

March 1993 draft

**UNIFORM JURY INSTRUCTIONS  
FOR PATENT CASES  
IN THE  
UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT OF DELAWARE**

March, 1993

These proposed preliminary and final jury instructions were prepared by a subcommittee of The Permanent Lawyers Advisory Committee for the United States District Court for the District of Delaware. We have looked to a number of sources in preparing the instructions, including draft instructions prepared by the American Intellectual Property Law Association, the American Bar Association, the Fifth Circuit District Judges Association, and instructions given by the court in patent cases.

The instructions are available on a disc, with and without the annotations. They have not been adopted by the Court as standard instructions to be used in this District. Rather, the members of the committee suggest that you use these drafts as a starting point for preparing instructions to be submitted to the court pursuant to the Local Rules.

We welcome proposed corrections, changes or additions. Please call or write any member of the committee with your comments.

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March, 1993

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

Plaintiff, )  
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 v. ) C.A. No.  
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 Defendant. )

**PRELIMINARY JURY INSTRUCTIONS**

Members of the jury:

Now that you have been sworn, I have the following preliminary instructions for guidance on your role as jurors in this case.

The Parties

The case is an action for patent infringement arising under the patent laws of the United States. The parties are \_\_\_\_\_, the plaintiff, and \_\_\_\_\_, the defendant.

Plaintiff is the owner of United States Patent No. \_\_\_\_\_. It may be called the (name) patent or the (number) patent by the lawyers and witnesses in this case. Plaintiff contends defendant makes, uses, or sells \_\_\_\_\_ that infringe the \_\_\_\_\_ patent. Noninfringement, invalidity, and unenforceability are defenses to a charge

of infringement. In this action, \_\_\_\_\_ denies that it infringes the patent. It also contends the patent is invalid and unenforceable.

#### Constitutional Basis for Patent Grant

The United States Constitution, Article I, Section 8, grants the Congress of the United States the power to enact laws "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

#### Exclusionary Right and Term of a Patent

Whenever a patent is issued by the United States Patent and Trademark Office, the patent law gives the patent owner, here \_\_\_\_\_, the right to exclude others from taking, using and selling the invention throughout the United States for a period of 17 years from the date the patent is issued. If the invention covered by the patent is a method, the patent law gives the patent owner the right for 17 years to exclude others from using, or inducing others to use, the method throughout the United States.<sup>1</sup>

An additional right to exclude was added by Congress as of February 23, 1989. After that date, if the invention covered by the patent is a method, the Patent Law gives the patent owner the additional right to exclude others from making or selling, throughout the United States, all products made by the patented method anywhere in the world after January 1, 1988.

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<sup>1</sup>Supported by: 35 U.S. Code §§154, 271.

## The Parts of a Patent

I will next briefly describe the parts of a patent and some of the procedures followed by those attempting to obtain patents. Many of the terms used by me in this description are contained in a "Glossary of Patent Terms" which will be given to you along with a copy of these preliminary instructions. Feel free to refer to this Glossary throughout the trial.

For an invention to be patentable, it must be new, useful, and, at the time the invention was made, must not have been obvious to a person having ordinary skill in the art to which the subject matter pertains.

Under the Patent Laws, the Patent and Trademark Office examines patent applications and issues patents. A person applying for a patent must include a number of matters in his or her application, including the following: (1) a detailed description of the invention in terms sufficiently full, clear, concise and exact to enable any person skilled in the art to which the invention pertains to be able to make and use the invention; and (2) a disclosure of the best mode of carrying out the invention known to the inventor at the time of filing.

The application includes a written description of the invention called a "specification" and may include drawings that illustrate the invention. The specification concludes with one or more claims that particularly and distinctly define the subject matter that the inventor regards as his or her invention. When a patent application is received at the Patent and Trademark Office, it is assigned to an examiner, who examines

the application, including the claims, to ascertain whether the application complies with the requirements of the U.S. Patent Laws. The examiner reviews files of prior work of others in the form of voluminous files of patents and publications. This type of material is called "prior art." Documents found in the search of prior art are called "references." In conducting the search of prior art, the examiner notes in writing on the file the classes or subclasses of art searched. The compilation of the papers concerning the proceedings before the Patent Office is called the "prosecution history" or "file wrapper."

If, after reviewing the prior art maintained at the U.S. Patent and Trademark Office, the examiner concludes that the claims presented by the applicant patentably define the applicant's claimed invention over the most relevant known prior art, the application is granted as a U.S. Patent.

A patent gives its owner the right to exclude others from making, using or selling the patented invention. A person who, without the patentee's authority uses a process that is covered by one or more claims of a valid patent, infringes that patent.

### Summary of the Patent Issues

In this case, you must decide several things according to the instructions that I shall give you at the end of the trial. Those instructions will repeat this summary and will provide more detail. In essence, you must decide:

### Duty of Jury

It will be your duty to find what the facts are from the evidence as presented at the trial. You, and you alone, are the judges of the facts. You will have to apply those facts to the law as I will instruct you at the close of the evidence. You must follow that law whether you agree with it or not.

You are the judges of the facts. I will decide which rules of law apply to this case.

Nothing I say or do during the course of the trial is intended to indicate what your verdict should be.

### Evidence

The evidence from which you will find the facts will consist of the testimony of witnesses, and documents and other things admitted into evidence. In addition, the evidence may include certain facts as agreed to by the parties or as I instruct you.

Certain things are not evidence.

1. Statements, arguments, and questions by lawyers are not evidence.
2. Objections to questions are not evidence. Lawyers have an obligation to their clients to make an objection when they believe testimony or exhibits being offered into evidence are not admissible under the rules of evidence. You should not be influenced by a lawyer's objection or by my ruling on the objection. If I sustain or uphold the objection, and find the matter is not admissible, you should ignore the question or document. If I overrule an objection and allow the matter in evidence, you should treat the testimony or document like any evidence. If I instruct you during the trial that some item of evidence is

admitted for a limited purpose, you must follow that instruction and consider that evidence for that purpose only. If this does occur during the trial I will try to clarify this for you at that time.

3. Anything you see or hear outside the Courtroom is not evidence and must be disregarded. You are to decide this case solely on the evidence presented here in the Courtroom.

In judging the facts, it will be up to you to decide which witnesses to believe, which witnesses not to believe, and how much of any witness's testimony to accept or reject.

### Burden of Proof

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

In this case, defendant is urging that plaintiff's patent is invalid. A patent, however, is presumed to be valid. Accordingly, defendant has the burden of proving that the patent-in-suit is invalid by clear and convincing evidence. Clear and convincing evidence is evidence that produces an abiding conviction that the truth of a factual contention is highly probable. Proof by clear and convincing evidence is evidence that produces an abiding conviction that



the truth of a factual contention is highly probable. Proof by clear and convincing evidence is thus a higher burden than proof by a preponderance of the evidence.

Those of you who are familiar with criminal cases will have heard the term "proof beyond a reasonable doubt." That burden does not apply in a civil case and you should, therefore, put it out of your mind in considering whether or not the plaintiff has met his burden of proof by a preponderance of the evidence in this case.

I will give you detailed instructions on the law at the end of the case. But in order to help you follow the evidence, I will give you a brief summary of the issues.

#### Conduct of the Jury

Now, a few words about your conduct as jurors.

First, during the trial and until you have heard all of the evidence and retired to the jury room to deliberate, you are not to discuss the case with anyone, not even among yourselves. If anyone should try to talk to you about the case, bring it to my attention promptly.

Second, do not read or listen to anything touching on this case that is not admitted into evidence. By that I mean, if there may be a newspaper article or radio or television report relating to this case, do not read the article or watch or listen to the report. In addition, do not try to do any independent research or investigation on your own on matters relating to the case.

Finally, do not reach any conclusion as to the claims until all of the evidence is in. Keep an open mind until you start your deliberations at the end of the case.

If you wish, you may take notes. My Courtroom deputy will arrange for pens, pencils and paper. If you do take notes, leave them in the jury room when you leave at night. And remember that they are for your own personal use--they are not to be given or read to anyone else. Would anyone like a pad of paper and pen?

### Course of the Trial

The trial will now begin. First, each side may make an opening statement. An opening statement is neither evidence nor argument. It is an outline of what that party intends to prove, and is presented to help you follow the evidence as it is offered.

After the opening statements, the plaintiff will present his witnesses, and the defendant may cross-examine them. Then the defendant will present his witnesses, and the plaintiff may cross-examine them.

After all of the evidence is presented, the attorneys will make their closing arguments to summarize and interpret the evidence for you, and I will give you instructions on the law and describe for you the matters you must resolve.

You will then retire to the jury room to deliberate on your verdict.

At the end of this trial and before you begin your deliberations, I will read and give you a copy of written instructions on the law.

## GLOSSARY OF PATENT TERMS

<u>Assignment</u>	Transfer of ownership rights in a patent or patent application from one person or company to another.
<u>Claims</u>	That part of a patent which defines the metes and bounds of the invention. These are found at the end of the patent specification in the form of numbered paragraphs.
<u>Disclosure of description</u>	That part of the patent specification which explains how the invention works and usually includes a drawing.
<u>File wrapper</u>	The written record of proceedings in the Patent Office including the original patent application and subsequent communications between the Patent Office and applicant.
<u>Patent Application</u>	The initial papers filed in the United States Patent and Trademark Office (patent Office or PTO) by an applicant. These typically include a specification, drawings and the oath (Declaration) of applicant.
<u>Patent Examiners</u>	Personnel employed by the Patent Office having expertise in various technical areas who review (examine) patent applications to determine whether the claims of a patent application are patentable and the disclosure adequately describes the invention.
<u>Prior art</u>	Any information which is used to describe public, technical knowledge prior to the invention by applicant or more than a year prior to his/her application.
<u>References</u>	Any item of prior art (publication or patent) used to determine patentability.
<u>Specification</u>	That part of the patent application or patent which describes the invention and concludes with one or more claims.

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

Plaintiff, )  
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v. ) C.A. No.  
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 )  
 )  
Defendant. )

**JURY INSTRUCTIONS**

ANNOTATED VERSION

Date:

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# **1 GENERAL INSTRUCTIONS**

## **1.1 INTRODUCTION**

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

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

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

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

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

Please listen very carefully to everything I say.

## 1.2 JURORS' DUTIES

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

Your second duty is to take the law that I give you, apply it to the facts, and decide if, by a preponderance of the evidence, the defendants are liable. It is my job to instruct you about the law, and you are bound by the oath that you took at the beginning of the trial to follow the instructions that I give you, even if you personally disagree with them. This includes the instructions that I gave you before and during the trial, and these instructions. All the instructions are important, and you should consider them together as a whole.

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

### 1.3 BURDENS OF PROOF

This is a civil case in which the plaintiff is charging the defendant with patent infringement. The plaintiff has the burden of proving patent infringement by what is called a preponderance of the evidence. That means the plaintiff has to produce evidence which, when considered in light of all of the facts, leads you to believe that what the plaintiff claims is more likely true than not. To put it differently, if you were to put the plaintiff's and the defendant's evidence on the opposite sides of a scale, the evidence supporting the plaintiff's claims would have to make the scales tip somewhat on his side.

[In this case, defendant is urging that plaintiff's patent is invalid. A patent, however, is presumed to be valid. Accordingly, defendant has the burden of proving that the patent-in-suit is invalid by clear and convincing evidence. Clear and convincing evidence is evidence that produces an abiding conviction that the truth of a factual contention is highly probable. Proof by clear and convincing evidence is thus a higher burden than proof by a preponderance of the evidence.]

Those of you who are familiar with criminal cases will have heard the term "proof beyond a reasonable doubt." That burden does not apply in a civil case and you should, therefore, put it out of your mind in considering whether or not the plaintiff or defendant has met its burden of proof.

## 1.4 EVIDENCE DEFINED

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

The evidence in this case includes only what the witnesses said while they were testifying under oath, the exhibits that I allowed into evidence, the stipulations that the lawyers agreed to, and the facts that I have judicially noticed.

Nothing else is evidence. The lawyers' statements and arguments are not evidence. Their questions and objections are not evidence. My legal rulings are not evidence. Any of my comments and questions are not evidence.

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

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

## **1.5 CONSIDERATION OF EVIDENCE**

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

## **1.6 DIRECT AND CIRCUMSTANTIAL EVIDENCE**

Now, some of you may have heard the terms "direct evidence" and "circumstantial evidence."

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

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

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

## 1.7 CREDIBILITY OF WITNESSES

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 about 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 he gave at the trial.

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



## **1.8 NUMBER OF WITNESSES**

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

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

## **1.9 EXPERT WITNESSES**

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

## **2 THE PARTIES AND THEIR CONTENTIONS**

- 2.1 THE PARTIES )
- 2.2 PLAINTIFF'S CONTENTIONS ) To be drafted by
- 2.3 DEFENDANT'S CONTENTIONS ) the parties on a
- 2.4 SUMMARY OF PATENT ISSUES ) case by case
- ) basis
- )

### **3 INFRINGEMENT**

#### **3.1 Claim Infringement**

Before you can decide whether defendant has infringed plaintiff's patent, you will have to understand the patent "claims." The patent claims are the numbered paragraphs at the end of the patent. The patent claims involved here are claims \_\_\_\_, beginning at column \_\_\_\_, line \_\_\_\_ of the patent which is exhibit \_\_\_\_ in evidence. The claims are "word pictures" intended to define, in words, the boundaries of the invention described and illustrated in the patent. Only the claims of the patent can be infringed. Neither the specification, which is the written description of the invention, nor the drawings of a patent can be infringed. Each of the claims must be considered individually, and to show patent infringement, plaintiff need only establish that one claim has been infringed.

### 3.2 Construction of Claims

It is often difficult to describe an invention in scientifically precise terms. For that reason, the patent law allows the inventor to use his own terms in describing his invention. Thus, the meaning of a claim can be construed in connection with the patent specification, the patent's prosecution history and prior art to determine what the claims cover. You should consider the drawings and specifications to determine what the inventor intended to cover by the claims of the patent. *Lear Siegler, Inc. v. Aeroquip Corp.*, 733 F.2d 881, 221 U.S.P.Q. 1025 (Fed. Cir. 1984); *Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 219 U.S.P.Q. 1137, 1140 (Fed. Cir. 1983); *Lundy Electronics & Systems, Inc. v. Optical Recognition Systems, Inc.*, 362 F. Supp. 130, 178 U.S.P.Q. 525 (E.D. Va. 1973), *aff'd.*, 493 F.2d 1222, 182 U.S.P.Q. 76 (4th Cir. 1974); *Hazeltine Research, Inc. v. Firestone Tire & Rubber Co.*, 468 F.2d 1277, 176 U.S.P.Q. 17 (4th Cir. 1972); *Grafton v. Otis Elevator Co.*, 166 F.2d 816, 76 U.S.P.Q. 450 (4th Cir. 1948); *Black & Decker Manufacturing Co. v. Baltimore Truck Tire Service Corp.*, 40 F.2d 910 (4th Cir. 1930); *Harrington Manufacturing Co. v. White*, 475 F.2d 788, 177 U.S.P.Q. 289, *reh'g denied*, 478 F.2d 1402 (5th Cir.), *cert. denied*, 414 U.S. 1040 (1973); *Reynolds v. Whiting Machine Works*, 167 F.2d 78, 76 U.S.P.Q. 551 (4th Cir.) *cert. denied*, 334 U.S. 844 (1948); *Doble Engineering Co. v. Leeds & Northrup Co.*, 134 F.2d 78, 56 U.S.P.Q. 426 (1st Cir. 1943); *Long Manufacturing Co. v. Holliday*, 246 F.2d 95, 114 U.S.P.Q. 4 (4th Cir. 1957) *cert. denied*, 355 U.S. 926 (1958).



### 3.3 Dependent and Independent Claims

There are two different types of claims in the patent. The first type is called an independent claim. An independent claim does not refer to any other claim of the patent. An independent claim is read separately to determine its scope.

On the other hand, a dependent claim refers to at least one other claim in the patent and thus incorporates whatever that other claim says. Accordingly, to determine what a dependent claim covers, you must read both the dependent claim and the claim or claims to which it refers.

For example, Claim \_\_\_ is an independent claim. You know this because this claim mentions no other claim. Accordingly, the words of this claim are read by themselves in order to determine what the claim covers.

Claim \_\_\_, on the other hand, is a dependent claim. Accordingly, the words of Claims \_\_\_ and \_\_\_ must be read together in order to determine what the dependent claim, claim \_\_\_, covers.

Some claims of the patent in suit are broader than other claims. You are not to imply the limitations or words of the narrower or dependent claim into a broad or independent claim if the broader claim does not include the same limitations. 35 U.S.C. § 112. *Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 219 U.S.P.Q. 1137 (Fed. Cir. 1983).

### 3.4 Patent Infringement -- Generally

A patent owner may enforce his right to exclude others from making, using or selling the patented invention by filing a lawsuit for patent infringement. Here, plaintiff, the patent owner, has sued defendant, the accused infringer, and has alleged that defendant's product [apparatus or method] infringes one or more claims of plaintiff's U.S. Patent No. \_\_\_\_\_.

Patent law provides that any person or business entity which makes, uses or sells, without the patent owner's permission, any product, apparatus or method legally protected by at least one claim of a patent within the United States before the patent expires, infringes the patent.

There are three ways to infringe a patent. One may: (1) directly infringe a patent; (2) induce others to infringe a patent, in which case the inducer is liable for infringement as well as the direct infringer; or (3) contribute to the infringement of a patent by another by supplying a component specially designed for the patented invention, in which case both the direct infringer and the contributory infringer would be liable for patent infringement. Next I will explain each type of infringement more completely. 35 U.S.C. §§ 281, 271.



### **3.5 Direct Infringement -- Knowledge of Patent or Intent to Infringe is Immaterial**

Defendant would be liable for directly infringing Plaintiff's patent if you find that plaintiff has proven by a preponderance of the evidence that defendant has made, used or sold the invention defined in at least one claim of plaintiff's patent. 35 U.S.C. § 271(a).

A person may directly infringe a patent without knowledge that what he is doing is an infringement of the patent. He may also infringe even though in good faith he believes that what he is doing is not an infringement of any patent. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 478 (1974); *Filmways Pictures, Inc. v. Marks Polarized Corp.*, 552 F. Supp. 863, 868, 220 U.S.P.Q. 870 (S.D.N.Y. 1982).

### 3.6 Inducing Patent Infringement

A patent claim may include a combination of components or parts; or a patent claim may cover the use of a particular product or apparatus which may not infringe the patent if it were used for some other purpose. [Pick only the relevant aspects here and in the following sentences.]

Defendant may be an infringer if he makes, uses or sells some, but not all, of the components of the product or apparatus covered by the claims of the patent-in-suit.

In these cases, one would be an infringer if he actively and knowingly aided and abetted someone else to make, use or sell the entire product [apparatus or method] covered by the claims of the patent-in-suit. This is called inducing infringement.

You must decide whether defendant induced another to infringe plaintiff's patent by providing, for example, labels, advertising or other sales methods, instructions and directions to perform the infringing act. [You may find that defendant induced infringement even if there is an express warning against the infringement, if the material containing the warning nonetheless invites the infringing activities under the circumstances.] 4 Chisum, *Patents*, Matthew Bender & Co., Inc., Section 17.04[4][f] at p. 17-53 (1985).

The defendant cannot be liable for inducing infringement unless a patent claim is directly infringed. *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, *reh'g denied*, 365 U.S. 890 (1961); *Oxy Metal Industries Corp. v. Quin-Tec, Inc.*,

216 U.S.P.Q. 318, 319 (E.D. Mich. 1982); *Porter v. Farmers Supply Service, Inc.*, 790 F.2d 882, 885, 229 U.S.P.Q. 814 (Fed. Cir. 1986). However, proof of inducing infringement and the underlying direct infringement by persons allegedly induced to infringe may be based on circumstantial evidence you have heard in this case, rather than direct evidence of infringement. *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272, 229 U.S.P.Q. 805 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 1030 (1987).

### 3.7 Contributory Infringement

Elements of contributory infringement are:

- (1) sale or supply by the defendant;
- (2) of a material component of the patented invention that is not a staple article of commerce capable of substantial noninfringing use;
- (3) with knowledge that the component was especially made for use in infringement of such invention.

In determining whether the component supplied by a defendant is a "staple article of commerce," you should take into account the quality, quantity and efficiency of the suggested uses. *In re Certain Molded-In Sandwich Panel Inserts*, 218 U.S.P.Q. 832 (Ct. Int'l. Trade 1982), *aff'd*, 721 F.2d 1305, 219 U.S.P.Q. 1142 (1983); *Oxy Metal Industries Corp. v. Quin-Tec, Inc.*, 216 U.S.P.Q. 318, 324 (E.D. Mich. 1982).

The defendant cannot be liable for contributory infringement unless a patent claim is directly infringed. *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, *reh'g denied*, 365 U.S. 890 (1961); *Oxy Metal Industries Corp. v. Quin-Tec, Inc.*, 216 U.S.P.Q. 318, 319 (E.D. Mich. 1982); *Porter v. Farmers Supply Service, Inc.*, 790 F.2d 882, 885, 229 U.S.P.Q. 814 (Fed. Cir. 1986). However, proof of contributory infringement and the underlying direct infringement may be based on circumstantial evi-

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

dence you have heard in this case, rather than direct evidence of infringement. *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272, 229 U.S.P.Q. 805 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 1030 (1987).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

### 3.8 Literal Infringement

There are two ways in which a patent claim may be directly infringed. First, a claim may be literally infringed. Second, a claim may be infringed under what is called the "doctrine of equivalents" which I will address shortly. *Envirotech Corp. v. Al George, Inc.*, 730 F.2d 753, 759, 221 U.S.P.Q. 473 (Fed. Cir. 1984).

For defendant's product [apparatus or method] to literally infringe any one of plaintiff's patent claims, the subject matter of the patent claim must be found in defendant's product, apparatus or method. In other words, plaintiff's patent claim(s) is literally infringed if defendant's product [apparatus or method] includes each and every component [part or method step] in plaintiff's patent claim. If defendant's product [apparatus or method] omits any single component [part or method step] recited in plaintiff's patent claim, defendant does not literally infringe that claim. *Amstar Corp. v. Envirotech Corp.*, 730 F.2d 1476, 1484, 221 U.S.P.Q. 649 (Fed. Cir.) *cert. denied*, 469 U.S. 924 (1984); *Mannesmann Demag Corp. v. Engineered Metal Products Co.*, 793 F.2d 1279, 230 U.S.P.Q. 45, 46 (Fed. Cir. 1986). You must determine literal infringement with respect to each patent claim individually.

Remember, the question is whether defendant's product infringes any claim of plaintiff's patent, and not whether defendant's product is similar or even identical to a

product made by plaintiff. Accordingly, you must be certain to compare defendant's accused product [apparatus or method] with the claim it is alleged to infringe and not with any product made by plaintiff. *Martin v. Barber*, 755 F.2d 1564, 1567, 225 U.S.P.Q. 233 (Fed. Cir. 1985).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

### 3.9 Doctrine of Equivalents

If you do not find literal infringement you may consider infringement under the "doctrine of equivalents." I have referred to the "doctrine of equivalents" before. Now it is time to explain this term. You may find that defendant's product [apparatus or method] infringes claim \_\_\_\_, even if not all of the components [parts or method steps] of the claim are present in defendant's product [apparatus or method]. You may find infringement in such circumstances if the components [parts or method steps] of defendant's product [apparatus or method] are equivalent to that claimed in at least one of plaintiff's patent claims. This is called the doctrine of equivalents. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 607-610, *reh'g denied*, 340 U.S. 845 (1950).

Application of the doctrine of equivalents is the exception, however, not the rule. Patent claims must be clear enough so that the public has fair notice of what was patented. Notice permits other parties to avoid actions which infringe the patent and to design around the patent. On the other hand, the patent owner should not be deprived of the benefits of his patent by competitors who appropriate the essence of an invention while barely avoiding the literal language of the patent claims. *London v. Carson Pirie Scott & Co.*, 946 F.2d 1534, 1538, 20 U.S.P.Q.2d 1456, 1458 (Fed. Cir. 1991).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).



The test to determine equivalence under the doctrine of equivalence is whether defendant's product [apparatus or method] and components [parts or steps] perform substantially the same function in substantially the same way to produce substantially the same result compared to plaintiff's claimed product [apparatus, or method] and components [parts or steps]. *Graver Tank*, 339 U.S. at 608; *Moeller v. Ionetics, Inc.*, 794 F.2d 653, 229 U.S.P.Q. 992, 995 (Fed. Cir. 1986).

[This paragraph should be used in addition to those above in cases involving chemical compounds or chemical compositions.] Another test may be used to determine equivalence under the doctrine of equivalence, especially where, as here, the patent claims define a product such as a chemical compound or a chemical composition, which includes a mixture or combination of chemical compounds. Where defendant has changed one or more ingredients of a claimed compound or composition so that there is no literal infringement, it is appropriate for you to consider whether the changed ingredient has the same purpose, quality and function as the claimed ingredient. *Atlas Powder Co. v. E. I. DuPont de Nemours & Co.*, 750 F.2d 1569, 1579-1580, 224 U.S.P.Q. 409 (Fed. Cir. 1984). In other words, consideration must be given to the purpose for which an ingredient is used in plaintiff's patented combination and in defendant's product, the qualities which the ingredient has when combined with the other ingredients, and the

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

function it is intended to perform. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609, *reh'g denied*, 340 U.S. 845 (1950).

It is not a requirement under doctrine of equivalence infringement that those of ordinary skill in the art knew of the equivalent when the patent application was filed or when the patent issued. The question of whether defendant's product [apparatus or method] and its components [parts or method steps] are equivalent to that defined in plaintiff's claims is to be determined as of the time of the alleged infringement. *Atlas Powder Co. v. E. I. DuPont de Nemours & Co.*, 750 F.2d 1569, 1581, 224 U.S.P.Q. 409 (Fed. Cir. 1984).

### 3.10 Situations Where Resort to Doctrine of Equivalents Is Not Permitted

There are two situations wherein resort to the doctrine of equivalents to find infringement is not permitted. First, resort to the doctrine of equivalents to find infringement is not permitted if you find that the defendant is merely practicing what was in the prior art prior to the patented invention or that which would have been obvious in light of what was in the prior art. This is because a patent owner should not obtain, under the doctrine of equivalents, coverage which he could not have lawfully obtained from the Patent Office. Accordingly, to find infringement under the doctrine of equivalents you must find that the patent owner has proven that he could have obtained from the Patent Office a hypothetical patent claim, similar to claim \_\_\_\_, but broad enough to literally cover the accused [product, apparatus or method]. *Wilson Sporting Goods v. David Geoffrey & Assocs.*, 904 F.2d 677, 685, 14 U.S.P.Q.2d 1942, 1948-9 (Fed. Cir.), *cert. denied*, 111 S. Ct. 537 (1990).

Second, resort to the doctrine of equivalents to find infringement is not permitted if you find that the patent owner is trying to recapture that which he gave up in the Patent Office to distinguish the invention from what was in the public domain prior to his invention. In other words, if plaintiff, when he was in the process of obtaining his patent, limited it in some way in order to argue that it was different from what was in the public

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

domain, then he is not now free to assert a broader view of his invention by broadening the claims through the doctrine of equivalents in an effort to recapture that which he surrendered.

Sometimes patent claims, however, are amended, not to avoid what was in the public domain, but to clarify indefinite or ambiguous terms. If you find that an amendment was made to clarify a claim for that sort of reason and not in an effort to avoid what was in the public domain, the doctrine of equivalents can still be applied. *Hughes Aircraft Co. v. United States*, 717 F.2d 1351, 1362-63, 219 U.S.P.Q. 473 (Fed. Cir. 1983); *Bayer Aktiengesellschaft v. Duphar International Research B.V.*, 738 F.2d 1237, 1243, 222 U.S.P.Q. 649 (Fed. Cir. 1984); *Moeller v. Ionetics*, 794 F.2d 653, 229 U.S.P.Q. 992, 996 (Fed. Cir. 1986); *Mannesmann Demag Corp. v. Engineered Metal Products Co.*, 793 F.2d 1279, 230 U.S.P.Q. 45, 48 (Fed. Cir. 1986); *Graham v. John Deere Co.*, 383 U.S. 1, 33-34, 148 U.S.P.Q. 459 (1966); *McGill, Inc. v. John Zink Co.*, 736 F.2d 666, 673 (Fed. Cir.), *cert. denied*, 469 U.S. 1037 (1984); *Kinzenbaw v. Deere & Co.*, 741 F.2d 383, 389, 222 U.S.P.Q. 929 (Fed. Cir. 1984), *cert. denied*, 470 U.S. 1004 (1985); *Coleco Industries, Inc. v. ITC*, 573 F.2d 1247, 197 U.S.P.Q. 472 (C.C.P.A. 1978); *Caterpillar Tractor Co. v. Berco, S.p.A.*, 714 F.2d 1110, 1115, 219 U.S.P.Q. 185 (Fed. Cir. 1983).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

### 3.11 Open Ended or "Comprising" Claims

The preamble to claim(s) \_\_\_ use(s) the transitional phrase [recite the preamble] "comprising." "Comprising" is interpreted the same as "including" or "containing." In patent claims, comprising means that the claims are open-ended. As such, the claim is not limited to only what is in the claim. Based on this explanation, if you find that defendant's product [apparatus or method] includes all of the components [parts or method steps] in any of plaintiff's patent claims, the fact that it may also include an additional component [part or method step] is irrelevant. The presence of additional components [parts or method steps] in the accused product [apparatus or method] does not mean that the product [apparatus or method] does not infringe a patent claim. *A.B. Dick Co. v. Burroughs Corp.*, 713 F.2d 700, 703, 218 U.S.P.Q. 965 (Fed. Cir. 1983), *cert. denied*, 464 U.S. 1042 (1984); *Mannesmann Demag Corp. v. Engineered Metal Products Co.*, 793 F.2d 1279, 230 U.S.P.Q. 45, 47 (Fed. Cir. 1986); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1271, 229 U.S.P.Q. 805, 812 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 1030 (1987).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

### 3.12 "Consisting Essentially of" Claims

Because claim(s) \_\_\_ use(s) the language [recite the preamble] "consisting essentially of" certain components [parts or method steps] in the patent claim(s), it is important to know what the words "consisting essentially of" mean. In interpreting patent claims, these words do not mean the same thing as "comprising," "including," or "containing." Rather, a claim including the language "consisting essentially of" will be infringed only if you find that any components [parts or method steps] added by defendant beyond those in the claim(s) do not materially affect the basic and novel characteristics of the invention claimed in plaintiff's patent. *In re Herz*, 537 F.2d 549, 551-552, 190 U.S.P.Q. 461 (C.C.P.A. 1976).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

### 3.13 "Consisting of" Claims

Because claim(s) \_\_\_ use(s) the language [recite the preamble] "consisting of" certain components [parts or method steps] in the claim(s), it is important to know what the words "consisting of" mean. In interpreting patent claims, these words do not mean the same thing as "comprising," "including," "containing" or "consisting essentially of." Any patent claim including the language "consisting of" is narrower and will be infringed only if you find defendant's product [apparatus or method] includes all but no more than the components [parts or method steps] set forth in the patent claim. *In re Certain Slide Fastener Stringers and Machines, Etc.*, 216 U.S.P.Q. 907, 915-916 (Ct. Int'l. Trade 1981); 2 Chisum, *Patents*, Matthew Bender & Co., Inc., 8.06[1][b] at p. 8-75 (1985); Rosenberg, *Patent Law Fundamentals*, §14.05[2] at p. 14-16.1-14-17 (1985).

Source: Combination of two separate instructions from American Intellectual Property Law Association, Federal Litigation Committee (1990).

### 3.14 Means-Plus-Function Claims

Some claims in plaintiff's patent define a component of the invention as a means for performing a certain function, such as in claim(s) \_\_\_\_\_, which includes the language [the means-plus-function language should be quoted]. For there to be infringement, the accused device must perform the identical function as specified in the claims. Also, the accused device must employ means identical to or equivalent of the structures, material, or acts described in the patent specification for performing that function. Valmont Industries, Inc. v. Reinke Manufacturing Company, Inc., Appeal No. 91-1377, 1378 (Fed. Cir. Jan. 7, 1993).



### 3.15 Reverse Doctrine of Equivalents

In some cases, even though an allegedly infringing product [apparatus or method] includes all of the components of at least one of the patent claims, there still may be no infringement. This will be the case only where defendant's product [apparatus or method] is so far changed in principle that although it performs the same or a similar function to produce substantially the same result as that defined by a patent claim, it does so in a substantially different way. *Westinghouse v. Boyden Power Brake Co.*, 170 U.S. 537, 569 (1898); *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 607-610 (1950).

### **3.16 Infringement Despite Defendant's Improvements or Patents on Improvements**

You may find that defendant's accused product [apparatus or method] represents an improvement over the invention defined in plaintiff's patent claims. You have even seen and heard evidence that defendant obtained a patent on the improvement. However, you are not to presume that these facts mean that defendant cannot infringe plaintiff's patent claims. As long as defendant's accused product [apparatus or method] includes all of the elements of at least one of plaintiff's patent claims, or if defendant's accused product is found to be equivalent under the doctrine of equivalents, then plaintiff's patent claims are infringed by defendant's product [apparatus or method] despite defendant's improvements and patent. *Atlas Powder Co. v. E. I. DuPont de Nemours & Co.*, 750 F.2d 1569, 1580-1581 (Fed. Cir. 1984).

American Intellectual Property Law Association, Federal Litigation Committee (1990) (revision of ABA's Section of Patent, Trademark and Copyright Law (1987)).

### 3.17 Infringement of Design Patents

In order to determine whether defendant has infringed plaintiff's design patent, you must compare defendant's product with the illustrated design in plaintiff's design patent. You must be careful to compare the design of defendant's product with the design illustrated in plaintiff's patent and not with plaintiff's commercial designs. You must decide whether, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, the design of defendant's accused product is substantially the same as the design illustrated and described in plaintiff's design patent. Substantial similarity between the two designs may be found if the resemblance is such as to permit such an ordinary observer to purchase the accused product supposing it to be the patented product.

*Gorham Co. v. White*, 81 U.S. (14 Wall.) 511, 528 (1872); *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444, 221 U.S.P.Q. 97 (Fed. Cir. 1984).

No matter how similar defendant's product looks compared to the drawings of plaintiff's design patent, infringement of the design patent must be based on the novel features of the patented design which distinguish the patented design from the prior art.

*Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444, 221 U.S.P.Q. 97 (Fed. Cir. 1984); and cases cited therein.

American Intellectual Property Law Association, Federal Litigation Committee (1990) (revision of ABA's Section of Patent, Trademark and Copyright Law (1987)).

Minor differences between plaintiff's patented design and the design of defendant's accused product will not necessarily prevent a finding of infringement. A finding of substantial similarity and therefore, infringement, must be made after considering whether the defendant's design is more similar to the patented design than to the prior art designs, keeping in mind the features that are included in both the patented design and the prior art designs. *Id.*

### **3.18 Willful Infringement**

If you find on the basis of the evidence and the law as I have explained it that defendant's product infringes at least one of plaintiff's patent claims, you must further decide whether or not plaintiff has proven by clear and convincing evidence, that defendant's infringement was willful. Willful infringement is established where plaintiff has proven two things: first, that defendant was aware of plaintiff's patent; and second, that defendant had no reasonable good faith basis for concluding that he did not infringe plaintiff's patent.

For example, if you find plaintiff has proven that defendant knew about the patent and did not exercise due care to determine whether or not he was infringing the patent, you may find that defendant's infringement was willful.

One factor to consider with respect to defendant's good faith and due care in determining the infringement and validity issues is whether defendant obtained and followed competent legal advice from an attorney after becoming aware of plaintiff's patent. A good faith opinion means an opinion based on a reasonable examination of the facts and law relating to the validity and infringement issues, consistent with the standards and practices generally followed by competent lawyers. Moreover, you should consider whether defendant actually relied upon and followed its attorney's opinion.

Source: American Intellectual Property Law Association, Federal Litigation Committee (1990) (revision of ABA's Section of Patent, Trademark and Copyright Law (1987)).

Another factor in determining whether plaintiff has proven defendant willfully infringed plaintiff's patent is your assessment of whether or not defendant copied plaintiff's product [apparatus or method] covered by plaintiff's patent claims or whether defendant, as a competitor of plaintiff, tried to match plaintiff's product with a functionally competitive product but did not set out to copy it, even if patent infringement ultimately is found. *State Industries, Inc. v. A. O. Smith Corp.*, 751 F.2d 1226, 1235-36, 224 U.S.P.Q. 418 (Fed. Cir. 1985); *Shiley, Inc. v. Bentley Laboratories, Inc.*, 794 F.2d 1561, 230 U.S.P.Q. 112 (Fed. Cir. 1986); *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, **717 F.2d 1380, 1389-1390, 219 U.S.P.Q. 569 (Fed. Cir. 1983)**; *King Instrument Corp. v. Otari Corp.*, 767 F.2d 853, 867, 226 U.S.P.Q. 402 (Fed. Cir. 1985), *cert. denied*, 475 U.S. 1016; *Radio Steel & Mfg. Co. v. MTD Products, Inc.*, 788 F.2d 1554, 1559, 229 U.S.P.Q. 431 (Fed. Cir. 1986); *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1576-77, 220 U.S.P.Q. 490 (Fed. Cir. 1983); *Rosemount, Inc. v. Beckman Instruments, Inc.*, 727 F.2d 1540, 1548, 221 U.S.P.Q. 1 (Fed. Cir. 1984).

Source: American Intellectual Property Law Association, Federal Litigation Committee (1990) (revision of ABA's Section of Patent, Trademark and Copyright Law (1987)).

## **4. VALIDITY DEFENSES**

### **4.1 DEFINITENESS UNDER 35 U.S.C. §112**

I will next discuss in more detail the standards by which the legal adequacy of a patent specification, both disclosure and claims, will be judged.

As previously mentioned the Patent Laws require the claims of a patent to be sufficiently definite that one skilled in the art can determine the precise limits of the claimed invention. If a claim is found to be indefinite the claim is invalid.

The amount of detail required to be included in claims depends on the particular invention and the prior art, and is not to be evaluated in the abstract but in conjunction with the disclosure. If the claims, read in light of the disclosure, reasonably apprise those skilled in the art of the proper scope of the invention, and if the language is as precise as the subject matter permits, then the claims are not indefinite.

Simply because some claim language may not be precise does not automatically render a claim invalid. When a word or phrase of degree such as "substantially equal to" is used, we must determine whether the patent disclosure provides some standard for measuring that degree. One must then determine whether one of ordinary skill in the art would understand what is covered when the claim is read in light of the disclosure. Even if one needed to experiment so as to determine the limits of the

Source: American Intellectual Property Law Association, Federal Litigation Committee (1990) (revision of ABA's Section of Patent, Trademark and Copyright Law (1987)).

claims of the patent, that would not necessarily be a basis for holding the claims invalid.

Seattle Box Co. v. Industrial Crating & Packing, Inc., 731 F.2d 818, 826 (Fed. Cir. 1984).

Source: American Intellectual Property Law Association, Federal Litigation Committee (1990) (revision of ABA's Section of Patent, Trademark and Copyright Law (1987)).



## 4.2 ENABLEMENT

The Patent Laws also require that the disclosure or written description portion of a patent be sufficiently detailed to enable those skilled in the art to practice the invention. The purpose of this requirement is to ensure that the public, in exchange for the patent rights given to the inventor, obtains from the inventor a full disclosure of how to carry out the invention.

If the inventors failed to provide an enabling disclosure, the patent is invalid. However, because descriptions in patents are addressed to those skilled in the art to which the invention pertains, an applicant for a patent need not expressly set forth in his specification subject matter which is commonly understood by persons skilled in the art.

The enablement defense does not require an intent to withhold; all that is required is a failure to teach how to practice the process. In other words, if a person of ordinary skill in the art could not carry out the process without undue experimentation, the patent is invalid. White Consol. Indus., Inc. v. Vega Servo-Control, Inc., 713 F.2d 788, 791 (Fed. Cir. 1983).

A specification need not contain a working example if the invention is otherwise disclosed in such a manner that one skilled in the art to which the invention pertains will be able to practice it without an undue amount of experimentation.

Source: Jury Instructions from Joy Technology, Inc. v. Flakt Inc., Civil Action No. 89-533-JJF ("Joy v. Flakt instructions"); ABA's Section of Patent, Trademark and Copyright Law

Source: Jury Instructions from Joy Technology, Inc. v. Flakt Inc., Civil Action No. 89-533-JJF ("Joy v. Flakt instructions"); ABA's Section of Patent, Trademark and Copyright Law

### 4.3 BEST MODE

Under the Patent Laws the description portion of a patent must also set forth the best mode contemplated by the inventor(s) of carrying out their invention. This is required of patent applicants to prevent concealment from the public of preferred embodiments of their invention. In attempting to show non-compliance with the best mode requirement, only evidence of concealment (accidental or intentional) is to be considered. That evidence must tend to show that the quality of an applicant's best mode disclosure is so poor as to effectively result in concealment. Conversely, compliance with the best mode requirement exists when an inventor discloses his preferred embodiment. DeGeorge v. Bernier, 768 F.2d 1318, 1324 (Fed. Cir. 1985); In re Sherwood, 613 F.2d 809, (CCPA 1980), cert. denied 440 U.S. 994 (1981); In re Gay, 309 F.2d 769, (CPA, 1962).

#### 4.4 ANTICIPATION

In order to prove anticipation of an invention under 35 U.S.C. §102, it is necessary that all the elements of an invention, as expressed in the claims of the patent in suit, be found in a single prior art reference [prior invention, public use or sale]. Kalman v. Kimberly-Clark Corp., 713 F.2d 760, 771 (Fed. Cir. 1983), cert. den. 465 U.S. 1026 (1984); Lundy Electronic & Systems, Inc. v. Optical Recognition Systems, Inc., 362 F. Supp. 130 (E.D. Va. 1973) aff'd, 493 F.2d 1222 (4th Cir. 1974), Van Corp. Mfg., Inc. v. Townsley Industrial Plastics, Inc., 494 F.2d 16 (5th Cir. 1972); Illinois Tool Works, Inc. v. Sweetheart Plastics, Inc., 436 F.2d 1180 (7th Cir.) cert. dismissed 403 U.S. 942 (1971).

There cannot be an accidental or unrecognized anticipation. A prior duplication of the claimed invention that was accidental, or unrecognized, unappreciated and incidental to some other purpose is not an invalidating anticipation. In re Felton, 484 F.2d 495 (C.C.P.A. 1973); In re Marshall, 578 F.2d 301 (C.C.P.A. 1978); North Carolina v. Chas. Pfizer & Co., 384 F.Supp. 265 (E.D.N.C. 1974); aff'd, 537 F.2d 67 (4th Cir.), cert. denied, 429 U.S. 870 (1976); Tilghman v. Proctor, 102 U.S. 707 (1881); U.S. v. Pfizer, Inc., 498 F.Supp. 28 (E.D. Pa. 1980); In re Yale, 434 F.2d 666 (C.C.P.A. 1970).

Source: ABA's Section of Patent, Trademark and Copyright Law (1987); AIPLA Guide to Jury Instructions in Patent Cases

## 4.5 ON SALE STATUTORY BAR

It is against public policy to allow an inventor to commercially exploit his invention by selling or offering it for sale more than one year before the effective filing date of the patent because this has the effect of extending the term of the patent as fixed by Congress.

Thus, the patent in suit cannot be found valid if you find that the invention claimed in the patent in suit was "on sale" before \_\_\_\_\_ [Note: insert critical date].

Although the law uses the phrase "on sale", the law does not require that an actual sale was made. An offer of sale, even if unaccepted, solicitation of orders, promotional activities or advertisements can constitute being "on sale", even though no actual sale takes place. What is important is the commercial motive of the person making the offer to sell. The essential element of "on sale" is an attempt to obtain a commercial benefit.

In order for an invention to be "on sale", the invention must have been developed to the point of demonstrating that it will work for its intended purpose. The invention need not be fully perfected or in commercial production. It is not necessary that there be stock or inventory available for sale.

You must determine whether the defendant has established by clear and convincing evidence that any such offers for sale were made before \_\_\_\_\_ [Note: insert critical date]. If you find that such offers were made, then the burden shifts to the patent

owner to prove that the offers did not involve completely functional machines or processes. Even one offer for sale of a completed invention, more than one year prior to the filing date of the patent in suit, will render the patent invalid. Shatterproof Glass Corp. v. Libbey-Owens Ford Co., 758 F.2d 613, (Fed. Cir.) cert. dismissed, 474 U.S. 976 (1985); Barmag Barmer Maschinenfabrik AG v. Murata Machinery Ltd., 731 F.2d 831, Fed. Cir. 1984); Austin v. Marco Dental Products, Inc., 560 F.2d 966 (9th Cir. 1977) cert. denied, 435 U.S. 918 (1978); In Re Corcoran, 640 F.2d 1331 (C.C.P.A. 1981).

Source: Joy v. Flakt instructions.

## 4.6 EXPERIMENTAL USE EXCEPTION

The law recognizes that it is beneficial to permit the inventor the time and opportunity to develop his invention. As such there is "experimental use" exception to the "on sale" rules. Even though the invention was on sale before \_\_\_\_\_ [Note: enter the critical date], that does not invalidate the patent if the principal purpose of that sale or offer for sale was for experimentation rather than commercial benefit. If the primary purpose was experimental, it does not matter that the inventor incidentally derived profit from it.

When a sale or offer for sale is shown, the burden is on the patentee to come forward with evidence to support the experimental use exception.

Only experimentation by or under the control of the inventor of the patent qualifies for this exception. Experimentation by a third party, for its own purposes, does not. Once the invention leaves the inventor's control, its use is a public one, even if further experimentation takes place.

The experimentation must relate to the claimed features of the invention. And it must be for the purposes of technological improvement, not commercial exploitation. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of experimentation. A test done primarily for marketing, and only incidentally for technological improvement, is not experimentation.

Source: Joy v. Flakt instructions; AIPLA Guide to Jury Instructions in Patent Cases

## 4.7 PUBLIC USE

Just as placing a claimed invention "on sale" before \_\_\_\_\_ [Note: insert critical date] invalidates a patent, making "public use" of a completed invention before \_\_\_\_\_ [Note: insert critical date] also invalidates the patent. The same policy reasons apply. A public use by the inventor, even if secret, can be an invalidating public use if done for commercial purposes. However, if a use of the invention by the inventor is experimental, even though not secret, it cannot be an invalidating public use. City of Elizabeth v. American Nicholson Pavement Co., 97 U.S. 126 (1877); T P Laboratories Inc. v. Professional Positioners, Inc., 724 F.2d 965, 971 (Fed. Cir. 1984).

A public use by a person other than the inventor of the patent in suit, who is under no limitation, restriction or obligation of secrecy by the inventor may also invalidate a patent if it occurred before \_\_\_\_\_ [Note: insert critical date].

An invention is publicly used by another when it is made accessible to any member of the public other than the inventor or a person under an obligation of secrecy imposed by the inventor. Secret non-public use by other than the inventor, however, is not an invalidating public use. Thus, a patent is not invalidated if the particular device, composition or process is used by someone other than the inventor, under circumstances where it is not made accessible to the public. W. L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 1549-1550.

Source: Joy v. Flakt instructions, AIPLA Guide to Jury Instructions in Patent Cases.



## 4.8 OBVIOUSNESS

In order to be patentable an invention must not be obvious to a person of ordinary skill in the art at the time the invention was made. The issue is not whether the claimed invention would be obvious to you as a layman, to me as a judge, or to a genius in the art, but whether it would have been obvious to one of ordinary skill in the art at the time it was made.

In determining obviousness or non-obviousness of the claimed subject matter of each of the patents in suit, the following steps should be taken by you:

1. You should determine the scope and content of the prior art relied upon by the party alleging invalidity of the patent in suit;
2. You should then identify the difference, if any, between each claim of the patent in suit and the prior art; and
3. Determine the level of ordinary skill in the pertinent art at the time the invention of the patent in suit was made.

Against this background, you will then make your decision that the claimed subject matter would have been either obvious or unobvious to a person of ordinary skill in the pertinent art. You should also consider such objective considerations as commercial success, long felt but unresolved need, failure of others to solve the problem, acquiescence in the patent by others, and whether the same or similar inventions were made independently by others prior to or at about the same time as the invention of the

patent in suit. Graham v. John Deere Co., 383 U.S. 1 (1966); Orthopedic Equipment Company v. All Orthopedic Appliances, Inc., 707 F.2d 1376 (Fed. Cir. 1983); Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530 (Fed. Cir. 1983); Structural Rubber Products Co. v. Park Rubber Co., 749 F.2d 707 (Fed. Cir. 1984).

Source: ABA's Section of Patent, Trademark and Copyright Law (1987); AIPLA Guide To Jury Instructions in Patent Cases.

#### 4.8.1 SCOPE AND CONTENT OF THE PRIOR ART

As I just instructed you, in arriving at your decision on the issue of whether or not the claimed invention is obvious to one of ordinary skill in the art, you must first determine the scope and content of the prior art. This means that you must determine what prior art is reasonably pertinent to the particular problem with which the inventor was faced. The prior art includes the following:

1. Prior patents that issued before \_\_\_\_\_ [Note: insert critical date];
2. Prior publications having a publication date before \_\_\_\_\_ [Note: insert critical date];
3. U.S. Patents that have a filing date prior to \_\_\_\_\_ [Note: insert critical date];
4. Anything in public use or on sale in the United States before \_\_\_\_\_ [Note: insert critical date];
5. Anything that was publicly known or used by others in this country before the date of invention of the patent in suit; and
6. Anything that was made or built or any process that was used in this country by another person before the date of invention of the patent in suit, where the thing made or built or the process used was not abandoned, suppressed or concealed.

35 U.S.C. §102; Graham v. John Deere Co., 383 U.S. 1 (1966); Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452 (Fed. Cir. 1984); Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530 (Fed. Cir. 1983).

## 4.8.2 DIFFERENCES OVER THE PRIOR ART

The next factor that you must consider is the differences, if any, between the prior art and the claimed invention. Although it is proper for you to note any differences between the claimed invention and the prior art, it is improper to consider the invention as only the differences because the test is whether the claimed invention as a whole would have been obvious over all of the prior art. Each claim must be considered in its entirety. Graham v. John Deere Co., 383 U.S. 1 (1966); Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530 (Fed. Cir. 1983); Medtronic, Inc. v. Cardiac Pacemakers, Inc., 721 F.2d 1563 (Fed. Cir. 1983).

### 4.8.3 LEVEL OF ORDINARY SKILL

Next, you are to determine the level of ordinary skill in the art to which the claimed invention pertains at the time the claimed invention was made. Factors to be considered in determining the level of ordinary skill in the pertinent art include the educational level of the inventor, the types of problems encountered in the art, the prior art patents and publications, the activities of others and prior art solutions to the problems encountered by the inventor, the sophistication of the technology and the education of others working in the field. Graham v. John Deere Co., 383 U.S. 1 (1966); Orthopedic Equipment Co. v. United States, 702 F.2d 1005 (Fed. Cir. 1983); Environmental Designs Ltd. v. Union Oil Co., 713 F.2d 693 (Fed. Cir. 1983), cert. denied, 464 U.S. 1043 (1984).

#### **4.8.4 OBJECTIVE CRITERIA CONCERNING OBVIOUSNESS (SECONDARY CONSIDERATIONS)**

In making your decision as to the obviousness or unobviousness of the claimed invention, you must consider the following objective evidence which may tend to show unobviousness of the claims at issue:

1. Commercial success or lack of commercial success of products covered by the patents in suit;
2. A long felt need in the art which was satisfied by the invention of the patent in suit;
3. The failure of others to make the invention;
4. Copying of the invention by others in the field;
5. Unexpected results achieved by the invention;
6. Praise of the invention by the infringer or others in the field;
7. The taking of licenses under the patent by others.

However, there must be a connection between the evidence showing any of these factors and the claimed invention if this evidence is to be given weight by you in arriving at your conclusion on the obviousness issue. For example, if commercial success is due to advertising, promotion, salesmanship or the like, or is due to features of the product other than those claimed in the patent in suit, then any commercial success may have no relation to the issue of obviousness.

It is inappropriate to disregard any proper evidence relating to the issue of obviousness. Although some parts of the evidence may weigh more heavily than others, your decision of obviousness or non-obviousness should be held in abeyance, until all of the evidence has been introduced. Graham v. John Deere Co., 383 U.S. 1 (1966); Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530 (Fed. Cir. 1983); Perkin-Elmer Corp. v. Computervision Corp., 732 F.2d 888 (Fed. Cir.), cert. denied, 469 U.S. 857 (1984).



#### 4.8.5 OBVIOUSNESS - HINDSIGHT

The question of nonobviousness is simple to ask, but difficult to answer. A person of ordinary skill in the art is presumed to have knowledge of the relevant prior art at the time of the patentee's invention. If you find the available prior art shows each of the elements of the claims in suit, you must determine whether it would then have been obvious to a person of ordinary skill in the art to combine or coordinate these elements in the same manner as the claims in suit. The difficulty that attaches to all honest attempts to answer this question can be attributed to the strong temptation to rely on hindsight while undertaking this evaluation. It is wrong to use the patent in suit as a guide through the maze of prior art references, combining the right references in the right way so as to achieve the result of the claims in suit. Orthopedic Equipment Co. v. United States, 702 F.2d 1005 (Fed. Cir. 1983).

#### 4.8.6 NON-OBVIOUSNESS

Expressions of disbelief upon learning of the invention by those skilled in the art constitute strong evidence of non-obviousness. United States v. Adams, 383 U.S. 39, 52 (1966); Environmental Designs, Ltd. v. Union Oil Co., 713 F.2d 693 (Fed. Cir. 1983), cert. denied, 464 U.S. 1043 (1984).

#### 4.8.7 TEACHING AWAY OF PRIOR ART

If the patentee proceeds contrary to accepted wisdom of prior art, this is strong evidence of non-obviousness. W.L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 U.S.P.Q. 303 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).

#### 4.8.8 OBVIOUS TO TRY

The evidence might indicate to you that what the inventors did was obvious to try. If so, this does not indicate the patent is invalid for obviousness. "Obvious to try" is not the standard, rather it is whether the invention as a whole would have been obvious to those of ordinary skill in the inventor's field at the time he or she made his invention. In re Yates, 663 F.2d 1054 (CCPA 1981); Novo Industri A/S v. Travenol Laboratories, Inc., 677 F.2d 1202 (7th Cir. 1982).

#### 4.8.9 INDEPENDENT INVENTION BY OTHERS

In reaching your determination on the issue of obviousness, you should consider whether the subject matter of the invention was also invented independently by other persons, either before the inventor of the patent in suit or at about the same time. Just as the failure of others to make the invention can be evidence of unobviousness, independent making of the invention by persons other than the inventor prior to or about the same time can be evidence that the invention would have been obvious.

The simultaneous or near simultaneous invention by two or more persons working independently may or may not be an indication of obviousness when considered in light of all the circumstances. In re Farrenkopf, 713 F.2d 714 (Fed. Cir. 1983); Orthopedic Equipment Co. v. United States, 702 F.2d 1005 (Fed. Cir. 1983); Stewart-Warner Corp. v. City of Pontiac, Slip Opinion No. 84-1026 (Fed. Cir. July 18, 1985); Simmonds Precision Products, Inc. v. United States, 153 U.S.P.Q. 465 (Ct. Cl. 1967); Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452 (Fed. Cir. 1984).

## 5. UNENFORCEABILITY

### 5.1 INEQUITABLE CONDUCT

Every applicant for a patent has a duty of candor and good faith in its dealing with the Patent Office and the examiner handling the application. This duty of candor is important because the examiner has only limited information available to determine the state of the art. The time available to the examiner is also limited. Therefore, to prevent an applicant from obtaining a patent he or she does not deserve, the Patent Office requires full disclosure to the Patent Office of all information which is material to examination of the application.

This means that the applicant and his or her attorneys must not intentionally withhold or misrepresent material information concerning the claimed invention. A breach of this duty is called inequitable conduct and renders the patent unenforceable.

To prove inequitable conduct, defendant must show, by clear and convincing evidence, that the applicants or their attorneys, with intent to mislead or deceive, withheld or misrepresented information that was significant and material to the examiner's evaluation of the patent application. Hewlett-Packard Co. v. Bausch & Lomb, Inc., 882 F.2d 1556, 1562 (Fed. Cir. 1989); Allen Archery, Inc. v. Browing Mfg. Co., 819 F.2d 1087, 1093-95 (Fed. Cir. 1987); Litton Indus. Products, Inc. v. Solid State Systems Corp., 755 F.2d 158, 166-67 (Fed. Cir. 1985).

Source: Joy v. Flakt instructions; ABA's Section of Patent, Trademark and Copyright Law

## 5.2 MATERIALITY

In evaluating an allegation that applicants were guilty of inequitable conduct before the Patent and Trademark Office, you must first determine whether there was any withholding or misrepresentation of information at all and, if so, whether the information withheld or misrepresented was indeed material. Information is not material if it is cumulative or adds little information to what the examiner already knew. In order for the information withheld or misrepresented to be material, there must be a substantial likelihood that a reasonable examiner would have considered it important in deciding whether to issue the patent in suit.

If you determine that there was a withholding or misrepresentation of information and that the information was material, then you must consider the element of intent. If, on the other hand, you find that applicants have failed to prove by clear and convincing evidence that applicants or their attorneys withheld or misrepresented any material information, then you must find that there was no inequitable conduct. J.P. Stevens & Co. v. Lex Tex Ltd., 747 F.2d 1553 (Fed. Cir. 1984), cert. denied, 474 U.S. 822 (1985).

### 5.3 INTENT

Defendant must prove, by clear and convincing evidence, that the applicants or their attorneys withheld or misrepresented material information with the intent to mislead or deceive the patent examiner. If the withholding or misrepresentation occurred through negligence, oversight, carelessness or an erroneous judgment, then there was no intent and no inequitable conduct.

Intent need not be proved directly because there is no way of scrutinizing the operations of the human mind. Therefore, you may infer intent from conduct, from acts substantially certain to accomplish a result, but you are not required to infer it. Any such inference depends upon the totality of the circumstances, including the nature and level of culpability of the conduct and the absence or presence of affirmative evidence of good faith. Engel Industries Inc. v. Lockformer Co., 946 F.2d 1258 (Fed. Cir. 1991); Kingsdown Medical Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867 (Fed. Cir. 1988) (en banc), cert. denied, 490 U.S. 1067 (1989).



## 5.4 BALANCING

You must determine whether the withheld information or misrepresentation satisfies a threshold level of materiality. You must also determine whether the conduct of applicants or their attorneys satisfies a threshold showing of intent to mislead. Assuming satisfaction of the thresholds, materiality and intent must be balanced.

The more material the withheld or misrepresented information is, the less stringent is the requirement to prove intent by clear and convincing evidence. In other words, withholding or misrepresentation of a highly material piece of information requires a lower level of proven intent, thereby allowing you to infer intent. You must be the judge of this balance.

If, you find that defendants have proven by clear and convincing evidence that there was a material withholding or a material misrepresentation of information and that applicants or their attorneys acted with intent to deceive the examiner, then you must balance these two factors to determine whether or not, in your view, there was inequitable conduct. Halliburton Co. v. Schlumberger Technology Corp., 925 F.2d 1435, 1439 (Fed. Cir.), reh'g denied, 1991 U.S. App. Lexis 4501 (Fed. Cir. 1991).

## **6 DAMAGES**

### **6.1 COMPENSATORY DAMAGES IN GENERAL**

If, after considering all of the evidence and the law as I have stated it, you are convinced that the patent is not infringed, invalid, or unenforceable, your verdict should be for defendant and you need go no further in your deliberations. On the other hand, if you decide that the patent in suit is not invalid and an enforceable, and that one or more claims of the patent have been infringed by defendant, you must then turn to the issue of damages.

The Patent laws provide that in the case of infringement of a valid patent claim, the owner of the patent shall be awarded damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer. Damages are compensation for all losses suffered as a result of the infringement.

It is not relevant to the question of damages whether [defendant] benefited from, realized profits from or even lost money as a result of the acts of infringement. The only issue is the amount necessary to adequately compensate [plaintiff] for [defendant's] infringement. Adequate compensation should return plaintiff to the position it would have occupied had there been no infringement. You must consider the amount of injury suffered by [plaintiff] without regard to [defendant's] gains or losses from the infringement.

## 6.2 FORESEEABILITY

The fact that defendant did not foresee that it would cause plaintiff's damage at the time it infringed is irrelevant to the computation of damages.

### 6.3 REASONABLE CERTAINTY

Once the fact of damages has been proven by a finding of infringement, you must determine the extent of damages. Under the patent law, [plaintiff] is entitled to all damages that can be proven with "reasonable certainty." On one hand, reasonable certainty does not require proof of damages with mathematical precision. Mere difficulty in ascertaining damages is not fatal to [plaintiff]. On the other hand, [plaintiff] is not entitled to speculative damages, that is, you should not award any amount for loss, which, although possible, is wholly remote or left to conjecture and/or guess. You may base your evaluation of "reasonable certainty" on opinion evidence.

Finally, any doubts regarding the computation of the amount of damages should be resolved against [defendant].

## 6.4 ENTIRE MARKET VALUE RULE

The "entire market value rule" allows for the recovery of damages based on the value of an entire apparatus containing several features, even though only one feature is patented when: the patentee can normally anticipate the sale of the unpatented components with the patented component; that is, the feature patented constitutes the basis for consumer demand of the unpatented feature.

## 6.5 LOST PROFITS - LOST SALES

In determining damages, you must first determine if [plaintiff] has proven its entitlement to lost profits. Only if you find that [plaintiff] is not entitled to lost profits will you then determine [plaintiff's] damages based upon a reasonable royalty.

Lost profits may be in the form of diverted sales, eroded prices, or increased expenses. The patent owner must establish a causation between his lost profits and the infringement. A factual basis for the causation is that "but for" the infringement, the patent owner would have made the sales that the infringer made, charged higher prices, and/or incurred lower expenses. In order to show that the patent owner [plaintiff] would have made the sales the [defendant] made, the [plaintiff] must show that: (1) there was a demand for the patented product; (2) [plaintiff] had the ability to meet the market demand; and, (3) no acceptable non-infringing substitutes were available.

Plaintiff need not negate every possibility that purchasers of [defendant's] products might have bought another product. And, a mere existence of a competing device does not make that product an acceptable substitute. Uniqueness of a patented product suggests that there are no acceptable non-infringing substitutes. A proposed competitive substitute is not an acceptable noninfringing substitute if it is different.

In proving his damages, the patent owner's burden of proof is not an absolute one, but rather a burden of reasonable probability. If in all reasonable probability, the patent owner would have made the sales which the infringer has made, what the patent owner in

reasonable probability would have netted from the sales denied to him is the measure of his loss, and the infringer is liable for that. The infringer is not liable, however, for speculative profits.

## 6.6 LOST PROFITS - PRICE EROSION

In this case plaintiff is requesting damages based on price erosion. "Price erosion" occurs when the patentee is forced to lower prices due to the presence in the market of the infringing product. Specifically, [plaintiff] asserts that it lowered its prices for certain of its products, was unable to increase its prices, and will be unable to raise prices for some period of time in the future, all allegedly because of [defendant's] infringement.

First, you must determine if in fact [plaintiff] did lose profits on its own sales. In making this determination, you are to compare the profit [plaintiff] would have made if [defendant] had not been in the market selling its product with the profit [plaintiff] actually made with [defendant] in the market.

If you determine that [plaintiff] did in fact lose profits on its own sales, you must then consider whether those losses resulted because defendant was in the market or were caused by other market forces.

[Plaintiff] must prove that "but for" [defendant's] competition it would not have lowered its prices and would have been able to increase its prices. [Plaintiff] must also prove that a particular sale was made at an eroded price, and if it cannot do so, it is entitled to nothing for that sale.



## 6.7 FUTURE PROFITS - DETERMINATION

In considering the element of future profits, you should determine whether or not [defendant's] infringement of the \_\_\_\_\_ patent prevented [plaintiff] from earning profits which would have accrued to it but for that infringement. In determining whether or not any part of [plaintiff's] damages constitute future profits, you may consider the past experience of [plaintiff] and [defendant] in the business, the competition which [plaintiff] would have had, and the general market conditions.

## 6.8 ACCELERATED ENTRY/HEADSTART DAMAGES

As another part of your lost profits analysis, you must determine whether [defendant] will have lost more sales to [plaintiff] after the expiration of the \_\_\_\_\_ patent on \_\_\_\_\_, than it would have lost to [defendant] if [defendant] first began selling its infringing product after the patent expired. [In considering [plaintiff's] contention on head start damages, you should be aware that now that the patent is expired all parties, including [defendant], can rightfully sell a [apparatus or process] with features covered by the expired patent. ]

In order to recover damages under this rule, [plaintiff] must prove by a preponderance of evidence that by infringing the [plaintiff's] patent, [defendant] will enjoy sales after the expiration date of the patent which it would not have enjoyed had it waited until the day the patent expired to begin marketing the patented product.

If you find that [defendant] will make a greater number of post-patent expiration sales than it would have made if it began selling its product after the patent expired, then you may award [plaintiff] lost profits on these additional sales provided [plaintiff] can show: (1) that it would have made the additional sales [defendant] will make because of its early entry into the market, and (2) a reasonable calculation of the amount of damages.

**6.9 PRICE EROSION ON POST-EXPIRATION SALES BY  
[PLAINTIFF]**

As a further part of your lost profits analysis, you must determine whether [plaintiff] will lose profits due to price erosion on its own sales after the expiration of the patent on \_\_\_\_\_. If you find that [defendant] caused [plaintiff] to lose profit because of price erosion before the expiration of the patent, you must still consider whether [plaintiff] will incur similar losses in the future. Projected future losses may only be recovered when sufficiently supported.

## 6.10 REASONABLE ROYALTY AS A MEASURE OF DAMAGES

If you find that the plaintiff is not entitled to lost profits, then the plaintiff is entitled to a reasonable royalty. A reasonable royalty is the minimum permissible measure of damages set by the patent laws and is not necessarily the actual measure of damages, but is merely the floor below which damages should not fall. Accordingly, you may find damages in excess of a reasonable royalty if you find that the facts so warrant.

A reasonable royalty in this case is the amount of money that would be agreed to in a hypothetical arms length negotiation between the owner of a patent and the infringer, with both operating under the assumption that the negotiated patent is valid and is being infringed, i.e., that absent the "reasonable royalty" payment, that the infringer would respect the patent.<sup>2</sup>

In determining a reasonable royalty, you should place yourself at the point in time at which you believe the arms length negotiation that I just referred to would have been likely to have occurred. This is typically just before liability for infringement would begin, which in this case would be the 19\_ time period.

In the hypothetical arms-length negotiation, you must assume that the person negotiating on behalf of defendant, and who was willing to take a license, would have

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<sup>2</sup> 35 U.S.C. Section 284; Trans-World Manufacturing Corp. v. Al Nyman & Sons, Inc., 750 F.2d 1552, 1568 (Fed.Cir. 1984); Bio-Rad Laboratories, v. Nicolet Instrument Corp., 739 F.2d 604, 617 (Fed.Cir. 1984); Trio Process Corp. v. L. Golstein's Sons, Inc., 533 F.2d 126, 129 (3d Cir. 1976); Paper Converting Machine v. Magna-Graphics, 745 F.2d 11, 21 (Fed. Cir. 1984).

Source: Mars v. Conlux instructions; ABA's Section of Patent, Trademark and Copyright Law.

known that plaintiff's patent was valid, was enforceable and was infringed by defendant. You should also assume that both plaintiff and defendant knew all pertinent information at the time of the hypothetical negotiations.

Having that in mind, you may consider any relevant fact in determining the reasonable royalty for defendant's use of the patented invention, including the opinion testimony of experts.

## 6.11 FACTORS FOR DETERMINING REASONABLE ROYALTY

In determining such a reasonable royalty, some of the factors that should be considered are:<sup>3</sup> [NOTE: LIST ONLY THOSE FACTORS SUPPORTED BY EVIDENCE IN THE CASE].

1. the royalties received by the patentee for the licensing others under the patent in suit;
2. the rates paid by the licensee for the use of other patents comparable to the patent in suit;
3. the nature and scope of the license, as exclusive or non-exclusive; or as restricted or nonrestricted in terms of territory or with respect to whom the manufactured product may be sold;
4. the licensor's established policy and marketing program to maintain his patent exclusivity by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that exclusivity;
5. the commercial relationship between the licensor and licensee, such as, whether they are competitors in the same territory in the same line of business; or whether they are inventors or promoters;

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<sup>3</sup> Trans-World Manufacturing Corp. v. All Nyman & Sons, Inc., 750 F.2d 1552, 1568 (Fed. Cir. 1984); Georgia-Pacific Corp. v. U.S. Plywood-Champion Papers, 318 F.Supp. 1116, 1120 (S.D.N.Y. 1970).

Source: Mars v. Conlux instructions; ABA's Section of Patent, Trademark and Copyright Law.

6. the effect of selling the patented specialty in promoting sales of other products of the licensee, the existing value of the invention to the licensor as a generator or sales of his non-patented items, and the extent of such derivative or convoyed sales;

7. the duration of the patent and the term of the licenses;

8. the established profitability of the product made under the patent, its commercial success, and its current popularity;

9. 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;

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

11. the extent to which the infringer has made use of the invention, and any evidence probative of the value of that use;

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

13. the portion of the realizable profit 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;

14. the opinion testimony of qualified experts; and

Source: Mars v. Conlux instructions; ABA's Section of Patent, Trademark and Copyright Law.

15. any other economic factor that a normally prudent businessman would, under similar circumstances, take into consideration in negotiating the hypothetical license.



## 6.12 CLOSING STATEMENT - DAMAGES

In determining the issue of damages, the Court instructs you that the law does not permit an award of a greater sum than the monetary loss which the patent owner has suffered as a result of the alleged infringement. If, under the Court's instructions, you find plaintiff is entitled to damages, in fixing the amount of such damages you may not include and/or add to an otherwise just award any sum for purposes of punishing the defendant or to set an example.

### **6.13 CURATIVE INSTRUCTION**

The fact that I have instructed you regarding damages should not be construed as intimating any view of the Court as to which party is entitled to prevail in this case. Instructions regarding damages are given for your guidance in the event that the evidence leads you to find in favor of the plaintiffs.

## **7 DELIBERATION AND VERDICT**

### **7.1 INTRODUCTION**

That concludes the part of my instructions explaining the rules for considering some of the testimony and evidence. Now let me finish up by explaining some things about your deliberations in the jury room, and your possible verdicts.

Once you start deliberating, do not talk to the jury officer, or to me, or to anyone else except each other about the case. If you have any questions or messages, you must write them down on a piece of paper, sign them, and then give them to the jury officer. The officer will give them to me, and I will respond as soon as I can. I may have to talk to the lawyers about what you have asked, so it may take me some time to get back to you. Any questions or messages normally should be sent to me through your foreperson, who by custom of this Court is juror No. 1.

One more thing about messages. Do not ever write down or tell anyone how you stand on your votes. For example, do not write down or tell anyone that you are split 4-4, or 6-2, or whatever your vote happens to be. That should stay secret until you are finished.

## 7.2 UNANIMOUS VERDICT

Your verdict must represent the considered judgment of each juror. In order for you as a jury to return a verdict, it is necessary that each juror agree to the verdict. Your verdict must be unanimous.

It is your duty, as jurors, to consult with one another and to deliberate with a view towards reaching an agreement, if you can do so without violence to your individual judgment. Each of you must decide the case for yourself, but do so only after an impartial consideration of the evidence with your fellow jurors. In the course of your deliberations, do not hesitate to reexamine your own views and change your opinion, if convinced it is erroneous. But do not surrender your honest conviction as to the weight or effect of evidence solely because of the opinion of your fellow jurors, or for the purpose of returning a verdict. Remember at all times that you are not partisans. You are judges -- judges of the facts. Your sole interest is to seek the truth from the evidence in the case.

A form of verdict has been prepared for you. You will take this form to the jury room and when you have reached unanimous agreement as to your verdict, you will have your foreperson fill in, date and sign the form. You will then return to the courtroom and your foreperson will give your verdict.

It is proper to add the caution that nothing said in these instructions and nothing in the form of verdict is meant to suggest or convey in any way or manner any intimation as

to what verdict I think you should find. What the verdict shall be is the sole and exclusive duty and responsibility of the jury.

Source: Mars v. Conlux instructions; ABA's Section of Patent, Trademark and Copyright Law.

### 7.3 DUTY TO DELIBERATE

Now that all the evidence is in and the arguments are completed, you are free to talk about the case in the jury room. In fact, it is your duty to talk with each other about the evidence, and to make every reasonable effort you can to reach unanimous agreement. Talk with each other, listen carefully and respectfully to each other's views, and keep an open mind as you listen to what your fellow jurors have to say. Try your best to work out your differences. Do not hesitate to change your mind if you are convinced that other jurors are right and that your original position was wrong.

But do not ever change your mind just because other jurors see things differently, or just to get the case over with. In the end, your vote must be exactly that -- your own vote. It is important for you to reach unanimous agreement, but only if you can do so honestly and in good conscience.

No one will be allowed to hear your discussions in the jury room, and no record will be made of what you say. So you should all feel free to speak your minds.

Listen carefully to what the other jurors have to say, and then decide for yourself.

## 7.4 COURT HAS NO OPINION

Let me finish up by repeating something that I said to you earlier. Nothing that I have said or done during this trial was meant to influence your decision in any way. You must decide the case yourselves based on the evidence presented.