1996 priority date, Defendants must prove, by clear and convincing evidence, that the written description requirement that I mentioned earlier was not met. In evaluating the written description requirement to determine the effective date of the ‘700 patent, you should compare the asserted claims of the ‘700 patent with the written description of the original application for the ‘525 patent. The written description of the original application for the ‘525 patent adequately describes the asserted claims of the ‘700 patent if it reasonably conveys to one of skill in the art that the inventor possessed the later-claimed subject matter at the time the original application for the ‘525 patent was filed.]

*[Defendants:⁵² **Written Description***

The purpose of the written description requirement is to ensure that the patent provides an adequate description of the invention and to ensure that the scope of the claims that are eventually issued are an accurate description of what the inventor actually described as the invention in the application as it was first filed.

for the jury; “[t]he disclosure as originally filed does not, however, have to provide in haec verba support for the claimed subject matter at issue.”.]

⁵² *[Defendants: This instruction was derived from Federal Circuit Bar Association Model Patent Jury Instruction § 4.2a (2007). Modifications based on Tronzo v. Biomet, Inc., 156 F.3d 1154, 1158 (Fed. Cir. 1998); Order Denying Motions For Summary Judgment (Docket No. 242) at 4; Lockwood v. American Airlines, 107 F.3d 1565, 1572 (Fed. Cir. 1997); Hyatt v. Boone, 146 F.3d 1348, 1354 (Fed. Cir. 1998); Purdue Pharma L.P. v. Faulding Inc., 230 F.3d 1320, 1323, 1326-27 (Fed. Cir. 2000); Gentry Gallery, Inc. v. Berkline Corp., 134 F.3d 1473, 1478-80 (Fed. Cir. 1998).*

In addition, this instruction sets forth the agreed level of ordinary skill in art since, this is the first time the jury should properly apply such a standard.]

The written description requirement is satisfied if the person of ordinary skill reading the patent application as originally filed would recognize that it expressly or necessarily describes the invention as it is finally claimed in the issued patent. The written description provided by the patent application must be specific, complete, unambiguous and equally as broad as the final claims. The question is not whether a claimed invention is an obvious variant of that which is disclosed in the specification. Rather, a prior application itself must describe an invention, and do so in sufficient detail that one skilled in the art can clearly conclude that the inventor invented the claimed invention as of the filing date sought. A disclosure in the application that merely renders the final claims obvious is not sufficient to meet the written description requirement; the disclosure must describe the final claims with all their limitations.

Under certain circumstances, omission of a limitation can raise an issue regarding whether the inventor had possession of a broader, more generic invention. A claim that omits an element which the applicant describes as an essential or critical feature of the invention originally disclosed does not comply with the written description requirement. The fundamental factual inquiry is whether the specification conveys with reasonable clarity to those skilled in the art that, as of the filing date sought, applicant was in possession of the invention as now claimed.⁵³

The written description requirement may be satisfied by the words, structures, figures, diagrams, formulas, etc., in the patent application, and any combination of them, as understood by one of ordinary skill in the field of the technology of the invention. A requirement in a claim need not be expressly disclosed in the patent application as originally filed; provided persons of ordinary skill in the field of technology of the invention would have understood that the missing requirement is inherent in the written description in the patent application.

⁵³ [Defendants: The paragraph is quoted from “Guidelines for Examination of Patent Applications Under 35 U.S.C. 112, ¶ 1, ‘Written Description’ Requirement, Federal Register, Vol. 66, No. 4 (January 5, 2001) at p. 1105 (footnotes omitted).]

In deciding whether the written description is satisfied, you must consider the description from the viewpoint of a person of ordinary skill in the field of technology of the patent. A person of ordinary skill in the art in this particular case is someone with the equivalent of a “four-year” degree from an accredited institution (usually denoted in this country as a B.S. degree) in mechanical or electrical engineering, and at least three years of experience designing, developing or improving electronic systems that include sensors and/or controllers for computers, robotics, video games or other electronic devices. He or she should have some familiarity with pressure-sensitive variable conductance material. Extensive experience and technical training might substitute for educational requirements, while advanced degrees might substitute for some of the experience.

(4) Date of Invention^{54 55}

⁵⁴ [Anascape: Taken in substantial part from *Computer Acceleration Corp. v. Microsoft Corp.*; see also American Bar Association Model Jury Instructions, *Patent Litigation* § 9.3.1 (as modified); *Avid Identification Systems, Inc. v. Philips Semiconductors, Inc.*, Civil Action No. 2:04-cv-183 (E.D. Tex., Judge Ward); *Visto Corp. v. Seven Networks, Inc.*, Civil Action No. 2:03-CV-333 (E.D. Tex., Judge Ward); *Mycogen Plant Sci., Inc. v. Monsanto Co.*, 243 F.3d 1316, 1330 (Fed. Cir. 2001); *Singh v. Brake*, 222 F.3d 1362, 1366-70 (Fed. Cir. 2000); *Genentech Inc. v. Chiron Corp.*, 220 F.3d 1345, 1351 (Fed. Cir. 2000); *Bruning v. Hirose*, 161 F.3d 681, 684-85 (Fed. Cir. 1998); *Cooper v. Goldfarb*, 154 F.3d 1321, 1326-31 (Fed. Cir. 1998); *Hyatt v. Boone*, 146 F.3d 1348, 1352-55 (Fed. Cir. 1998); *Estee Lauder, Inc. v. L’Oreal, S.A.*, 129 F.3d 588, 592-93 (Fed. Cir. 1997); *Marhurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577-79 (Fed. Cir. 1996); *Burroughs Wellcome Co. v. Barr Labs.*, 40 F.3d 1223, 1228 (Fed. Cir. 1994); *Griffith v. Kanamaru*, 816 F.2d 624, 626 (Fed. Cir. 1987); *Bey v. Kollonitsch*, 806 F.2d 1024, 1026 (Fed. Cir. 1986); *Morgan v. Hirsch*, 728 F.2d 1449, 1452 (Fed. Cir. 1984).]

⁵⁵ *[Defendants: Defendants object to all instructions suggesting that Mr. Armstrong might have a date of invention prior to July 5 1996. Anascape’s 30(b)(6) witness testified that it was not seeking a date of invention prior to the July 5, 1996 filing date and Anascape has not presented any corroborating evidence for such a claim.]*

[Defendants:⁵⁶ To determine whether (specify items 102(a) prior art) is prior art, you will need to determine the date on which Mr. Armstrong first possessed the subject matter claimed in the '700 patent. This is called the “date of invention.” The term “invention” is used in Patent Law to refer to what the patent applicant claimed was his invention, even in cases where the alleged invention actually was old or obvious and the claim was therefore invalid. Thus, by using the term “date of invention” in the instructions, I am not suggesting to you that there was an actual invention. That is for you to decide. I will now explain to you how to determine this date.

[Anascape: Many of the different categories of prior art refer to the date on which the inventor made the invention. This is called the “date of invention.” I will now explain to you how to determine this date.]

There are two parts to the making of an invention. First, the inventor has the idea of the invention. This is referred to as “conception” of the invention. A conception of an invention is complete when the inventor has formed the idea of how to make and use every aspect of the claimed invention, and all that is required is that it be made without the need for any further inventive effort.

⁵⁶ *[Defendants: Defendants object to Anascape’s proposed instruction as an incomplete and/or incorrect statement of the law and as misleading and biased. Date of invention is only relevant to prior art under 102(a). This must be stated in the instruction or it will result in legal error. For example, the two “exceptions” stated in this instruction are legally incorrect as written. Prior inventions cannot remove prior art under 102(b). Thus, as presented by Anascape the jury would be incorrectly instructed that a prior invention date can remove a publication printed more than one year before the effective filing date of an application as prior art. This is not the law. A listing of the prior art to which this instruction applies (i.e., art that is only art under 102(a)) is the clearest way to prevent this legally flawed result. The caveat concerning the use of the phrase “invention date” is also necessary. Otherwise the jury will hear the Court repeatedly suggest that Anascape’s claims are an “invention,” which is disputed by Defendants.]*

Second, the actual making of the invention is referred to as “reduction to practice.” An invention is said to be “reduced to practice” when it is made and shown to work for its intended purpose.

Under the patent laws, the date of invention is generally the date that the patent application was filed. This is also referred to as a “constructive reduction to practice.” Ordinarily, art dated before the effective filing date is prior art to the patent claims.

There are, however, two circumstances under which art dated before the application filing date is not prior art. The first occurs [*Defendants:*⁵⁷ *if*] [*Anascape:*⁵⁸ *when*] the inventor on the patent reduced the invention to practice before the date of the art. In this circumstance, the art is not prior art to the [*Anascape:* ‘700] patent [*Anascape:* *claims*].

The second circumstance under which art dated before the application filing date is not prior art occurs [*Defendants:* *if*] [*Anascape:* *when*] the inventor conceived of the invention before the date of the art and exercised reasonable diligence from just before the date of the art up to the date of the inventor’s reduction to practice. In that case, art dated after the conception date is not prior art to the [*Anascape:* ‘700] patent.

Remember, 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 diligence. When a party seeks to prove conception via the oral testimony of an inventor, that party must proffer evidence corroborating that testimony.

⁵⁷ [*Defendants:* *Defendants object to Anascape’s proposed language. The two circumstances described are illustrative and should be presented in conditional language, and should not specifically reference the ‘700 patent.*]

⁵⁸ [*Anascape:* “when” language, and specific reference to patent-in-suit, taken from *Blackboard* (p. 13).]

(5) Prior⁵⁹ Knowledge or Public Use

[Defendants:⁶⁰ After you have determined Mr. Armstrong’s “date of invention,” you must also determine whether the (specify 102(a) art) was known or used in the United States prior to that date. If so, the (specify 102(a) art) is prior art to the ‘700 patent claims.]

[Anascape:⁶¹ Defendants contend the claims 12-15, 16-20, 22-23, and 32-33 of the ‘700 patent are invalid because the inventions defined in those claims were publicly used in the United States before it was invented by the patentee. A patent claim is invalid if the invention defined by that claim was publicly used by someone other than the patentee in the United States before it was invented by the patentee.]

An invention is publicly used if it is used by the inventor or by a person who is not under any limitation, restriction, or obligation of secrecy to the inventor. Secret use by a third party is not an invalidating public use. If the public use was an experimental use performed in order to bring the invention to perfection or to determine if the invention was capable of performing its intended purpose, then such a use does not invalidate the claim.

(6) Invalidity by Anticipation

⁵⁹ *[Defendants: Defendants object to Anascape’s proposal as it fails to include the “known” prong of 35 U.S.C. § 102(a) (“the invention was known or used by others in this country”).]*

⁶⁰ *[Defendants: Defendants object to Anascape’s proposed instruction as legally incorrect and/or incomplete and misleading and confusing. As stated above, it is necessary to limit this instruction to 102(a) art. This is most easily done by specifying the art. Further, the point of this instruction is to determine whether the art was “known or used” and is, indeed, prior art. Comparison of the art to the claims is addressed in later instructions and Anascape’s reference to it here is likely to confuse the jury.]*

⁶¹ [Anascape: Taken from TGIP (p. 16).]

A patent claim is invalid if the Defendants, [Anascape:⁶² by clear and convincing evidence], prove that the claimed invention is not new. For the claim to be invalid because it is not new, all of its requirements must have existed in a single item of prior art. If a patent claim is not new we say it is “anticipated” by a prior art reference.

The description in a written reference does not have to be in the same words as the claim, but all of the requirements of the claim must be there, either stated or necessarily implied, so that someone of ordinary skill in the field of the claimed invention looking at that one reference would be able to make and use the claimed invention.

Defendants are relying on the following as anticipating prior art:^{63 64}

- (i) Claims 19 and 20 are anticipated by the Sony Dual Shock controller;
- (ii) Claims 19, 22 and 23 are anticipated by the Himoto patent; and
- (iii) Claims 19, 22, 23 and 32 are anticipated by the Sony Dual Shock 2 controller.

[Anascape: The parties agree that [To Be Inserted If Defendants Have Prior Art Admitted into Evidence] constitutes prior art, but dispute whether they are anticipating. The parties dispute whether [To Be Inserted If Defendants Have Prior Art Admitted into Evidence] constitutes prior art. If you find that they are prior art, then you must decide if they anticipates and of the ‘700 patent claims.]

[Defendants:^{65 66} If you find that these items are prior art, then you must compare them to the identified claims and decide if they anticipate the identified claims of the ‘700 patent.]

⁶² *[Defendants: See footnote objecting to clear and convincing standard, supra.]*

⁶³ [Anascape: Anascape objects to these references and all other alleged prior art references referenced in the jury instructions if they are not admitted into evidence at trial.]

⁶⁴ *[Defendants: This list of prior art is subject to change based on evidentiary considerations and various rulings from the Court.]*

(7) Invalidity by Obviousness

Defendants also contend that the claims of the ‘700 patents are invalid because the claimed subject matter was obvious to one of ordinary skill in the art at the time the invention was made. *[Defendants:⁶⁷ Not all innovations are patentable.]* To be patentable, an invention must not have been obvious to a person of ordinary skill in the pertinent art at the time the invention was made.

Obviousness may be shown by considering more than one item of prior art.

Defendants contend that the inventions claimed in claims 12-15, 16-20, 22-23, and 32-33 of the ‘700 patent would have been obvious to a person of ordinary skill in the field of the invention at the time the invention was made in light of the following prior art references:

[Defendants:^{68 69 70} The Cyberman Controller

Furukawa (Japanese patent application, Publication No. 5-87760, Nov. 26, 1993)

⁶⁵ *[Defendants: Defendants object to Anascape’s proposed instruction as redundant to prior instructions and confusing. The jury has already been instructed as to the disputes over what is prior art and how to resolve those disputes. This instruction properly should focus on a comparison of the prior art to the claims to determine anticipation.]*

⁶⁶ [Anascape: it is misleading and confusing for the Court to refer to a reference as “prior art” when the parties dispute whether the reference is, in fact, prior art. The Court should state that the parties agree or disagree as to whether the particular reference is prior art.]

⁶⁷ *[Defendants: N.D. Cal. Model Instruction 4.3b. KSR International Co. v. Teleflex Inc., 127 S.Ct. 1727, 1746 (2007) (“And as progress beginning from higher levels of achievement is expected in the normal course, the results of ordinary innovation are not the subject of exclusive rights under the patent laws.”).]*

⁶⁸ *[Defendants: Defendants object to Anascape’s proposed instruction as redundant to prior instructions and confusing. The jury has already been instructed as to the disputes over what is prior art and how to resolve those disputes. This instruction properly should focus on a comparison of the prior art to the claims to determine obviousness.]*

⁶⁹ *[Defendants: This list of prior art is subject to change based on evidentiary considerations and various rulings from the Court.]*

⁷⁰ [Anascape: it is misleading and confusing for the Court to refer to a reference as “prior art” when the parties dispute whether the reference is, in fact, prior art. The Court should state that the parties agree or disagree as to whether the particular reference is prior art.]

The “Sega” Prior Art

- (i) *Saturn 3-D Control Pad controller*
- (ii) *Himoto patent (European Patent Application No. EP 0 085 676 A1)*
- (iii) *Sega Saturn 3-D Control Pad Manual;*

The “Sony” Prior Art

- (iv) *Sony Dual Shock controller*
- (v) *Sony Dual Shock 2 controller;*
- (vi) *Goto patent (European Patent Application No. EP 0 867 212 A1);*
- (vii) *Sony PlayStation Analog Controller Manual*
- (viii) *Sony Official PlayStation Magazine – “Two-rific” article*
- (ix) *Sony’s September 13, 1999 Press Release]*

[Anascape: The parties agree that [To Be Inserted If Defendants Have Prior Art Admitted into Evidence] constitutes prior art, but dispute whether they are render the ‘700 patent obvious. The parties dispute whether [To Be Inserted If Defendants Have Prior Art Admitted into Evidence] constitutes prior art and whether they render the ‘700 patent obvious.]

The question is, would it have been obvious to those skilled in the art who knew of the prior art to make the claimed invention? If the answer to that question is yes, then the patent claims are invalid. Defendants have the burden of proving [Anascape: ⁷¹ by clear and convincing evidence] that claims 12-15, 16-20, 22-23, and 32-33 of the ‘700 patent are invalid for obviousness.

Obviousness is determined from the perspective of a person of ordinary skill in the field of the invention. The issue is not whether the claimed invention would have been obvious to you, to me as a Judge, or to a genius in the field of the invention. Rather, the question

⁷¹ *[Defendants: See footnote objecting to clear and convincing standard, supra.]*

is whether or not the invention would have been obvious to a person of ordinary skill in the field of the invention.

You must not use hindsight when comparing the prior art to the invention for obviousness.

In making a determination of obviousness or non-obviousness, you must consider only what was known before the invention was made. You may not judge the invention in light of present day knowledge.

In determining whether or not these claims would have been obvious, you should make the following determinations: First, what is the scope and content of the prior art? Second, what is the difference or differences between the prior art and each asserted claim of the '700 patent, given the ordinary level of skill in the art? Third, are there any objective indications of non-obviousness?

Against this background, you must decide whether or not the invention covered by the '700 patent claims would have been obvious.

(b) Scope and Content

Determining the scope and content of the prior art means that you should determine what is disclosed in the prior art relied upon by Defendants. You must decide whether this prior art was reasonably relevant to the particular problem the inventor faced in making the invention covered by the patent claims. Such relevant prior art includes prior art in the field of the invention, and also prior art from other fields that a person of ordinary skill would look to when attempting to solve the problem.

(c) Difference or Differences

In determining the differences between the invention covered by the patent claims and the prior art, you should not look at the individual differences in isolation. You must consider the claimed invention as a whole and determine whether or not it would have been obvious in light of all the prior art.

It is common sense that familiar items may have been obvious beyond their primary purposes, and a person of ordinary skill often will be able to fit the teachings of multiple patents together like pieces of a puzzle. Multiple references in the prior art can be combined to show that a claim is obvious. Any need or problem known in the field and addressed by the patent can provide a reason for combining the elements in the manner claimed. To determine whether there was an apparent reason to combine the known elements in the way a patent claims, you can look to interrelated teachings of multiple patents, to the effects of demands known to the design community or present in the marketplace, and to the background knowledge possessed by a person of ordinary skill in the art. Neither the particular motivation of the person of ordinary skill in the art nor the alleged purpose of the patentee controls. One of ordinary skill in the art is not confined only to prior art that attempts to solve the same problem as the patent claim.

(d) Objective Indications

You also must consider what are referred to as objective indications of non-obviousness. Some of these indications of non-obviousness are:

- (i) Long-felt and unmet need in the art for the invention;
- (ii) Failure of others to achieve the results of the invention;
- (iii) Commercial success of the invention;
- (iv) Copying of the invention by others in the field;
- (v) Whether the invention was contrary to accepted wisdom of the prior art;
- (vi) Expression of disbelief or skepticism by those skilled in the art upon learning of the invention;
- (vii) Unexpected results;
- (viii) Praise of the invention by those in the field; and
- (ix) The taking of licenses under the patent by others.

These objective indications are only relevant to obviousness if there is a connection, or nexus, between them and the invention [*Defendants:*⁷² *described in the specification and*] covered by the patent claims. For example, commercial success is relevant to obviousness only if the success of the product is related to a feature of the patent claims. If the commercial success is the result of something else, such as innovative marketing, and not to a patented feature, then you should not consider it to be an indication of non-obviousness.

If you conclude that the prior art discloses all the elements of the claimed invention, but those elements are in separate items, you must then consider whether or not it would have been obvious to combine those items. A claim is not obvious merely because all of the elements of that claim already existed. One test you may consider when determining an asserted claim of obviousness, is whether there was some teaching, suggestion, or motivation to combine the items in the prior art into the particular claimed construction.

Again, you must compare separately each of the claims of the patent asserted by Anascape, with the prior art references to determine if one or more of the claims was obvious.

D. [Defendants:^{73 74} **Written Description (Invalidity)**

The Defendants also contend that the asserted claims of the ‘700 patent are invalid because the written description of the invention in the ‘700 patent specification as

⁷² [*Defendants: Defendants object to this instruction without Defendant’s proposed language as an incomplete and misleading statement of the law. MPEP 716.03(a): “To be pertinent to the issue of nonobviousness, the commercial success of devices falling within the claims of the patent must flow from the functions and advantages disclosed or inherent in the description in the specification. Furthermore, the success of an embodiment within the claims may not be attributable to improvements or modifications made by others. In re Vamco Machine & Tool, Inc., 752 F.2d 1564, 224 USPQ 617 (Fed. Cir. 1985).”]*

⁷³ [*Defendants: The substance of written description law is set forth in connection with the priority date determination and is references, without repetition here. This instruction is derived from both the Federal Circuit Bar Association Model Patent Jury Instruction § 4.2a (2007) and AIPLA Model Patent Jury Instruction No. 9 (2008 American Intellectual Property Law Association).*]

⁷⁴ [Anascape: Anascape’s “Written Description” proposed instruction is found above.]

originally filed on December 15, 2000 is not adequate. In the patent application process, the applicant may change the claims between the time the patent application is first filed and the time a patent is finally granted. An applicant may amend the claims or add new claims. These changes may narrow or broaden the scope of the claims. But in making such amendments, the applicant is prohibited from introducing new matter into the disclosure of the invention.

In evaluating the written description requirement, you should compare the asserted claims of the '700 patent with the written description of the December 15, 2000, application. However, the law you are to apply in making that comparison is the same as I described in connection with determining the effective filing date of the claims. If you find that the Defendants have proved that the '700 patent application filed on December 15, 2000 does not contain a written description of the invention covered by an asserted claim of the '700 patent, then you must find that the claim is invalid.]

7. Damages

If you find that there has been an infringement, the owner of a patent is entitled to an award of damages adequate to compensate for the infringement. You should not interpret the fact that I have given instructions about damages as an indication in any way that I believe that Anascape should, or should not, win this case. It is your task first to decide whether Defendants are liable. I am instructing you on damages only so that you will have guidance in the event you decide that Defendants are liable and that Anascape is entitled to recover money from Defendants.

In this case, Anascape is seeking damages in the form of a reasonable royalty.

[Anascape: ⁷⁵ - ⁷⁶ Generally, a reasonable royalty is defined by the patent laws as the reasonable

⁷⁵ [Defendants: Defendants object to the “general” definition of reasonable royalty as incomplete and redundant. The next agreed paragraph sets out the full and correct explanation of a “reasonable royalty.” Defendants object to Anascape’s proposed definition of a “royalty” as biased and inaccurate. The definition improperly states that a royalty is paid “for each article.” This suggests that a royalty must be on a per unit basis and ignores, and gives the

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 royalty is the amount of money a licensee pays to a patent owner for each article the licensee makes (or uses or sells) under the patent.]

[Defendants: A royalty is the amount of money a licensee pays to a patent owner to make (or use or sell) products under the patent.]

A reasonable royalty is the amount of money a willing patent owner and a willing prospective licensee would have agreed upon at the time of the infringement for a license to make the invention. It is the royalty that would have resulted from an arms-length negotiation between a willing licensor and a willing licensee, assuming that both parties believed the claims in question to be valid and infringed and that the licensee would respect the patent. In making your determination of the amount of a reasonable royalty, it is important that you focus on the time period when the infringer first infringed the patent and the facts that existed at that time. Your determination does not depend on the actual willingness of the parties to this lawsuit to engage in such negotiations. Your focus should be on what the parties' expectations would have been had they entered negotiations at the time the infringing activity began and the facts that existed at the time. Defendants' actual profits from use of the claims you find are infringing may or may not bear on the reasonableness of an award based on a reasonable royalty.

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

appearance that the Court has rejected, the possibility of a lump sum royalty. Defendants proposed definition eliminates this bias.]

⁷⁶ [Anascape: language taken from TGIP (p. 23) and Finisar (p. 22).]

(i) whether the patent holder had an established royalty for the invention; in the absence of such a licensing history, any royalty arrangements that were generally used and recognized in the particular industry at that time [Anascape:⁷⁷ for use of other technology comparable to the technology of the ‘700 patent]; [*Defendants:*⁷⁸ *In this connection, when evaluating evidence about amounts paid under other licenses and agreements, you should consider whether and to what extent such license was comparable - that is, was the technology exchanged and the terms of the agreement similar in terms and scope to the technology of the ‘700 patent and the bare license for the patent in the hypothetical negotiation;*

(ii) the nature of the commercial relationship between the patent owner and the licensee such as whether they were competitors or whether their relationship was that of an inventor and a promoter;

(iii) the established profitability of the patented product, its commercial success and its popularity at the time;

(iv) whether the patent owner had an established policy of granting licenses or retaining the patented invention as its exclusive right, or whether the patent holder had a policy of granting licenses under special conditions designed to preserve its monopoly;

(v) the size of the anticipated market for the invention at the time the infringement began;

(vi) the duration of the patent and of the license, as well as the terms and scope of the license, such as whether it is exclusive or nonexclusive or subject to territorial restrictions;

(vii) the rates paid by the licensee for the use of other patents comparable to the plaintiff’s patent;

⁷⁷ [Anascape: Federal Bar Association Model Patent Jury Instructions (p. 71).]

⁷⁸ [*Defendants: Defendants object to this instruction without their proposed language as an incomplete and inaccurate statement of the law. This language was used by the Court in both the CAC (see p. 28) and Blackboard cases (see p. 24).*]

(viii) whether the licensee's sales of the patented invention promote sales of its other products and whether the invention generates sales to the inventor of his non-patented items;

(ix) the utility and advantages of the patent property over the old modes or devices, if any, that had been used for working out similar results;

(x) the extent to which the infringer used the invention, and any evidence probative of the value of such use;

(xi) the portion of the profits in the particular business that are customarily attributable to the use of the invention or analogous inventions;

(xii) the portion of the profits that should be credited to the invention as distinguished from non-patented elements, the manufacturing process, business risks or significant features or improvements added by the infringer;

(xiii) the opinion and testimony of qualified experts and of the patent holder;

(xiv) 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 owner would have been willing to accept, acting as normally prudent business people;

(xv) the amount that a licensor and a licensee would have agreed upon just before the first date of infringement 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 use a particular method embodying the patented invention would have been willing to pay as a royalty and still 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.

[Defendants:⁷⁹ A reasonable royalty may be calculated in terms of a percentage of profits or revenue received from an infringing product or may be in the form of a one-time lump-sum payment, that allows continuing use of the invention.

You must not consider allegations of willfulness in considering damages or take into account any evidence relating to those allegations. Consideration of willfulness is entirely separate from the question of damages. Nor may you include damages that are speculative, damages that are only possible or damages that are based on guesswork.⁸⁰

Anascape is not seeking, and is not entitled to damages for sales occurring prior to the filing of this law suit on July 31, 2006, and you should not consider such sales in determining the amount of damages, if any, you award. As a matter of law, Defendants owe nothing to Anascape for those sales.⁸¹]

You must not award the plaintiff more damages than are adequate to compensate for the infringement. Nor may you include damages that are speculative, damages that are only possible or damages that are based on guesswork.

8. Instructions for Deliberations

It is your sworn duty as jurors to discuss the case with one another in an effort to reach agreement if you can do so. Each of you must decide the case for yourself, but only after

⁷⁹ *[Defendants: Defendants object to this instruction without their proposed language. The first paragraph was used in the Blackboard case (see p. 25), and is appropriate in light of the Defendants' expert reports. The second paragraph was used in the CAC case (see p. 29). The third paragraph is dictated by 35 U.S.C. §287(a). There is no allegation that Anascape provided notice of infringement (including notice of the '700 patent and an identification of the allegedly infringing products. Nor is there an allegation that Anascape's licensees marked licensed products with the number of the '700 patent. Therefore, Anascape is precluded from recovering damages for pre-suit actions.]*

⁸⁰ [Anascape: this "willfulness" portion of the damages instruction is redundant and unnecessary if it is also provided in the "Willfulness" instruction above.]

⁸¹ [Anascape: this language is unnecessary as Anascape's proposed jury verdict form makes it clear that Anascape is not seeking pre-suit damages.]

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 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.

Do not let bias, prejudice or sympathy play any part in your deliberations. This case should be considered and decided by you as an action between persons of equal standing in the community, of equal worth and holding the same or similar stations in life. The law is no respecter of persons; all persons, including corporations and other organizations, stand equal before the law, and are to be dealt with as equals in a court of justice.

When you retire to the jury room to deliberate on your verdict, you will take this charge with you as well as exhibits which the Court has admitted into evidence. When you go to the jury room, the first thing that you should do is select one of your number as your Foreperson, who will help to guide your deliberations and will speak for you here in the courtroom. The Foreperson should read, or have another juror read, these instructions to the jury. You should then begin your deliberations. If you recess during your deliberations, follow all of the instructions that the Court has given you on your conduct during the trial. Do not discuss the case unless all jurors are present in the jury room. After you have reached your unanimous verdict, your Foreperson must fill in your answers to the written questions and initial and date the verdict form. Do not reveal your answers until such time as you are discharged, unless otherwise directed by me. 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 or question to the court security officer, who will bring it to me. I will then respond as promptly as possible either in writing or by having you brought into the courtroom so that I can address you orally.

The presiding juror or any other juror who observes a violation of the Court's instructions shall immediately warn the one who is violating the same and caution the juror not to do so again.

After you have reached a verdict, you are not required to talk with anyone about the case unless the Court orders otherwise. You may now retire to the jury room to conduct your deliberations.

Appendix A

[Anascape: The preamble of each of the asserted claims does not limit the scope of any of the asserted claims, and:

CLAIM TERM, PHRASE, OR CLAUSE	CONSTRUCTION
3-D graphics controller <i>Claims 12-15, 32-33</i>	<i>No construction is necessary. However, should the Court construe this term:</i> a controller for controlling 3-D graphics <i>controller:</i> an input device interfacing between human hands and a host device such as a computer, television, or television based game <i>3-D graphics:</i> imagery with apparent depth
hand operated controller <i>Claims 19-20, 22-23</i>	<i>No construction is necessary. However, should the Court construe this term:</i> an input device interfacing between human hands and a host device such as a computer or television or television based game
a first [second] [third] element <i>Claims 12-13, 15, 32</i>	<i>No construction is necessary. However, should the Court construe this term:</i> a first [second] [third] structure, member, part, component or combination of the same
a first element <i>Claim 14</i>	<i>No construction is necessary. However, should the Court construe this term:</i> a structure, member, part, component or combination of the same
a [first, second, third, fourth] bi-directional proportional sensor <i>Claim 14</i>	a [first, second, third, fourth] sensor that produces signals representative of change in two directions of the same axis (<i>e.g.</i> left and right)
[structure]; [second] [third] element <i>Claims 19, 26</i>	<i>No construction is necessary. However, should the Court construe this term:</i> a [second] [third] structure, member, part, component or combination of the same
moveable on two axes <i>Claim 14</i>	<i>No construction is necessary.</i>
movable on two mutually perpendicular axes <i>Claims 19, 26</i>	<i>No construction is necessary.</i>
at least one sheet <i>Claim 20</i>	one or more circuit boards, flexible membrane sheets, or rigid membrane support structures connected together
detectable by the user <i>Claim 19</i>	<i>No construction is necessary. However, should the Court construe this term:</i> transmitted to the user's hand
navigating a viewpoint <i>Claim 19</i>	<i>No construction is necessary. However, should the Court construe this term:</i> controlling the user's point of view in 3-D graphics
economical combination of elements <i>Claim 32</i>	<i>No construction is necessary.</i>

[Defendants:⁸²

The term “3-D graphics controller” (asserted claims 12-15, 32-33) is a positive limitation that means “a controller having a hand operable, single input member that is moveable along and/or rotatable about three mutually perpendicular axes in six degrees of freedom (“6DOF”) relative to a reference member of the controller”.

The term “hand-operated controller” (asserted claims 19-20, 22-23) is a positive limitation that means “a controller having a hand operable, single input member that is moveable along and/or rotatable about three mutually perpendicular axes in six degrees of freedom (“6DOF”) relative to a reference member of the controller”.

The “first element”, “second element” and “third element” (asserted claims 12-13, 15, 32) are controlled by a hand operable, single input member moveable in six degrees of freedom.

The “a first element” (asserted claim 14) is controlled or activated by a hand operable, single input member moveable in six degrees of freedom.

The “first bi-directional proportional sensor”, “second bi-directional proportional sensor”, “third bi-directional proportional sensor” and “fourth bi-directional proportional sensor”

⁸² *[Defendants: For the reasons stated in Microsoft’s 5/21/07 Brief In Support Of Its Proposed Claim Construction For The Patents Asserted Against Both Microsoft And Nintendo, and at the related oral argument, Defendants object to Anascape’s proposed jury instruction concerning claim construction (except for the constructions agreed to by both parties, see Docket No. 187) and request the following alternative instruction under Fed. R. Civ. P. 51. See e.g., Serio-US Industries v. Plastic Recovery Technolog., 459 F.3d 1311, 1317 (Fed. Cir. 2006).]*

(asserted claim 14) are controlled or activated by a hand operable, single input member moveable in six degrees of freedom.

The “structure”, “second element” and “third element” (asserted claim 19) are controlled by a hand operable, single input member moveable in six degrees of freedom.

“At least one sheet” (asserted claim 20) means at least one flexible membrane sheet, and “the sensors are connected by at least one sheet” (asserted claim 20) means the electrically conductive circuit traces on the flexible membrane sheet contact the sensors of both the six degree of freedom (“6DOF”) hand operated single input member and the buttons.

“[The Sensors ...] Connected [To] [By] At Least One Sheet...” (asserted claim 20) - The at least one sheet is the flexible membrane sheet (see “at least one sheet,” above). The electrically conductive circuit traces on the flexible membrane sheet contact the sensors of both the six degree of freedom (“6DOF”) hand operated single input member (see “3-D graphics controller,” above) and the buttons.

The term “structure allowing hand inputs ... to be translated into electrical outputs” (asserted claim 19) requires control by a hand operable, single input member moveable in six degrees of freedom.

The terms “moveable on two axes” (asserted claim 14) and “moveable on two mutually perpendicular axes” (asserted claim 19) means capable of linear movement along [at least] two [mutually perpendicular] axes relative to a reference member of the controller, and does not encompass rotation of a structure about two axes.

The term “Navigating a Viewpoint” (asserted claim 19) is a positive limitation that requires positioning and orienting a user’s view, as opposed to controlling an object; the phrase “controlling objects and navigating a viewpoint” (asserted claim 19) requires “elements” that both actually control objects and navigate viewpoints, not mere capability.

The term “detectable by the user” (asserted claims 12, 15, 19) is indefinite

The term “economical combination of elements and buttons” (asserted claim 32) is a positive claim limitation that is indefinite.]

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a) on April 18, 2008. As such, this notice was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A).

/s/ Steven Callahan
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