

Effective Strategies and Trend-Spotting In Patent Damages

15th Annual Advanced Patent Law Institute, Silicon Valley

December 11, 2014

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Overview:

How to successfully shape and manage damages in patent litigation

Subtopics:

- A. Damages fact development
- B. When and how to best use expert depositions
- C. Options for challenging experts

A. Damages fact development

Evidence is your friend—beginning to end

Appendix A: Summaries of rulings on Motions for New Trial on damages issues

Appendix B: Summaries of rulings on Motions for Judgment as a Matter of Law on damages issues

*PwC Study on Daubert Challenges to Financial Experts:*¹

- Overall, the number of challenges to financial and non-financial expert witnesses has increased, while success rates have declined.

¹ “Daubert Challenges to Financial Experts: A Yearly Study of Trends and Outcomes”, PriceWaterhouseCoopers – 2013 Study, April 2014.

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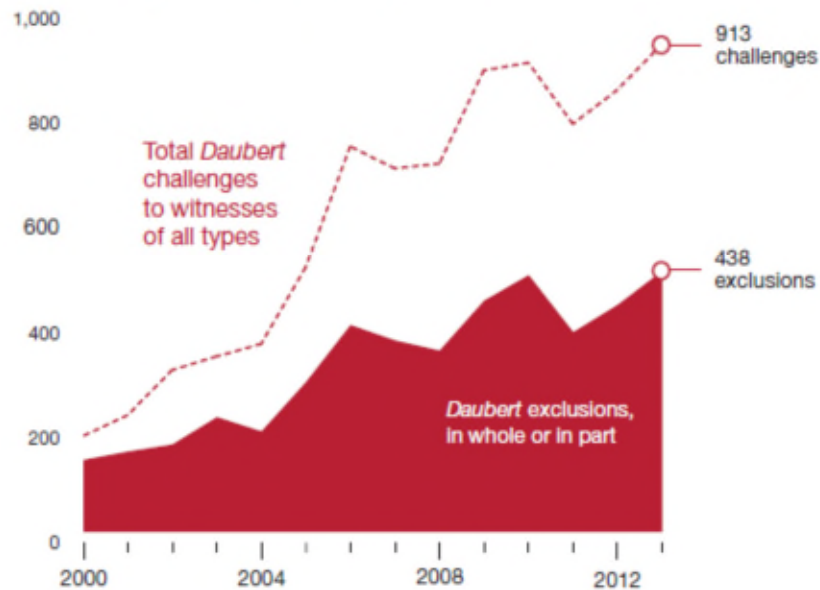
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Figure 2: *Daubert* challenges and exclusions to expert witnesses of all types, 2000–2013



- *Daubert* challenges to financial expert witnesses have been concentrated in the Second, Fifth, Sixth, Seventh, and Ninth Circuits.
 - Figure 7: Success rate of *Daubert* challenges to financial expert witnesses, by Federal Circuit, 2000–2013

2 nd Cir.	7 th Cir.	9 th Cir.	6 th Cir.	5 th Cir.
51%	49%	49%	43%	43%

- Economists and accountants remain the most frequently challenged financial expert witnesses. In 2013, accountants were the most likely to survive a challenge, while appraisers were the least likely to survive.

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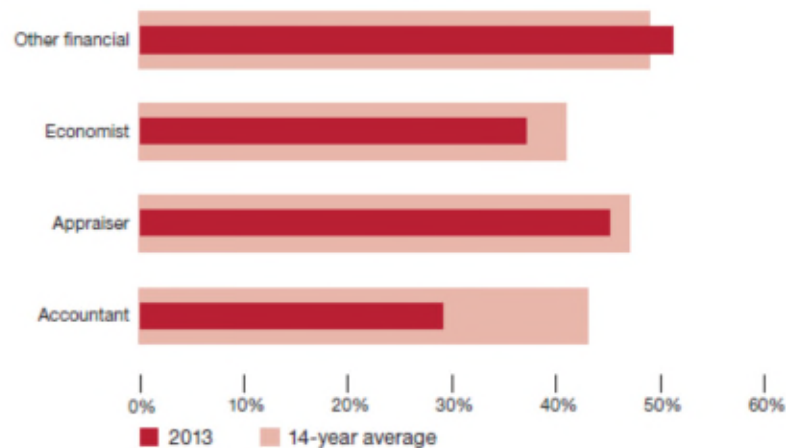
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Figure 11: Exclusion rate of financial expert testimony, by expert type, 2000–2013



- Case type affects the frequency and outcome of *Daubert* challenges to financial expert witnesses, with fraud and IP experts experiencing the highest exclusion rates.
 - Financial expert witnesses experienced higher rates of exclusion in matters involving fraud or intellectual property, as compared to disputes involving a breach of contract or fiduciary duty.
 - Figure 12: *Daubert* challenges to financial expert witnesses, by case type, 2000–2013: Percentage excluded in whole or in part

Fraud	IP	Bankruptcy	Discrimination	Product Liability
52%	51%	49%	47%	46%

B. When and how to best use expert depositions

*Top Tips for Deposing an Expert Witness*²

Top 10 considerations when deposing an expert witness:

1. Gear the deposition toward identifying and understanding key weaknesses in the expert's report.

² "Top Tips for Deposing an Expert Witness", ABA Section of Litigation, October 2012, YourABA Newsletter.

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2. Do a thorough and incisive reading of both the opposing expert's report and your expert's report before the deposition. Isolate the differences.
3. In the deposition, ask the other expert to explain why he or she did things that account for the differences without pointing them out as differences. Don't waste deposition time on things both experts did in a similar fashion.
4. Make the expert acknowledge each area where he or she exercised subjective judgment in developing a number, choosing a method or applying the method.
5. Make the expert state the reasons for adjustments made to financial statements, and get the expert to acknowledge his or her subjectivity in making them.
6. Make the expert identify with specificity what work he or she has done in the subject company's industry.
7. Identify each principle expressed or relied upon in the report and get the expert to state the back-up authority for each principle. If there is no authority for a principle the expert uses, get that into the deposition transcript.
8. Before the deposition, identify if the expert is using a principle or authority that is contrary to standard evaluation methodology, texts or pre-eminent articles in the area. If there are differences between what the expert does and what the expert is supposed to do per recognized authorities, make the expert acknowledge what the authoritative texts or methods require and acknowledge that his or her report did it differently.
9. Go over the math used in the report. Make studied decisions about whether or not to focus on particular numbers used in the report, because calling attention to these things can sometimes eliminate a point for cross examination by flagging the expert to something he or she needs to correct in the report. On the other hand, sometimes exposing weaknesses in depositions helps get cases settled.
10. Check expert credentials; they can sometimes be a deciding factor in a close case. Get and go through the expert's most current C.V. and get the expert to explain what he or she did to obtain each of his or her credentials. Before the deposition, do your own research on the credentials he or she has. Knowing whether the credential requires classroom hours, practical experience and submitting reports and/or peer review can all make a difference.

C. Options for challenging experts

Appendix C: rulings on evidence motions related to damages, including *Daubert* motions

*Motions in Limine: To File or Not to File?*³

- The choice of whether to file one depends, in large part, on the piece of evidence at issue and the substantive issues in the case.

³ "Motions in Limine: To File or Not to File?" ABA Section of Litigation, Summer 2009, Vol. 17 No. 4.

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- A proper motion in limine can result in a narrowing of the issues, making trial more efficient, shorter, and less costly.
 - Such a motion can also improve a client's chance of obtaining a fair trial, fostering decision based upon the case's merits as opposed to red herrings that ought never to reach the jury.
 - But filing a barrage of motions in limine when the evidence borders on the admissible will serve only to frustrate the judge at your client's monetary (and maybe general) expense.
 - Thus, motions in limine are best reserved for evidence that is truly critical or highly prejudicial and that is very likely either admissible or inadmissible.
 - Second, it is important to consider that motions in limine may serve to educate your opponent on your trial strategy and your key evidence. Always keep in mind that opposing counsel may not realize that certain evidence exists or may fail to recognize its importance or context.

Avoid Losing a Daubert Challenge: Some Best Practices⁴

- Practitioners can track the judicial gatekeeping history of an opposing expert through the Daubert Tracker, which is available free to AICPA's, CFF and CVA members.
- The following motions or reasons also can be made to exclude expert testimony.
 1. Requires a valid connection to the pertinent inquiry as a precondition to admission.
 2. Courts remain vigilant against the admission of legal conclusions.
 3. Relationships of technique to methods already established to be reliable.
 4. Existence and maintenance of standards controlling technique's operation.
 5. Expert witness' qualifications and non-judicial uses to which method has been put.
 6. Side-taking or result-oriented work.
 7. Conflict of interest.
 8. Ghost-written report.
 9. Spoliation.
 10. Name not disclosed within time limit.
 11. Improper expert witness designation.
- The duty of a district court is to ensure that the basis of an expert's opinion is not so fatally flawed as to render his opinion inadmissible as matter of law.
 - An expert's bias goes to the weight, not the admissibility, of the testimony, and should be brought out on cross-examination

⁴ "Avoid Losing a *Daubert* Challenge: Some Best Practices", The ATA Journal of Legal Tax Research, D. Larry Crumbley and Christine C. Cheng, June 2014, Vol. 12, No. 1, pp. 41-53.

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- Daubert's testing factor depends upon whether the theory or technique can be (and has been) tested. A test is reliable if it is capable of being duplicated and produces the same or substantially the same results when successfully tested under the same condition.
 - An expert does not have to actually test his/her theory, however.
 - Accountants probably will survive a challenge if they follow GAAP, PCAOB statements, Generally Accepted Governmental Auditing Standards (Yellow Book), tax rules, and proper accounting methods.

*5 Definite No-Nos for Daubert Motions*⁵

Judges are far from ecstatic when they see a Daubert motion sitting on their desk, considering the expert-bashing and jargon-filled science lessons they know will follow. Don't further incur their wrath by committing one of the five most common missteps made by attorneys seeking to exclude expert testimony.

1. Don't default to Daubert

It's tempting for attorneys to fire off a Daubert or Frye motion every time they spot expert testimony with holes in it. But that strategy is not always wise, in large part because judges are quick to anger when they feel a motion isn't legitimate or efficient. If a judge believes a Daubert filing was unnecessary, it could carry over into other aspects of the case, attorneys said.

2. Don't procrastinate

As is the case with lawyers in general, many judges chose political science lectures over chemistry labs in college. Assessing the reliability of an expert's scientific opinion is no small task for them, and they prefer all the time they can get to review a Daubert briefing and prepare for a hearing. For that reason, filing a Daubert motion on the eve of trial is a bad idea.

3. Don't neglect the judge's history

Reading up on a judge's past isn't only a sign of respect, it's good lawyering. Knowing their previous take on the science helps you either underline their points, if they fell on your side, or to refrain from making another attorney's failed points, if they fell the other way.

4. Don't show up unprepared

Since the expert is the one with all the fancy degrees, an attorney filing a Daubert motion may be tempted to stick to a few points of attack against their testimony. But judges will look unfavorably on attorneys who don't appear to know the science themselves.

5. Don't flaunt your knowledge

The filer of a Daubert or Frye motion should be as knowledgeable as any other person in the room during a hearing. They just shouldn't act like it, according to attorneys.

⁵ "5 Definite No-Nos for Daubert Motions", Law360, April 9, 2013.

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Preparing A Successful Daubert Motion⁶

At the initial status conference, the following three issues should be raised with the judge:

1. Determine how the court handles Daubert motions. Since the effect of a Daubert motion may cause the case to be dismissed, does the court consider a Daubert motion to be a part of a summary judgment motion, a motion in limine or a separate independent Daubert motion? This determination is important because it will affect the timing of the filing of the motion.

2. Include in the scheduling order a reference to the filing date for Daubert motions.







3. Determine whether it is the court's practice to conduct a separate in-court hearing with witnesses on Daubert motions or whether the court makes its determination on the papers submitted.

- In many cases, it is actually the opposing expert who can present the evidence needed to demonstrate that he or she has not employed the methodology required by an expert in his field.

⁶ "Preparing A Successful Daubert Motion", Law360, May 7, 2013.

Appendix A

Summaries of rulings on Motions for
New Trial on damages issues

Event	Case	Order
Motion to Reconsider Motion for New Trial: Denied in part granted in part Maxine M. Chesney November 25, 2014	<i>Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., et. al.</i> 3-09-cv-05235 (CAND)	 
<div> Post-Trial Procedure New Trial </div> <div> Damages Apportionment </div> <p>The court granted in part defendant's motion to reconsider an earlier order denying defendant's motion for new trial and granted a new trial on damages. "[Defendant] has shown good cause for reconsideration on the issue of damages, given the Federal Circuit's recent clarification of the law with respect to the calculation of a reasonable royalty. See <i>Virnetx, Inc. v. Cisco Sys., Inc.</i>, 767 F.3d 1308 (Fed. Cir. 2014) . . . [Plaintiff's damages expert] was obligated to apportion the royalty solely to the patented features. [Plaintiff's expert] expressly acknowledged his royalty calculation did not include such apportionment. . . . [Plaintiff's] argument that <i>VirnetX</i> does not require apportionment where the expert calculates a royalty based on the 'expected harm' to the patentee overlooks the Federal Circuit's clear directive therein that '[n]o matter what the form of the royalty, a patentee must take care to seek only those damages attributable to the infringing features' . . . Without the requisite apportionment, the jury lacked sufficient evidence on which to base its damages award, and, consequently, a new trial on the issue of damages is appropriate."</p>		
Motion for New Trial: Denied John D. Love November 14, 2014	<i>EON Corp. IP Holdings, LLC v. Landis+Gyr Inc., et. al.</i> 6-11-cv-00317 (TXED)	 
<div> Post-Trial Procedure New Trial </div> <div> Damages Apportionment </div> <div> Post-Trial Procedure Vacating Judgment/Order </div> <p>The court denied defendant's motion for a new trial on damages even though it granted defendant's motion for judgment as a matter of law of noninfringement as to one of the three patents-in-suit. "[Defendant] asks the Court to vacate the damages award or to grant a new trial on the issue of damages because [plaintiff's damages expert] failed to offer a damages opinion for infringement of less than all three patents-in-suit. . . . [Plaintiff] points to the fact that [defendant] made no objection to the apportionment of damages on the jury verdict form. . . . In addition, [plaintiff's expert] testified that his damages model was structured such that it would remain the same regardless of the number of claims or patents that were found infringed . . . because [plaintiff] viewed the three patents-in-suit as interrelated. Moreover . . . [defendant] fails to explain why its damages expert . . . offered single lump sum damages amount that remained the same regardless of the number of claims or patents found to be infringed."</p>		
Motion for New Trial: Granted Marilyn L. Huff August 8, 2014	<i>Viasat, Inc., et. al. v. Space Systems/Loral, Inc., et. al.</i> 3-12-cv-00260 (CASD)	 
<div> State Law Claims Breach of Contract </div> <div> Post-Trial Procedure New Trial </div> <div> Infringement Remedies Damages </div> <p>The court granted defendant's motion for a new trial on damages after the jury awarded \$102 million in breach of contract damages in addition to patent infringement damages. "[Plaintiff] presented no other evidence of damages</p>		

stemming specifically from breach of contract that did not overlap with patent infringement damages. [Plaintiff] argues that the jury could have found damages based on [defendant's] misappropriation of ideas that were protected by contract but not by patent. But its witnesses did not testify regarding how the jury should calculate any such damages. . . . [Plaintiff's expert] cited no technologies allegedly misappropriated by [defendant] in breach of contract that were not also allegedly covered by [plaintiff's] patents. Instead, he expressly premised his contract damages model on his patent damages model."

Damages

Reasonable Royalty

Post-Trial Procedure

New Trial

Royalty Rate

Rate Cap Based on Infringer's Profits

The court granted defendant's motion for a new trial on damages after the jury awarded more than 6 times defendant's anticipated profits in reasonable royalty damages. "[Defendant] argues that the \$123 million that the jury awarded in royalty damages is not reasonable because it is more than six times [its] anticipated profits on the [accused] satellite. . . . [Plaintiff's expert] offered no reason why [defendant] would have willingly agreed to pay six times more than its anticipated profits on the [accused] satellite for a one-time license to use [plaintiff's] patented technology on the [accused] satellite. . . . Although [plaintiff] is correct that an infringer's expected profits are not a hard limitation on damages, the jury's award strains belief in light of the evidence presented at trial."

Damages

Lost Profits

Post-Trial Procedure

New Trial

The court granted defendant's motion for a new trial on lost profits damages because plaintiff presented insufficient evidence of profits lost as a direct result of defendant's infringement. "Before trial, [plaintiff] justified its demand for lost profits damages by pointing to [defendant's customer's] infringing use of the [accused satellite]. But the jury found no contributory or induced infringement. Moreover, [plaintiff's expert's] lost profits calculations were highly speculative. [The expert] failed to take into account [defendant's] ability to implement non-infringing alternatives that demonstrate that [defendant] could have built more than a 32 Gbps satellite without using [plaintiff's] technology. . . . [Plaintiff's expert] justified his capture rates by stating that the satellite broadband market is a two-player market, but this statement was also suspect. . . . [W]hen [he] performed his lost profits calculations, he did not account for the fact that certain . . . beams [from plaintiff's satellite] were reaching capacity and thus could not accommodate any overflow . . . subscribers [of the accused satellite]. "

Damages

Reasonable Royalty

Damages

Lost Profits

Post-Trial Procedure

New Trial

The court granted defendant's motion for a new trial on damages after the jury awarded both reasonable royalty and lost profits damages. "A patentee may, in certain circumstances, recover both lost profits and reasonable royalty damages. But under all circumstances, '[a] damages theory must be based on 'sound economic and factual predicates.' . . . [T]he Court permitted [plaintiff's expert's] testimony because his detailed expert report tracked the Panduit test for lost profit damages as well as the Georgia-Pacific factors for reasonable royalty. Patent damages are not an 'exact science,' and the Federal Circuit permits a range of methodologies. But at trial, [plaintiff's expert's] testimony was very abbreviated, and it was not based on sound economic and factual predicates. As a result, a new trial on damages is necessary to prevent a miscarriage of justice."

Motion for New Trial: Denied in part granted in part
Nathaniel M. Gorton | February 12, 2014

WBIP, LLC v. Kohler Co.
1-11-cv-10374 (MAD)



Post-Trial Procedure

Remittitur

Post-Trial Procedure
New Trial

Baseline Royalty
Royalty Base

The court granted in part defendant's motion for a new trial where the royalty base used by the jury (a sales figure for which neither party argued) was not supported by substantial evidence. "[T]he royalty base used by the jury, i.e., the amount of sales to be subject to royalty payment, \$71,416,345, is not supported by substantial evidence. Damages experts for both parties testified that damages should be based on sales amounting to \$26,858,470, and the jury was asked to find a sales amount as part of its damages calculation on the special verdict form. . . . [T]he Court proffers [plaintiff] the choice between accepting a remittitur [of the royalty rate awarded by the jury applied to the sales figure presented by both parties' damages experts] or a new trial on damages. It will not, however, order a new trial based on the other grounds offered by [defendant]."

Motion for New Trial: Denied

Richard G. Andrews | January 30, 2014

XpertUniverse Inc. v. Cisco Systems Inc.
1-09-cv-00157 (DED)



Post-Trial Procedure
New Trial

Infringement Remedies
Damages

The court denied defendant's motion for new trial on damages following a \$70 million verdict. "[Defendant] argue[s] . . . that the \$70,000,000 award is excessive. I believe in this particular case that the disposition of the damages appeal will necessarily determine whether the award was excessive, and therefore I do not find this argument persuasive either. . . . I certainly expect that [defendant] (and perhaps [plaintiff] too on the portions of the expert's testimony I excluded) will include my handling of the Daubert decision as an issue on appeal. Thus, if there was an abuse of discretion, it will be remedied by the Court of Appeals, and, if there was not, then there is no apparent reason why I should grant a new trial on this basis."

Motion for New Trial: Denied in part granted in part

Jed S. Rakoff | August 14, 2013

Tomita Technologies USA, LLC, et. al. v. Nintendo Co., Ltd., et. al.
1-11-cv-04256 (NYSD)



Post-Trial Procedure
Remittitur

Post-Trial Procedure
New Trial

Royalty Base
Entire Market Value Rule

The court granted in part defendant's motion for remittitur or a new damages trial following the jury's verdict of \$30.2 million and required plaintiff to choose between a reduced award of \$15.1 million or a new trial. "[A]lthough the entire market value rule does not apply on the facts of this case, the concerns that motivate the doctrine nonetheless speak to whether the Jury's damages award was appropriate. Thus, while there is no smaller patent-practicing unit than the [accused game system] as a whole, the [patent-in-suit's] technology was used only in two features . . . and thus was in some sense ancillary to the core functionality of the [accused product] as a gaming system. In addition, the evidence presented at trial showed that consumer reception for the patent-related features was mixed. Based on these factors and the fact that the [accused system] is not itself profitable, the Court finds that it surpasses reasonable belief that [defendant] would, in a hypothetical negotiation, agree to a 'reasonable royalty' payment anywhere near as large as that awarded by the jury."

Motion for New Trial: Denied

Leonard Davis | August 6, 2013

Ericsson Inc., et. al. v. D-Link Corporation, et. al.
6-10-cv-00473 (TXED)



Damages
Reasonable Royalty

Juries
Jury Instructions

Post-Trial Procedure
New Trial

The court denied defendants' motion for a new damages trial where the verdict form did not include an entry for a paid-up lump sum license. "The verdict form stated: 'What sum of money, if paid now in cash, do you find from a preponderance of the evidence would fairly and reasonably compensate Ericsson for infringement of the patents by the following Defendants up to the time of trial?' Defendants contend this instruction constitutes prejudicial error because it prevented the jury from awarding a lump sum royalty. However, the jury was specifically instructed that a lump sum royalty was appropriate. Further, Defendants cite no authority for the proposition that there is a constitutional right to have a jury award future damages."

Juries
Jury Instructions

Post-Trial Procedure
New Trial

Royalty Rate
Rate Cap Based on Infringer's Profits

The court denied defendants' motion for a new damages trial where the jury instructions addressed profit margins. "The Court gave the following instruction to the jury: 'An infringer's net profit margin is not the ceiling by which a reasonable royalty is capped. The infringer's selling price can be raised, if necessary, to accommodate a higher royalty rate. Requiring the infringer to do so, may be the only way to adequately compensate the patentee for the use of its technology.' This is an accurate statement of the law, taken almost verbatim from a recent Federal Circuit opinion. . . . [Defendants] argue there was no basis for giving the instruction because [plaintiff] did not present any evidence of Defendants' profit margins. However, Defendants repeatedly referenced the impropriety of a \$0.50 royalty on a \$2.50 chip. These arguments are thinly-veiled references to [an intervenor's] profit margin. In light of these statements, it was not improper or prejudicial to give the instruction."

Motion for New Trial: Denied
Janet Bond Arterton | August 1, 2013

Enzo Biochem, Inc., et. al. v. Applera Corp., et. al.
3-04-cv-00929 (CTD)



Infringement
Indirect Infringement

Post-Trial Procedure
New Trial

Infringement Remedies
Damages

The court denied plaintiffs' motion for a new damages trial following a jury verdict of \$48.5 million for direct infringement and \$0 for indirect infringement. "Plaintiff's theory of infringement as to the sale of instruments was a murky issue leading up to, and continuing throughout, the trial. . . . During jury deliberation, the jurors sought clarification as to the indirect/induced infringement question, and the relationship between the use of reagent products and the sale of DNA sequencing instruments that use the reagent products where there was no claim that the instruments themselves infringed. . . . The Court finds no reason to disturb the jury's \$0 damage award as to DNA sequencing instruments here, particularly as [plaintiff] is asking for additional damages premised on the same acts of direct infringement. Further . . . the jury had evidence . . . that there were several noninfringing uses of the sequencing instruments. . . ."

Motion for New Trial: Denied
Janet Bond Arterton | August 1, 2013

Enzo Biochem, Inc., et. al. v. Applera Corp., et. al.
3-04-cv-00929 (CTD)



Post-Trial Procedure
New Trial

Reasonable Royalty
Prior License or Sale of Patent

Baseline Royalty
Royalty Rate

The court denied defendant's motion for a new trial on damages and rejected defendant's argument that the jury's finding of a 6% reasonable royalty was excessive in light of plaintiff's license to a third party with a rate of 3%. "The jury

was instructed that it was part of its responsibility to make a determination as to what royalty would have resulted from a hypothetical negotiation between the parties. . . . [T]he jury properly could have considered several license agreements in addition to the [3%] agreement, and credited certain expert testimony focusing on certain license agreements over others, depending on their characteristics and contexts. . . . [T]he jury was entitled to credit [plaintiffs' expert's] opinion about the rising values of the patented technology, and to consider the [3%] license agreement as only one among several relevant agreements in arriving at its six percent royalty rate."

**Motion for Judgment as a Matter of Law: Denied in part
granted in part**

Lucy H. Koh | March 1, 2013

Apple Inc. v. Samsung Electronics Co. Ltd., et. al.
5-11-cv-01846 (CAND)



Damages

Reasonable Royalty

Post-Trial Procedure

New Trial

Post-Trial Procedure

Questions Re Verdict

Infringement Remedies

Disgorgement of Profits for Design Patents (35 USC § 289)

The court granted in part defendants' motion for new trial regarding damages for an accused product because the jury relied on a legally impermissible theory. "[I]t is apparent that the jury awarded 40% of [plaintiff's expert's] calculation of [defendant's] profits for a wide range of products, and in some cases, added the same expert's calculation for [plaintiff's] lost profits. Moreover, it is clear that for several products, the jury awarded exactly half of the reasonable royalty award proposed by [plaintiff's expert]. . . . [T]hese numbers are 'to the dollar;' it is thus quite apparent how the jury arrived at them. . . . As the Court instructed the jury, infringer's profits are not a legally permissible remedy for utility patent infringement. . . . [I]t is apparent that the jury failed to follow the Court's instructions on the law, and awarded damages [for one product] based on a legally impermissible theory. This award cannot stand. . . . Accordingly, the Court hereby orders a new trial on damages for [that product]."

Post-Trial Procedure

Remittitur

Post-Trial Procedure

New Trial

Damages

Marking & Notice of Infringement

The court granted in part defendants' motion for new trial or remittitur of damages as to eight accused telephones because the jury based part of its damages award on a notice date that was not supported by evidence at trial. "Mere notice that some unknown patent allegedly covers some aspect of both the accused product and the competitor product does not provide meaningful notice as to what patented territory the accused device is alleged to infringe upon. The wide variety of patents covering the complex products in this very case illustrates this problem well. . . . [W]here a plaintiff relies on actual, rather than constructive notice, the notice must include the specific patents at issue. . . . Although [plaintiff's damages expert] did offer testimony as to how to calculate a reasonable royalty for a shorter time period, the sales data the parties provided is broken down only by quarter, and is not sufficiently specific to allow the Court to calculate the correct amount for sales in quarters where notice occurred in the middle of the quarter. . . . As the Court can neither calculate an appropriate remittitur nor leave the award intact, the only remaining possibility is to conduct a new trial on damages for these 8 products."

Motion for New Trial: Granted

Paul S. Grewal | January 18, 2013

Brocade Communications Systems, Inc., et. al. v. A10 Networks, Inc., et. al.
5-10-cv-03428 (CAND)



Post-Trial Procedure

New Trial

Royalty Base

Entire Market Value Rule

The court granted defendants' motion for a new trial on damages and vacated the jury's award of \$1.9 million in

reasonable royalty damages because plaintiffs improperly relied on the entire market value rule. "[Plaintiff] argues that the [accused] product and its competing [plaintiff] products are the smallest saleable unit for the infringing software patents. But the [accused] product and [plaintiff's] products are not composed entirely of the patented features. . . . In light of these other components, [plaintiff] had to show that its patented features drove consumer demand for [defendant's] product before it could use all of the profits [defendant] earned from the sale of the [accused] product as the royalty base. [Plaintiff], however, did not provide substantial evidence that [certain patented features] drove consumer demand for [defendant's] products. . . . In light of [defendant's] evidence that its customers purchased its products for other features, no reasonable jury could conclude that [plaintiff] met its burden to show that its patented features drove consumer demand for [defendant's] products. . . . Absent evidence that the patented feature drives demand, [plaintiff] should not have used the entire market value rule to establish its royalty base."

Damages

Reasonable Royalty

Damages

Lost Profits

Post-Trial Procedure

New Trial

Questions Re Verdict

Ambiguity/Inconsistency in Verdict

The court granted defendants' motion for a new trial on damages and vacated the jury's award which contained conflicting entries for lost profits (\$49.3 million), reasonable royalty damages (\$1.9 million), and total damages (\$1.9 million). "Although [plaintiff] produced sufficient evidence such that [defendant] is not entitled to JMOL on the lost profits issue, the jury's response to the verdict form raises significant questions about whether the jury in fact awarded Brocade lost profits damages. . . . [T]he court highlights that it cannot construe a theory supported by the evidence that would allow [plaintiff] to collect a lost profits award when the jury failed to address that amount in its 'Total Damages' entry. . . . Because the court can only speculate on the jury's conflicting entries, and in light of the potential for injustice and the problematic reasonable royalty evidence, a new trial on patent damages is warranted."

Motion for New Trial: **Denied**

Audrey B. Collins | December 19, 2011

Accentra, Inc., et. al. v. Staples, Inc.
2-07-cv-05862 (CACD)



Post-Trial Procedure

New Trial

Baseline Royalty

Royalty Rate

Plaintiffs' motion for a new trial was denied even though the court found that the jury's royalty rate and apportionment per patent/product was unsupported by the evidence. "[T]he Court can rely on [defendant's expert's] apportionment, even if not his reasonable royalty rate, since his apportionment was the only method offered in evidence. . . . [N]o new trial is mandated here because the issues are legal and do not require the Court to reweigh the evidence to determine whether the award must be reduced."

Motion for New Trial: **Granted**

Jon Phipps McCalla | November 23, 2011

Spine Solutions, Inc. v. Medtronic Sofamor Danek, Inc. et al
2-07-cv-02175 (TNWD)



Post-Trial Procedure

New Trial

Baseline Royalty

Royalty Rate

The court granted defendants' motion for a new damages trial following remand even though defendants had not objected to the use of the 25% rule at trial. "Given the widespread acceptance of the 25 percent rule, it would not have been unreasonable for [defendant] to have failed to raise the issue before the Court. . . . [T]he Federal Circuit had implicitly upheld the use of the 25 percent rule prior to [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)], and Defendant had no notice that an objection to its use would have been fruitful in light of the Federal Circuit's previous treatment of the rule. The law does not speak in absolutes and recognizes that a litigant might not be aware of the necessity of making an objection at trial where the great weight of the case law suggests that an objection is not worth making."

Post-Trial Procedure
New Trial

Baseline Royalty
Royalty Rate

Following remand, defendants' motion for a new trial on damages was granted despite plaintiff's argument that damages could be determined by summary adjudication. "[Plaintiff's] expert based his reasonable royalty calculations on the now-inadmissible rule of thumb; consequently, an evidentiary foundation on which the jury made a reasonable royalty finding may not now be considered. The jury arrived at an 18 percent reasonable royalty rate after having heard testimony based on the 25 percent rule of thumb. Thus, the jury's verdict, based on the 25 percent rule, is no longer valid."

Motion for New Trial: **Denied**
Phyllis J. Hamilton | May 26, 2011

Fresenius USA, Inc., et. al. v. Baxter International Inc., et. al.
4-03-cv-01431 (CAND)



Post-Trial Procedure
New Trial

Infringement Remedies
Damages

Although the Federal Circuit reversed a JMOL order regarding validity as to one of three patents, plaintiff's motion for a new trial on damages was denied. "[Plaintiff] did not argue at trial or on appeal that the calculation of past damages depended on the number of patents infringed. . . . The Federal Circuit clearly understood that only one of the three asserted patents remained following its reversal, but did not remand for purpose of a new trial on damages. Plainly, the Federal Circuit knows how to vacate a damages award and remand for a new trial on damages."

Motion for Judgment as a Matter of Law: **Denied**
Ron Clark | March 25, 2011

Affinity Labs of Texas, LLC v. BMW North America, LLC et al
9-08-cv-00164 (TXED)



Post-Trial Procedure
Post-Trial JMOL

Post-Trial Procedure
New Trial

Baseline Royalty
Royalty Base

Plaintiff's motion for past damages on certain accused products, based on the jury's allegedly inconsistent verdict, was denied where the court reconciled the jury's findings. "[T]he accused products in this case were the stereo systems or 'head units' in Hyundai/Kia vehicles, which can connect to an iPod or various other portable electronic devices by way of a Hyundai/Kia iPod cable. The jury awarded zero dollars in damages for sales of accused Hyundai and Kia vehicles for which there was not also a corresponding sale of a Hyundai/Kia iPod cable. . . . [Plaintiff] had the burden to prove infringement of each asserted claim by a preponderance of the evidence. The court has located no place in the record where it was clearly explained to the jury why the head units alone would infringe [the patent-in-suit] without the [accused] cable. . . . The jury's finding of zero damages for vehicles sold without a corresponding cable sale is consistent with such a decision. If, as here, there is a view of the case that makes the jury's answers consistent, the court must adopt that view."

Motion for New Trial: **Granted**
T. John Ward | June 9, 2010

LaserDynamics, Inc. v. Asus Computer International et al
2-06-cv-00348 (TXED)



Post-Trial Procedure
Remittitur

Post-Trial Procedure
New Trial

Royalty Base
Entire Market Value Rule

The court granted defendant's motion for a new trial on damages or for remittitur because the jury's \$57 million award

was based on the entire market value rule and plaintiff failed to offer evidence that its patented disc-discrimination technology drove demand for personal computers. Plaintiff was given ten days to accept a remitted award of \$6.2 million or face a new trial on damages. "The failure to offer any evidence that a disc-discrimination method patent drove the demand for the much larger finished good precludes application of the entire market value rule. At best, [plaintiff's expert] testified that almost all computers sold in the retail market include optical disc drives and that customers would be hesitant to purchase computers without an optical disc drive. This evidence notwithstanding, there was no evidence from which the jury could conclude that the patented features of the invention formed the basis for the customer's demand for the entire computer. Further, the undisputed evidence is that an optical disc drive could be and were sold both as integrated units and separately."

Post-Trial Procedure
New Trial

Baseline Royalty
Royalty Rate

The jury's finding of a 6% royalty rate for infringement of a disc-discriminating patent relating to computer optical drives was not excessive. "While some of the previous licenses [plaintiff] had entered into had a lower royalty rate and all had been lump-sum licenses, the Court will not reject the jury's findings and supplant its judgment for the jury's verdict where the evidence in the record can support the jury's verdict."

Motion for New Trial: **Granted**
William E. Smith | September 29, 2009

Uniloc USA, Inc., et al v. Microsoft Corp., et al
1-03-cv-00440 (RID)



Evidence
FRE 403 -- Prejudice

Post-Trial Procedure
New Trial

Royalty Base
Entire Market Value Rule

Defendant was entitled to a new trial, in part, because of evidence concerning defendant's total sales of accused products after plaintiff conceded that it "would not base a royalty calculation on the entire market value of the products." "[U]se of a large pie [chart] stuffed with desirable features of Windows and Office to make a royalty slice for [defendant's authorization system] seem small and reasonable, combined with repeated references to the [multi-billion dollar] numbers under the guise of a 'gut-check', encourages exactly what the [entire market value] rule seeks to prevent -- awarding damages far in excess of the contribution of the precise patented invention. . . . [I]t is impossible to know for sure how this evidence may have affected the jury's consideration of damages (or for that matter liability) but there is real reason for concern, and real reason to believe the jury used the \$19 billion figure to 'check' its significant award of \$388,000,000."

Motion for New Trial: **Denied**
Robert C. Jones | September 18, 2009

Japan Cash Machine Co., LTD v. MEI, Inc.
2-05-cv-01433 (NVD)



Juries
Jury Instructions

Post-Trial Procedure
New Trial

Infringement Remedies
Damages

Defendant's motion for a new trial on damages was denied. "[T]he Court cannot conclude with certainty whether the jury's damages award is based purely on a reasonable royalty or lost profits. There is no way for the Court to determine how the jury came up with its number short of traveling back in time and asking the jury to explain itself. . . . Neither [party] objected to the verdict form [which did not require a breakdown of damages based upon the theory of liability]. A party waives its objections to a verdict form by failing to raise them after the jury has rendered its verdict and has been discharged."

Motion for New Trial: **Granted**
Thomas P. Griesa | May 29, 2009

Hypoxico Inc. v. Colorado Altitude, et. al.
1-02-cv-06191 (NYSD)



Post-Trial Procedure
New Trial

Lost Profits
Manufacturing Capability

The court granted a new trial on liability and damages due to "errors" in the jury verdict. With respect to damages, plaintiff failed to offer evidence to support an award for lost profits. "The only evidence of damages offered by plaintiff . . . was deeply flawed and cannot reasonably form the basis of a damages award for lost profits. . . . [Plaintiff's damages expert's] analysis assumed that [plaintiff], a small operation that used minimal marketing efforts, had the manufacturing and marketing capacity to replicate all of the sales executed by [defendant], a company that appears to have been well-run, highly professional, and motivated by sound business strategy. The analysis also assumed that all of the purchasers of [defendant's] products would have purchased [plaintiff's] products instead. These assumptions were neither credible nor supported by evidence."

Motion for New Trial: Denied
Joel A. Pisano | February 27, 2009

Joyal Products, Inc. v. Johnson Electric North America, Inc.
3-04-cv-05172 (NJD)



Damages
Reasonable Royalty

Juries
Jury Instructions

Post-Trial Procedure
New Trial

Defendant's motion for a new trial was denied. "[Defendant] argues it is entitled to a new trial because the Court asked the jury in the verdict form to determine the reasonable royalty rate for past infringing sales as a percentage of sales revenue, rather than in cents per unit of infringing product. However, [defendant's] own expert testified that a royalty for past damages could be expressed in either of these two terms. The expert also explained how converting a royalty expressed in cents per unit into a percentage was a matter of simple arithmetic."

Appendix B

Summaries of rulings on Motions for
Judgment as a Matter of Law on
damages issues



Type of court document

Legal issue

Motion for Judgment as a Matter of Law

Damages (and selected subcategories)

Event	Case	Order
Motion for Judgment as a Matter of Law: Denied Rodney Gilstrap March 31, 2014	<i>Golden Hour Data Systems, Inc. v. emsCharts, Inc., et. al.</i> 2-06-cv-00381 (TXED)	
<p>Trial JMOL During Trial</p> <p>Infringement Remedies Damages</p> <p>The court denied defendant's motion for judgment as a matter of law on damages because defendant waived its arguments. "[H]aving raised the sufficiency of evidence issue regarding damages in its Rule 50(a) motion, which the Court denied, and having failed to contest the jury's damages award in its Rule 50(b) and Rule 59 motions, [defendant's] purported challenge to the jury's damages award is no longer a live issue before this Court. Neither can [defendant] seek appellate review of such issue. The denial of a Rule 50(a) motion is a mere 'exercise of the District Court's discretion' and cannot form the basis for appeal. . . . The intervening change in law, decided years after the willfulness and damages issues had been waived, does not revive these issues for [defendant's] benefit. To hold otherwise would disrupt the concept of finality and damage the 'principles of fairness' underlying the timely application requirements of Rule 50."</p>		
Motion for Judgment as a Matter of Law: Denied Lucy H. Koh February 7, 2014	<i>Apple Inc. v. Samsung Electronics Co. Ltd., et. al.</i> 5-11-cv-01846 (CAND)	
<p>Damages Reasonable Royalty</p> <p>Post-Trial Procedure Post-Trial JMOL</p> <p>Reasonable Royalty Georgia Pacific Factors</p> <p>The court denied defendant's motion for judgment as a matter of law on the jury's reasonable royalty rate in a damages retrial. "In her testimony related to a reasonable royalty, [plaintiff's damages expert] emphasized factor 5 (the competitive relationship between the parties). She also relied on the demand for the patented features -- which is relevant to at least factor 8 (commercial success of the product made under the patent), factor 9 (utility and advantages of the patented technology), and factor 11 (infringer's use of the invention and the value of that use). Although [she] might have spent more time testifying about the quantifiable impact of the Georgia-Pacific factors on her final royalty rate . . . when conducting such an analysis, 'mathematical precision is not required.' . . . [Her] determination of a royalty rate based on an apportionment of the results of her Income Approach as well as the cost to [defendant] of proceeding without a license to the patented technology (as opposed to a royalty rate that equals a percentage of [defendant's] overall revenue for sales of the infringing product) gave the jury sufficient evidence to account for the unpatented features of the infringing phones."</p>		
Renewed Motion Motion for Judgment as a Matter of Law: Denied James P. Jones September 10, 2013	<i>Electro-Mechanical Corporation v. Power Distribution Products, Inc., et. al.</i> 1-11-cv-00071 (VAWD)	
<p>Post-Trial Procedure Post-Trial JMOL</p> <p>Damages Lost Profits</p> <p>Royalty Base Entire Market Value Rule</p> <p>The court denied defendants' renewed motion for judgment as a matter of law as to the jury's damages award because</p>		

defendants failed to preserve that argument during trial. "The defendants have filed a renewed motion for judgment as a matter of law pursuant to Federal Rule of Civil Procedure 50(b), arguing that the jury's calculation of damages based on the entire market value rule was unsupported by the evidence, and that the evidence was also insufficient to support a finding that [plaintiff] lost profits due to the defendants' two sales of the CS-5. . . . In this case, the defendants orally moved for judgment as a matter of law at the close of [plaintiff's] case-in-chief, but they stated no grounds for their motion. . . . The defendants did not make another Rule 50(a) motion at the close of all the evidence, and they never attempted to state the reasons for their motion before the case was submitted to the jury. The defendants' pre-verdict motion did not satisfy the specificity requirement of Rule 50(a)(2), and it was thus insufficient to preserve the right to assert any particular issues in a renewed motion for judgment as a matter of law."

Motion for Judgment as a Matter of Law: Denied
Robert J. Jonker | August 7, 2013

Stryker Corporation, et. al. v. Zimmer Inc., et. al.
1-10-cv-01223 (MIWD)



Juries
Jury Instructions

Royalty Base
Entire Market Value Rule

The court denied defendant's motion for judgment as a matter of law that the jury's 25% royalty rate was unsupported and inappropriate. "[Defendant] waived its 'entire market value' argument by failing to propose a jury instruction on the rule at trial. . . . Even had the jury been apprised of the 'entire market value rule,' moreover, there is no basis for [defendant's] argument that the rule precludes the jury's royalty calculations in this case. . . . From [plaintiff's damages expert's] testimony, in particular, the jury had an ample basis from which to conclude that the smallest salable unit in this case was the pulsed lavage handpiece. [Defendant], by contrast, presented no evidence that the patents-in-suit could be separated from the handpieces, so as to be independent, saleable units. Thus, the jury was not unreasonable in deciding that the smallest salable patent-practicing unit here was the pulsed lavage handpiece as a whole, and using the value of the whole device in its royalty calculations."

Renewed Motion Motion for Judgment as a Matter of Law: Denied
Leonard Davis | August 6, 2013

Ericsson Inc., et. al. v. D-Link Corporation, et. al.
6-10-cv-00473 (TXED)



Post-Trial Procedure
Post-Trial JMOL

Infringement Remedies
Damages

Reasonable Royalty
Related License/Contract

The court denied defendants' motion for judgment as a matter of law on damages and rejected defendants' argument that plaintiff presented evidence of non-comparable licenses at trial. "Defendants' arguments regarding the comparability of [plaintiff's expert's] licenses were more appropriate for cross examination than for judgment as a matter of law. All of the licenses [plaintiff's expert] cited contain the patents in suit, and he gave detailed testimony addressing his apportionment of those licenses. Defendants had the opportunity to cross-examine [plaintiff's expert] about his apportionment, and they presented their own damages expert to rebut [his] analysis. The determination of which expert's apportionment was more credible was an issue for the jury, and there is no reason to re-open the jury's factual determination."

Motion for Judgment as a Matter of Law: Denied in part granted in part
Lucy H. Koh | March 1, 2013

Apple Inc. v. Samsung Electronics Co. Ltd., et. al.
5-11-cv-01846 (CAND)



Damages
Reasonable Royalty

Post-Trial Procedure
New Trial

Post-Trial Procedure
Questions Re Verdict

Infringement Remedies

Disgorgement of Profits for Design Patents (35 USC § 289)

The court granted in part defendants' motion for new trial regarding damages for an accused product because the jury relied on a legally impermissible theory. "[I]t is apparent that the jury awarded 40% of [plaintiff's expert's] calculation of [defendant's] profits for a wide range of products, and in some cases, added the same expert's calculation for [plaintiff's] lost profits. Moreover, it is clear that for several products, the jury awarded exactly half of the reasonable royalty award proposed by [plaintiff's expert]. . . . [T]hese numbers are 'to the dollar;' it is thus quite apparent how the jury arrived at them. . . . As the Court instructed the jury, infringer's profits are not a legally permissible remedy for utility patent infringement. . . . [I]t is apparent that the jury failed to follow the Court's instructions on the law, and awarded damages [for one product] based on a legally impermissible theory. This award cannot stand. . . . Accordingly, the Court hereby orders a new trial on damages for [that product]."

Motion for Judgment as a Matter of Law: Denied
Leonard Davis | February 26, 2013

VirnetX Inc. v. Cisco Systems, Inc., et. al.
6-10-cv-00417 (TXED)



Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court denied defendant's motion for judgment as a matter of law on damages and rejected its argument that plaintiff implicitly invoked the entire market value rule at trial. "[W]hile [defendant] contests the royalty base, it failed to advance a credible alternative. . . . [Defendant] never produced any other testimony or evidence regarding how one should properly calculate the damages for the iOS devices, instead it relied solely on the upgrade price for a dissimilar product. If [defendant] had advanced a different theory showing the iOS device was not the smallest saleable unit, there may have been a different result."

Renewed Motion Motion for Judgment as a Matter of Law: Denied
R. Gary Klausner | April 2, 2012

Imaginal Systematic, LLC v. Leggett & Platt, Inc., et. al.
2-10-cv-07416 (CACD)



Post-Trial Procedure
Post-Trial JMOL

Infringement Remedies
Damages

The court denied defendants' renewed motion for judgment as a matter of law on damages following a jury verdict against defendants for \$5 million. "It is well-established that any reasonable royalty analysis 'necessarily involves an element of approximation and uncertainty,' and the jury is free to weigh the evidence, assess the credibility of witnesses, and make an ultimate determination regarding damages. Therefore, based on the standard articulated by the Federal Circuit, the jury was not required to adopt either of the parties' royalty calculations. While there may not be a meaningful way to explain how the jury arrived at the damages amount, the evidence that the parties presented was certainly relevant evidence, which reasonable minds might accept as adequate to support the jury's conclusion."

Motion for Judgment as a Matter of Law: Denied
James V. Selna | December 13, 2011

Broadcom Corporation v. Emulex Corporation
8-09-cv-01058 (CACD)



Post-Trial Procedure
Post-Trial JMOL

Baseline Royalty
Royalty Base

The court denied defendant's motion for judgment as a matter of law on damages. The court upheld the jury's likely royalty base of individual chip values and not the cores. "It is undisputed that the smallest unit [defendant] sold was the chips. This already discounted several larger standalone products [defendant] sold. [Defendant] did not controvert this evidence at trial, and its own expert prepared its report using the chips as the royalty base. . . . Allegations that SerDes cores are sold individually by other merchants at this point do not change the analysis because it was reasonable for a jury to rely on the fact that the chips here were the smallest unit sold by the infringer. . . ."

Motion for Judgment as a Matter of Law: Denied in part granted in part
Reed O'Connor | August 26, 2011

Lighting Ballast Control LLC v. Advance Transformer Co. et al
7-09-cv-00029 (TXND)



Damages
Reasonable Royalty

Questions Re Verdict
Ambiguity/Inconsistency in Verdict

The court granted defendant's motion for judgment as a matter of law that the jury's verdict of "3,000,000.00" represented a lump-sum royalty payment. "[G]iven the evidence adduced at trial, the similarity between the damages verdict and [defendant's] damages position, the extremely close similarity to [a] license entered into by [the inventor], and the emphasis [he] admittedly placed on lump-sum payments, the Court finds that the ambiguous damages verdict of '3,000,000.00' should be construed to represent a lump-sum royalty payment. . . ."

Motion for Judgment as a Matter of Law: Denied
Ron Clark | August 19, 2011

Personal Audio, LLC v. Apple, Inc. et al
9-09-cv-00111 (TXED)



Damages
Reasonable Royalty

The court denied defendant's motion for JMOL on the jury's damages verdict of \$8 million. Whereas plaintiff's damages expert opined that a reasonable royalty would be a per unit royalty totaling \$84.4 million, defendant's damages expert testified that a reasonable royalty would be a lump-sum of only \$5 million. The jury adopted defendant's lump-sum approach, but increased the amount to \$8 million which the court held was not excessive. "Drawing all reasonable inferences in favor of [plaintiff], the jury could have concluded based on the evidence in the record that the patented features were important to consumers, and that an upward departure from the \$5 million amount advocated by [defendant's expert] was necessary to adequately compensate [plaintiff] in the form of a lump sum royalty. The jury selected the form of reasonable royalty advocated by [defendant], to a large extent mooted arguments over [plaintiff's expert's] use of [a non-infringing software program's] data in apportioning the amount of [defendant's] per unit profits attributable to the patented features. Although the jury awarded somewhat more than the amount espoused by [defendant's] damages expert, the jury's \$8 million lump sum award is supported by substantial evidence in the record as a whole and is not outrageously high."

Motion for Judgment as a Matter of Law: Denied
T. John Ward | August 17, 2011

SynQor, Inc. v. Artesyn Technologies, Inc. et al
2-07-cv-00497 (TXED)



Damages
Reasonable Royalty

Damages
Price-Erosion Damages

In denying defendants' motion for judgment as a matter of law on damages, the court upheld the jury's acceptance of plaintiff's "two-tiered" reasonable royalty analysis. "[T]he fact that Tier 1 royalties would exceed Defendants' actual world selling prices in some cases does not mandate a finding that the jury's verdict lacked evidentiary support. As explained above, in a world in which [plaintiff] would be the sole supplier, the but-for pricing would be higher because customers would be willing to pay a price consistent with the benefits of the technology. . . . [T]here was sufficient evidence for the jury to conclude that customers and Defendants would have accepted the price increases in a world without infringement, given the evidence related to the historical pricing and the value of the technology."

Motion for Judgment as a Matter of Law: Denied
Raymond A. Jackson | August 3, 2011

ActiveVideo Networks, Inc. v. Verizon Communications, Inc., et. al.
2-10-cv-00248 (VAED)



Royalty Base
Entire Market Value Rule

The court denied defendants' motion for judgment as a matter of law as to damages. "[T]he Court finds that a patentee may base a reasonable royalty rate on the entire market value of an accused product where the evidence presented demonstrates that, in a hypothetical negotiation, it would be appropriate to do so. . . . [T]he evidence presented in this case could support a jury finding that the allegedly infringing VOD service is not a mere 'minor patent improvement [],' but rather was at least a substantial basis of customer demand. . . . [T]he Court finds that the fact that [plaintiff's expert] may have admitted that other factors influence customer demand does not preclude him from basing his reasonable royalty calculation on the entire market value of the allegedly infringing system, where the royalty rate asserted accounts for the substantial value attributable to the patented VOD feature."

Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court denied defendants' motion for judgment as a matter of law on damages and rejected their criticism of plaintiff's expert's "per subscriber" calculation. "[Plaintiff's expert] is justified in relying on a 'per subscriber' damages theory where such a royalty would be supported by industry standards and is economically justified. Substantial evidence was presented that the value of VOD services extends well beyond the use of such services by individual subscribers. Accordingly, the Court finds no reason to exclude [his] damages calculations based on his use of a 'per subscriber' royalty rate."

Motion for Judgment as a Matter of Law: Denied
Ron Clark | July 29, 2011

Personal Audio, LLC v. Apple, Inc. et al
9-09-cv-00111 (TXED)



Damages
Reasonable Royalty

Post-Trial Procedure
Post-Trial JMOL

The court denied plaintiff's motion for judgment as a matter of law that the jury's \$8 million lump sum damages award was not supported by the evidence and applied only to products addressed at trial, i.e., not to future products. "[Plaintiff] asserts that [defendant] should have presented more evidence to support its lump sum theory of damages; but the burden to prove the amount of damages was on [plaintiff], not [defendant]. [Plaintiff's] choice to present only a running royalty theory, and to not even suggest by testimony, cross-examination, or attorney argument an alternative amount for a lump sum award in the event the jury found that to be the appropriate form of royalty, was a bold tactical move. But a patentee who puts on little or no evidence of an appropriate lump sum royalty is not in a good position to complain that the amount awarded by the jury is not reasonable."

Renewed Motion Motion for Judgment as a Matter of Law: Denied in part granted in part
Leonard Davis | April 4, 2011

Mirror Worlds, LLC v. Apple, Inc.
6-08-cv-00088 (TXED)



Damages
Reasonable Royalty

"Selling" & "Offering To Sell"
Selling & Infringement of Method Claims

Although the court granted defendant's renewed motion for judgment as a matter of law of noninfringement, it also granted defendant's motion for judgment as a matter of law to vacate the jury's award of \$625 million. "[Defendant's] sales cannot be used to determine damages for [its] direct infringement of the method claims. . . . [A] sale or offer for sale is insufficient to prove direct infringement of a method claim — sale of the apparatus is not the sale of the method — and thereby irrelevant in calculating liability for direct infringement. . . . [Plaintiff] did not present any evidence of a reasonable royalty based solely on [defendant's] own use of the patented methods. Thus, [plaintiff] left the jury without an adequate basis to award damages for [defendant's] direct infringement of the method claims. Therefore, the evidentiary record is insufficient to support the jury's damage awards for the [patents], even if there had been sufficient evidence to support the jury's finding of infringement."

Motion for Judgment as a Matter of Law: Denied in part granted in part
T. John Ward | March 31, 2011

Saffran, M.D., Ph.D., v. Johnson & Johnson et al
2-07-cv-00451 (TXED)



Baseline Royalty
Royalty Rate

The court denied defendants' motion for judgment as a matter of law that the jury's verdict of \$482,000,000 (based on a royalty rate of 5.6%) was not supported by the evidence. "A reasonable jury could determine, based on [the] evidence, that the 1% royalty was not a good baseline in this case because [plaintiff] will not be being paid research fees and to manufacture the coating for the stents. . . . The fact that the Plaintiff was asking for 7% and the Defendants were asking for 0.7% and the jury found approximately 5.6% does not mean such a finding was not supported by substantial

evidence."

Motion for Judgment as a Matter of Law: Denied
Ron Clark | March 25, 2011

Affinity Labs of Texas, LLC v. BMW North America, LLC et al
9-08-cv-00164 (TXED)



Post-Trial Procedure
Post-Trial JMOL

Post-Trial Procedure
New Trial

Baseline Royalty
Royalty Base

Plaintiff's motion for past damages on certain accused products, based on the jury's allegedly inconsistent verdict, was denied where the court reconciled the jury's findings. "[T]he accused products in this case were the stereo systems or 'head units' in Hyundai/Kia vehicles, which can connect to an iPod or various other portable electronic devices by way of a Hyundai/Kia iPod cable. The jury awarded zero dollars in damages for sales of accused Hyundai and Kia vehicles for which there was not also a corresponding sale of a Hyundai/Kia iPod cable. . . . [Plaintiff] had the burden to prove infringement of each asserted claim by a preponderance of the evidence. The court has located no place in the record where it was clearly explained to the jury why the head units alone would infringe [the patent-in-suit] without the [accused] cable. . . . The jury's finding of zero damages for vehicles sold without a corresponding cable sale is consistent with such a decision. If, as here, there is a view of the case that makes the jury's answers consistent, the court must adopt that view."

Motion for Judgment as a Matter of Law: Denied without prejudice
Marilyn L. Huff | January 5, 2011

Lucent Technologies, Inc. et al v. Gateway, Inc. et al
3-07-cv-02000 (CASD)



Infringement Remedies
Damages

Defendant's pre-trial motion for judgment as a matter of law to award damages of \$6.5 million as to one of three accused products was denied without prejudice to renewal at the mandated retrial on damages. "[Plaintiff] argues that [defendant] waited until right before trial, after both parties have spent extensive time and resources on litigating damages with respect to all three products — including [the product that was the subject of defendant's motion]. . . . On remand, the Federal Circuit ordered a new trial on damages. Significantly, the Federal Circuit did not direct the Court to issue judgment for [plaintiff] in the amount of \$6.5 million or in any other specific amount."

Motion for Judgment as a Matter of Law: Denied
Donald C. Nugent | January 3, 2011

Bendix Commercial Vehicle Systems LLC, et al v. Haldex Brake Products Corporation
1-09-cv-00176 (OHND)



Trial
Stipulations

Baseline Royalty
Royalty Rate

Defendant's motion for judgment as a matter of law on damages was denied even though the jury awarded damages greater than the 4% royalty rate the parties had stipulated was reasonable. "A reasonable royalty is not necessarily the actual measure of damages but is merely the floor below which damages should not fall'. . . . The jury was presented with evidence that the Plaintiffs would not have willingly granted a license to [defendant] at a 4% rate in 2005, and that there was a long standing contention between the parties because [defendant] had previously infringed [plaintiffs'] patents. Further, there was evidence that [defendant] was a direct competitor with the Plaintiffs . . . and that [one plaintiff] lost sales to [defendant's] infringing product. This evidence allowed the jury to find that a 4% royalty rate would not have been enough to adequately compensate Plaintiffs for the use of their patented ideas, or the damages derived from lost customers and the corresponding profits from lost sales."

Motion for Judgment as a Matter of Law: Denied in part granted in part
David Folsom | September 27, 2010

Datatresury Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Post-Trial Procedure
Post-Trial JMOL

Infringement
Joint/Divided Infringement

Infringement Remedies
Damages

The court denied defendant's motion for judgment as a matter of law as to damages and rejected defendant's argument that in the case of joint infringement a damages expert must allocate damages among the joint infringers. "Plaintiff submits that '[defendant] advances no authority to suggest that, in the joint infringement setting where two parties together make, use, or sell an infringing method or system, a damage analysis must, should or even could divide the hypothetical negotiation between the two infringers.' In reply, in a footnote, [defendant] relies on ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860, 868-69 (Fed. Cir. 2010) . . . [Defendant] has not shown that ResQNet or any other authority resolves this issue. On balance, Plaintiff's evidence of a hypothetical negotiation between Plaintiff and [a defendant] gave the jury sufficient evidence on which to base a finding of damages for joint infringement by [two defendants]."

Motion for Judgment as a Matter of Law: Granted
David Folsom | September 16, 2010

Input/Output, Inc. et al v. Sercel, Inc.
5-06-cv-00236 (TXED)



"Within" the U.S.
Location Of Sale Or Offer To Sell

Infringement Remedies
Damages

Applying Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc., --- F.3d ----, (Fed. Cir. 2010), the court granted defendant's motion for judgment as matter of law that plaintiff was not entitled to lost profits for foreign sales and offers to sell and the judge reduced the damages award by \$5.421 million. "[I]t is undisputed that the devices implicated by [defendant's] motion were manufactured, sold, and delivered abroad while the offers for those devices were made in the U.S. . . . [T]here is no dispute that the devices were manufactured in Europe and distributed exclusively to Venezuela, Brazil, and Canada without touching U.S. soil. . . . [T]he jury should not have considered those offers for sale as part of its determination of infringement and damages."

Renewed Motion Motion for Judgment as a Matter of Law:
Denied in part granted in part
Gary L. Lancaster | March 31, 2010

Judkins v. HT Window Fashions Corp.
2-07-cv-00251 (PAWD)



Damages
Reasonable Royalty

Post-Trial Procedure
Post-Trial JMOL

Defendant's motion for judgment as a matter of law regarding damages was denied. "While the court recognizes that the award exceed any royalty that would be due under the agreements admitted at trial we do not find it to exceed the bounds of reasonableness, or to have no basis in fact. The evidence at trial showed that [plaintiff's] licensing agreements often included an up front fee, followed by a percentage based on sales. The jury was free to account for these lump sum payments and for the fact that they and the percentages increased over the years."

Motion for Judgment as a Matter of Law: Denied
Leonard Davis | August 11, 2009

i4i Limited Partnership v. Microsoft Corporation
6-07-cv-00113 (TXED)



Reasonable Royalty
Baseline Royalty

Reasonable Royalty
Georgia Pacific Factors

Defendant's motion for judgment as a matter of law regarding damages was denied. "[Defendant] asserts that [plaintiff's expert's] application of a '25% rule of thumb' concerning royalty rates was improper. [The expert] testified that it was customary within his field to apply a '25% rule of thumb' whereby an inventor will generally receive 25% of the profit from the sale of that invention by a licensee. . . . [T]he Georgia Pacific factors make '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' relevant to the damages analysis."

Motion for Judgment as a Matter of Law: Granted
Randall R. Rader, | March 30, 2009

Cornell University, et al v. Hewlett Packard Co.
5-01-cv-01974 (NYND)



Royalty Base
Entire Market Value Rule

The court granted defendant's motion for judgment as a matter of law, reducing the royalty base and reducing the jury award from \$184 million to \$53.4 million. "[Plaintiff] proffered a royalty base that incorporated much more than the claimed invention without providing any additional evidence demonstrating entitlement to the entire market value . . . The important point is not the way that [plaintiff] derived this royalty base, but that it exceeded again this court's direction and proceeded to attempt to show economic entitlement to damages based on technology beyond the scope of the claimed invention. The entire market value rule indeed permits damages on technology beyond the scope of the claimed invention, but only upon proof that damages on the unpatented components or technology is necessary to fully compensate for infringement of the patented invention."

Motion for Judgment as a Matter of Law: Granted
Barry M. Kurren | January 28, 2009

Kowalski v. Mommy Gina Tuna Reso, et al
1-05-cv-00679 (HID)



Infringement Remedies
Damages

The court granted defendant's motion for judgment as a matter of law to limit plaintiff's damages to a reasonable royalty rate and plaintiff could not recover an unpaid business loan, a personal guaranty, or his legal bills that plaintiff attributed to defendants' infringement because they were speculative and uncertain.

Infringement Remedies
Damages

As a matter of law, plaintiff was not permitted to recover damages other than a reasonable royalty rate "because such a result is likely to result in double recovery. When courts award damages outside a reasonable royalty for a portion of the injury suffered due to patent infringement, the remaining injury must be compensated at the statutory baseline level of a reasonable royalty rate."

Motion for Judgment as a Matter of Law: Denied
Joseph C. Spero | January 5, 2009

Funai Electric Company, Ltd. v. Daewoo Electronics Corporation et al
3-04-cv-01830 (CAND)



Royalty Base
Entire Market Value Rule

In applying the entire market value rule, "Imonex [Services, Inc. v. W.H. Munzprufer Dietmar Trenner GmbH, 408 F.3d 1374 (Fed. Cir. 2005)] and Rite-Hite [Corp. v. Kelley Co., Inc., 56 F.3d 1538 (Fed. Cir. 1995)] – require that the patent holder demonstrate that demand is based on the 'patented feature.' They do not hold that demand must be based on the specific device set forth in the claims. In other words, if customer demand is based on the advantages that arise from the claimed device, that is sufficient."

Appendix C

Rulings on evidence motions related to damages, including *Daubert* motions



**Type of court
document**
Legal issue

Evidence (and selected
subcategories)
Damages (and all subcategories)

Event	Case	Order
Motion in Limine -- Expert Testimony: Denied Maxine M. Chesney November 26, 2014	<i>Synopsys, Inc. v. Mentor Graphics Corporation</i> 3-12-cv-06467 (CAND)	
<div> Expert Evidence Expert's Methodology </div> <div> Damages Apportionment </div> <div> Baseline Royalty Royalty Base </div> <p>The court denied defendant's motion to exclude testimony from plaintiff's damages expert. "[T]he cases on which [defendant] relies are distinguishable because the plaintiffs therein, unlike plaintiff's expert here . . . failed to determine a royalty based on the smallest salable patent-practicing unit, and the probative value of [plaintiff's expert's] use of [a software suite] as a separate starting point in her apportionment analysis is not outweighed by the asserted prejudicial effect of such evidence, in that the [software suite] was never sold as a separate product."</p>		
Motion in Limine -- Expert Testimony: Denied Sharon Johnson Coleman November 19, 2014	<i>Trading Technologies International, Inc. v. CQG, et. al.</i> 1-05-cv-04811 (ILND)	
<div> Expert Evidence Expert's Methodology </div> <div> Baseline Royalty Royalty Base </div> <p>The court denied defendant's motion to exclude the testimony of plaintiff's damages expert and rejected defendant's argument that the Applicable Trade Approach to determine a royalty base was unreliable. "[The expert] states that because [plaintiff's] patent does not require that an order is actually filled, only that one is entered, the royalty base should apply to every trade entered in [the] accused software, along with every trade viewable in the invention. This approach does not apply to every trade entered in every one of [defendant's] products, but sets as a royalty base only the orders that were entered in or viewable in [the] accused products. . . . The 'Applicable Trade Approach' . . . does not capture the entire value of a multi-component system, instead it includes only the portion of trades entered, filled, and/or viewable in the accused products. . . . While this approach may be challenged at trial, [plaintiff's expert's] opinions have sufficient basis to allow his testimony."</p> <div> Damages Reasonable Royalty </div> <div> Expert Evidence Expert's Methodology </div> <p>The court denied defendant's motion to exclude the testimony of plaintiff's damages expert and rejected defendant's argument that his monthly minimum royalty opinions were unreliable. "[The expert] bases his assessment on the assumption that having the accused product as a backup in their system provides a benefit for users that did not actually enter a trade. [He] bases this assumption on the testimony of [plaintiff's counsel]. [Plaintiff] has also included monthly minimum royalties in past license agreements contrary to [defendant's] assertion. While [defendant] may ultimately challenge the assumption that having the backup provides a value to customers and thus the weight to be given his opinion, this Court will not exclude [his] testimony on that basis."</p>		
Motion in Limine -- Expert Testimony: Denied in part granted in part Leonard Davis November 18, 2014	<i>Uniloc USA, Inc. et al v. Activision Blizzard, Inc.</i> 6-13-cv-00256 (TXED)	
<div> Expert Evidence Expert's Methodology </div>		

Baseline Royalty
Royalty Rate

The court granted in part defendant's motion in limine to exclude the opinion of plaintiff's damages expert concerning the value of user activations. "The Court grants the Motion with respect to [the expert's] opinion that user activations beyond the initial activation should be valued at a constant \$0.115 rate. Based on the evidence before the Court, [the expert's] report applies too linear a relationship between the first and all subsequent activations. If there is a quantifiable value for the second, third, and other activations, [plaintiff] may present evidence of that value at trial."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

R. Gary Klausner | November 10, 2014

Chang Hsueh-O Hsu v. Thorsen Tool Company Inc et al
2-13-cv-08248 (CACD)



Evidence

Evidence/Contentions Not Timely Disclosed

Damages

Lost Profits

Sufficiency Of Disclosure

Computation Of Damages

The court granted defendants' motion in limine to exclude lost profits evidence. "Defendants assert, and Plaintiff does not contest, that Plaintiff failed to provide a computation of damages. . . . Plaintiff appears to assert that her failure to disclose was harmless because she produced a one-page document containing the calculation for variable cost per undefined 'unit,' as well as a 'break even analysis'. . . . However, the document does not appear to contain an overall damages figure, and Plaintiff does not point to any documentation supporting the figures the document does contain. . . . Assuming Plaintiff could provide such a computation at the present time, her failure could not be remedied without re-opening discovery, which in turn would cause great disruption to the trial, which is scheduled to begin in less than two weeks."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Ted Stewart | November 6, 2014

Waterton Polymer Products USA, et. al. v. Edizone
2-12-cv-00017 (UTD)



Evidence

FRE 402 -- Relevance

Reasonable Royalty

Prior License or Sale of Patent

The court denied plaintiffs' motion in limine to exclude evidence of minimum royalty provisions in defendant's other agreements. "Defendant seeks to introduce several license agreements it has entered into concerning the patents-in-suit. . . . Each of those agreements requires the licensee to pay Defendant a minimum royalty amount, in addition to a percentage-based royalty based on sales. . . . Plaintiffs argue that the minimum royalty provisions are not relevant because the license agreements specifically anticipated active sales and marketing on the part of the licensees. . . . Plaintiffs go on to argue that it endeavored not to engage in sales in the United States and only made one sale. . . . The license agreements entered into by Defendant in this field of use are highly probative as to that determination, despite the fact that Plaintiffs only engaged in one sale. A reasonable juror could infer that, at the time of the hypothetical negotiation, Plaintiffs would be just as motivated as the other licensees to maximize their sales. Moreover, Plaintiff's argument ignores the fact that the license agreements contain not only minimum royalty provisions, but also royalty provisions tied to actual sales. So, while the licensees undoubtedly anticipated sales, they also agreed to minimum royalty payments even if no sales were made."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Roy S. Payne | November 5, 2014

Mobile Telecommunications Technologies, LLC v. Sprint Nextel Corporation
2-12-cv-00832 (TXED)



Evidence

FRE 403 -- Prejudice

Evidence

FRE 403 -- Confusion

Reasonable Royalty
Prior License or Sale of Patent

The court denied defendant's motion in limine to exclude a settlement license between plaintiff and another party in the litigation. "The Court observes that the . . . license, which arose from litigation, is the only license that includes the patents-in-suit available as evidence in this case. Although it is imperfect evidence, it is the best evidence available, and the Court finds that it is relevant to damages and will not cause unfair prejudice or create significant juror confusion."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Roy S. Payne | November 5, 2014

Mobile Telecommunications Technologies, LLC v. Sprint Nextel Corporation
2-12-cv-00832 (TXED)



Evidence
FRE 403 -- Confusion

Reasonable Royalty
Related License/Contract

The court granted in part plaintiff's motion in limine to preclude evidence of prior sales and valuations of the patents-in-suit. "[A]lthough [two] acquisitions represent imperfect evidence, they are relevant to damages and that relevance is not outweighed by the likelihood of juror confusion. Accordingly, the Motions are denied as to the [acquisitions] generally. Also at issue is [a 10-K] allocation of \$963,000 to the patents included in its acquisition. The Court finds that this number involves a host of different business considerations and is too far removed from the hypothetical negotiation that the jury will be asked to consider. The likely result of the presentation of this evidence is substantial juror confusion."

Motion in Limine -- Expert Testimony: Denied without prejudice

Donald M. Middlebrooks | October 31, 2014

Excelsior Medical Corp. v. Ivera Medical Corp. et al
9-13-cv-80840 (FLSD)



Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court denied without prejudice plaintiff's motion to exclude testimony from defendants' experts regarding the cost of a design around instead of a license. "The Court is not persuaded that, based on [one expert's] responses to a series of poorly framed questions at his deposition, [the expert's] delay and cost estimates are based on a redesign performed in [this year] rather than [five years ago]. A review of the questions and responses relied on by [plaintiff] indicates that [the expert] never states he did his analysis as of [this year]. . . . Nevertheless, the Court is unable to locate [the other expert's] full expert report on damages. The excerpts provided by the Parties are not sufficient for the Court to make an accurate determination as to whether [that expert] conducted a proper design-around analysis."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Henry C. Morgan, Jr | October 31, 2014

LifeNet Health v. LifeCell Corporation
2-13-cv-00486 (VAED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied in part defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to a running royalty rate. "The first basis for this [running royalty rate] figure is an opening offer that Plaintiff extended to [a third party], in which it offered a one-time lump sum payment of \$7.2 million plus a 5% running royalty payment on net sales. . . . [Defendant] argued that the 5% royalty rate is not based on a reliable foundation, as it relies only on the [third party] offer. . . . [T]he Court denied the Motion as to the 5% royalty rate, as the [third party] offer does have probative value."

Motion in Limine -- Expert Testimony: Granted

Joy Flowers Conti | October 24, 2014

Ravo et al. v. Covidien PLC
2-11-cv-01637 (PAWD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the testimony of plaintiff's expert regarding a reasonable royalty because his opinion was based on licenses that were not comparable or technologically relevant. "The entirety of [plaintiff's] evidence in support of [its expert's] proposed expert testimony about comparable licenses is, therefore, the information reflected in his expert report, and counsel's conclusory argument that the other licenses are comparable because they are in the 'medical device industry.' This evidence is insufficient to carry [plaintiff's] burden to demonstrate a 'minimum threshold' of comparability with respect to technology, economic terms, and time period. Although it is true that distinctions and oversights concerning other licenses are matters for cross-examination, it is the expert's duty to make a threshold showing that there is some 'discernible link between the comparable license and the claimed technology.'"

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Barbara B. Crabb | October 21, 2014

Ultratec, Inc. et al v. Sorenson Communications, Inc. et al
3-13-cv-00346 (WIWD)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court granted plaintiff's motion in limine to exclude the testimony of defendants' damages expert regarding a reasonable royalty rate. "Defendants argue that [their expert's] proposed rates are reasonable when compared to other indicators, such as software license agreements and noninfringing alternative costs. That may be true, but it cannot be verified from the present record. . . . At issue is the soundness of the underlying method that led to [the expert's] calculation of the proposed royalty rate. Defendants have not explained why subtracting short-term profit projections from long-term profit projections is a reasonable measure of a royalty rate for the patented products. Just because [defendants' expert] made a good guess does not mean his approach is a reliable one."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Marilyn L. Huff | October 21, 2014

RawCar Group, LLC v. Grace Medical, Inc. et al
3-13-cv-01105 (CASD)



Evidence
Expert Evidence

Damages
Lost Profits

The court denied defendants' motion in limine to exclude evidence of lost profits due to plaintiff's failure to provide expert testimony on the claim. "Plaintiffs are not required to provide an expert report to establish damages. . . . Plaintiff also produced evidence of relevant sales, cost data, royalties, and commissions. . . . Despite knowing that Plaintiff had not produced an expert report, Defendants did not depose the persons most knowledgeable on damages identified by Plaintiff in discovery. Under these circumstances, the question of lost profits is a factual dispute for the jury not requiring expert testimony."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Marilyn L. Huff | October 21, 2014

RawCar Group, LLC v. Grace Medical, Inc. et al
3-13-cv-01105 (CASD)



Damages
Marking & Notice of Infringement

The court denied defendant's motion in limine to exclude evidence of pre-filing damages for plaintiff's failure to mark because plaintiff intended to offer evidence at trial of actual notice. "Plaintiff also cites Defendants' counterclaims as evidence that Plaintiffs notified Defendants of the alleged infringement at the trade show on March 5, 2013. . . . [One defendant] asserted counterclaims against Plaintiff [and stated] that at a trade show on or about March 5, 2013, 'several representatives of Plaintiff . . . demanded that [another defendant] remove all marketing information regarding the [accused] drape from the exhibit because the [accused] drape is infringing a patent.' Whether Plaintiff gave Defendants

actual notice of the alleged infringement is a question of fact for the jury. If Defendants were on notice of the infringement before the filing of the lawsuit, then Plaintiff would be entitled to damages predating the filing of the lawsuit."

Motion in Limine -- Expert Testimony: **Denied**
Jed S. Rakoff | October 14, 2014

ADREA, LLC v. Barnes & Noble, Inc. et al
1-13-cv-04137 (NYSD)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Hypothetical Negotiation

The court denied both parties' motions to exclude testimony from their damages experts. "[T]he Court acknowledges that [plaintiff's damages expert's] testimony contains a greater degree of speculation than might ordinarily be required to pass muster under *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993) and Rule 702, Fed. R. Ev. This, however, is a function of the limited nature of the underlying evidence available in this case to construct the hypothetical bargain required by patent law. Under these circumstances, the flexibility inherent in *Daubert* permits the Court to accept testimony that is more speculative than would ordinarily be desirable. Nonetheless, this ruling is made without prejudice to defendants' renewing their motion to strike [the expert's] testimony if, after he has testified before the jury and been subject to full cross-examination, it turns out that his opinions are even more speculative in nature than they appeared at the *Daubert* hearing."

Motion in Limine -- Expert Testimony: **Additional briefing ordered**
Barbara B. Crabb | October 9, 2014

Ultratec, Inc. et al v. Sorenson Communications, Inc. et al
3-13-cv-00346 (WIWD)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court ordered defendants to provide additional briefing or it would exclude the testimony of their damages expert regarding a reasonable royalty because of his unconventional analytical/income approach analysis. "[The expert] appears to base his calculation on a hypothetical negotiation between the parties wherein the defendants are willing to spend only their 'excess profit.' . . . [The expert's] profit calculations differ substantially from those of the experts discussed in the case law. In those cases, the experts compared the infringer's profits without infringement to the infringer's profits with infringement. . . . [Defendants' expert] considers only a subset of infringement profits because he considers only defendants' 'excess profits' over and above their 'base' profits from infringement, while other experts conducting this analysis have considered the total profits resulting from infringement. This method is problematic, but that is not even where [defendants' expert] lands. Rather, his proposed royalty rate is much lower than the rates he found comparing best and base case profits. . . . [W]ithout further information and explanation from defendants as to why [their expert's] profitability method is reliable, I will not permit him to testify because he will have nothing helpful to offer the jury."

Motion in Limine -- Expert Testimony: **Denied**
Barbara B. Crabb | October 9, 2014

Ultratec, Inc. et al v. Sorenson Communications, Inc. et al
3-13-cv-00346 (WIWD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude the reasonable royalty rate testimony of plaintiffs' damages expert because he relied on supply agreements rather than true patent licenses. "No bare patent licenses for the asserted patents existed. Although the [supply] agreements differ from a basic, bare patent license, I am persuaded that [plaintiffs' expert] chose relevant and reliable comparator agreements. . . . The [supply] agreements involved the patents at issue ([Georgia-Pacific] factor 1), represented an actual agreement into which plaintiffs were willing to enter considering their attempts to maintain a monopoly (factor 4) and involved plaintiffs' competitors, which are similar to defendants (factor 5). . . . [Plaintiffs' expert] explained that the [supply] agreements contained licenses to the relevant patents and he made

adjustments to the royalty rates that were based on the differences between the agreements and a more basic patent license. Defendants' arguments go to the weight the jury should afford [his] testimony.

Motion in Limine -- Expert Testimony: **Granted**
Cecilia M. Altonaga | October 6, 2014

Atlas IP, LLC v. Medtronic, Inc., et al
1-13-cv-23309 (FLSD)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert for trying to circumvent the entire market value rule. "[Defendant] contends [the expert's] royalty base is inflated and unreliable because it is derived from the entire market value of [defendant's] end products, instead of from the smallest salable patent-practicing unit ('SSPPU'). . . . [Plaintiff] contends [the expert] did not use the EMVR because he apportioned the value of the patent invention. . . . [W]hile undoubtedly the end product derives value from the allegedly infringing technology, [defendant] buys a chip from third parties, and the chip includes the allegedly infringing technology. Although the parties dispute whether this chip is the SSPPU, [plaintiff] fails to explain why the value of the products' other features is properly considered in conjunction with the allegedly infringing technology. The Court rejects [the expert's] attempt to circumvent the EMVR by applying an 'apportionment' to the entire market value of the allegedly infringing devices. While this approach is admittedly not the 'entire' market, the calculation is expressly based on the entire market value, and to countenance this approach would elevate form over substance."

Expert Evidence
Expert's Methodology

Damages
Apportionment

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert for his flawed apportionment. "[The expert's] report does not explain how he determines seventy percent is an appropriate amount by which to apportion the profits attributable to the patented technology at issue. In his report, [he] purports to analyze the value of connectivity and longer battery life provided by the patented technology. . . . Creatively interpreting what appears to be merely [defendant's] marketing material, [plaintiff's expert] proposed at his deposition the allegedly infringing devices' revenues were derived from [defendant's] four 'building blocks [for unique features]' in equal proportion, making each 'building block' worth twenty-five percent of the end products' revenues. Little need be said about this theory, which 'appears to have been plucked out of thin air based on vague qualitative notions of the relative importance' of materials on [defendant's] Website. . . . Merely because it is difficult to place a dollar figure on an after-the-fact, hypothetical negotiation does not give a purported expert license to arbitrarily use speculative figures in an analysis."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert for his unsupported 12.5% royalty rate. "[Plaintiff's expert] employs royalty rates involving [defendant's] products derived as the result of threatened litigation, not the result of a hypothetical arm's-length negotiation. Such rates do not provide proper evidence of comparable royalty rates in the marketplace. . . . The [expert's] Report does consider royalty rates from the 'RoyaltyStat' database, which compiles license agreements available from U.S. and Canadian authorities. . . . [T]hese royalty rates also fail to sufficiently support [his] conclusion on royalty rates. His search was directed to general sectors for the allegedly infringing devices. . . . While this search disclosed 491 agreements with rates ranging from 0.1 percent to 55 percent, [defendant] points out [plaintiff's expert] did not 'obtain any of the underlying agreements from which the royalty rates were pulled to determine what the subject patents are and whether they are comparable to the [patent-in-suit]. . . ."

Motion in Limine -- Expert Testimony: **Denied**
James F. Holderman | September 30, 2014

CoStar Realty Information, Inc. v. CIVIX-DDI, LLC
1-12-cv-04968 (ILND)



Expert Evidence
Expert's Methodology

Hypothetical Negotiation
Timing of Hypothetical Negotiation

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert for using the wrong hypothetical negotiation date. "The fact that [defendant's expert's] methodology differs from that of [plaintiff's expert] does not establish [her] opinion's unreliability as a matter of law. Opposing experts' use of different analytic approaches is not unusual. . . . An argument could be made that [defendant's expert] using post-2002 facts to check the veracity of her opinion about hypothetical negotiations in 2002 actually enhances her opinion's reliability, while [plaintiff's expert] not checking his 2002 hypothetical estimates against subsequent reality detracts from the credibility of his opinion. At its best, this area of both experts' opinions is fodder for examination at trial before the jury, not grounds for pretrial exclusion in this case."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Richard G. Andrews | September 29, 2014

Comcast IP Holdings I LLC v. Sprint Communications Company LP et al
1-12-cv-00205 (DED)



Expert Evidence
Expert's Methodology

Damages
Apportionment

Royalty Base
Entire Market Value Rule

The court granted in part defendant's motion in limine to exclude evidence of profits and revenues of its accused products under the entire market value rule because plaintiff's expert failed to sufficiently apportion the revenues. "Non-technology factors contribute to the value of the products. Use patterns contribute to the value. Indeed, [plaintiff's] witness conceded in her deposition that she did not do a 'numerical calculation' to arrive at a percentage to apply to the profits. Apportionment does not seem possible without a numerical calculation. There is no evident apportionment in the proffer, and I do not see any apportionment in the lengthy sections of the expert's report that are attached to the proffer. . . . [I]f [plaintiff] wants to pursue its 'income approach,' I will give it to [defendant] [one day] to submit a proffer with some detail as to how much of the revenues and/or profits it apportioned to the patented technology, and what the basis for that apportionment is. Otherwise, the 'income approach' and the corresponding revenues and/or profits for the accused products will be excluded."

Motion in Limine -- Expert Testimony: Granted

Lyle E. Strom | September 22, 2014

Prism Technologies v. AT&T, et. al.
8-12-cv-00122 (NED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court granted defendants' motions to exclude the testimony of plaintiff's damages expert because his cost-savings/revenue model for calculating a royalty base was unreliable. "[R]evenue-generation and cost-savings are undisputedly proper methods for calculating royalty bases. In this case, [plaintiff's expert] has created a hybrid of the two forms. The issue is whether such a model is methodically sound. . . . [The expert's] methodology and model has never before been attempted. . . . [Plaintiff] cannot point to any precedent where merging cost-savings and revenues passes the strictures of Daubert. . . . Cost savings or revenue are a permissible form of calculating patent damages. However, the Court can find no case law to support [Plaintiff's] claim that the product of revenue as a fraction of cost savings is permissible, let alone logical. . . . In addition, no evidence has been adduced to correlate a revenue to cost-savings calculation. . . . It cannot be overstated that cost-savings analysis should not include the revenue figure as a matter of course."

Motion in Limine -- Expert Testimony: Denied

Gershwin A. Drain | September 22, 2014

Everlight Electronics Co., Ltd., et. al. v. Nichia Corporation, et. al.
4-12-cv-11758 (MIED)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert regarding lost profits. "[Plaintiff] complains that [defendant's expert] failed to consider the types of LED products offered by the parties and the prices at which those products are sold. While [the expert's] analysis with respect to price differences could be stronger, that goes to weight rather than admissibility. . . . [Plaintiff's] challenges concerning [his] reliance on worldwide white LED market data and his non-infringing alternatives opinions are inappropriate at this stage of the proceedings and should be raised during cross examination, not through Rule 702."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert regarding a reasonable royalty for relying on noncomparable licenses. "[Plaintiff] maintains that [the expert's] conclusion that a reasonable royalty is 5% rests on flawed reasoning because it relies on licenses that grant rights far greater than the patents-in-suit. . . . [E]ach of the 16 agreements relied upon by [defendant's expert] is directed to at least one of the patents-in-suit or directed to the claimed LED technology. . . . While it is true that none of the sixteen agreements relied on by [him] are directed solely to the [patent-in-suit], they are related to the [patent] family. As such, the Court cannot conclude that [his] testimony will not assist the jury. [Plaintiff's] criticisms concerning the relevance of the sixteen licensing agreements should be raised during cross examination; they do not support outright exclusion of the subject testimony."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Gershwin A. Drain | September 22, 2014

Everlight Electronics Co., Ltd., et. al. v. Nichia Corporation, et. al.
4-12-cv-11758 (MIED)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert regarding lost profits as unreliable. "[Plaintiff's expert] opines that [the parties] operate in different segments of the market – [plaintiff] in the low power level market and [defendant] in the higher power market – thus there is an absence of direct competition for the 'lost sales' owing to [plaintiff's] purported infringement. . . . [Defendant] maintains that [the expert's] opinions do not rely on objective data and are unreliable because there is no 'standard' governing how to properly categorize products by power levels. . . . Both parties have confused credibility and accuracy of the competing experts' damages opinions with their reliability. [Defendant's] arguments demonstrate that entitlement to, and the amount of, lost profits damages is an issue with numerous unresolved factual issues."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert regarding reasonable royalty for his improper use of the entire market value rule. "[Plaintiff's expert] relied on [plaintiff's noninfringement expert] to conclude that the smallest salable unit relates only to a portion of the LED package, specifically the use of a garnet phosphor to alter the wavelength of the prior art blue LED. . . . While [he] should have explained in detail the basis for [the noninfringement expert's] opinion in this regard, this does not automatically require exclusion. . . . While [defendant] and [its expert] disagree with [plaintiff's experts'] conclusion that the inventive aspect of the patents-in-suit relate to the addition of a garnet phosphor to the prior art blue LED, and raise some compelling arguments concerning the factual bases upon which the opinions rely, such issues go to the weight to be accorded to the testimony as opposed to its reliability."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert regarding reasonable royalty for relying on a single settlement agreement and license. "[Defendant] argues that it was error for [plaintiff's expert] to only consider this one agreement, when the parties produced fifty-five license agreements in this case and [defendant's expert] found sixteen to be directly relevant to the hypothetical negotiation, and further concluded the remaining thirty-nine agreements provided some, but lesser relevance to the hypothetical negotiation. . . . [Plaintiff's expert] delineates in detail his reasons for concluding the other agreements are inappropriate for the hypothetical negotiation. While [defendant] disagrees with [his] conclusions in this regard, its disagreement does not mean his analysis is unreliable."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

William H. Orrick | September 16, 2014

France Telecom S.A. v. Marvell Semiconductor, Inc.
3-12-cv-04967 (CAND)



Obviousness
Secondary Considerations

Reasonable Royalty
Related License/Contract

The court granted plaintiff's request to present non-3G licenses at trial, but limited their use to invalidity issues. "[Plaintiff] will be permitted to introduce the non-3G licenses and to provide evidence to establish the fact of the licenses having been executed. . . . [Plaintiff] argues that third parties' willingness to license the non-3G licenses tends to rebut [defendant's] invalidity contentions and render them less probable. Whether the non-3G licenses in fact rebut [defendant's] invalidity contentions remains to be seen. Moreover, [plaintiff] may not introduce testimony regarding why the non-3G licenses were entered into or comparing the value of the [patent-in-suit] to other licensed patents. . . . To the extent that the licenses themselves state why they were entered into or which patents or patent claims they cover, the licenses speak for themselves."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Robert S. Lasnik | September 12, 2014

Radio Systems Corporation et al v. Lalor et al
2-10-cv-00828 (WAWD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted in part plaintiff's motion in limine to exclude the testimony of defendant's damages expert regarding a reasonable royalty. "[T]he Court agrees with Plaintiffs' concern that the license agreements relied upon by [defendant's expert] are not related to the technology of [the patent-in-suit]. . . . [The expert's] report acknowledges that the license agreements contain differences in technology, exclusivity, territory, and the circumstances under which they arose, yet he does not clarify how he accounted for these differences in reaching his conclusion. Without more, [his] consideration of the five unrelated license agreements renders his opinion insufficiently reliable and not helpful to the jury. . . . [Defendant's expert] must remove the five unrelated license agreements from his analysis, recalculate the reasonable royalty rate, account for any differences between the remaining licenses, and, if the royalty rate remains unchanged from five dollars per unit, explain why it has not changed."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Roy S. Payne | September 4, 2014

Personal Audio, LLC v. TogiEntertainment, Inc.
2-13-cv-00013 (TXED)



Evidence
FRE 408 -- Settlement

Reasonable Royalty

Prior License or Sale of Patent

The court granted in part plaintiff's motion in limine to preclude evidence of plaintiff's other settlements and offers of settlement. "Defendants may present general evidence as to [plaintiff's] willingness to accept a certain licensing structure. The Motion is granted as to specific numbers regarding licenses unless leave is granted by the Court outside the presence of the jury if a party alleges the door has been opened to such evidence."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Ron Clark | September 4, 2014

Affinity Labs of Texas, LLC v. Ford Motor Company
1-12-cv-00580 (TXED)



Exceptional Case
Willful Infringement

Evidence
FRE 402 -- Relevance

Damages
Apportionment

The court granted plaintiff's motion in limine to preclude defendant from presenting evidence regarding a patent-in-suit for which defendant had obtained summary judgment and rejected defendant's argument that the patent was relevant to its willfulness defense. "[Defendant] argues that its position that it did not infringe on the [remaining] patent was not objectively unreasonable because this court found that [defendant] did not infringe the [adjudicated] patent. This argument falls short because, the [adjudicated] patent and the [remaining] patent necessarily have different claims, even if they share a common specification. . . . The fact that the two patents cover different technology cuts both ways. [Plaintiff's] damages expert prepared calculations for the infringement of the method claims of the [adjudicated patent] and calculations for infringement of both the [adjudicated] patent and the [remaining] patent. He provided no calculation or opinion based on infringement of just the [remaining] patent, which is the only remaining patent-in-suit. [Defendant] may cross-examine [plaintiff's] damages expert on the effect that the finding of non-infringement of the [adjudicated] patent has on his overall per unit royalty."

Motion in Limine -- Expert Testimony: Denied

William H. Orrick | August 28, 2014

France Telecom S.A. v. Marvell Semiconductor, Inc.
3-12-cv-04967 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied defendant's motion in limine to preclude the opinions of plaintiff's damages expert regarding a lump sum royalty. "While [plaintiff's expert's] opinion is based on forecasts which did not differentiate between the various [defendant-related] entities, he explains why he believes that the portion of the forecasted sales which would have been sold in the United States — sales which he opines would have been recognized by [defendant] — exceed the number of sales which would make a lump-sum royalty more economical than a running royalty, i.e., the 'break-even' point. [Defendant] can attack the reasonableness of those opinions at trial."

Motion in Limine -- Expert Testimony: Denied

William H. Orrick | August 28, 2014

France Telecom S.A. v. Marvell Semiconductor, Inc.
3-12-cv-04967 (CAND)









Expert Evidence
Expert's Methodology

Damages
Ongoing Royalty





Baseline Royalty
Royalty Rate

The court denied plaintiff's motion in limine to preclude the testimony of defendant's damages expert that a running royalty may be capped. "Georgia-Pacific factor #11 is '[t]he extent to which the infringer used the invention and any evidence probative of the value of that use.' Accordingly, [defendant] is free to argue, based on actual use of the patented method (i.e., the 'book of wisdom'), that a running royalty would not exceed a certain amount. But this is only one of several relevant factors in the reasonable royalty inquiry; [plaintiff] will have the opportunity to attack this opinion

at trial and to emphasize other factors."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part Richard G. Andrews August 28, 2014	<i>InterDigital Communications Inc. et al v. Nokia Corporation et al</i> 1-13-cv-00010 (DED)	 
<p>Evidence FRE 402 -- Relevance</p> <p>Reasonable Royalty Related License/Contract</p> <p>The court granted in part defendant's motion in limine to exclude evidence of licensing activities. "The financial information related to licensing activities in general is irrelevant, and is excluded. . . . Testimony that companies have taken licenses covering hundreds or thousands of patents may be offered by [plaintiff] as 'context' testimony . . . but may not specify whether the patents-in-suit are included, and may not specify which companies took the licenses. . . . Testimony about [plaintiff's] efforts to build prototype products generally may also be offered by [plaintiff] as 'context' testimony. . . . If [plaintiff] has evidence about sales of some product that embodies one of the two patents-in-suit, [it] may offer that evidence for any relevant purpose, such as commercial success."</p>		
Renewed Motion Motion in Limine -- Expert Testimony: Denied Claudia Wilken August 27, 2014	<i>Digital Reg of Texas, LLC v. Adobe Systems Incorporated, et. al.</i> 4-12-cv-01971 (CAND)	 
<p>Expert Evidence Expert's Methodology</p> <p>Baseline Royalty Royalty Rate</p> <p>Expert Witnesses Amended/Supplemental Expert Reports</p> <p>The court denied in part defendant's renewed motion to exclude the testimony of plaintiff's damages expert based on his revised report. "[Defendant] attacks the credibility of [plaintiff's expert's] methodology, which yielded the same royalty rate regardless of the inputs he used. . . . [Plaintiff's expert's] perpetual conclusion of the same 2.5% royalty rate, regardless of inputs or methodology, is troubling. Because his prior reports call into question the accuracy of his methodology, [defendant] may cross examine [him] about his prior reports for the limited purpose of impeachment."</p> <p>Evidence FRE 402 -- Relevance</p> <p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Reasonable Royalty Prior License or Sale of Patent</p> <p>The court granted in part defendant's renewed motion to exclude the testimony of plaintiff's damages expert. "Regarding [a patent aggregator] Agreement, while the Court found that it was not comparable because it licensed multiple patents to over 120 members, it is relevant because, if any of [plaintiff's] licensees were members, it might have depressed the value of those licenses. . . . [Plaintiff's expert] may testify that [the aggregator] licensed some of the patents-in-suit for an amount larger than the other licenses. He may opine that [a defendant] was a member of [the aggregator], which may have affected its royalty rate negotiations with [plaintiff]. He may not, however, mention the actual amounts or royalty rates paid under the [the aggregator] Agreement."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Sue L. Robinson August 27, 2014	<i>Anesta AG et al v. Mylan Pharmaceuticals Inc. et al</i> 1-08-cv-00889 (DED)	 
<p>Reasonable Royalty Related License/Contract</p> <p>The court granted defendants' motion to preclude reference to a \$100 million purchase of the drug franchise at issue. "[T]he underlying asset purchase agreement 'contemplated much more that a patent license.' Moreover, the court is not convinced that the [drug franchise's] profit and loss statement - barely readable - is so significant a document that the</p>		

one reference on that document to the \$100 million payment will cry out for explanation."

Motion in Limine -- Expert Testimony: Denied Joan N. Ericksen August 27, 2014	<i>Honeywell International Inc. v. ICM Controls Corp.</i> 0-11-cv-00569 (MND)	 
Expert Evidence Expert's Methodology	Royalty Base Entire Market Value Rule	<p>The court denied defendant's motion to exclude the testimony of plaintiff's damages expert regarding a reasonably royalty for violating the entire market value rule. "The products accused of infringing [plaintiff's] four patents are a thermostat product and . . . gas ignition and oil primary control products. . . . Although [defendant] challenges [plaintiff's] assertion that the accused products constitute the smallest salable patent-practicing unit, [defendant] has not identified a smaller component within the accused products that should be deemed to practice the invention such that use of the whole product is so improper as to warrant exclusion. Neither is any such smaller component readily apparent. . . . [Plaintiff's expert's] use of the accused products as the smallest salable patent-practicing unit does not warrant exclusion of his opinion."</p>
Expert Evidence Expert's Methodology	Damages Apportionment	Baseline Royalty Royalty Base
<p>The court denied defendant's motion to exclude the testimony of plaintiff's damages expert regarding a reasonably royalty for failing to apportion product value among various features. "[Defendant] points to several district court opinions contending that they show that even when a patentee identifies the smallest salable unit, further apportionment is necessary between infringing and noninfringing features. . . . [Those cases] merely confirm that even when a patentee claims that a packaged or multi-component product is the smallest unit sold, a reasonableness check should occur to determine whether further apportionment of the royalty base is appropriate, before applying the allocation of value that the royalty rate embodies. . . . To the extent [defendant] believes that [plaintiff's expert's] computations would overcompensate [plaintiff] for any infringement found, it will be able to make its case at trial."</p>	Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied Gershwin A. Drain August 25, 2014	<i>Linear Group Services, LLC v. Attica Automation, Inc.</i> 2-13-cv-10108 (MIED)
Evidence FRE 701 -- Lay Opinion Testimony	Baseline Royalty Royalty Rate	<p>The court denied plaintiff's motion in limine to exclude defendant's owner's opinion that a reasonable royalty for plaintiff's infringement was 20% of plaintiff's sales. "[Plaintiff] argues that [defendant's owner], who has no licensing expertise or experience, should be precluded from testifying regarding a 20% reasonable royalty. . . . A lay witness may not testify to events that 'would have occurred,' but may testify to facts within his personal knowledge. Therefore, [defendant's owner] will be permitted to testify as to his personal knowledge that calculates reasonable royalty damages as 20% (i.e. his personal knowledge as to what he believes [defendant's] profit levels to be and what he believes [plaintiff's] profit to be from [a lawsuit]). [Plaintiff] will have the opportunity to cross examine [defendant's owner] and question the weight of his argument."</p>
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Gershwin A. Drain August 25, 2014	<i>Linear Group Services, LLC v. Attica Automation, Inc.</i> 2-13-cv-10108 (MIED)	 
Evidence FRE 402 -- Relevance	Reasonable Royalty Georgia Pacific Factors	

The court granted defendant's motion in limine to preclude plaintiff from presenting opinion testimony on the quality of its products and company reputation. "[Defendant] argues that the quality of the parties' respective sorting machines and company reputations is irrelevant to any litigable issue of fact or law in this case. . . . While [plaintiff] is correct in identifying that the quality of [defendant's] products and the company's reputation would be taken into consideration under the Georgia-Pacific Hypothetical Negotiation approach, [defendant], the patentee, has stated that it intends to establish damages via the analytical method. The analytical method focuses on the infringer's projections of profits or the infringing product, regardless of what the parties might have hypothetically agreed to had they successfully negotiated before the infringement began."

Motion in Limine -- Expert Testimony: **Denied**
Ron Clark | August 22, 2014

Affinity Labs of Texas, LLC v. Ford Motor Company
1-12-cv-00580 (TXED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Georgia Pacific Factors

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert "because he fails to include in engineering costs into his calculation of profitability under the eighth Georgia-Pacific factor." "[Defendant] argues that when the total engineering costs of the [accused] systems are taken into account, [defendant] actually loses money on them, rather than the \$78 dollar margin calculated by [plaintiff's expert]. The exclusion of the design costs is not inappropriate in calculating per-unit profitability, as sunk engineering costs are separate from the incremental costs of each unit. . . . While engineering costs certainly play a role in the hypothetical negotiation of a reasonable royalty, that can be developed during both direct and cross examination and is not a basis to exclude [plaintiff's expert's] report."

Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert concerning apportionment. "[Plaintiff's expert] calculated a figure for apportionment based on [defendant's] consumer research studies. He did not attempt to ascribe all of the profit margin to patented technology, nor did he create his number out of whole cloth. Rather, based on the studies of usage, he determined what he considers to be a valid percentage of apportionment."

Motion in Limine -- Expert Testimony: **Granted**
Claudia Wilken | August 19, 2014

Digital Reg of Texas, LLC v. Adobe Systems Incorporated, et. al.
4-12-cv-01971 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court granted defendant's motion in limine to exclude the testimony of plaintiff's damages expert regarding the percentage of defendant's sales that were protected from piracy due to defendant's use of infringing technology. "[The expert] arrived at this conclusion by subtracting from software piracy rates across the industry (twenty percent) the piracy rates experienced by [defendant] (six to ten percent), which allegedly shows the benefit of using the claimed invention (ten to fourteen percent). [The expert] thus did not consider piracy data specific to [defendant]. He instead relied on data spanning the entire software industry, regardless of the type of software or whether the software uses some form of DRM or not, without explaining why this would be proper. . . . [E]ven if information tracking [defendant's] accused products was not available, data tracking products shown to be sufficiently similar to the accused products would have been more relevant. . . . Because piracy and the effectiveness of DRM technology may vary widely across the industry, the inputs of [plaintiff's expert's] damages calculation are inherently unreliable."

Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Rate

The court granted defendant's motion in limine to exclude the testimony of plaintiff's damages expert regarding a royalty rate. "In calculating the royalty rate, [plaintiff's expert] assumed the parties would begin their negotiation at an equal fifty-fifty share of saved profits. . . . [He] admitted that he had not seen any evidence of either [party] commencing negotiations with a fifty-fifty profit split. [His] starting point, based only on his personal experience not limited to the DRM industry, is even more arbitrary than the rule rejected in [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)]. To ensure damages figures are not conjectural or speculative, a starting point should be tied to case-specific factors grounded in reliable data, such as the parties' relative bargaining power, the relationship between the patented invention and the accused product, other licenses involving the same patent, and analogous licenses in the industry for patents covering component parts."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to a royalty base because he used the entire value of defendant's accused software products. "[Plaintiff] suggests that it is free to use revenue of the entire product for its royalty base as long as it is 'economically justified.' . . . [Plaintiff] ignores more recent case law from the Federal Circuit and this district clarifying the same point. . . . Because there is no evidence that the patented feature drives demand here, [plaintiff's expert's] use of the entire market value of the products cannot be justified. [He] provides an alternative calculation that apportions the royalty base to be thirty percent of the profit. But he increased the rate proportionally to arrive at the same ultimate damages figure. This analysis contravenes Federal Circuit precedent and does not serve the purpose of the rule, which is to award only damages which are fairly attributable to the patented feature."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Claudia Wilken | August 19, 2014

Digital Reg of Texas, LLC v. Adobe Systems Incorporated, et. al.
4-12-cv-01971 (CAND)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

Reasonable Royalty
Prior License or Sale of Patent

The court granted in part defendant's motion in limine to exclude evidence of plaintiff's \$8.5 million license of a patent-in-suit to a patent aggregator. "Because [the aggregator's] business model is unique, [defendant] argues [the] license is of limited relevance to [defendant's] hypothetical licensing posture and should be excluded. . . . Some of the license agreements [the expert] reviewed involved licensees . . . that already had a license to [a patent-in-suit] through their membership with [the patent aggregator]. These licensees would have contemplated the effect of their existing license and paid a lower rate to settle claims with [plaintiff]. Ignoring the [aggregator's license] would leave the jury with the mistaken impression that the license agreements included [that patent-in-suit]. . . . [Defendant] argues that even though the [aggregator] license is relevant, its \$8.5 million figure will skew the jury's perception of a reasonable royalty, causing unfair prejudice to [defendant]. Accordingly, [plaintiff] may describe the circumstances of the [aggregator] license, but not the actual amount."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Lucy H. Koh | August 6, 2014

GPNE Corp. v. Apple Inc.
5-12-cv-02885 (CAND)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court granted defendant's motion to exclude an alternative calculation of a reasonable royalty by plaintiff's damages expert and rejected plaintiff's argument that the smallest salable unit was a question for the jury. "[Defendant] challenges only one aspect of [plaintiff's expert's] 'Alternative Calculation': his use of a collection of components as the smallest salable patent-practicing unit. . . . [T]he Court previously held 'as a matter of law that in this case, the baseband

processor is the proper smallest salable patent-practicing unit.' . . . In the instant case, neither party disputes any underlying factual issues, so the Court was correct in ruling as a matter of law that the baseband processor is the smallest salable patent-practicing unit. . . . While [plaintiff's expert] cites undisclosed 'discussions with [plaintiff's technical expert]' elsewhere in his analysis, [he] does not cite any technical expertise for the proposition that every single component added to a WiFi-only iPad to create a cellular-capable iPad aids in practicing the claims of the Patents-in-Suit. Without any technical testimony to support this methodology, [his] testimony concerning an alternative smallest salable patent-practicing unit must be excluded."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

James V. Selna | August 4, 2014

Biocell Technology LLC v. Arthro-7 Inc., et. al.
 8-12-cv-00516 (CACD)


Evidence

Evidence/Contentions Not Timely Disclosed

Royalty Base

Entire Market Value Rule

The court granted plaintiff's motion in limine to preclude defendant from introducing evidence that the use of the patented invention in the accused products did not enhance the products' profitability because defendant failed to produce sufficient data in court-ordered discovery. "[Plaintiff] seeks a reasonable royalty for [defendant's] violation of [plaintiff's collagen] patent rights through the sale of the Accused Products. Data concerning both entire market value and apportioned value are relevant to the analysis, depending on which measure [plaintiff] uses for its royalty calculation. [Plaintiff] sought documents concerning the volume of sales of the Accused Products, gross sales receipts, and accounting standards used by [defendant]. . . . [Defendant] was ordered to produce records concerning not simply records of collagen sales, but records for sales of products which were collagen blends, or finished products. . . . While [defendant] produced substantial financial documentation, it is aggregated data, and does not provide apportioned data sufficient to allow [plaintiff] to construct a royalty claim on that basis. The Court therefore precludes [defendant] from introducing such documents at trial."

Motion in Limine -- Expert Testimony: Denied in part granted in

part

Leonard Davis | August 1, 2014

ROY-G-BIV Corporation v. ABB, Ltd., et. al.
 6-11-cv-00622 (TXED)


Expert Evidence

Expert's Methodology

Baseline Royalty

Royalty Base

The court denied defendant's motion to exclude plaintiff's damages expert's opinions for ignoring the smallest saleable patent-practicing unit. "[Plaintiff's expert's] analysis does not implicate SSPPU doctrine. Courts invoking SSPPU doctrine always require apportionment based on the component most closely tied to the accused patent of a multi-component product. Here, [defendant's proposed SSPPU] is not the accused component of [a system], but is a separate product. Further, [plaintiff's expert] does not rely on the total revenue [defendant] receives from sales of [the system], as would be required to implicate SSPPU. In fact . . . [plaintiff's expert] actually bases his valuation on the price of [plaintiff's] software."

Expert Evidence

Expert's Methodology

Baseline Royalty

Royalty Rate

The court granted defendant's motion to exclude plaintiff's damages expert's 70% apportionment calculation and royalty rate as arbitrary. "The best explanation for the 70% apportionment is found in a footnote in a supplemental report by [plaintiff's expert] and explains in a single sentence that his conclusion is '[b]ased on discussions with [defendant's] personnel . . . and [defendant's infringement expert].' Lacking any objective or even substantial qualitative analysis to demonstrate why 70% is the proper apportionment, [plaintiff's expert's] 70% is reminiscent of the rejected 25% rule of thumb. . . . Further, while [his] royalty range of \$2,700 to \$14,850 is determined quantitatively (though based on his inadequately supported 70% apportionment), the final determination that \$4,000 is the most appropriate royalty is similarly divorced from any rigorous analysis."

Motion in Limine -- Expert Testimony: **Denied**
Harry Lee Hudspeth | July 22, 2014

United Services Automobile Association v. Mitek Systems, Inc.
5-12-cv-00282 (TXWD)



Evidence
Expert Evidence

Baseline Royalty
Royalty Rate

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert regarding annual royalty rate increases. "[Defendant's expert] includes a royalty increase at the rate of one half of one cent per year. [Plaintiff] has asked the Court to exclude that portion of [his] opinion on the grounds that no reasonable licensee would agree to half-cent annual royalty increase. The motion does not question [his] qualifications as an expert, nor does it question the methods he used in coming to his conclusions. . . . The testimony is admissible, and [plaintiff] is free to counter with its own testimony."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Roy S. Payne | July 15, 2014

Beneficial Innovations, Inc. v. Advance Publications, Inc., et. al.
2-11-cv-00229 (TXED)



Reasonable Royalty
Related License/Contract

The court denied defendant's motion in limine to preclude plaintiff from making statements regarding some of its other settlement agreements. "As Defendant has listed these same settlement agreements as exhibits and as Defendant's expert is expected to discuss these agreements at trial, the Court accordingly denies [defendant's] motion on this point. If [defendant] states that it will not be providing testimony on the settlement agreements and seeks to withdraw them as exhibits, the Court will entertain a motion for reconsideration as to this point."

Motion in Limine -- Expert Testimony: **Denied**
Roy S. Payne | July 9, 2014

Beneficial Innovations, Inc. v. Advance Publications, Inc., et. al.
2-11-cv-00229 (TXED)



Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert for improperly addressing noninfringing alternatives. "Plaintiff argues that [defendant's damage expert] improperly offers the opinions that Plaintiff's damages expert . . . failed 'to consider noninfringing alternatives that include prior art discussed by [defendant's validity expert]' and that Defendant's validity expert . . . 'discusses several potential non-infringing alternatives in the form of prior art systems and methods.' Plaintiff argues that [defendant's damages expert's] opinions should be excluded because he assumes 'without any competent basis' that the prior art references are non-infringing alternatives and that [he] is incompetent to provide an opinion on his own as to whether the references are a valid non-infringing alternative. . . . [Defendant's damages expert's] testimony is sufficiently reliable, tied as it is to the expected testimony of [defendant's validity expert], and relevant to the facts of the case and the issues on which he is testifying that it should not be barred. . . . Plaintiff's issues go to the correctness of [his] positions, including the sufficiency of the evidence supporting his testimony, and '[v]igorous cross-examination, presentation of contrary evidence, and careful instruction on the burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence.'"

Motion in Limine -- Expert Testimony: **Denied**
William C. Griesbach | July 7, 2014

Formax Inc. v. Alkar-RapidPak-MP Equipment Inc., et. al.
1-11-cv-00298 (WIED)



Expert Evidence
Expert's Methodology

Lost Profits
Amount of Profit

The court denied defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to lost profits for failing to establish a price for the lost sales. "[Plaintiff's expert's] approach essentially punts on the pricing question, leaving it to the jury to decide what kind of demand there was for [plaintiff's] products and whether the customers would have paid [plaintiff's] prices or whether they would have paid no more than [defendant's] prices. Ultimately, she

concludes that if [plaintiff] were able to receive its prices on the lost sales, its profit margins would have been 35% and 76% for machines and replacement parts. If [defendant's] prices were used, the margins would be 27% and 67%. . . . [Her] approach is a reasonable one. [She] is a financial expert, not an expert on a hypothetical market for food patty forming machines. . . . [She] has given a jury two options, and conceivably the jury could end up somewhere in the middle as well. Such calculations are ultimately guesses. They cannot be based on pure speculation, of course, but it is enough that a jury has a reasonable foundation for recreating a world that never existed."

Motion in Limine -- Expert Testimony: Denied

William C. Griesbach | July 7, 2014

Formax Inc. v. Alkar-RapidPak-MP Equipment Inc., et. al.
 1-11-cv-00298 (WIED)

 Expert Evidence
 Expert's Methodology

 Lost Profits
 Causation (No Noninfringing Substitutes or Market Share)

The court denied plaintiff's motion in limine to exclude the testimony of defendant's damages expert as to lost profits for failing to understand non-infringing alternatives. "It appears clear that [defendant's expert], a finance expert, is not attempting to assert expertise in the arena of patty forming machine technology. That is, his report does not suggest that his conclusions about non-infringing alternatives are based on his own work or skill, but instead are based on the opinions of those in the industry. . . . [I]f [he] is not a technical expert — as he would readily admit — it makes little sense to criticize him for not delving into the technical side of things. Presumably there are very few people who would be qualified to give compound opinions that involve both engineering technology and finance; one does not need to be an expert in everything. It is perfectly reasonable for a finance and damages expert to adopt the conclusions of other experts. Whether those conclusions are sound can be explored at trial through cross-examination and other expert testimony."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Paul S. Grewal | June 25, 2014

Emblaze Ltd. v. Apple Inc.
 5-11-cv-01079 (CAND)

 Expert Evidence
 Expert Opinion Not Helpful

 Reasonable Royalty
 Hypothetical Negotiation

The court granted in part defendant's motion to exclude the testimony of plaintiff's damages experts. "At deposition, [plaintiff's expert] conceded he was only applying general principles to the case at the 'level of principle' and not engaged in a 'granular case-specific analysis.' At bottom, [his] high-level opinions are of limited use to the fact-finder in resolving any question of fact at issue in this case. Nevertheless, Rule 702 permits general principles testimony without substantive connection to the facts of a case. . . . [He] may generally opine that digital convergence and network effects could have affected the hypothetical negotiation. But that is it."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Paul S. Grewal | June 25, 2014

Emblaze Ltd. v. Apple Inc.
 5-11-cv-01079 (CAND)

 Expert Evidence
 Expert's Methodology

 Baseline Royalty
 Royalty Base

The court denied in part defendant's motion to exclude the opinions of plaintiff's damages expert as to a royalty base, and rejected plaintiff's argument that only directly infringing units could be considered. "[Defendant] argues that [the expert] uses an inadmissible unit base of every unit sold. . . . [and] emphasizes that no Apple units directly infringe. . . . [The expert's] 'all infringing unit' base is not methodologically flawed. [Defendant] does not cite to a single case suggesting that the royalty base of a hypothetical negotiation must be limited to units deemed to directly infringe. Such a rule makes especially little sense in cases like this one, where indirect infringement by the defendant is alleged and the bulk of the direct infringement alleged is that of third parties."

 Expert Evidence
 Expert's Methodology

Reasonable Royalty
Related License/Contract

Baseline Royalty
Royalty Rate

The court granted in part defendant's motion to exclude the opinions of plaintiff's damages expert regarding other licenses. "Because the court agrees with [defendant] that [plaintiff's expert's] report does not 'do anything to establish that [the patentee's demands in [defendant's other litigation] or [a] license disclosed in . . . litigation] are technically and economically similar to the facts' of this case, [she] may not rely on those licenses at trial. [Defendant's] challenge with respect to the publically available standards-essential technology licenses . . . is another story. Here, [defendant] urges that public information regarding licensing in that space should be excluded not because of an insufficient nexus to this case, but because [defendant] has produced its own licenses to that technology. The Federal Circuit, however, has approved the use of 'publicly available information' and also held that the 'existence of other facts' or data that could also have been relied upon does not make the evidence selected irrelevant. . . . Questions about what facts are most relevant or reliable to calculating a reasonable royalty are for the jury."

Motion in Limine -- Expert Testimony: **Granted**
Leonard Davis | June 21, 2014

ThinkOptics, Inc. v. Nintendo of America, Inc., et. al.
6-11-cv-00455 (TXED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert because of his royalty base analysis. "[The expert] notes that during prosecution, all elements of [plaintiff's] asserted invention except for three image-processing steps were found obvious in view of the prior art. Thus, [the expert] deems the three image-processing steps to be the 'inventive aspect' of the asserted patents. The Wii Remote's direct pointing device ('DPD') is accused of practicing the three image-processing steps in combination with a Bluetooth microcontroller. However, [since] the Bluetooth microcontroller existed in the prior art [at the time of invention], [the expert] concludes, the proper royalty base is the DPD alone, and does not include the accused Bluetooth microcontroller or any other portion of an accused device. . . . [Defendant] argues the royalty base should only include products accused of infringing the 'inventive' aspects of the asserted patents. Thus, it maintains that [its expert's] report properly excludes revenue associated with components alleged to infringe claimed elements that the patentee did not invent. [Defendant's] position is unsupported. While it is sometimes necessary to apportion the smallest salable patent practicing unit to remove the value of unclaimed elements, [defendant] has not cited any precedent permitting the complete removal of the value of claimed elements. . . . [Defendant's expert's] royalty base must include the value of all claimed elements."

Motion in Limine -- Expert Testimony: **Granted**
Leonard Davis | June 21, 2014

ThinkOptics, Inc. v. Nintendo of America, Inc., et. al.
6-11-cv-00455 (TXED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert because the expert failed to support his royalty base opinion. "[T]o determine the royalty rate in this case, [plaintiff's expert] considers a license that covers the asserted patents. However . . . [he] also considers total profits from accused and unaccused products. . . . [Plaintiff's expert] does not disclose how he apportions those end product profits. Thus, the Court is unable to determine whether [he] uses the entire market value of the accused [gaming] console as his royalty base. Because [his] apportionment methodology, if any, is not disclosed, his report is excluded. . . . [His] consideration of all the evidence 'in totality' is a poor substitute for the required analysis that parses an alleged infringer's profits for patented versus unpatented features."

Motion in Limine -- Expert Testimony: **Denied**
Yvonne Gonzalez Rogers | June 20, 2014

MediaTek Inc. v. Freescale Semiconductor, Inc.
4-11-cv-05341 (CAND)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to apportionment based on the entire market value of defendant's chips, instead of the components of the accused chips. "[Plaintiff] argues that there is no way, conceptually or practically, to separate the patent-practicing features of the accused chips from the remainder of the chip. Citing its other experts' reports on the technology at issue, [plaintiff] contends that it is not possible to remove the accused features from the chip and sell them on their own, since the patents-in-suit read on the master and slave components of the chips and concern interconnections between them. . . . While [defendant] argues that this is not the proper smallest salable patent-practicing unit, it offers no evidence to support an alternative. . . . Though [defendant] disagrees with [plaintiff's expert's] conclusions, and has raised some questions their factual underpinnings, those issues bear on the weight to be accorded the testimony than its reliability or probative value."

Motion in Limine -- Expert Testimony: Denied without prejudice
Jesus G. Bernal | June 11, 2014

Texchem Advanced Products Incorporated Sdn. Bhd. v. e.PAK International, Inc.
5-12-cv-01341 (CACD)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied without prejudice plaintiff's motion in limine to preclude defendant's expert from relying on defendant's license agreement with a third-party licensor. "[Plaintiff] argues that [defendant's license] Agreement is not comparable because the Agreement is not directed to the [patent-in-suit] or the products at issue. . . . [The] Agreement involves [the licensor] granting [defendant] a license to make, use, sell, or offer for sale plastic semiconductor wafer shipping boxes. The Court finds that the . . . Agreement is sufficiently comparable as not to be 'radically different' from a hypothetical agreement in this case and [plaintiff's] arguments go to the weight of the evidence."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Jed S. Rakoff | May 30, 2014

Safespan Platform Systems, Inc., et. al. v. EZ Access, Inc., et. al.
1-06-cv-00726 (NYWD)



Evidence
FRE 802 -- Hearsay

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted in part defendant's motion in limine to exclude the testimony of plaintiff's damages expert concerning royalty rates based on licensing agreements the expert did not review. "[Plaintiff's expert] will not be permitted to offer an estimate of appropriate royalty rates based on the licensing agreements entered into by [a third party] since [he] never examined any such agreement but instead relied on inadmissible hearsay as to the terms. However, [plaintiff's expert] will be permitted to testify as to average royalty rates in the construction industry."

Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted in part defendant's motion in limine to preclude the testimony of plaintiff's damages expert as to lost profits. "[T]o recover lost profits, the patent owner must show 'causation in fact,' establishing that 'but for' the infringement, he would have made additional profits.' . . . [B]ecause of the absence of any economic proof establishing but for causation, [plaintiff's expert] will be permitted to testify to lost profits only with respect to contracts in which plaintiffs and defendants were the only two bidders."

Motion in Limine -- Expert Testimony: **Denied**
Thomas L. Ludington | May 29, 2014

Roll-Rite, LLC v. Shur-Co, LLC
1-12-cv-11150 (MIED)



Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied defendant's motion in limine to exclude the testimony of plaintiff's damages expert as unreliable. "[Defendant] argues that [plaintiff's expert] should have considered . . . improvements when determining whether [plaintiff] would have sold just as many motors as [defendant] did during the infringement period. Thus, with respect to [the expert's] analysis of the Panduit factors, [defendant] challenges [his] conclusions, not his methodology. . . . Challenges to an expert's substantive conclusions, such as the ones raised by [defendant] are issues for a jury. . . . [T]he fact that an 'infringer had to design or invent around the patented technology to develop an alleged substitute' — as [defendant] claims to have done with the [accused] Series — weighs against a finding that there were adequate substitutes. Therefore, [defendant's] argument that it 'had no choice' but to design the [accused] Series thus supports [plaintiff's expert's] conclusion that there were no acceptable non-infringing substitutes to [plaintiff's] gear motors."

Expert Evidence
Expert's Methodology

Lost Profits
Amount of Profit

Expert Witnesses
Failure To Disclose in Expert Report

The court denied defendant's motion in limine to exclude the lost profits opinion of plaintiff's damages expert for failing to estimate the amount of lost profits damages. "[A]lthough [plaintiff's expert] did not include an estimate of the actual damages amount, he provided the methodology he intended to use to calculate lost profits: multiplying the per-unit gear motor profit by the number of gear motors [defendant] bought from . . . its manufacturer. Although [defendant] argues that 'simple multiplication' is not a substitute for reconstructing the hypothetical market, [plaintiff's expert] did reconstruct the hypothetical market by using the Panduit test. . . . [His] intended methodology of multiplying the per-unit gear motor profit by [defendant's] [accused] Series sales would provide a reasonable approximation of [plaintiff's] lost profits."

Motion to Reconsider Motion in Limine -- Expert Testimony:
Denied
William W. Caldwell | May 27, 2014

Kimberly-Clark Worldwide Inc. v. First Quality Products Inc., et. al.
1-09-cv-01685 (PAMD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendants' motion to reconsider an earlier order denying defendant's motion in limine to exclude plaintiff's damages expert's opinion on a reasonable royalty rate. "[Plaintiff's expert's] royalty calculations are based on the smallest saleable unit because the patents-in-suit claim disposable absorbent articles or composites comprising numerous different elements. Defendants have not identified, nor can the court envision, a manner in which the articles could be further subdivided into component parts that still practice the patents at issue. Accordingly, the entire market value rule does not render [her] methodology improper."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Prior License or Sale of Patent

The court denied defendants' motion to reconsider an earlier order denying defendants' motion in limine to exclude plaintiff's damages expert's opinion on prior licenses. "[Plaintiff's expert's] report and deposition testimony indicate that some of the prior licenses regarding the patents-in-suit used a 'running royalty rate' like the one she proposes, while others involved up-front, 'lump sum' payments to license the technology. The fact that all prior licenses did not employ a running royalty rate is not fatal to [her] methodology."



Expert Evidence
 Expert's Methodology

Royalty Base
 Entire Market Value Rule

The court granted defendant's motion to exclude plaintiff's damages expert because of his improper royalty base analysis. "In calculating the royalty base, [plaintiff's expert] did not even try to link demand for the accused product to the patented feature, and failed to apportion value between the patented feature and the vast number of non-patented features in the accused products. [He] had no basis to ignore the fundamental teaching of the entire market value rule, which permits a royalty based on the entire market value of an accused product only where 'the patent-related feature is the basis for customer demand.' . . . Although he asserts that [defendant] 'marketed the HSUPA feature as a selling point for its devices,' his testimony makes clear that he did nothing to analyze whether demand for those devices was actually based on the invention claimed the [patent-in-suit]."

Expert Evidence
 Expert's Methodology

Reasonable Royalty
 Related License/Contract

Baseline Royalty
 Royalty Rate

The court granted defendant's motion to exclude plaintiff's damages expert because of his improper royalty rate analysis. "[Plaintiff's expert] impermissibly relied on licenses without any showing of comparability, relied on a maximum, cumulative royalty rate without any showing that anyone had committed to such a notion and failed to allocate particular value to the invention claimed in the [patent-in-suit]. . . . [He] erred in assuming the value of the [patent] was no different than the value of each of the other . . . standard-essential patents considered. [Plaintiff] identifies no case law supporting the notion that a claimed standard-essential patent gets a free pass on the fundamental notion that a patent damages methodology must be 'tied to the relevant facts and circumstances of the case at issue.' If anything, the case law is clear that mere patent counting and dividing is not enough."

Expert Evidence
 Expert's Methodology

Baseline Royalty
 Royalty Base

The court granted defendant's motion to exclude plaintiff's damages expert because of his improper royalty base analysis. "[Plaintiff] urges that [its expert] relied on industry practice in using the unit price of each accused product as a base for an uncapped royalty. But although the court has carefully studied the record looking for any hard evidence of such a practice or custom, it could find none. None of the third-party papers [the expert] cites provides that any industry participant, let alone the industry as a whole, has agreed that the entire market value of a smartphone or tablet may serve as the base for a royalty for use of a patent on a particular feature without any cap or limit on the total royalties owed. . . . Nor does [he] point to any license in which [defendant] agreed to pay an uncapped royalty based on a percentage of the entire market value of any iPhone or iPad."

Expert Evidence
 Expert's Methodology

Baseline Royalty
 Royalty Base

The court granted defendant's motion to exclude plaintiff's damages expert because of his improper royalty base analysis. "[Plaintiff] highlights the iPhone and iPad as the smallest saleable unit available for consideration. But throughout this litigation, [plaintiff] has taken the position that the entire infringing functionality lies in the baseband processor, not the accused product as a whole. . . . Even if the accused products were the smallest saleable unit, this court has previously explained that, under the Circuit's case law, relying on the smallest saleable unit does not relieve a patentee of the burden of apportioning the base. . . . [T]he smallest salable unit must be closely tied to the patent to suffice. . . . [The Federal Circuit] conclud[ed] that if the smallest salable unit was in fact the entire computer, 'the

exceedingly difficult and error-prone task of discerning the [infringing feature's] value relative to all other components in the laptop remains."

Motion in Limine -- Expert Testimony: **Additional briefing ordered**

T. S. Ellis, III | May 12, 2014

Rembrandt Social Media, LP v. Facebook, Inc., et. al.
1-13-cv-00158 (VAED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Baseline Royalty

Reasonable Royalty
Georgia Pacific Factors

The court ordered plaintiff to provide additional briefing on whether its damages expert could present certain facts and his Georgia-Pacific analysis to the jury after his opinions had been excluded as unreliable. "[Plaintiff] assumes without explanation that the Georgia-Pacific factors will be relevant and admissible at trial even without [its expert's] calculation of a royalty base, which was expressly excluded as unreliable in the Court's [prior] Order. . . . [Plaintiff] has failed to identify how use of the Georgia-Pacific factors will be reliable and relevant without a corresponding royalty base and rate to which a fact-finder can apply those factors. [Its] observation that damages are 'of consequence' in determining a patent infringement suit is not enough. . . . To the extent that the Georgia-Pacific factors will be used to calculate damages without a corresponding royalty base, plaintiff must set forth the reliability and admissibility of any resulting theory of damages."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**

Leonard Davis | May 9, 2014

TracBeam, L.L.C. v. Google, Inc.
6-13-cv-00093 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted plaintiff's motion to exclude defendant's damages expert from relying on a license agreement. "[Plaintiff] argues [defendant's expert] cannot rely on [one] Agreement because it does not cover comparable technology. The only technical details relating to [that] Agreement, which on its face covers different technology, come from [defendant's expert], who is not qualified under [FRE 702] to opine as a technical expert."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude defendant's damages expert from relying on five license agreements. "According to [plaintiff], these licenses fail to indicate the extent to which [defendant] uses the underlying technology. The Court rejects [plaintiff's] argument on this point because even without evidence regarding extent of use, licenses may still be probative of the value placed on patented technology in hypothetical negotiations."

Motion in Limine -- Expert Testimony: **Denied**

T. S. Ellis, III | May 6, 2014

Rembrandt Social Media, LP v. Facebook, Inc., et. al.
1-13-cv-00158 (VAED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

Following an order excluding the report of plaintiff's damages expert, the court denied plaintiff's motion to allow its damages expert to present a "per-user" theory of damages because the theory was fatally flawed. "Where, as here, the accused technologies represent a small improvement to an existing technology, [plaintiff] is only entitled to a royalty based on the incremental value provided by that improvement. . . . Instead, the 'per-user' damages theory (1) calculates

the number of people using [defendant's product], (2) multiplies the number of users by the equivalent of one [Dutch] Guilder, and (3) reduces that amount by 80% to account for the fact that the original licenses were for products and not patents. At no point does the 'per-user' damages theory discuss the value of the . . . features that allegedly cause [defendant] to infringe the patents at issue. Thus, the 'per-user' theory is fatally flawed [and] claims damages 'far in excess of the contribution of the claimed invention to the market' and thus claims 'more than the damages adequate to compensate for the infringement.' . . . [Plaintiff's expert's] 'per-user' theory does not take into account the value of the asserted claims by focusing on the asserted features."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**

Andrew J. Guilford | April 21, 2014

Universal Electronics Inc. v. Universal Remote Control Inc.
8-12-cv-00329 (CACD)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

Baseline Royalty
Royalty Rate

The court granted defendant's motion in limine to exclude the opinions of plaintiff's reasonable royalty expert because the expert based his opinion on an arbitrary baseline rate. "[Plaintiff's expert] does not even attempt to compare the [patent-in-suit] to the agreements that he asserts establish a baseline royalty rate for that patent. . . . Nor did [he] account for how the litigation context of his 'baseline' licenses was affected by the litigation from which they arose. . . . [He] simply assumes that the litigation licenses represent 'the lowest royalty rate or the 'floor' for compensation for the accused infringer's authorized use of [plaintiff's] patent rights that [plaintiff] is willing to accept even without the assumption that the patent rights are valid and infringed' This ignores that a litigation defendant may pay simply to 'avoid[] the risk and expense of litigation.' While settlement licenses may be considered, the patentee has the burden to prove the comparability of the licenses."

Motion in Limine -- Expert Testimony: **Granted**

Lucy H. Koh | April 16, 2014

GPNE Corp. v. Apple Inc.
5-12-cv-02885 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court granted defendant's motion to exclude the opinions of plaintiff's damages expert. "[Plaintiff's expert] advances no reasoned basis for deriving his \$1 per unit royalty from the \$86 average net incremental profit. . . . The Court finds that [his] '30 years of experience' alone does not constitute a sufficiently reliable and testable methodology to prevent exclusion under Daubert. . . . While the Court does not doubt that [plaintiff's expert] is an experienced professional, [his] '30 years of experience' does not constitute 'sufficient facts or data,' or 'reliable principles and methods.' '30 years of experience' cannot be tested or 'subjected to peer review and publication,' nor is there a 'known or potential rate of error.' [Plaintiff's expert's] derivation of the \$1 per unit royalty from [defendant's] average net incremental profit 'is classic ipse dixit' reasoning, '[p]icking th[e] million dollar number.'"

Motion in Limine -- Expert Testimony: **Denied**

Lucy H. Koh | April 16, 2014

GPNE Corp. v. Apple Inc.
5-12-cv-02885 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied plaintiff's motion to exclude the opinions of defendant's damages expert as to his "Component Royalty Stack Approach" for calculating a reasonable royalty. "Although patent counting is of limited probative value, as long as the expert adjusts her final royalty figure based on the value of the asserted patent relative to the other standard essential patents, a patent counting approach is not by itself grounds for exclusion. As [defendant's expert] here takes several steps not to rely solely on patent counting, such as accounting for the asserted patents' contributions to the standard, and reviewing the Georgia- Pacific factors to measure the reasonableness of the royalty to arrive at his final

figure, the Court will not exclude [his] testimony solely for including patent counting."

Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court denied plaintiff's motion to exclude the opinions of defendant's damages expert as to his "Component Royalty Stack Approach" to calculate a reasonable royalty. "[Plaintiff] argues that [his] Approach should be excluded because [defendant] cannot identify any peer-reviewed articles or other court opinions sanctioning the methodology. However, the Court finds [defendant's expert's] methodology to be sufficiently sound. . . . [O]ther courts have in fact sanctioned methodologies essentially identical to [his] Approach. . . . Although [defendant's expert] uses a different name for his methodology, the approach of calculating the average profit earned on the sale of the smallest salable patent-practicing unit, and then apportioning that profit based on the relative value of the asserted patents to the standard, is the same. . . . [T]his Court finds [defendant's expert's] Approach to be objective, based on quantifiable inputs, and not so unreasonable as to merit exclusion under Daubert."

Expert Evidence

Expert's Methodology

Reasonable Royalty

Related License/Contract

The court denied plaintiff's motion to exclude the opinions of defendant's damages expert as to his "Component Royalty Stack Approach" on the basis that the expert considered "unrelated licenses and incomparable settlement agreements." "[T]he Federal Circuit has found that, in certain circumstances, the most reliable license in the record can be one that arose out of litigation. . . . [Plaintiff's] business model is based entirely on litigation and licensing. . . . [Plaintiff's] licenses are at the very least probative of the royalty to which [the parties] would have agreed in a hypothetical negotiation at the time of first infringement. . . . In addition, [defendant's expert] does not rely on [plaintiff's] licenses to precisely measure the value of the [plaintiff's] patents. Instead, [he] uses the allegedly comparable licenses as mere data points to verify whether his . . . result is reasonable."

Expert Evidence

Expert's Methodology

Baseline Royalty

Royalty Base

The court denied plaintiff's motion to exclude the opinions of defendant's damages expert as to the smallest salable patent-practicing unit. "[Plaintiff] asserts that [the expert's testimony] should be excluded because [the expert] uses the baseband processor chips as the royalty base rather than the entire accused iPhones and iPads. . . . [Plaintiff] can point to no case that requires the smallest salable patent-practicing unit to be made or sold by the accused infringer. [Plaintiff] responds that [defendant], and not a third-party chip maker, participates in the hypothetical negotiation. However, in approaching a reasonable royalty negotiation with [plaintiff], [defendant] may well use the price of the baseband processor chips made by a third party as the starting point from which to apportion the patents' value. . . . Interpreting the smallest salable patent-practicing unit doctrine to require that the accused infringer make or sell the smallest salable patent-practicing unit would, in circumstances where the accused infringer makes a multicomponent end product and the component manufacturer is not joined, render the smallest salable patent-practicing unit doctrine ineffective. A patentee should not be able to opt in or out of the smallest salable patent-practicing unit doctrine based on its decision of whom to sue."

Motion in Limine -- Expert Testimony: Denied
Leonard P. Stark | April 14, 2014

Intellectual Ventures I LLC v. Symantec Corporation et al.
1-10-cv-01067 (DED)



Expert Evidence

Expert's Methodology

Reasonable Royalty

Prior License or Sale of Patent

The court denied defendant's motion to exclude plaintiff's damages expert's patent valuation. "[Plaintiff] purchased [a patent-in-suit], along with two foreign patent applications, for \$750,000. [Its expert] ignores this price and bases his analysis instead on a licensing agreement between [defendant] and [a third party]. [Plaintiff's expert] concluded that the

actual sale prices of the patents were irrelevant in his analysis. The Court does not find this conclusion to be unreliable, speculative, or contrary to law. . . . [W]hen [plaintiff] purchased the patents in suit, several accused products were not even in existence. . . . [L]icensing patents as an investment versus licensing the patent for use are distinct transactions. . . . [Plaintiff] incurred significant expense in licensing the patents subsequent to the acquisition, a cost that may not have been factored into the actual sale of the patents."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendant's motion to exclude plaintiff's damages expert for relying on the entire market value rule. "[Plaintiff] argues that the EMVR applies because the [patent-in-suit] is the essence of 'security-as-a-service' products. . . . [Defendant's expert] states that '[w]ithout the invention of the [patent-in-suit], security providers . . . would be limited to traditional screening at the customer's computer or . . . network, which do not fall into the security-as-a-service or fully-hosted category of products.' . . . [Plaintiff's damages expert] states that he relied on [defendant's expert's] statements that the [patent] drives demand for the accused . . . products. Accordingly, it was not inappropriate for [him] to employ the EMVR analysis in conducting his analysis."

Motion in Limine -- Expert Testimony: Denied in part granted in part

William M. Conley | April 14, 2014

Douglas Dynamics, LLC v. Buyers Products Company
3-09-cv-00261 (WIWD)



Evidence
Evidence/Contentions Not Timely Disclosed

Baseline Royalty
Royalty Rate

Expert Witnesses
Failure To Disclose in Expert Report

The court granted in part plaintiff's motion to exclude the testimony of defendant's damages expert. "The court agrees with [plaintiff] that in light of [defendant's expert] having produced no report using the royalty rates for products using [two patents-in-suit] arrived at by the first jury, that it would be unfair to allow him to now adopt those rates as his starting point for a hypothetical negotiation since (1) these rates have been known [for 4 years] and (2) the court's possible exclusion of the rate in [an] Agreement was certainly foreseeable. At the same time, since [plaintiff's expert] relies heavily upon those same rates in reverse-engineering a reasonable royalty rate for [a third patent's] product, the court will neither preclude [defendant's expert] from criticizing that approach consistent with his expert reports, nor prevent him from pointing to those rates as an appropriate ending point for a reasonable royalty rate."

Motion in Limine -- Expert Testimony: Granted

Leonard P. Stark | April 14, 2014

Intellectual Ventures I LLC et al v. Xilinx Inc.
1-10-cv-01065 (DED)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Prior License or Sale of Patent

The court granted defendant's motion to exclude all opinions of plaintiff's damages expert because of his failure to account for defendant's contractual right to license the patents-in-suit for around \$2 million. "[Plaintiff's expert] explained that he found the [parties'] agreements to be irrelevant because [defendant] did not actually license the patents-in-suit. . . . His failure even to consider the [parties'] agreements based on his 'sense of fairness' renders his opinion unreliable. . . . Although [the parties'] agreements do not necessarily 'demonstrate[] the upper limit' of [plaintiff's] recovery, [t]hey clearly ha[ve] a substantial bearing on the reasonable compensation to which [the patentee] was entitled for infringing use of the invention.' . . . Of crucial importance here is the fact that [defendant] had an offer from [plaintiff] for a license to the patents-in-suit for a maximum of about \$2 million. . . . [Plaintiff's expert's] failure even to account for the reality that at one point [plaintiff] was willing to license all of [defendant's] alleged infringement - and obviate this litigation - for a cap of about \$2 million, and the absence of any reasonable explanation for why this reality is irrelevant, renders his analysis

unreliable."

Motion in Limine -- Expert Testimony: Denied in part granted in part
William M. Conley | April 4, 2014

Douglas Dynamics, LLC v. Buyers Products Company
3-09-cv-00261 (WIWD)



Expert Evidence
Fact Versus Expert Testimony

Damages
Lost Profits

The court granted in part defendant's motion in limine to exclude the testimony of plaintiff's chief engineer on lost profits. "[Plaintiff] responds that [the witness] is not merely an engineer; his titles included Engineering Director, Quality Director and Assistant to the President. He has been in a decision-making role in product and market development since 1977, he has an MBA, and he was designated as [plaintiff's] 30(b)(6) representative on topics related to sales and marketing of '700 patent products. . . . [Plaintiff] concedes that [he] was never disclosed as an expert witness. . . . The court will grant the motion to the extent that [he] may not provide expert opinions or testimony. He may, however, offer lay opinion and state facts of which he has personal knowledge, based on his employment with [plaintiff]."

Motion in Limine -- Expert Testimony: Denied in part granted in part
William M. Conley | April 4, 2014

Douglas Dynamics, LLC v. Buyers Products Company
3-09-cv-00261 (WIWD)



Expert Evidence
Expert's Methodology

Lost Profits
Demand for Patented Product

The court granted in part plaintiff's motion in limine to exclude the opinions of defendant's damages expert as to lost profits. "[Plaintiff] argues that [the expert's] reports assume that the first Panduit factor requires demand for the patented feature, not just for the patented product, which is incorrect under Federal Circuit law. . . . [Defendant's expert] may not misstate the law and opine that lost profits analysis requires demand for the patented feature, not the product. [He] is free, however, to disagree with [plaintiff's expert's] market-share analysis and argue generally that [the parties] were competing in separate marketplaces and that, in the market in which [defendant] was competing, the sales of [plaintiff's] patented product would not have replaced its sales."

Evidence
FRE 402 -- Relevance

Evidence
FRE 408 -- Settlement

Reasonable Royalty
Prior License or Sale of Patent

The court granted in part plaintiff's motion in limine to exclude the valuation of an agreement "which settled prior patent litigation under the [patent-in-suit] . . . and included non-exclusive, cross-licenses." "[Plaintiff] argues that the potential probative value of the . . . Agreement is dubious, since the agreement includes [plaintiff's] payments for the [cross-licensed] patents, rather than simply reflecting the economic footprint of the [patent-in-suit]. . . . [I]t does not appear that the [agreement] is uniquely relevant and reliable, not because it was arrived at in a litigation setting, but because it was arrived at by an effort to value cross-licenses. . . . The mere fact that it appears to be the only such license available does not justify its admission. . . . [Defendant] is free to make a proffer demonstrating that the [agreement] is in fact uniquely relevant and reliable, and the parties may refer to the fact that the [agreement] creating a cross-license arrangement, including use of the [patented] invention, exists, but the actual value of the license in that agreement is excluded."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Richard W. Story | March 31, 2014

Schutz Container Systems, Inc. et al v. Mauser Corp. et al
1-09-cv-03609 (GAND)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court granted in part plaintiff's motion to exclude the testimony of defendants' damages expert based on a flawed lost profits apportionment methodology. "[Defendants' expert] relied upon an apportionment factor of 16.7% to identify the portion of Defendants' profits that should be attributed to Defendants' unlawful conduct. In arriving at this percentage, [he] relies upon the testimony of [plaintiff's national sales manager] and the report of . . . an expert who was subsequently withdrawn by Defendants. Despite a lack of experience in this area of marketing, [defendants' expert] essentially combined [their] testimony . . . and settled on five factors of demand for the product at issue. He then added a sixth factor, the effect of the alleged unlawful activity. Most troublesome, he then attributed equal weight to all six factors in creating his apportionment formula. There is no evidence in the record that supports this calculation. Therefore, the Court finds that the calculation of damages based on this apportionment theory is flawed and is not admissible."

Motion in Limine -- Expert Testimony: Granted
Amy J. St. Eve | March 26, 2014

Sloan Valve Company v. Zurn Industries, Inc., et. al.
1-10-cv-00204 (ILND)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court granted defendant's motion to exclude the opinions of plaintiff's compensatory damages expert regarding a reasonable royalty. "What [plaintiff's expert] deems as [plaintiff's] 'royalty rate' is actually a royalty base. . . . An over-inclusive royalty base including revenues from the sale of non-infringing components is not permissible simply because the royalty rate is adjustable.' [Plaintiff's expert] has done exactly that – he has created an over-inclusive royalty base by including all revenues from the estimated sales of non-infringing components. [Plaintiff] contends that this is not a lost profits calculation, but [its expert's] deposition testimony concedes that it essentially is. . . . [He], therefore, cannot include the value of lost sales of collateral goods in his reasonable royalty rate."

Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Rate

The court granted defendant's motion to exclude the opinions of plaintiff's compensatory damages expert regarding the "price effect" on a reasonable royalty. "[Plaintiff's expert] attributes more than half of his reasonable royalty rate, \$71, to what he calls the 'price effect.' As [he] describes it, 'the pricing effect is based on [plaintiff's] initial and subsequent pricing being lower than its intended pricing. In the event [plaintiff] could have sold its valves at the intended higher prices, and [it] expected higher prices without [defendant] in the market, these otherwise higher prices are additional profits [plaintiff] would have been licensing out and are attributable to the Accused Products.' . . . [Plaintiff's expert] does not have the proper foundation to conclude that [plaintiff] would have made every sale that [defendant] did at its intended higher price. . . . [T]he 'price effect' is twice as large as the value that [he] attributes to the patented product. [Plaintiff's expert] is attempting to use the label 'price effect' to cover what appears to be lost profits. . . . For these reasons, [the expert] cannot include the 'price effect' in his reasonable royalty analysis."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Hypothetical Negotiation

The court granted defendant's motion to exclude the opinions of plaintiff's compensatory damages expert regarding the hypothetical negotiation. "Neither [plaintiff] nor [its expert] offer any justification for why \$100 is a fair, reasonable, or economically sound starting point, especially considering that [plaintiff's expert] also determined that \$60 was the maximum price [defendant] would be willing to pay for such a license. [His] sole basis for using \$100 as the starting point is that it is the midpoint between his estimates of [the parties'] positions. . . . [Plaintiff's expert] does not provide any economic analysis tied to the relevant facts to support this determination, and this failure is fatal to this element of [his] calculation."

Motion in Limine -- Expert Testimony: Denied
Christopher A. Boyko | March 25, 2014

Responsive Innovations, LLC v Holtzbrinck Publishers, LLC, et. al.
4-08-cv-01184 (OHND)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion in limine to exclude the opinion of defendant's reasonable royalty expert on the basis that the expert considered defendant's asset purchase agreement. "While not a license agreement, [the APA] contains the purchase of intellectual property, including the [accused] technology with a royalty rate that is at least helpful in determining, for purposes of a hypothetical negotiation, what [defendant] considered a reasonable rate."

Motion in Limine -- Expert Testimony: **Denied**
Christopher A. Boyko | March 25, 2014

Responsive Innovations, LLC v Holtzbrinck Publishers, LLC, et. al.
4-08-cv-01184 (OHND)



Expert Evidence
Qualification of Expert

Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Lost Profits

The court denied defendant's motion in limine to exclude the testimony of plaintiffs' damages expert as to lost profits. "There is no challenge made to [plaintiffs' expert's] qualifications as a [CPA] with twenty years experience in determining damages in commercial litigation. [He] is a founding member of . . . 'an intellectual capital merchant banc firm providing valuation, asset and risk management, corporate finance and expert services.' [His] education and work experience qualifies him as an expert in damages assessment. . . . Defendants challenge [his] assumptions that certain devices are, in fact, acceptable alternatives. These challenges go to the weight accorded [his] opinions and not the reliability of his methodology. . . . [He] examined a substantial list of factors to determine lost profits Plaintiffs would have realized but for Defendants alleged infringement. He arrived at his figures by calculating price, market share, incremental costs, commissions, bonuses and a number of other factors to arrive at his calculation. . . . His opinions are certainly open to cross examination, but Plaintiffs have met their burden to show his testimony is admissible."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Claudia Wilken | March 25, 2014

GuideTech, Inc. v. Brilliant Instruments, Inc.
4-09-cv-05517 (CAND)



Evidence
Evidence/Contentions Not Timely Disclosed

Damages
Lost Profits

The court denied defendant's motion in limine to exclude plaintiff's claim for lost profits. "Because [plaintiff] produced some evidence of its lost profits theory during discovery, it would be inappropriate to exclude all evidence supporting this theory. [Plaintiff] may only present evidence it has disclosed to [defendant] and must cite before trial where such evidence was disclosed."

Motion in Limine -- Expert Testimony: **Denied**
Barbara B. Crabb | March 12, 2014

Cheese Systems, Inc. v. Tetra Pak Cheese and Powder Systems, Inc., et. al.
3-11-cv-00021 (WIWD)



Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied plaintiff's motion in limine to exclude the opinion of defendant's damages expert on lost profits for failure to address acceptable noninfringing alternatives. "Defendants do not deny that [their expert] omitted that issue

from his report, but they cite *State Industries, Inc. v. Mor-Flo Industries, Inc.*, 883 F.2d 1573 (Fed. Cir. 1989), in which the court held that a patent owner need not point to an acceptable noninfringing alternative when the patent owner and the infringer are the only suppliers of the product. Although [defendants' expert] cited *State* in his opinion, plaintiff does not explain in its motion why *State* does not apply to this case. Accordingly, I am denying this motion."

Renewed Motion Motion in Limine -- Expert Testimony: Denied
in part granted in part
Timothy B. Dyk | March 6, 2014

Stragent, LLC et al v. Intel Corporation
6-11-cv-00421 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

Reasonable Royalty
Prior License or Sale of Patent

The court denied defendant's renewed motion to exclude plaintiff's damages expert's opinions based on plaintiff's settlement licenses. "While there is good reason to be skeptical about the probative value of licenses that may merely reflect the nuisance value of avoiding litigation, I note that, here, these licenses are the only licenses in the record and cover the patents-in-suit, plus one additional, closely-related patent. The court will not exclude this aspect of [plaintiff's expert's] testimony from evidence, but [defendant] may present arguments and evidence at trial that the agreements are not probative of a reasonable royalty rate. Also, [defendant] may propose instructions that such licenses should be given less weight because they were entered into in the context of a litigation settlement."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

The court granted defendant's renewed motion to exclude plaintiff's damages expert's multivariate hedonic regression analysis. "In assessing the appropriateness of the benchmark rates against the Georgia-Pacific factors, [the expert] . . . used multivariate hedonic regression to 'estimate the value of the accused feature's contribution to the overall prices realized by [defendant] on the 5 Accused Products.' . . . Even assuming that hedonic regression analysis could properly be used to calculate the value of the accused feature, I conclude that [plaintiff's expert's] methodology relies on arbitrary assumptions that have no basis in the facts of this case or hedonic analysis in general. [His] attribution of equal value to all 19 RAS features is not based on any theory that meets the Daubert criteria of verifiability, peer review or publication, an acceptable error rate, or general acceptance in the scientific community. Indeed, [he] admitted that he could not separately estimate the value of the accused feature because all 19 RAS features were present in the same processor models. . . . Utilizing guesswork is precisely what [plaintiff] is attempting to do here with [its expert's] guess as to the value of the accused feature in connection with his hedonic analysis. . . . [The expert's] opinion that 2.2% of the price of the accused products is attributable to the 8 accused feature lacks the 'valid scientific connection to the pertinent inquiry' that is required 'as a precondition to admissibility' under Rule 702."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied in part granted in part
Lucy H. Koh | March 5, 2014

Apple Inc. v. Samsung Electronics Co., Ltd., et. al.
5-12-cv-00630 (CAND)



Evidence
FRE 402 -- Relevance

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted in part defendant's motion in limine to preclude evidence that plaintiff practices three patents-in-suit. "[Plaintiff] may present the invention story of these patents, but may not contend that it practices the patents. [Plaintiff] may not rebut any [defendant] contention that [plaintiff's] products constitute an acceptable non-infringing alternative to the [three] Patents by contending that [plaintiff] practices an unasserted or asserted claim of the [three] Patents. . . . The Court notes that it gave [plaintiff] an opportunity to rebut [defendant's] contention that [plaintiff's] products constitute

acceptable noninfringing alternatives by contending that [plaintiff] practices unasserted claims of the [three] Patents so long as [plaintiff] was willing to litigate the validity of the unasserted claims either before or during the . . . trial. [Plaintiff] declined the Court's offer."

Motion in Limine -- Expert Testimony: **Granted**
Amy J. St. Eve | February 28, 2014

Sloan Valve Company v. Zurn Industries, Inc., et. al.
1-10-cv-00204 (ILND)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Price-Erosion Damages

The court granted defendant's motion in limine to exclude plaintiff's employee-experts' testimony on price erosion. "[The expert] did not perform any economic studies to reach this opinion. The Federal Circuit has stated, 'in a credible economic analysis, the patentee cannot show entitlement to a higher price divorced from the effect of that higher price on demand for the product. In other words, the patentee must also present evidence of the (presumably reduced) amount of product the patentee would have sold at the higher price.' Despite his failure to conduct or rely on such an analysis, [the expert] asserts that there would be no effect on consumer demand. He makes this assertion despite acknowledging that consumers could explore alternatives to manual dual flush valves. Thus, his opinion is not based on sufficient facts or a reliable methodology. The facts that [plaintiff] asserts in support of [its employee's] opinion more appropriately address what [plaintiff] intended to charge for its MDF valve, not what the market would bear. He may testify regarding [plaintiff's] intended sales price, but he may not opine that customers would have paid that price without any diminishing sales."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Lucy H. Koh | February 25, 2014

Apple Inc. v. Samsung Electronics Co., Ltd., et. al.
5-12-cv-00630 (CAND)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Georgia Pacific Factors

The court denied defendant's motion to exclude plaintiff's conjoint survey expert regarding the demand for patented features. "[Defendant] moves to exclude . . . [plaintiff's] survey expert who designed and performed conjoint surveys to determine the demand for the patented features at issue in this case. . . . [T]he novelty of [plaintiff's expert's] opinion stems from his use of the outside option to quantify the decrease in [defendants'] customers' demand for [defendants'] products without the infringing features. The Court finds that this type of use of the outside option to study demand is adequately supported by marketing literature. . . . The Court continues to recognize that the framing of questions for purposes of surveys is generally an issue of weight, not admissibility."

Damages
Reasonable Royalty

Damages
Lost Profits

The court denied defendants' motion to exclude the testimony of plaintiff's damages expert as to reasonable royalties based on lost profits. "[Defendant] contends that [plaintiff's expert's] use of a lost profits analysis for certain infringing sales and an expected lost profits analysis for the remaining sales is flawed. . . . Allowing [the expert] to present a reasonable royalty number based solely on [plaintiff's] expected lost profits, [defendant] continues, would allow [plaintiff] to receive some measure of lost profits damages even though it cannot prove the Panduit requirements for lost profits. . . . [Defendant's] argument is foreclosed by Federal Circuit precedent. . . . That is not to say that relying on a lost profits analysis to support a reasonable royalty award will be proper in every case. In particular, there may be situations where an expert's contention that a patentee could anticipate lost profits at the time of the hypothetical negotiation is plainly unreasonable. Here, however, [defendant] did not move to exclude [the expert's] analysis on the basis that it is

unreasonable in light of the circumstances of this case."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Lucy H. Koh | February 25, 2014

Apple Inc. v. Samsung Electronics Co., Ltd., et. al.
5-12-cv-00630 (CAND)



Evidence

FRE 408 -- Settlement

Expert Evidence

Expert's Methodology

Reasonable Royalty

Prior License or Sale of Patent

The court granted plaintiff's motion to exclude defendants' damages expert's testimony regarding plaintiff's global settlement with another party. "[Defendants] may not rely on [plaintiff's] settlement offer to prove the amount of [plaintiff's] damages. . . . [Defendants' expert] presents no other way to account for [another party's] cross license to [plaintiff] in [their] Agreement. . . . Nor does [she] account for the benefit that [plaintiff] received in settling 50 worldwide patent litigations and other proceedings involving [the other party], some of which very likely created substantial risk and cost for [plaintiff]. . . . Expert testimony based on license agreements must provide a jury enough information to 'evaluat[e] the probative value of those agreements,' lest the jury be given 'little more than a recitation of royalty numbers' to determine the outcome of a particular hypothetical negotiation."

Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

The court granted plaintiff's motion to exclude the testimony of defendants' damages expert regarding a group of licenses. "[Defendants' expert's] mass grouping and statistical analysis of these agreements is fundamentally flawed because it treats all the agreements the same regardless of whether any of the licensed technology has any relationship to the patents-in-suit. . . . By indiscriminately summarizing lump-sum license agreements without reference to their technological subject matter, [she] marginalizes agreements that appear to provide important indicators of the contours of the hypothetical negotiation. . . . [Her] cursory treatment of a license with a structure and rates that discredit her conclusions, based on reasons unrelated to the economic and technical similarities of the agreement to the hypothetical negotiation, is contrary to the Federal Circuit's requirement that, when relying on licenses, parties and the Court must review the licenses' terms with 'vigilance.'"

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied in part granted in part

Marilyn L. Huff | February 21, 2014

Viasat, Inc., et. al. v. Space Systems/Loral, Inc., et. al.
3-12-cv-00260 (CASD)



Evidence

FRE 403 -- Confusion

Reasonable Royalty

Hypothetical Negotiation

The court granted defendant's motion in limine to exclude evidence of plaintiff's nonasserted patents issued after the hypothetical negotiation date. "[Plaintiff] argues that although it obtained these newer patents after the likely date of the hypothetical negotiation, it had already filed applications for the patents at the time of the negotiation. Thus, the parties would have been aware of [plaintiff's] pending patent applications and of the possibility that [plaintiff] might file continuation applications claiming those disclosed inventions. This argument is speculative at best. Moreover, [defendant] points out that the newer patents are the subject of a second lawsuit between the parties. To the extent that [defendant's] proposed non-infringing alternatives infringe the newer patents, [plaintiff] will be able to recover the bulk of those damages in the second lawsuit, if appropriate. . . . Furthermore, asking the jury to distinguish the patents-in-suits from those [plaintiff] introduces only to undermine Defendants' evidence of non-infringing alternatives is likely to result in confusion and delay."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Andrew J. Guilford | February 21, 2014

I-Flow LLC et al v. Progressive Medical, Inc.
8-12-cv-01064 (CACD)Expert Evidence
Expert's MethodologyLost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted in part defendant's motion in limine to exclude plaintiff's damages expert. "[P]art of [plaintiff's damages expert's] lost profits analysis crosses the line. Specifically, he assumes that Plaintiff would have captured 100% of Defendant's sales. In a tacit acknowledgment of the aggressiveness and lack of methodological support for that assumption, [the expert] also writes that: 'in the event the Court disagrees with my evaluation of a two player market theory and the relevant market, and it concludes that there are other acceptable substitute devices available, then based on my evaluation of the relevant market together with the documentation produced by the parties regarding market share, at a minimum lost profits should be calculated assuming that I-Flow maintains an approximate 80 percent market share.' . . . [T]here is no adequate methodological support for [his] 100% capture opinion, and there is no analysis between the data and the opinion. The 100% capture opinion will therefore be excluded."

Motion in Limine -- Expert Testimony: Denied

Richard G. Andrews | February 6, 2014

Inventio AG v. Thyssenkrupp Elevator Americas Corporation, et al.
1-08-cv-00874 (DED)Expert Evidence
Expert's MethodologyExpert Evidence
Data/Assumptions Supporting OpinionReasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude defendant's expert because of his reliance on an umbrella license between plaintiff and its sister company. "The umbrella license that this motion revolves around is a license between [plaintiff] and . . . [one of plaintiff's] sister companies. The license covers all of [plaintiff's] U.S. intellectual property, 'including all patents, Know-how, Designs, Domain Names and Trademarks . . . ' Because of the license, '[plaintiff's sister company] pays [a] license fee to [plaintiff] based on essentially all of [plaintiff's] sales and revenue in the U.S., not merely its sales of destination dispatch overlay.' Furthermore, the license includes the patents-in-suit. . . . [Defendant's expert] at least minimally connects the license in question to the patents-in-suit and rather than simply extract a royalty rate from the previous license, uses the license as only a single component of his entire analysis."

Motion in Limine -- Expert Testimony: Denied

Roy S. Payne | January 30, 2014

Mobile Telecommunications Technologies, LLC v. Clearwire Corporation
2-12-cv-00308 (TXED)Expert Evidence
Expert's MethodologyReasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert. "The Court is wholly unconvinced that [the expert's] failure to treat one company's acquisition of an entire data network and accompanying business as an 'established royalty' is even arguably improper, much less a methodology so flawed it must be excluded under F.R.E. 702. The Court observes that what little merit exists in [defendant's] position may be easily addressed by cross examination of [plaintiff's expert]."

Motion in Limine -- Expert Testimony: Granted

Richard G. Andrews | January 29, 2014

Robocast Inc. v. Microsoft Corporation
1-10-cv-01055 (DED)Damages
Reasonable Royalty

Expert Evidence

Expert's Methodology

The court granted defendant's motion in limine to exclude the testimony of plaintiff's reasonably royalty expert. "While [the expert's] report never mentioned the Nash Bargaining Solution or game theory, there is no doubt that the reasoning behind the purported 50/50 profit split is premised on these models. . . . [Plaintiff's expert] did not discuss the relative bargaining power of [the parties]. Without discussing the underlying assumptions, it is impossible to tie the idealized bargaining problem to the facts of the case. . . . [I]f [defendant] had a history of licensing similar technology for a 50/50 split of the profits, or [plaintiff] had a history of licensing the [patent-in-suit] for half of the profits, those would be the sort of facts that would provide a basis for [his] calculations. As it is, while the Nash Bargaining Solution of a 50/50 split has a more prestigious academic pedigree than the 25% rule of thumb, both are non-starters in a world where damages must be tied to the facts of the case. [Plaintiff's expert] did not tie his reasonable royalty analysis to the facts of the case, and it is therefore excluded."

Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

The court granted defendant's motion in limine to exclude the testimony of plaintiff's reasonably royalty expert regarding lump sum licenses. "[Plaintiff's expert] cannot rely on licenses for unrelated technology in order to arrive at a lump sum royalty payment for the technology at issue. The only thing that Mr. Hoffman may glean from [defendant's] history of licensing technology is that Microsoft was willing to license technology. What [defendant] paid for unrelated technology does not help the jury determine what [it] would have paid for this technology."

Motion in Limine -- Expert Testimony: Denied

Richard G. Andrews | January 16, 2014

Robocast Inc. v. Microsoft Corporation

1-10-cv-01055 (DED)



Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert because the expert relied in part on the sale of a technologically comparable patent. "[Plaintiff's] issue with the use of [a patent] sale seems to be based on the argument that in addition to technological comparability, there must be economic comparability of the value of the technology. This is circular. . . . The [patent] sale was not a license agreement, but an outright sale of patent rights. Thus it represents the maximum value someone was willing to pay for the technology. If anything, this type of transaction overstates the value which [defendant] would place on a license for comparable technology. It nevertheless serves as a relevant data point in determining the value which the parties to the hypothetical negotiation would place on technologically similar patents, in this case the [patent-in-suit]."

Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert and rejected plaintiff's argument that the expert's valuation of a patent sale was unreliable because the expert "was unaware of any discounts applied due to uncertainty, such as the risk of invalidity." "Lump sum licenses are frequently made in the absence of certainty regarding infringement and validity, and yet they inform the reasonable royalty calculation. Of course, it may also be proper to adjust the reasonable royalty upwards due to this uncertainty. While there is a question regarding the discounts applied to the valuation, the valuation itself should not be excluded. . . . [Plaintiff] may properly bring up the

valuation discount on cross examination."

Motion in Limine -- Expert Testimony: Denied

Richard G. Andrews | January 14, 2014

Robocast Inc. v. Apple Inc.

1-11-cv-00235 (DED)



Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court denied plaintiff's motion to exclude the testimony of defendants' damages expert. "[Defendant's expert] opined that the inclusion of the allegedly infringing . . . feature in iTunes and the Top Sites feature in Safari did not have a positive impact on Apple revenues. . . . [Defendant's expert's] testimony is offered in rebuttal to [plaintiff's] damages expert . . . [who] opined that the inclusion of [the accused feature] would result in a 3.4% increase in the number of clicks on purchasable media content, which would logically result in a 3.4% increase in iTunes revenue. . . . [Defendants' expert] sought to test [plaintiff's expert's] conclusions by performing regression analyses and Chow tests. . . . [Plaintiff] seeks to exclude this testimony because [defendants' expert] failed to account for certain variables which, [plaintiff] contends, renders the analysis unreliable. Specifically, [plaintiff] points to the increasing use of iPhones, Spotify, and Pandora. [Plaintiff] contends that these countervailing variables could have masked the positive impact caused by the accused features. . . . Whether he should or should not have accounted for these variables is a question that goes to the weight of the testimony, not its admissibility, and is properly left to the jury."

Motion in Limine -- Expert Testimony: Denied in part granted in part

William H. Alsup | January 10, 2014

Plantronics, Inc. v. ALIPH, INC. et al

3-09-cv-01714 (CAND)



Expert Evidence
Qualification of Expert

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted in part plaintiff's motion in limine to exclude the testimony of defendant's damages expert that assumed, for purposes of a hypothetical negotiation, that third-party unasserted patent was an acceptable non-infringing substitute. "[Defendant's expert] is a mere economist, not a technical expert and cannot opine that the [third party] patent was an acceptable non-infringing substitute. Nonetheless, the possibility exists that through skillful cross-examination of plaintiff's witnesses and/or other evidence, the trial evidence may develop in a way for the jury to reasonably conclude that the [third party] patent presented an acceptable non-infringing substitute to the asserted patent, thus supplying the missing foundation. . . . Meanwhile, no reference to [defendant's expert] and the [third party] technology as an acceptable non-infringing substitute may be made in the presence of the jury."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied without prejudice plaintiff's motion in limine to exclude the testimony of defendant's damages expert to the extent it assumed a license to a third-party unasserted patent. "[F]or purposes of a hypothetical negotiation, defendants . . . have disclosed an expert report that assumes (without proof) that a particular unasserted patent owned by a third-party . . . (1) would have been an 'acceptable non-infringing substitute' for purposes of lost profits and (2) a license thereto would have supplied a 'comparable license' rate for purposes of a reasonable royalty opinion. Plaintiff seeks to strike all such expert testimony based on these assumptions, given that, plaintiff says, the assumptions lack foundation. With respect to comparability, however, a jury could reasonably conclude on the face of the two patents that the two patents are comparable, so on that foundation alone, [defendant's expert] may give his testimony on comparability and reasonable royalty."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied

Fernando M. Olguin | January 3, 2014

Alfred E. Mann Foundation for Scientific Research v. Cochlear Corporation, et. al.

2-07-cv-08108 (CACD)



Evidence
Motion in Limine -- Generally

Damages
Marking & Notice of Infringement

The court denied defendant's motion in limine to exclude evidence of pre-notice damages for failure to mark. "[Defendant] invites the court to decide several factual issues that are disputed by [plaintiff], including whether any products sold under [a license] were adequately marked, whether any marking was 'substantially consistent, and continuous,' and whether [plaintiff] made reasonable efforts to ensure that [a licensee] was marking its licensed, patented articles. A motion in limine is not the proper forum for the court to resolve these factual disputes. . . . [T]he evidence at issue is relevant to whether the asserted claims of the patents-in-suit are obvious."

Motion in Limine -- Expert Testimony: **Granted**
Richard G. Andrews | December 19, 2013

Taser International Inc. v. Karbon Arms LLC
1-11-cv-00426 (DED)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court granted plaintiff's motion in limine to exclude the testimony of defendant's damages expert with respect to reasonable royalty. "The lower boundary which [defendant's expert] uses is based entirely on [defendant's] CEO's statement that a \$.05 per unit royalty rate would be appropriate. [Defendant's expert] next considered three numbers to inform his opinion. . . . [He] offers almost no basis as to how he arrived at his royalty rate other than that he considered the above numbers and factors. This is the quintessential ipse dixit justification. [His] reasonable royalty analysis is not based on any reliable methodology, and therefore fails Daubert and is excluded under Fed. R. Evid. 702."

Motion to Reconsider Motion in Limine -- Expert Testimony:
Granted
Rodney Gilstrap | December 10, 2013

Cassidian Communications, Inc. v. microDATA GIS, Inc. et al
2-12-cv-00162 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted defendants' motion to reconsider an earlier order excluding testimony of defendants' damages expert after the court allowed the expert to serve a supplemental report. "[Defendants' expert] confirmed during deposition that past royalties paid under [certain defendant] licenses were irrelevant to determining reasonable royalty for the patent-in-suit. However, [he] opines that the [defendant] licenses are probative to show the type of licenses [defendant] would be willing to accept, i.e., one-time, lump-sum payments. . . . [Defendants' expert] has failed to establish the probative value of the [defendant] licenses in determining the reasonable royalty value for the patent-in-suit. [He] is thus precluded from relying on such [defendant] licenses in his reasonable royalty valuation. That said, the Court finds that the [defendant] licenses bear limited probative value with respect to the type of licenses [defendant] would be willing to accept."

Motion in Limine -- Expert Testimony: **Granted**
T. S. Ellis, III | December 3, 2013

Rembrandt Social Media, LP v. Facebook, Inc., et. al.
1-13-cv-00158 (VAED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted defendant's motion to exclude plaintiff's damages expert, but rejected defendant's arguments regarding the entire market value rule. "Rembrandt's expert did not use the entire value of Facebook as the royalty base. [He] began his calculation of the royalty base with Facebook's entire revenue, but he then performed two separate apportionments. The EMVR applies when an expert performs no apportionment, instead using the entire value of a product as the royalty base. Application of the EMVR involves applying the royalty rate to the entirety of a product's revenue. Accordingly, the EMVR is not implicated here."

Expert Evidence

Expert's Methodology

Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court granted defendant's motion to exclude the report and testimony of plaintiff's damages expert for failing to apportion defendant's revenue to the two features causing the alleged infringement. "Of course, the smallest salable infringing unit must be the starting point for the royalty base, but the Federal Circuit has not held 'that no further apportionment is ever necessary once the smallest salable unit is determined.' . . . [A]llowing [plaintiff's] expert to use as the royalty base the entire value of [four other features] -- all of which can be used independently without infringing -- while not using the value of [the two] features that actually cause the alleged infringement -- would be a mistake of the same kind as allowing [plaintiff's] expert to use the entire value of [defendant]. . . . As [plaintiff's] own expert . . . has admitted, without [those two allegedly infringing features], the four features used as the royalty base do not infringe."

Motion in Limine -- Expert Testimony: **Granted**
Rodney Gilstrap | December 3, 2013

Cassidian Communications, Inc. v. microDATA GIS, Inc. et al
2-12-cv-00162 (TXED)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Hypothetical Negotiation
Timing of Hypothetical Negotiation

The court granted plaintiff's motion in limine to exclude the testimony of defendants' damages expert because of his use of an incorrect hypothetical negotiation date. "[Defendants' expert's] report is fatally flawed, in that it calculates reasonable royalty based on an incorrect hypothetical negotiation date . . . almost two years after the date infringement began. . . . Defendants argue that because 'the record is completely silent with regard to any market changes between the two hypothetical negotiation dates,' using the [incorrect] date would not have affected [their expert's] analysis. However, having conceded that [he] used the wrong hypothetical negotiation date, Defendants bear the burden to come forth with evidence justifying [his] opinion notwithstanding the two-year gap between the two dates. Simply pointing out that 'the record is completely silent with regard to any market changes' between the two dates, without more, fails to persuade the Court that no market changes took place between these two dates and that it should overlook such a material flaw in [defendants' expert's] opinion."

Motion in Limine -- Expert Testimony: **Denied**
William W. Caldwell | December 2, 2013

Kimberly-Clark Worldwide Inc. v. First Quality Products Inc., et al.
1-09-cv-01685 (PAMD)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Georgia Pacific Factors

The court denied defendants' motion in limine to exclude the testimony of plaintiff's economic expert regarding commercial success. "[Plaintiff's expert's] economic report relies on the analysis of [plaintiff's] technical experts to identify the technologies covered by the patent claims and the improvements conferred on [plaintiff's] products that practice these respective inventions. Thereafter, [he] discusses consumer surveys which demonstrate consumer preference for products that contain these improvements over products that lack such features. Additionally, [he] cites to internal documents and deposition testimony supporting his conclusion that the inclusion of these patented features drives sales of [plaintiff's] products. Such methodology is proper because 'testimony concerning the advantages of a patented feature in multi-featured products,' such as those in the instant case, 'is sufficient to support the inference of a nexus between the patented feature and the commercial success.'"

Evidence
FRE 403 -- Prejudice

Trial
Order of Proof

Reasonable Royalty
Georgia Pacific Factors

The court denied defendants' motion in limine to exclude the opinion of plaintiff's economic expert that the commercial success of defendants' products stems from its infringement. "[Defendant] . . . seeks to prevent [the expert] from testifying that the commercial success of [defendant's] products stems from the qualities derived from practicing the patents-in-suit. [Defendant] argues that such testimony would 'put the cart before the horse' by assuming what is in dispute in this case—that [defendant's] products infringe [plaintiff's] patents. The court will decline [defendants'] request for a pretrial order precluding [plaintiff's expert] from testifying that [defendants'] products enjoyed commercial success as a result of the alleged infringement of [plaintiff's] patents. Instead, [defendants] will have the opportunity to cross examine [him] regarding the assumptions underlying his ultimate opinions, including his assumption (based on the opinions of [plaintiff's] technical experts) that [defendants'] products infringe [the] patents."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Leonard Davis | November 25, 2013

TracBeam, L.L.C. v. AT&T Inc., et. al.
6-11-cv-00096 (TXED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court denied in part defendant's motion to exclude the testimony of plaintiff's damages expert. "[Defendant] claims [plaintiff's expert] wrongly uses the cost of [defendant's] entire location network rather than the costs savings from using the patented methods. . . . Though [defendant] claims the cost of a new network is an inaccurate measure and inflates the base for the royalty analysis, [it] fails to offer evidence assessing the value of the patented method itself. . . . This dispute presents a factual question for the jury whether the cost of building a new location network is equivalent to the value provided by the patented methods. A plaintiff must tie damages for a patented invention to the value of the patented technology. . . . [Plaintiff] argues the value of its patented method of using multiple location techniques to locate a cell phone is the cost of a new location network. Though this appears to be a gross over-valuation . . . [defendant] never introduces evidence to show a location network can perform non-infringing operations."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert concerning royalty rates based on revenue-sharing agreements. "Agreements between [defendant] and third-parties that provide services and products unrelated to the patent are not part of the hypothetical negotiation. These agreements are not patent licenses, but are revenue-generating service and purchase contracts. . . . [Plaintiff] contends it did not use these agreements to arrive at its 50% royalty rate, but only as a check that such a number is realistic. Nevertheless, irrelevant financial information is still not admissible even when used as a 'check' for an otherwise proper reasonable royalty analysis."

Motion in Limine -- Expert Testimony: Denied

Joseph C. Spero | November 18, 2013

Volterra Semiconductor Corporation v. Primarion, Inc., et. al.
3-08-cv-05129 (CAND)



Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Price-Erosion Damages

The court denied defendants' motion to exclude the testimony of plaintiff's damages expert as to price erosion. "[W]hile Defendants object to [the expert's] selection of certain data in connection with his opinions regarding price attrition in his hypothetical market, the essence of their argument is that they disagree with [his] underlying reading of the facts. This is properly the subject of cross-examination rather than exclusion."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Joseph C. Spero | November 18, 2013

Volterra Semiconductor Corporation v. Primarion, Inc., et. al.
3-08-cv-05129 (CAND)



Expert Evidence
Expert's Methodology

Damages
Price-Erosion Damages

The court granted in part defendants' motion in limine to exclude the testimony of plaintiff's damages expert. "[The expert] has not demonstrated that her approach to valuation is based on accepted economic principles. Although [plaintiff] argues that her approach to valuation is simple and accepted because 'cash is cash,' [plaintiff's expert] has failed to cite to scientific principles that establish that it is appropriate to value the parent's harm on a dollar-for-dollar basis, that is, to conclude that each dollar lost to the off-shore subsidiaries translates to a full dollar of harm to the parent. . . . [She] appears to have simply assumed that the amount of the lost cash held by the subsidiaries is the same as the direct harm suffered by [plaintiff]. The Court finds that her approach does not meet the requirement under Daubert that an expert's opinions must be based on an accepted methodology."

Ex Parte / Emergency Motion in Limine -- Evidence
Supporting Claim/Defense: **Granted**
Roy S. Payne | November 15, 2013

TQP Development LLC vs v. 1-800-Flowers.com Inc., et. al.
2-11-cv-00248 (TXED)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Prior License or Sale of Patent

The court granted plaintiff's emergency motion to exclude from trial the terms of two licenses of the patent-in-suit to settling defendants. "[E]ach license contains a contingency provision that provides that 'in the event that [plaintiff] is awarded any damages for infringement by [the defendant in the upcoming trial] by a jury verdict' in this case, the party will have to pay [plaintiff] the lesser of '(50%) of the Jury Verdict Amount' or \$500,000. The licenses are otherwise for an up-front lump sum of \$250,000. . . . These specific contingency provisions are likely to improperly influence a jury. While the contingency provision presents a general difficulty in that it is not a fixed value, this difficulty is compounded radically in the present case, as the very jury that would be asked to use the licenses for probative purposes is the one responsible for fixing their value."

Motion in Limine -- Expert Testimony: **Denied**
Michael H. Schneider | November 14, 2013

L.C. Eldridge Sales Co., Ltd., et. al. v. Azen Manufacturing Pte., Ltd., et. al.
6-11-cv-00599 (TXED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendants' motion in limine to exclude the opinions of plaintiff's damages expert for improperly applying the entire market value rule. "Plaintiffs have demonstrated that their damages expert . . . considered market conditions, specifically the rule of supply and demand. . . . Further, [he] explains that the patented invention is the driving force of the system. The remaining parts -- the fans, electrical wiring, etc. -- are merely the vehicles to bring to life the patented invention and would not independently be consider 'saleable units.' Accordingly, [his] opinion does not violate the entire market value rule and is admissible."

Motion in Limine -- Expert Testimony: **Denied**
William W. Caldwell | November 13, 2013

Kimberly-Clark Worldwide Inc. v. First Quality Products Inc., et. al.
1-09-cv-01685 (PAMD)



Expert Evidence
Expert's Methodology

Royalty Rate
Rate Cap Based on Noninfringing Substitute

The court denied plaintiff's motion in limine to preclude the testimony of defendant's damages expert because he capped the range of potential royalty rates. "[Plaintiff] asserts that [defendant's expert's] calculations . . . impermissibly 'establish[] a cap' on the range of potential reasonable royalty rates in the hypothetical negotiation by concluding that

[defendant] would not pay a royalty rate higher than the cost associated with forgoing use of the infringing products and instead using available, noninfringing alternatives. . . . [The expert's] proposed testimony does not stem from the mistaken belief that infringement damages must be capped at the cost of using a noninfringing alternative. Instead, he examines the economic circumstances of this particular case, notes the availability of acceptable noninfringing alternatives to [defendant], and concludes that no other factors would compel [defendant] to accept a higher royalty rate during the hypothetical negotiations. Such analysis does not, as [plaintiff] contends, misapply the law on damages."

Motion in Limine -- Expert Testimony: **Denied**
William W. Caldwell | November 13, 2013

Kimberly-Clark Worldwide Inc. v. First Quality Products Inc., et. al.
1-09-cv-01685 (PAMD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendants' motion in limine to preclude the testimony of plaintiff's damages expert because the expert used defendants' total revenue from sales of the accused products as a royalty base. "[Defendant] argues that this is improper because her expert report does not demonstrate that any of the allegedly infringing product components created the demand for the products as a whole. [Plaintiff] asserts that [its expert's] methodology is sound and notes that prior licenses demonstrate the industry's acceptance of a 'total revenue' royalty base. . . . [Plaintiff's expert] employed this approved methodology, multiplying the value of the finished product (the royalty base) by a single-digit rate (the royalty rate) to account for the infringing component's proportional value of the finished product. Such calculations are further supported by the fact that the prior licenses [she] relied on to calculate her royalty rate employed this same methodology."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied defendants' motion in limine to preclude the testimony of plaintiff's damages expert because she relied on incomparable licenses to determine a royalty rate. "[Plaintiff] argues against exclusion of [its expert's] opinions by claiming that the prior licenses -- each of which involves one or more of the patents-in-suit -- are sufficiently similar, and that [she] properly accounted for the economic differences between the prior licenses and the license which would have resulted from the hypothetical negotiation. . . . [Defendant's] criticisms of [plaintiff's expert's] opinion do not warrant its exclusion. . . . While [defendant] remains free to identify at trial what it perceives to be weaknesses in [her] opinion, we will deny [defendant's] request for the wholesale exclusion of her testimony."

Motion in Limine -- Evidence Supporting Claim/Defense:
Granted
Lucy H. Koh | November 12, 2013

Apple Inc. v. Samsung Electronics Co. Ltd., et. al.
5-11-cv-01846 (CAND)



Evidence
Evidence/Contentions Not Timely Disclosed

Damages
Lost Profits

Failure To Disclose in Expert Report
Exclusion Of Expert Testimony

The court granted defendants' motion to preclude plaintiff from seeking lost profits for three of its patents after the court struck the related opinions of its damages expert. "[Plaintiff] claims that it can prove its entitlement to lost profits through a vague combination of other evidence concerning the number of [defendants'] infringing sales. . . . [A]lthough [plaintiff] contends that it previously disclosed a general theory of lost profits damages that does not rely on either expert testimony or the Panduit factors, [plaintiff] did no such thing. . . . To admit a brand new damages theory on the literal eve of trial would be grossly prejudicial to [defendant], which has never had the opportunity to take discovery on or prepare to rebut any lost profits theory other than the one presented in [plaintiff's expert's] Report. . . . Furthermore, there is a high risk that introducing this new theory, the contours of which remain murky even to the Court, will confuse the issues, mislead the jury, and waste time. . . . Nor does [plaintiff] offer any proposals by which to ensure that leaving the jury to its own devices to calculate a lost profits award will not result in a damages award that is wildly speculative or based on

factors that have no place in a lost profits calculation."

Motion in Limine -- Expert Testimony: Denied

Roy S. Payne | November 12, 2013

TQP Development LLC vs v. 1-800-Flowers.com Inc., et. al.
2-11-cv-00248 (TXED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied defendant's motion in limine to exclude the opinions of plaintiff's damages expert. "Defendants argue that [the expert's] report should be excluded because the royalty structure arrived at by [him] is 'arbitrary,' in that the underlying . . . licenses it uses are not comparable to the technology in suit and that [the expert] derives a per transaction royalty from a licenses that discuss a per unit royalty. . . . While the per-transaction royalty used by [the expert] is not the same as the one set forth in the [underlying] licenses, that does not make it inappropriate. . . . [Plaintiff's expert] has explained the reasoning behind his damages theory. Whether his specific methodology and the reasoning are persuasive is a question for the jury. It is enough that [he] has expressed his opinion in a manner that could be helpful to the jury and that his opinion is relevant and supported by evidence."

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Type of court
document
Legal issue

Evidence (and selected
subcategories)
Damages (and all subcategories)

Event	Case	Order
Motion in Limine -- Expert Testimony: Granted John A. Kronstadt November 8, 2013	<i>NetAirus Technologies, LLC v. Apple Inc.</i> 2-10-cv-03257 (CACD)	
<p>Damages Reasonable Royalty</p> <p>Expert Evidence Expert's Methodology</p> <p>The court granted defendant's motion to exclude the testimony of plaintiff's damages expert. "[Plaintiff's expert's supplemental] per unit royalty rates are no more reliable than those that were used in [his] earlier damages opinions that the Court already has excluded. The Supplemental Report provides no sound economic basis for the conclusions offered of \$3.00 and \$3.50 per-unit royalties; there is no quantitative analysis provided. Therefore, there is no means by which this conclusion could be tested or recreated based on [his] purported inputs of component cost and survey data. . . . [Plaintiff's expert's] testimony is 'because I say so,' which is an ipse dixit opinion."</p>		
Motion in Limine -- Expert Testimony: Denied Roy S. Payne November 8, 2013	<i>Personalized Media Communications, L.L.C. v. Zynga, Inc.</i> 2-12-cv-00068 (TXED)	
<p>Expert Evidence Expert's Methodology</p> <p>Royalty Base Entire Market Value Rule</p> <p>The court denied defendant's motion to exclude the report and testimony of plaintiff's damages expert as to the entire market value rule. "[Plaintiff] alleges that each accused game, as a whole, infringes the patents-in-suit. . . . [T]he accused functionality is not a small, distinct feature but the entire software program. . . . [T]he Court is not persuaded that [plaintiff's expert] could have further divided [defendant's] games and revenue and still remained consistent with [plaintiff's] theory of infringement, or that [the expert's] smallest salable unit is 'greater than the patented feature.' Further, [defendant] provides no explanation regarding how further subdivision might be made, given that [plaintiff] accuses each entire game of infringement."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part John A. Kronstadt November 8, 2013	<i>NetAirus Technologies, LLC v. Apple Inc.</i> 2-10-cv-03257 (CACD)	
<p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Expert Evidence Fact Versus Expert Testimony</p> <p>Reasonable Royalty Related License/Contract</p> <p>The court granted in part defendant's motion to preclude plaintiff from offering damages evidence through the inventor of the patent-in-suit. "[The inventor's] testimony must first establish the comparability of the licensed technology, the scope of the license, and the circumstances of the license. [Plaintiff] may not elicit [his] testimony concerning the royalties received without first laying an adequate foundation as to these predicate questions, because absent such a foundation, the probative value of the royalty amount would be substantially outweighed by the danger of confusing the issues and misleading the jury. . . . When [plaintiff's] counsel believes they have elicited sufficient facts from [the inventor] to show the comparability of the licensed technology, the scope of the license, and the circumstances of the license, they may ask the Court for permission to inquire as to the royalties required or paid under the license."</p>		
Motion in Limine -- Expert Testimony: Denied in part granted in part Lucy H. Koh November 7, 2013	<i>Apple Inc. v. Samsung Electronics Co. Ltd., et. al.</i> 5-11-cv-01846 (CAND)	

Evidence

FRE 403 -- Prejudice

Reasonable Royalty

Related License/Contract

Reasonable Royalty

Prior License or Sale of Patent

The court conditionally granted plaintiff's motion in limine to exclude evidence of its settlement agreement and license with nonparties which ended more than 50 other patent actions and proceedings among them. "[The third party agreement] includes a broad cross license through which [plaintiff] receives not only royalty payments, but also a fully paid-up license to practice certain [third party] patents. Neither the . . . Agreement itself nor the parties' experts attempt to place a dollar amount on the value of the license to [plaintiff]. . . . Moreover, the agreement's effective date is over two years after the date of the hypothetical negotiation, a significant lapse given the 'changing technological and financial landscape in the market' for smartphones. . . . Even if highlighting [plaintiff's] relationship with [the third parties] had some abstract value, the probative value of that relationship and the . . . Agreement is substantially outweighed by the danger of confusing the issues, wasting time, and misleading the jury. . . . No party may rely on the . . . Agreement in the retrial unless [plaintiff] elicits testimony or makes arguments that it has not or would not license [three] patents [included in the Agreement]."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Lucy H. Koh | November 7, 2013

Apple Inc. v. Samsung Electronics Co. Ltd., et. al.
 5-11-cv-01846 (CAND)


Evidence

FRE 402 -- Relevance

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

The court denied in part plaintiff's motion in limine to preclude defendants from arguing that they had noninfringing alternatives available because certain accused products were found not to infringe during the first trial. "[T]he fact that [defendants] may have to present additional evidence to support its argument that there were acceptable noninfringing substitutes for the patented products available during the periods of infringement does not mean that the [first] jury's noninfringement verdict is not relevant evidence standing on its own. The fact of noninfringement is an important building block of any argument that a product was an acceptable noninfringing alternative, and the [first] jury's noninfringement verdict is highly probative of noninfringement. . . . [T]he [first] jury's noninfringement verdict is relevant, probative evidence in the lost profits analysis that does not require any assumption as to precisely why the [first] jury found that these [accused] products did not infringe."

Evidence

FRE 403 -- Delay/Waste Of Time/Duplicative

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

The court granted in part plaintiff's motion in limine to preclude defendants from arguing the availability of noninfringing alternatives because certain accused products were found not to infringe during the first trial. "With respect to [two accused products] . . . the Court finds that the probative value of the [first] jury's noninfringement verdict as to these phones is relatively low. Given that [defendants' damages expert] can point to other phones that the [first] jury found not to infringe [two patents-in-suit], the addition of these two phones is of marginal probative value and would be unnecessarily cumulative and a waste of time. Moreover, because the [first] jury found that [one of the products] infringed [a third] patent in addition to the patents at issue in the retrial, the Court finds that introducing the [first] jury's noninfringement verdict with respect to [that product] would require allowing [plaintiff], for the sake of completeness, to introduce the fact that [that product] was found to infringe the [third] patent, which is not at issue in the retrial."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied

Roy S. Payne | October 30, 2013

Personalized Media Communications, L.L.C. v. Zynga, Inc.
 2-12-cv-00068 (TXED)


Evidence

FRE 402 -- Relevance

Reasonable Royalty
Prior License or Sale of Patent

The court denied plaintiff's motion in limine regarding other negotiations involving the same patents-in-suit. "[Plaintiff] provides no reason that its demands from other negotiations on these same patents are not relevant. . . . [T]he mere fact that such a category is not specifically identified as a factor in Georgia Pacific does not mean that it is wholly irrelevant or otherwise inadmissible."

Motion in Limine -- Expert Testimony: Denied in part granted in part

John A. Kronstadt | October 23, 2013

NetAirus Technologies, LLC v. Apple Inc.
2-10-cv-03257 (CACD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted defendant's motion to exclude plaintiff's substituted damages expert on the entire market value rule. "[Plaintiff's expert's] discussion of [the accused product's] revenues does not meet the requirements for the application of the entire market value rule. . . . First, providing a dollar figure for [defendant's] hypothetical lost profits if it were to lose half its sales is in no sense a rebuttal of [defendant's] factual argument that there are satisfactory workarounds to the [patent-in-suit]. Second . . . the entire market value rule cannot be applied merely because a patented method is 'valuable, important, or even essential,' or that a product without the claimed invention would be 'commercially unviable.' Were the rule otherwise, 'a plethora of features' could be deemed to drive demand for the entire product. *Id.* Third, [plaintiff's expert's] opinion here bears a strong similarity to his testimony that the Federal Circuit rejected in [another case], in which [he] presented the gross revenues for the accused product and then calculated the royalty rate his opinion yielded over that total base."

Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Hypothetical Negotiation

The court granted defendant's motion to exclude the opinion of plaintiff's substituted damages expert based in part on the analytical approach. "[Plaintiff's expert] presents an analysis that seeks to apportion the profit he attributes to the claimed feature between [defendant] and [plaintiff]. According to the method, at the time of the hypothetical negotiation, the parties would consider the effect of removing the patented feature on the gross profit of the accused device. According to [plaintiff's expert's] calculation, removing the feature, assuming a \$20 valuation and an incremental cost . . . would lower the gross profit. . . . [His] approach is, in certain respects, similar to the 'analytical approach.' However, [his] approach suffers from two principal defects. First, and fatally, the opinion is based on the \$20 value that is unreliable and inadmissible [because of the court's opinion on plaintiff's survey experts]. . . . Second, although [he] testified at his deposition that he had seen similar approaches applied elsewhere, he could not identify any cases, textbooks, or articles that followed the approach."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court granted defendant's motion to exclude the opinions of plaintiff's damages expert as to a reasonable royalty for an accused feature. "[Plaintiff's expert's] opinion regarding a reasonable royalty for infringement by [an accused] feature fails reliably to consider the contribution of the claimed invention to the [accused] feature. . . . Although [plaintiff] may succeed in proving that using [the feature] infringes claim 7, the claim is not coterminous with [that feature]. . . . [Plaintiff] did not invent [the accused feature] or video calling. Although the specification discusses videoconferencing, neither claim 7 nor dependent claims 9-12 specifically mentions it. . . . [Plaintiff's expert] makes no attempt to value the contribution of Claim 7 to [the accused feature], a feature that requires a substantial amount of engineering not provided by the [patent-in-suit]. . . . The plaintiff has the burden of valuing the claimed invention and separating its value from

unclaimed features. [Its expert's] report fails to do so."

Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Rate

The court granted defendant's motion to exclude the opinions of plaintiff's damages expert based on game theory. "[Plaintiff's expert] explains that game theory 'assumes that, all else being equal, the two parties would split the incremental economic benefit realized by using the invention. Game theory uses relative bargaining power of each party to determine [an] appropriate royalty.' However, in the three paragraphs [plaintiff's expert] devotes to his game theory analysis, he does not discuss the relative bargaining power of the parties. . . . [T]he adjustment [he] made, which is premised on the assumption that Wi-Fi is more important to some people than others, does not justify the decision to start with a 50% assumption that is not tied to the facts of the case. . . . [His] use of game theory merely clothes 'a fifty-percent assumption in an impenetrable facade of mathematics.'"

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude plaintiff's damages expert's opinions on certain licenses and negotiations as unreliable. "[Plaintiff's expert] presents no analysis of the economic comparability between the licenses discussed and the hypothetical license to the [patent-in-suit]. From what [he] does report, it is clear that the actual licenses -- and litigation proposals -- are very different from a license to the [patent-in-suit]. Thus, they involve many patents -- sometimes hundreds of them -- and involve parties that are positioned very differently with respect to each other than [the parties]. Further, although consideration of litigation licenses is not forbidden if they are reliable . . . [he] opines based on unaccepted litigation settlement offers. [Plaintiff] cites no authority supporting that approach."

Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Hypothetical Negotiation

The court denied defendant's motion to exclude the opinion of plaintiff's damages expert to the extent it was based on patent litigation outcome statistics. "The expert's] opinions concerning patent litigation outcomes are admissible. . . . [Defendant] contends that [the expert] 'discloses these statements so that [plaintiff] can wave them around at trial in an attempt to persuade the jury to find comfort in determining liability and awarding a large damages number.' [Plaintiff] responds that the studies support [the expert's] opinion that a hypothetical negotiation, which assumes that the patent is valid and infringed, supports a higher royalty than negotiations before such a finding. The data concerning litigation outcomes is sufficiently tied to the issue of how real-world licenses should be understood in the hypothetical negotiation context. [Defendant] has not shown that the opinion is unreliable, or that the potential for prejudice outweighs its probative value."

Motion in Limine -- Expert Testimony: Denied in part granted in part
John A. Kronstadt | October 23, 2013

NetAirus Technologies, LLC v. Apple Inc.
2-10-cv-03257 (CACD)



Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court denied in part defendant's motion to exclude the findings of plaintiff's survey expert even though the surveys did not directly account for all the asserted claims. "Neither [of plaintiff's survey experts] attempted to determine if consumers cared whether data formatted for computer email was sent to and from a local area network at a lower transmit power level than other data sent to a wide area network, as required by the asserted claims. However, [plaintiff]

contends that the transmission power limitations are always met by [the accused product's] users. The Court has held that the nature of the transmission levels is a factual issue for the jury to determine. . . . [plaintiff's] experts are entitled to rely on [plaintiff's] version of the facts at this time. . . . Should the jury reject that factual assertion in considering the damages evidence presented by [plaintiff], then the surveys will be deemed flawed."

Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court granted in part defendant's motion to exclude the findings of plaintiff's survey expert to the extent they did not establish a basis for a dollar amount in one of the questions. "In contrast to the questions designed to avoid suggesting an answer . . . respondents were asked whether they would have preferred to pay \$20 less for an [accused phone product] without Wi-Fi capability or would have purchased their current phone at the price they paid.' This figure appears to have been selected without a sufficient factual basis: it was not in the first draft of [plaintiff's expert's] survey, and was suggested by [plaintiff's] counsel. After having focused on email use while connected to Wi-Fi, this \$20 question broadened the focus to valuing all Wi-Fi use on the [accused phone]. Doing so seeks to value something that is significantly broader than the claimed invention without adequate justification. Because the \$20 figure has no reliable basis and was tied in the survey to functionality far beyond the asserted claims, the [expert's] Report's discussion of this amount is excluded."

Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

The court granted defendant's motion to exclude the testimony of plaintiff's expert as to a survey "regarding consumer use of the accused . . . products." "[The expert's] survey was not constructed in a reliable manner. . . . There was no effort made in connection with [this] survey to shield participants from study goals. The survey did not take measures to adjust for response rates to balance the gender of respondents. . . . It is fundamentally flawed methodology to have asked prospective purchasers many of the questions posed that required present use of the [accused product]. . . . A survey that generates answers from respondents who have no basis to provide them is not one conducted according to accepted principles. Further, those questions, and others, e.g., 'If you had to pay extra for Wi-Fi access to your [accused phone product] to connect to Wi-Fi networks would you pay the extra amount?,' seek to value features that go beyond those circumscribed by the asserted claims."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Amy J. St. Eve | October 15, 2013

Sloan Valve Company v. Zurn Industries, Inc., et. al.
1-10-cv-00204 (ILND)



Expert Evidence
Qualification of Expert

Expert Evidence
Expert's Methodology

Damages
Price-Erosion Damages

The court granted defendant's motion to exclude the testimony of plaintiff's infringement expert regarding price erosion. "[Plaintiff's expert] confirmed that his opinion regarding the \$20-\$30 price increase is based solely on his 'experience in the industry.' He did not perform any economic studies to reach his opinion and did not conduct any studies to determine whether [defendant's] customers would pay an additional \$20 or \$30 for a manual dual flush. . . . While [he] may have decades of experience in the flush valve industry, he is not an economist and does not have any experience in conducting economic analyses. . . . Simply put, [plaintiff's expert] is not qualified to render the \$20-\$30 price erosion opinion."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Roy B. Dalton, Jr. | October 11, 2013

Parker Vision, Inc. v. Qualcomm Incorporated
3-11-cv-00719 (FLMD)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Prior License or Sale of Patent

Reasonable Royalty
Georgia Pacific Factors

The court granted in part plaintiff's motion to exclude portions of the report and testimony of defendant's damages expert and precluded him from relying on defendant's acquisition of another company in calculating a reasonable royalty. "[Plaintiff] . . . challenges '[the expert's] secondary analysis based on [defendant's] acquisition of [a third party company]' because 'it is not a comparable transaction to the hypothetical patent license at issue.' . . . The Court agrees with [plaintiff]. The . . . acquisition was not a patent license at all. Moreover, the pertinent technology obtained by [defendant] as part of the acquisition was not patented. These foundational distinctions between the . . . Acquisition and the hypothetical negotiation cannot be overcome. Further, the Court is not persuaded that the . . . is immunized from comparability requirements because [the expert] claims that he did not consider it in the context of Factors One and Two. . . . Accordingly, [the expert] may not rely on the . . . acquisition to opine on the amount of a reasonable royalty in this action."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

Reasonable Royalty
Georgia Pacific Factors

The court granted in part plaintiff's motion to exclude portions of the report and testimony of defendant's damages expert and precluded him from relying on defendant's post-hypothetical negotiation license agreement with a nonparty. "[Defendant's expert] treated the [license] Agreement merely as a data point that he felt compelled to consider. The Court agrees that the [license] Agreement is insufficiently comparable to the hypothetical negotiation to be considered in opining on a reasonable royalty in this action. This is so because the [license] Agreement involved a lump-sum payment from [defendant] to resolve patent infringement litigation six years after the hypothetical negotiation. Accordingly, the [license] should not be considered in opining on a reasonable royalty in this action."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Rodney Gilstrap | October 11, 2013

WI-LAN Inc. v. HTC Corporation, et. al.
2-11-cv-00068 (TXED)



District Court Procedural Issues
Evidence

Implied License
RAND/SSO Membership

Reasonable Royalty
Hypothetical Negotiation

In ruling on the parties' motions in limine, the court clarified that defendants could not assert FRAND as a non-affirmative or business defense after voluntarily withdrawing FRAND counterclaims and affirmative defenses before trial. "Defendants have voluntarily elected to drop their counterclaims and affirmative defenses as to the issue of FRAND. Nonetheless, the parties continue to dispute the impact of such, namely whether Defendants may continue to assert FRAND as a non-affirmative defense in their reasonable royalty analysis or as a 'business' defense in the hypothetical negotiation scenario in response to Plaintiff's evidence on damages. . . . Defendants have the affirmative burden of proof in this regard and FRAND is not a purely defensive response to Plaintiff's damages case. . . . [T]he issue of FRAND is an affirmative defense which, in light of Defendants having voluntarily dropped their counterclaims and affirmative defenses as to FRAND, is now out of this case for all purposes."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Roy B. Dalton, Jr. | October 11, 2013

Parker Vision, Inc. v. Qualcomm Incorporated
3-11-cv-00719 (FLMD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Hypothetical Negotiation
Timing of Hypothetical Negotiation

The court granted in part defendant's motion to exclude portions of the report and testimony of plaintiff's damages expert. "[Defendant] argues that [plaintiff's expert's] analysis is fatally flawed because it is based on [defendant's] internal 'business models' created [14 years ago] to explore possible business relationships and licensing arrangements with [plaintiff]. . . . [T]he Court agrees with [defendant] that [his] analysis is too speculative and unreliable given radical differences between the hypothetical negotiation and the [14 year old] negotiations, as well as the vast temporal chasm. For instance, the parties do not dispute that [in a 7 year period], there were seismic changes in the marketplace for wireless receivers, transceivers, and baseband chips. . . . [O]pinions based on [defendant's] internal financial projections created seven years before the hypothetical negotiation are too speculative and unreliable to be helpful to the jury."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

William T. Hart | September 10, 2013

Nanochem Solutions, Inc. v. Global Green Products, LLC et al.,
1-10-cv-05686 (ILND)



Evidence
Evidence/Contentions Not Timely Disclosed

Infringement Remedies
Damages

The court denied defendants' motion in limine to preclude plaintiff's damages evidence where plaintiff did not disclose its damages calculations until after their motion in limine was filed. "Plaintiff has now disclosed its damages calculation and that calculation is limited to lost profits. Plaintiff will be limited to seeking damages consistent with that disclosure. . . . Defendants were not prejudiced. . . . The evidence that supports the information was previously disclosed and defendants had the opportunity to see the supporting documents and depose related witnesses. . . . If plaintiff's disclosure of records was deficient or questioning of the supporting Rule 30(b)(6) deponent had been improperly blocked, defendants could have brought a motion to compel additional disclosures or deposition answers. Defendants should have done that by the time discovery closed. Untimely disclosure of the damages calculation is not a basis for barring the damages calculation nor related proof."

Motion in Limine -- Expert Testimony: Denied

Paul S. Grewal | September 6, 2013

HTC Corporation et al v. Technology Properties Limited et al
5-08-cv-00882 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied plaintiff's motion to exclude the report of defendants' damages expert and rejected the argument that the expert's "lump-sum structure is nothing more than a ruse to avoid the entire market value rule." "The heart of [plaintiff's] complaint is that, in calculating the value the lump sum, [defendant's expert] returns to the entire revenue of its accused mobile phones for his estimate even as he acknowledges there is no evidence that any of claimed inventions is the basis of demand for the phones. . . . With little to guide its analysis beyond the single sentence in [*LaserDynamics, Inc. v. Quanta, Inc.*, 694 F.3d 51 (Fed. Cir. 2012)], the court is not persuaded that [the expert's] analysis is so methodologically flawed that it must be kept from the jury. Here's why. Lump sums are one species of the broader genus of reasonable royalties, running royalties being another. Depending on the certainty of the market opportunity, the cash constraints of the licensee, the licensor's appetite for risk and superior insight into the utility of the patented invention, the parties' competitive posture, and undoubtedly other factors, a lump sum structure might better reflect what the hypothetical negotiation would produce. Especially where, as here . . . the patentee itself consistently and regularly negotiated lump sum payments with its licensees, there is even more reason to believe that the parties would have agreed to a lump sum to allow the licensee to infringe. . . . According to [defendants' expert], here [defendant] and its licensees regularly estimated the anticipated revenue of the entire licensed product in arriving at a bottom line number. Given this record, the court cannot say [his] estimate is so unreliable as to violate the norms of Fed. R. Evid. 702."

Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude the report of defendants' damages expert on the eve of trial. The court rejected plaintiff's argument that the expert improperly relied on certain licenses and used a "tiering" calculation. "While [plaintiff] raised hackles about the licenses [defendant] relies on . . . there is no dispute that while the other agreement did license broader rights, those rights included the very same patents asserted against [plaintiff]. The licensor was none other the [defendant], the same licensor here. While the other agreements did involve broader geographic rights than just those of the United States, so long as this broader scope is accounted for, the agreements may still be properly considered. . . . As for the 'tiering,' or weighting, of the so-called comparable agreements, [defendant] rightly points out that the Circuit has repeatedly held that the presumption of validity and infringement can result in an increase royalty. Whatever flaws there are in [the expert's] approach can be drawn out through vigorous cross-examination."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Paul S. Grewal | August 22, 2013

Dynetix Design Solutions, Inc. v. Synopsys, Inc.
5-11-cv-05973 (CAND)



Reasonable Royalty
Related License/Contract

The court granted plaintiff's motion in limine to exclude evidence of one of its licenses. "[L]icenses need to be comparable if they are used in valuing the contribution of an invention. An academic software license structured essentially as a college donation is not comparable."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Paul S. Grewal | August 22, 2013

Dynetix Design Solutions, Inc. v. Synopsys, Inc.
5-11-cv-05973 (CAND)



Evidence
FRE 408 -- Settlement

Reasonable Royalty
Prior License or Sale of Patent

The court denied plaintiff's motion in limine to exclude evidence of one of its settlement agreements. "The . . . settlement agreement amount is relevant to the issue of damages. Fed. R. Evid. 408's purpose is to protect statements made during compromise negotiations when offered to prove infringement in a later suit. Under [ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860 (Fed. Cir. 2010)], there is no basis to prevent [defendant] from using a comparable license like the . . . settlement agreement amount to assess damages."

Motion in Limine -- Expert Testimony: **Granted**

Paul S. Grewal | August 22, 2013

Dynetix Design Solutions, Inc. v. Synopsys, Inc.
5-11-cv-05973 (CAND)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert as to a reasonable royalty base because the expert failed to apportion profits between the patented and non-infringing features of the accused software product. "This court sees no logical basis to depart from an apportionment requirement in a case, such as the present one, where the alleged smallest salable unit plainly is not closely tied to the patented feature. Here, [the accused feature] is an optional feature in [defendant's] product, and the patented feature is just one component of [the accused feature]. . . . Because [plaintiff's expert] relied on the blanket assumption that, once he selected the smallest salable unit -- in this case the entire . . . product -- he could end the analysis, his determination of the royalty base is fundamentally flawed. Here, the alleged smallest salable unit is not, in fact, any smaller or any different than the entire multi-component product, but rather is the multi-component . . . product. As such, 'the difficult task of determining [the accused feature's]

value relative to all other components of [defendant's product] remains.' [Plaintiff's expert] improperly skipped this task of apportionment. . . ."

Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Rate

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert on a reasonable royalty rate because the expert improperly assumed that the starting point for a hypothetical negotiation would be 50% of defendant's gross profit margin. "While the court does not disagree that this could be 'one' reasonable starting place, the law requires [plaintiff's expert] to tailor the royalty rate to the specific facts of this particular case, including the 'particular technology, industry, or party.' [Plaintiff] admits in its opposition brief that '[its expert's] starting point relies on nothing but the assumptions that the patent is valid and infringed, and that there is no other information. . . . [He] considered no analogous facts of the case here other than the presumed validity of the patent. He failed to cite any evidence to support his conclusion that the 50% starting place would apply to component parts such as [the accused feature] in this particular industry. [Plaintiff's expert's] methodology is indistinguishable from 25% rule rejected in [Uniloc v. USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)], except that it may be even more arbitrary. . . . [The expert's] opinions and testimony based on his present damages report cannot be allowed to lead the jury into certain error."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Rodney Gilstrap | August 6, 2013

Lake Cherokee Hard Drive Technologies, L.L.C. v. Bass Computers, Inc., et. al.
2-10-cv-00216 (TXED)



Evidence
Evidence/Contentions Not Timely Disclosed

Damages
Marking & Notice of Infringement

The court denied defendant's motion for summary judgment to limit plaintiff's pre-suit damages for its failure to mark under 35 U.S.C. § 287(a). In addition, the court granted plaintiff's motion to preclude defendant from raising that theory at trial because defendant failed to sufficiently disclose it during discovery. "[Defendant] argues that [plaintiff] cannot prove that the prior owners of the patents-in-suit marked any patented articles that it manufactured or required its licensees to mark any patented article that they manufactured. . . . [Defendant] also asserts that in licensing the patents-in-suit, neither [of the prior owners] required its licensees to mark. . . . The Court does not reach the merits of [defendant's] contentions on the marking issue because [it] failed to disclose any of the above marking theories until well after the close of discovery. . . . [Defendant] relies upon its Answer to excuse its late disclosure, but [its] Answer simply states that [plaintiff's] claims are limited by '35 U.S.C. §§ 286 and/or 287.' [Defendant] makes no other attempt to explain its failure and, with trial less than one week away, there is no possibility of curing the prejudice to [plaintiff]."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Leonard Davis | June 28, 2013

WI-LAN Inc. v. Alcatel-Lucent USA Inc., et. al.
6-10-cv-00521 (TXED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Prior License or Sale of Patent

Royalty Base
Entire Market Value Rule

The court granted in part defendants' motion to exclude the testimony and report of plaintiff's damages expert. "[Plaintiff's expert] offers royalty calculations based on existing license agreements involving the patents-in-suit between [plaintiff] and third parties, with some licenses providing for lump-sum payments and others for running royalties. . . . [He] includes the revenue of the entire base station without offering evidence that the patented feature drives the demand for the entire multi-component product. . . . To the extent that [his] analysis relies on calculations involving the value of the entire base station, instead of the smallest saleable patent-practicing unit, to arrive at the lump-sum damages amount, it is a violation of the Entire Market Value Rule."

Expert Evidence

Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted in part defendants' motion to exclude the testimony and report of plaintiff's damages expert with leave to amend. "[T]he license agreements [plaintiff's expert] analyzes offer differing terms, with most of them being worldwide portfolio licenses that include many more patents than the patents-in-suit. . . . [The expert] does no apportionment to account for the differences between the worldwide portfolio licenses and a license to the patents-in-suit for U.S. sales of Defendants' accused products. While [he] states that he takes all the evidence into consideration in arriving to a final lump-sum royalty, 'a reasonable royalty analysis . . . must carefully tie proof of damages to the claimed invention's footprint in the market place.' Therefore, [his] consideration of all the evidence is a poor substitute for the required analysis that parses an alleged infringer's profits for patented versus unpatented features."

Motion in Limine -- Evidence Supporting Claim/Defense:**Denied**

Claudia Wilken | June 10, 2013

TransPerfect Global, Inc., et. al. v. MotionPoint Corporation
4-10-cv-02590 (CAND)



Evidence

FRE 403 -- Prejudice

Reasonable Royalty

Prior License or Sale of Patent

The court denied plaintiffs' motion in limine to exclude argument that plaintiffs' patents were less valuable or valid because plaintiffs did not apply for the patents themselves. "[Defendant] may not argue that [plaintiffs'] patents are invalid because of the manner in which [they] acquired them. [Defendant] may, however, present evidence relating to [plaintiffs'] purchase of the patents -- such as the price [plaintiffs] paid -- for other purposes, including proof of damages.

Motion in Limine -- Expert Testimony: Additional briefing**ordered**

Richard A. Posner | May 28, 2013

Promega Corporation v. Applied Biosystems, LLC
1-13-cv-02333 (ILND)



Trial

Stipulations

Baseline Royalty

Royalty Base

Baseline Royalty

Royalty Rate

Failure To Disclose in Expert Report

Exclusion Of Expert Testimony

The court ordered the parties to submit additional briefing on damages and withheld its ruling on defendant's motion to exclude plaintiff's damages expert. "[Plaintiff's expert] concedes that a reasonable royalty for a license for [plaintiff's] products outside the field of use of [a] cross-license would be 2 percent or perhaps slightly higher. . . . Since I am not permitting [defendant's] only expert witness on damages, to testify as to royalty rate, I don't see what relevance (given the concession) [plaintiff's expert's] testimony would have with regard to that rate. A concession doesn't require a witness. . . . I see nothing in the parties' preparation of this case that provides a basis for a jury's assessing damages. Before I decide whether to allow [plaintiff's expert] to testify, I want the parties to submit briefs clarifying their positions on damages and explaining what evidence they propose to present on damages given my exclusion of [defendant's expert's] royalty rate opinion. My inclination at present is that the only basis for any award of damages is what I take to be [plaintiff's] 2 percent concession, and that it should be possible for the parties to stipulate, or for me to resolve on summary judgment, the royalty base and hence remove the damages issue from the trial entirely."

Motion in Limine -- Expert Testimony: Granted

Richard A. Posner | May 28, 2013

Promega Corporation v. Applied Biosystems, LLC
1-13-cv-02333 (ILND)



Expert Evidence

Expert's Methodology

Baseline Royalty

Royalty Rate

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert with respect to a 10% royalty rate. "Using the midpoint of a range of royalty rates in disparate licenses for unknown different inventions as the estimate of a reasonable royalty for a license for [plaintiff's] products outside the field of use of the [patent which was the subject of a cross-license between plaintiff a defendant's subsidiary] is arbitrary. . . . [Defendant's expert] testified simply that he considered the totality of the circumstances. But generalized impressions are no substitute for a method of computing, and evidence justifying, a reasonable royalty rate."

Motion in Limine -- Expert Testimony: **Denied**
Caroline Craven | May 28, 2013

Alexsam, Inc. v. Barnes & Noble, Inc., et. al.
2-13-cv-00003 (TXED)



Damages
Reasonable Royalty

Expert Evidence
Qualification of Expert

The court denied plaintiff's motion to exclude technical testimony from defendants' damages expert. "As urged by Defendants, the Court finds [defendants' expert's] opinions are directed at rebutting [plaintiff's expert's] opinions regarding non-infringing alternatives and the benefits allegedly attributable to using the patent. In forming her opinions, [defendants' expert] properly relied on [defendants' technical expert] in order to gain an understanding of the patented technology. [Defendants' damages expert] has not offered technical opinions or opinions regarding infringement or invalidity. Her opinions are within the scope of her expertise and have a proper basis."

Motion in Limine -- Expert Testimony: **Denied**
Leonard Davis | May 21, 2013

Ericsson Inc., et. al. v. D-Link Corporation, et. al.
6-10-cv-00473 (TXED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendants' motion to exclude the opinions of plaintiffs' damages expert for violating the entire market value rule. "[Plaintiffs' expert's] revenue base is not the market value of the end products. Rather, it is the market value of the contribution of the asserted patents to the end products. This distinction is critical to the analysis. The licensing revenue from [plaintiffs'] portfolio is attributable only to the value [their] patents add to the licensees' end products; it is not attributable to the end products as a whole. It goes without saying that the licensees would not have paid value for portions of the 802.11 standard unrelated to [plaintiffs'] patents. Therefore, [the expert's] report does not implicate the entire market value rule."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Paul S. Grewal | May 15, 2013

Brocade Communications Systems, Inc., et. al. v. A10 Networks, Inc., et. al.
5-10-cv-03428 (CAND)



Evidence
FRE 403 -- Prejudice

Damages
Lost Profits

Royalty Base
Entire Market Value Rule

The court denied defendants' motion to exclude plaintiff's evidence of lost profits damages from a retrial. "[T]he court did not find that [plaintiff] failed to produce substantial evidence of any lost profits theory, only that it could not rely on the [Entire Market Value Rule] in the lost profits context. [Defendant] maintains that [plaintiff] still must apportion the profits. [Defendant's] argument is appealing, but it has not cited any Supreme Court or Federal Circuit case requiring an apportionment when a patentee claims lost profits based on Panduit. . . . To the extent that [plaintiff's] patent damages evidence supports a non-EMVR lost profits theory, the unfair prejudice does not substantially outweigh the probative value, as required for exclusion under Rule 403."

Evidence
FRE 403 -- Prejudice

Royalty Base
Entire Market Value Rule

The court denied defendants' motion to exclude plaintiff's evidence as to reasonable royalty damages from a retrial. "The court has its doubts, given its previous holding that in the first trial [plaintiff] did not established that the AX Series is the smallest saleable unit and also because, even if it is, another, second, [Entire Market Value Rule] or apportionment analysis may be necessary. But given the Federal Circuit's variety of opinions, the court cannot say at this point that [plaintiff's damages expert's] testimony presents such unfair prejudice that it substantially outweighs any probative value to [plaintiff's] case for damages. . . . But the court cautions [plaintiff] to heed the Federal Circuit's warning in [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)] regarding the introduction of a product's entire revenue without a corresponding showing that the EMVR is appropriate. The court has its doubts, but is willing to give [plaintiff] an opportunity to present a theory that can survive the Federal Circuit's directives and this court's order."

Motion in Limine -- Expert Testimony: **Denied**
Caroline Craven | May 15, 2013

Alexsam, Inc. v. Best Buy Stores, L.P., et. al.
2-13-cv-00002 (TXED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

Lost Profits
Amount of Profit

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert as to profits attributable to sales of accused gift cards. "According to [defendant], [plaintiff's damages expert] attributes all profits from purchases made with [the accused gift cards] to the cards themselves, without accounting for profits from sales that would have accrued even without the [accused gift] card, and [the expert] attributed all profits from sales involving gift cards to [defendant's] gift card program generally rather than allocating profits from the purported inventive feature of the asserted patent claims. . . . [Plaintiff] asserts [its expert] . . . isolates the incremental profit based upon a comparison of systems with and without the patented feature. . . . The Court has reviewed [the expert's] opinion and his asserted bases for it and concludes he utilizes the proper methodology set forth in Georgia-Pacific Corp. v. U.S. Plywood Corp., 318F.Supp. 1116 (S.D. N.Y. 1970). [Plaintiff's expert] relies on the evidence relating to [defendant] and includes an analysis of the incremental profits [defendant] receives from the infringing gift card systems compared to the non-infringing alternatives."

Motion in Limine -- Expert Testimony: **Denied**
Nathaniel M. Gorton | May 3, 2013

WBIP, LLC v. Kohler Co.
1-11-cv-10374 (MAD)



Reasonable Royalty
Hypothetical Negotiation

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert as to the effect a hypothetical license would have on plaintiff's affiliate. "[Plaintiff and its affiliate] share a 'genuine relationship' and are not merely parties to an arms-length license negotiation. Accordingly, in a hypothetical negotiation between the parties . . . when [defendant] allegedly began to infringe the patent in suit, [plaintiff] would properly consider the impact that a license agreement would have upon its affiliate. . . ."

Motion in Limine -- Expert Testimony: **Granted**
T. S. Ellis, III | April 12, 2013

Suffolk Technologies, LLC v. AOL, Inc., et. al.
1-12-cv-00625 (VAED)











Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert which was based on the Nash Bargaining Solution. "[T]he hypothetical negotiation conducted by [plaintiff's expert], based on the Nash Bargaining Solution, does not appear to be tied to the facts of this case. . . . [His] opinion is, in essence, (i) the application of Georgia-Pacific factors, followed by (ii) the application of a 50/50 split, derived from the NBS. Put simply, [his] damages opinion is not meaningfully distinguishable from the [25% rule of thumb] damages opinion rejected in [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)]. . . . [He] does not explain why these parties would have accepted a

50/50 split. Thus, the '50/50 split' is plainly not tied to the facts of this case and is essentially no different from the 25% rule of thumb rejected in *Uniloc*."

Motion in Limine -- Expert Testimony: Granted Andrew J. Guilford April 9, 2013	<i>Subotincic, et. al. v. 1274274 Ontario Inc., et. al.</i> 8-10-cv-01946 (CADC)	 
<p>Expert Evidence Expert's Methodology</p> <p>Damages Lost Profits</p> <p>The court granted defendants' motion to exclude the testimony of plaintiffs' damages expert. "[The expert's] lost profits analysis is legally deficient because it does not discuss demand for the patented product and does not analyze noninfringing alternatives. [His] unsupported conclusory statement that there are no alternatives 'as versatile, as fast and as reliable' is insufficient."</p>		
Motion in Limine -- Expert Testimony: Denied Paul S. Grewal April 2, 2013	<i>Accessories Marketing, Inc. v. Tek Corporation</i> 5-11-cv-00774 (CAND)	 
<p>Damages Reasonable Royalty</p> <p>Expert Evidence Expert's Methodology</p> <p>Damages Affiliated Entities & Damages</p> <p>The court denied defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to a reasonable royalty. "Although [plaintiff's expert] considered the competitive position of [plaintiff's sister company], this was not improper in light of the relationship between [plaintiff and its sister company]. . . . Because [the sister company] and [defendant] are competitors in the tire repair kit market, a license to [defendant] could very well impact [the sister company's] profits, which could itself impact [plaintiff's] profits from [its sister company's] sales. Even though [plaintiff] cannot collect damages on behalf of [its sister company], robust cross-examination should be more than sufficient to clear up any ambiguities."</p>		
Motion in Limine -- Expert Testimony: Denied Leonard P. Stark March 29, 2013	<i>St. Clair Intellectual Property Consultants Inc. v. Acer Inc., et. al.</i> 1-09-cv-00354 (DED)	 
<p>Expert Evidence Expert's Methodology</p> <p>Infringement Remedies Damages</p> <p>The court denied plaintiff's motion to limit the testimony of defendant's damages expert. "[Plaintiff's] objections to the use of a single negotiation date, lump sum royalty rate, non-infringing alternatives and their associated cost, and market transactions go toward the weight of the evidence. Additionally, application of all the Georgia Pacific factors is not mandatory."</p>		
Motion in Limine -- Expert Testimony: Denied Stephen L. Crocker March 26, 2013	<i>Toshiba Corporation v. Imation Corp., et. al.</i> 3-09-cv-00305 (WIWD)	 
<p>Expert Evidence Expert's Methodology</p> <p>Reasonable Royalty Georgia Pacific Factors</p> <p>The court denied plaintiff's motion in limine to exclude defendants' damages expert because of his use of a "numeric proportionality" formula. "If [defendants' expert] had simply divided the royalty rate by the number of patents to determine the specific rates for the patents-in-suit, then the court would agree with [plaintiff] that this methodology was not sufficiently rigorous. . . . But, [the expert] did not simply employ a 'straight up division method' . . . and call it a day. Rather . . . [he] then considered the Georgia-Pacific factors to determine the specific value of the patents-in-suit and</p>		

assigned each a unique royalty rate. . . ."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied in part granted in part
 Stephen L. Crocker | March 26, 2013

Toshiba Corporation v. Imation Corp., et. al.
 3-09-cv-00305 (WIWD)



Evidence
 FRE 408 -- Settlement

Baseline Royalty
 Royalty Rate

The court denied in part plaintiff's motion in limine to exclude evidence supporting of a .3 cent per DVD reasonable royalty. "[D]efendants contend that the 0.3 cents per recordable disc is [plaintiff's] standard [FRAND] offer. . . . [Plaintiff] insists that the 0.3 cents rate was a settlement offer to defendants. . . . The court will not exclude [plaintiff's licensing specialist's] testimony of a 0.3 cents per DVD rate from trial and it will allow defendants' expert to rely on this rate in his damages testimony. Defendants, however, are precluded from introducing evidence or otherwise mentioning that this rate also reflects a settlement offer made by [plaintiff] to defendants."

Motion in Limine -- Expert Testimony: Denied in part granted in part
 Stephen L. Crocker | March 26, 2013

Toshiba Corporation v. Imation Corp., et. al.
 3-09-cv-00305 (WIWD)



Expert Evidence
 Expert's Methodology

Reasonable Royalty
 Related License/Contract

Reasonable Royalty
 Prior License or Sale of Patent

Baseline Royalty
 Royalty Rate

The court granted defendants' motion in limine to exclude the testimony of plaintiff's damages expert as to reasonable royalty rates of 2% and 2.5%. "Defendants seek to exclude [plaintiff's expert's] testimony because he failed to consider the 0.3 cents per recordable disc [plaintiff] represents it would charge to license individually its patents. . . . [Plaintiff], by its [chief licensing specialist] has stated that 0.3 cents for recordable discs, which amounts to approximately 1.7% of sale price, is the 'fixed rate' when [it] licenses individually its DVD patents. . . . [T]his rate represents the 'established royalty' for the package of patents, with a question remaining as to what the specific royalty should be for the patents-in-suit. As such, [the expert's] analysis of other license agreements is not material. . . . [His] failure to consider the fixed rate [plaintiff] asserts that it would charge when it licenses individually its DVD patents would be a basis for excluding [his] reasonable royalty opinions."

Motion in Limine -- Expert Testimony: Denied in part granted in part
 Rudolph T. Randa | March 13, 2013

Nordock Inc. v. Systems Inc.
 2-11-cv-00118 (WIED)



Expert Evidence
 Expert's Methodology

Damages
 Lost Profits

Damages
 Price-Erosion Damages

Lost Profits
 Causation (No Noninfringing Substitutes or Market Share)

The court denied as premature defendant's motion to exclude the testimony of plaintiff's damages expert as to lost profits. "[Defendant] states that [plaintiff's expert] never addressed the impact of non-infringing alternatives on his lost profits analysis, and that [his] opinion regarding price erosion is so devoid of actual analysis that it can 'barely be believed.' Such concerns are more properly viewed as addressing the weight of [his] anticipated testimony rather than its admissibility. . . . [Rite-Hite Corp. v. Kelley Co., Inc., 56 F.3d 1538 (Fed. Cir. 1995)] it is likely to preclude [plaintiff] from

recovering any losses on lost profits from truck restraints. It may also preclude claims of lost profits on door seals and shelters. However, disposition of those issues are dependant on factual issues that will be resolved at trial."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Hypothetical Negotiation

The court granted defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to a 100% royalty rate. "[Defendant] states that [plaintiff's expert's] assertion that 'my opinion of a reasonable royalty on sales of dock levelers would be 100 percent of [plaintiff's] lost sales as calculated above,' is incredible and should be sufficient to disqualify [him] as an expert. . . . [Plaintiff's expert] states that 'the patents owned by [plaintiff] provide valuable product differentiation in the market, so [plaintiff's] management would never have been willing to license its patents.' A reasonable royalty requires willing parties and a balancing of their interests. [Plaintiff's expert's] reliance on the 100% royalty figure does not reflect [plaintiff] being a willing party or that he engaged in any balancing of the parties' interests."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Robert S. Lasnik | March 11, 2013

Avocent Redmond Corp. v. Rose Electric Inc., et. al.
2-06-cv-01711 (WAWD)



Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Lost Profits

Lost Profits
Amount of Profit

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert as to lost profits. "[Defendant] argues that some of the underlying data is so speculative that the resulting calculation represents no more than [the expert's] subjective belief or declaration. . . . [The expert's] data is not unassailable: it would, of course, be preferable to have audited annual sales data in a per unit format from every market participant, minutely adjusted to account for all variations in product and customer base before attempting to calculate real world market share. Neither Daubert nor the relevant patent cases require unassailability, however. . . . As long as inferences the expert draws are reasonable, something less than perfection will be sufficient. . . . [Defendant] may cross-examine [the expert] regarding the myriad shortcomings in his data and the effects alternative assumptions would have had on his lost profit opinions."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted in part defendant's motion to exclude the opinions of plaintiff's damages expert as to a reasonable royalty because the expert multiplied a third party royalty rate by three. "[T]here is no indication that [the expert's] chosen method of adjustment is anything more than an arbitrary multiplier based on factors and statistics having nothing to do with the patents or parties in this case. . . . The fact that patent holders are successful in only 33% of cases nationwide tells us nothing about the actual or perceived strength of [plaintiff's] claims as it was negotiating the settlement with [a third party]. . . . [The expert's] one-size-fits-all multiplier would treat all litigation settlements in the same way, regardless of the underlying facts. . . . Although [he] will be permitted to testify regarding his opinion that licenses negotiated in settlement of litigation are often discounted, he may not present his litigation-success-rate theory as a surrogate for facts and circumstances related to the patents-in-suit."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Richard G. Andrews | March 11, 2013

XpertUniverse Inc. v. Cisco Systems Inc.
1-09-cv-00157 (DED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the opinion of plaintiff's damages expert concerning a lump sum license. "The products accused of patent infringement totaled around \$937,000 in sales. Applying a 3-5% royalty rate to this base results in total damages between \$38,962 and \$64,938. [Plaintiff's expert] provides no basis for comparison between these amounts and his \$32 million amount. Nor does he provide any explanation as to how the two running royalty agreements are probative of his \$32 million lump sum payment. . . . [His] opinion that the parties would have realized that the appropriate royalty structure for rights to the patents in suit would have been a lump sum royalty is not based on sufficient data or information."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Joan H. Lefkow | March 10, 2013

Chicago Board Options Exchange, Incorporated v. International Securities Exchange, LLC
1-07-cv-00623 (ILND)



Evidence

Evidence/Contentions Not Timely Disclosed

Damages

Marking & Notice of Infringement

The court granted plaintiff's motion in limine to preclude evidence of pre-suit damages because of defendant's failure to mark. "[A]lthough [defendant] sufficiently pleaded [plaintiff's] knowledge of the patent and its infringement, [it] did not disclose its theory that it was not required to mark because it did not make or sell the invention after issuance of the patent. Failure to present this theory until the motion in limine stage prejudices [plaintiff] as it prepares for trial. . . . Furthermore, [defendant] admitted its failure to disclose and did not point to accident as the reason for this failure. Therefore, the court finds sanctions under Rule 37(c)(1) appropriate. . . ."

Motion in Limine -- Expert Testimony: Denied

Joseph C. Spero | March 1, 2013

TV Interactive Data Corporation v. Sony Corporation, et. al.
3-10-cv-00475 (CAND)



Expert Evidence

Expert's Methodology

Damages

Price-Erosion Damages

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert for failing to consider price elasticity. "To collect price erosion damages, a patent-holder must show that the infringing conduct affected retail prices. One cannot assume, however, that a royalty will always affect retail prices because a supplier of goods does not always burden its consumers by passing additional costs downstream. Without a showing that the hypothetical retail prices would have affected [defendant's] retail prices, the reasoning in [Crystal Semiconductor Corp. v. Tritech Microelectronics International, Inc., 246 F.3d 1336 (Fed. Cir. 2001)] is wholly inapplicable to this case."

Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert for using retail instead of wholesale prices to calculate a reasonable royalty. "[Defendant] contends that as a wholesaler, [its] 'use made of the invention' must be measured by wholesale prices as opposed to retail prices, which [plaintiff's expert] recognizes is usually double in relation to the wholesale price. . . . [Plaintiff] asserts that because it may recover on the theory of indirect infringement through its retailers' or end-consumers' infringing use, [its expert's] consideration of the value to end consumers is appropriate. . . . While [defendant] puts forth an interesting argument, [it] lacks any precedential support for the argument that a hypothetically-calculated reasonable royalty must be tied to wholesale prices as opposed to retail prices."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Leonard Davis | March 1, 2013

VirnetX Inc. v. Cisco Systems, Inc., et. al.
6-10-cv-00417 (TXED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court granted defendants' motion to exclude the opinions of plaintiff's damages expert with respect to the royalty base. "[Defendant] contends [the expert] impermissibly uses the entire market value when he calculates a reasonable royalty, since he considers the entire revenue from the accused products without demonstrating that the patented technology drove demand for the accused products or the patented feature substantially created the value of the component parts. . . . [Plaintiff's expert] made no sincere attempt to tie [plaintiff's] damages to the smallest saleable patent-practicing unit. Indeed, [plaintiff's expert] conceded he merely considered the sales figures provided by [defendant], without attempting to remove non-infringing elements. . . . [Defendant] sells components and software separately from its larger servers and towers, but [plaintiff's expert] did not consider using these smaller components or software as his royalty base. Instead, [he] only reduces the revenue of entire products by a 70% apportionment factor; a factor derived from a single survey which found 70% of customers valued VoIP security. This apportionment factor is a poor substitute for the type of analysis one should undertake when parsing an alleged infringer's profits for patented versus unpatented features."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Hypothetical Negotiation

Reasonable Royalty
Baseline Royalty

The court denied defendants' motion to exclude the opinions of plaintiff's damages expert to the extent such opinions relied on the "Nash Bargaining Solution." "[Defendant] argues [plaintiff's expert] failed to calculate the incremental profits associated with the use of the patented invention, but instead applied NBS to [defendant's] gross profit margins without demonstrating how the profits are related to the patent-in-suit. Additionally, [defendant] alleges [the expert] failed to explain why 45%–55% profit split between [plaintiff] and [defendant] would have occurred. . . . Plaintiff's expert] considered the same incremental profits associated with the incremental revenue created by the patents-in-suit as [defendant's] own expert. . . . Additionally, [he] did proffer some explanation as to why [the parties] would have deviated from the traditional 50%-50% profit split."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Joseph C. Spero | March 1, 2013

TV Interactive Data Corporation v. Sony Corporation, et. al.
3-10-cv-00475 (CAND)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied in part plaintiff's motion to exclude defendant's noninfringing alternatives expert. "[Plaintiff] contends [defendant] has not shown the noninfringing alternative would have been 'available' because [its expert's] analysis is laden with fundamental flaws and speculation. . . . [T]he fact [that he] relied on his own expertise to assess the cost and time required to implement the alternative, as opposed to retrieving data from [defendant], does not render [his] methodology unreliable. . . . [Defendant's expert] stated at his deposition that he had not analyzed whether the proposed alternatives would be acceptable with respect to consumers or the marketplace. . . . Although this is an important element pertaining to whether the alternatives were 'available,' this is not a basis to exclude [his] alternatives."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Joseph C. Spero | March 1, 2013

TV Interactive Data Corporation v. Sony Corporation, et. al.
3-10-cv-00475 (CAND)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert concerning defendant's licenses because they were not comparable. "[Defendant] argues that [its expert] should be permitted to opine on [defendant's] licenses because [he] only uses [defendant's] licenses for the limited purpose of noting that they 'support' his royalty rate and do not support [plaintiff's expert's] royalty rate. This argument is without merit. The purpose of the [Georgia-Pacific Corp. v. U.S. Plywood Corp., 318 F.Supp. 1116 (S.D.N.Y. 1970)] factors is to 'support' an expert's proposed royalty rate, and the Federal Circuit has clearly prohibited the use of noncomparable licenses to do so."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted in part plaintiff's motion to exclude the testimony of defendant's damages expert concerning industry patent pools. "[Plaintiff] shows that other courts have excluded evidence pertaining to patent pools when the expert fails to explain how they are technologically or economically comparable to the hypothetical license. The Court finds these well-reasoned principles persuasive, and will exclude [defendant's expert's] testimony on the royalty rates associated with the patent pools as supporting the calculation of royalty rates in this case. . . . Nevertheless, [defendant's expert's] consideration of the patent pools in [Georgia-Pacific Corp. v. U.S. Plywood Corp., 318 F.Supp. 1116 (S.D.N.Y. 1970)] Factor 13 does not suffer from the same fatal flaws. . . . [S]o long as the royalty rates are not admitted into evidence, the Court finds [his] opinion proper in this regard."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Prior License or Sale of Patent

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert concerning a lump-sum settlement license between plaintiff and a third party. "[Plaintiff's] prior settlement agreements are not admissible for the purpose of calculating a reasonable royalty rate. [Defendant's expert] is therefore excluded from opining on any effective royalty rate calculated from the lump-sum agreement between [plaintiff] and [the third party]."

Motion in Limine -- Expert Testimony: Denied
Joseph C. Spero | March 1, 2013

TV Interactive Data Corporation v. Sony Corporation, et. al.
3-10-cv-00475 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied defendant's motion to exclude plaintiff's conjoint market research surveys. "[Plaintiff's expert] describes conjoint analysis as a type of survey or market research, which, at the most general level, conceptualizes products as bundles of attributes, treating price as an attribute. Conjoint analysis uses customer surveys to determine 'values' for each attribute. By choosing among multiple bundles of attributes, survey participants make implicit tradeoffs one would make in real-world purchasing decisions. . . . According to [plaintiff's expert], studies have validated that this implicit tradeoff is more reliable than asking consumers directly what they would pay for a specific feature. . . . [Defendant's] criticism of the survey designs is more appropriate for consideration by a jury, rather than the Court on a Daubert motion. The Ninth Circuit has stated that '[u]nlike novel scientific theories, a jury should be able to determine whether asserted technical deficiencies undermine a survey's probative value.' . . . [T]he Court recognizes the oddity in finding such a high valuation of each individual product feature. Nevertheless, the literature on conjoint analysis condones testing six or fewer variables to produce results with a better predictive value, and the Court will not exclude the [expert's] surveys for failing to depart from this accepted methodology."

Motion in Limine -- Evidence Supporting Claim/Defense: Granted
Joseph C. Spero | February 25, 2013

TV Interactive Data Corporation v. Sony Corporation, et. al.
3-10-cv-00475 (CAND)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

The court granted defendant's motion in limine to exclude "any reference to [plaintiff's] license agreements entered into during litigation."

Motion in Limine -- Expert Testimony: **Denied**
James P. Jones | February 22, 2013

Electro-Mechanical Corporation v. Power Distribution Products, Inc., et. al.
1-11-cv-00071 (VAWD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendants' motion to exclude the testimony of plaintiff's damages expert as to the entire market value rule. "[Plaintiff] offers evidence that, it claims, shows that (1) the infringing draw out tray was the basis for sales of longwall power units by Defendants, and (2) the draw out tray and the longwall power unit are, in fact, analogous to a single functioning unit. [Plaintiff] has produced sufficient evidence for the jury to consider application of the entire market value rule. The facts on this issue are clearly disputed, and both sides interpret the evidence quite differently. The jury, as fact-finder, will have to decide whether [plaintiff] has met its burden of proving the required elements for invocation of the entire market value rule."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied in part granted in part
Richard G. Andrews | February 21, 2013

AVM Technologies LLC v. Intel Corporation
1-10-cv-00610 (DED)



Expert Evidence
Fact Versus Expert Testimony

Reasonable Royalty
Related License/Contract

The court granted in part defendant's motion in limine to exclude the testimony of an inventor concerning negotiations with defendant and a hypothetical negotiation. "Much of [the inventor's] proffered testimony would be improper expert opinion. . . . [His] proposed testimony regarding events that 'would have' occurred is also inadmissible. Although a lay witness may testify to facts within his personal knowledge, a lay witness may not offer testimony as to events that 'would have occurred.' [His] testimony as to what would have happened in a hypothetical negotiation would not be based on his personal knowledge and, therefore, is not admissible."

Motion in Limine -- Expert Testimony: **Granted**
Richard G. Andrews | February 21, 2013









AVM Technologies LLC v. Intel Corporation
1-10-cv-00610 (DED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert because his opinion that a reasonable royalty could be based on one settlement agreement concerning a different patent was not reliable. "To say that one litigation settlement agreement relating to a different patent and executed five years after the hypothetical negotiation [would] have taken place -- even assuming the [patent subject to the settlement agreement] is comparable to the [patent-in-suit] -- is the basis for an opinion is completely speculative without, at a minimum, some analysis of the litigation that led to the settlement. . . . Whereas multiple settlement agreements might show a pattern, a single settlement agreement on a different patent without any analysis of the settlement context is not a reliable method for calculating damages. . . . [Plaintiff] does not cite to a single case where any court permitted a damages claim to be based on a single settlement agreement for a comparable technology."

Motion in Limine -- Expert Testimony: Denied in part granted in part William T. Lawrence February 20, 2013	<i>Boston Scientific Corporation, et. al. v. Mirowski Family Ventures, LLC</i> 1-11-cv-00736 (INSD)	 
Expert Evidence Expert's Methodology Infringement Remedies Damages	<p>The court denied in part defendant's motion to exclude testimony from plaintiffs' damages expert. "[Defendant] argues that [plaintiff's expert's] observations are 'unsupported' because [he] assumes that the settlements are fair and reasonable purely on the ground that the parties actually agreed to them. This objection is properly raised on cross-examination, not a motion to exclude."</p>	
Motion in Limine -- Expert Testimony: Denied Benjamin H. Settle February 15, 2013	<i>Syntrix Biosystems, Inc. v. Illumina Inc.</i> 3-10-cv-05870 (WAWD)	 
Expert Evidence Data/Assumptions Supporting Opinion Reasonable Royalty Related License/Contract	<p>The court denied defendant's motion to exclude the testimony of plaintiff's damages expert. "[Defendant] contends that [plaintiff's expert] should have considered the price of [defendant's] stock when [a third party] bought the stock (\$5,000) and not the value when [the third party] sold the stock (\$7.7 million). The inference that [the third party] agreed to a lower royalty rate based on a gamble that [defendant] would be successful is a reasonable inference as is the fact that [defendant] was actually successful. Attacking this inference and fact goes to the weight and not to any fundamental deficiency."</p>	
Motion in Limine -- Expert Testimony: Denied in part granted in part Audrey G. Fleissig February 8, 2013	<i>ABT Systems, LLC, et. al. v. Emerson Climate Technologies, Inc., et. al.</i> 4-11-cv-00374 (MOED)	 
Expert Evidence Data/Assumptions Supporting Opinion Reasonable Royalty Georgia Pacific Factors	<p>The court granted in part defendant's motion to exclude plaintiffs' damages expert. "[The expert] based his opinion of what a reasonable royalty rate would be in this case, in part upon his belief that [defendant's] trade brochure and the face of the touchscreen of the accused products suggest that the [accused] feature of the accused products 'could be the most important feature' of the products, and together with the touchscreen feature, 'the central selling point' of the accused products. . . . The Court concludes that this opinion is neither warranted by the facts relied upon by [plaintiffs' expert], nor the result of reliable principles and methods."</p>	
Expert Evidence Data/Assumptions Supporting Opinion Reasonable Royalty Related License/Contract	<p>The court granted in part defendant's motion to exclude plaintiffs' damages expert. "[Plaintiffs' expert] will not be permitted to base his opinion of what a reasonable royalty rate would be in this case upon the royalty rate agreed to [26 years ago] between [defendant] and [a third party], because [he] has not shown that the patented technology in that license agreement was sufficiently linked to the economic demand for the claimed technology."</p>	
Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part Audrey G. Fleissig February 7, 2013	<i>ABT Systems, LLC, et. al. v. Emerson Climate Technologies, Inc., et. al.</i> 4-11-cv-00374 (MOED)	 
Evidence FRE 402 -- Relevance		

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude evidence of a related license provided defendant provided evidence that the license was the result of threatened litigation. "Motion to exclude evidence related to [defendant's] license with Hunter Fan is granted on the bases argued by [defendant], subject to [defendant] providing evidence that the license was the result of threatened litigation."

Motion in Limine -- Expert Testimony: **Granted**
William T. Lawrence | February 4, 2013

Boston Scientific Corporation, et. al. v. Mirowski Family Ventures, LLC
1-11-cv-00736 (INSD)



Expert Evidence
Fact Versus Expert Testimony

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to preclude opinion testimony from plaintiffs' in-house counsel regarding licenses and underlying litigations. "[G]iven [counsel's] unique position as in-house counsel who was involved in the 2006 Settlement, his testimony as a 'fact witness' is problematic. For example, most of [his] testimony is not fact at all, but rather consists of opinions on (1) the value of the underlying litigations; (2) the impact of prior rulings or probability of future rulings; (3) the meaning of the 2004 License; and (4) who had 'control' of the underlying litigations. . . . [His] opinions on these subjects are informed by his specialized knowledge as an attorney, and therefore are inadmissible as lay witness opinion testimony. . . . [T]estimony offered by [plaintiff] on a topic over which [in-house counsel] asserted privilege – however few times and on however small an aspect – is also subject to exclusion."

Motion in Limine -- Expert Testimony: **Denied**
William T. Lawrence | February 1, 2013

Boston Scientific Corporation, et. al. v. Mirowski Family Ventures, LLC
1-11-cv-00736 (INSD)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude the testimony of plaintiff's expert regarding the value of a settlement. "It is true that an opinion that the settlement was a 'reasonable exchange of value' would offer little help to the jury when it is asked to assign a monetary value to the damage [defendant] suffered as a result of the settlement. But such an argument puts the cart before the horse – supposed irrelevancy with respect to the quantum of damages does not mean that [the expert's] opinion is irrelevant to other aspects of [defendant's] claims against [plaintiffs]. Given the appropriate foundational showing, [his] opinion may be both relevant and admissible."

Motion in Limine -- Evidence Supporting Claim/Defense:
Granted
Leonard P. Stark | January 31, 2013

Enova Technology Corporation v. Initio Corporation, et. al.
1-10-cv-00004 (DED)



Evidence
FRE 402 -- Relevance

Damages
Lost Profits

Damages
Price-Erosion Damages

The court granted defendants' motion in limine to preclude evidence of lost sales or price erosion. "Plaintiff is not seeking, and cannot demonstrate, lost sales or price erosion as part of its theory of damages. . . . However, should Defendants open the door to such evidence- for, by example, faulting Plaintiff for not reducing its prices - the Court will permit Plaintiff to rebut such a charge, including, if necessary, by admission of the evidence now excluded by this Order."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Leonard P. Stark | January 31, 2013

Enova Technology Corporation v. Initio Corporation, et. al.
1-10-cv-00004 (DED)



Evidence
FRE 408 -- Settlement

Reasonable Royalty
Prior License or Sale of Patent

The court denied defendants' motion in limine to exclude evidence of a former defendant's settlement agreement with plaintiff. "The parties' experts may offer their competing analyses as to the weight, if any, to be given to this settlement. The Court is not persuaded that use of the settlement agreement is barred by Rule 408 or that its admission is improper under the weighing required by Rule 403."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Richard A. Posner | January 18, 2013

Brandeis University, et. al. v. East Side Ovens, Inc., et. al.
1-12-cv-01508 (ILND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted in part defendant's motion to exclude testimony from plaintiffs' damages expert to the extent such testimony was based on the calculation of defendant's "at risk" profits. "[Defendant] would not have paid a royalty higher than the cost to it of switching to a noninfringing substitute . . . or otherwise reworking its manufacturing process to avoid making the infringing [product]. . . . Maybe there's no perfect substitute for the patented invention (or something quite like it). . . . But even if there is no perfect substitute, this by itself would not allow the estimation of a reasonable royalty. For that royalty would depend on the cost, in higher production costs and loss of business to competitors, of the best imperfect substitute; and [plaintiffs' expert] offered no evidence about either cost. In fact she based her calculation of a maximum reasonable royalty not on costs, but on the maximum profits of [defendant] that she deemed at risk if [it] didn't get a license from [plaintiff]. . . . She has not used a reasonable methodology to calculate the plaintiffs' damages by reference to [two licenses from settlements], or profits at risk, or to assess the cost of noninfringing alternatives. [One of plaintiff's nonexclusive licenses], however, remains a possible basis for estimating a reasonable royalty for a license to [defendant]. She may testify to that, and also to general principles of patent damages."

Motion in Limine -- Expert Testimony: Ruling deferred
Richard G. Andrews | January 4, 2013

AVM Technologies LLC v. Intel Corporation
1-10-cv-00610 (DED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

Baseline Royalty
Royalty Base

The court deferred ruling on defendant's motion to exclude plaintiff's damages expert as unreliable. "I gather that dynamic logic circuit(s) may be an important part of a microprocessor. It is completely unclear to me how many other important parts there are, although my sense is that there are many. . . . [Plaintiff's expert's] report provides little, if any, basis for allowing his testimony about a royalty based upon [defendant's] sales of microprocessors. . . . [T]hree of the four license agreements [plaintiff] relies on gave [defendant] a license to entire patent portfolios that included dozens of patents. No reasonable juror could consider these broad portfolio license agreements to be comparable in scope to a license for only the [patent-in-suit]. . . . While I am thus of the opinion that [plaintiff's expert's] testimony about damages should be entirely excluded, I also believe that my final decision on the matter would be better informed if I heard live testimony, subject to cross-examination, from [the expert], before the beginning of trial. . . ."

Motion in Limine -- Expert Testimony: Denied
David A. Baker | January 4, 2013

Pacific Coast Marine Windshields Limited v. Malibu Boats, LLC, et. al.
6-12-cv-00033 (FLMD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Lost Profits
Demand for Patented Product

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert as to the motives for defendant's business decisions and the basis for consumer demand. "In forming his opinions, [plaintiff] argues, [its expert] drew on his background and experience, but also reviewed information found on the websites of [defendant's] competitors, and went 'through the different models and [took] a look at them and what they do' in forming his opinions. . . [Plaintiff] also cites [its expert's] testimony that he had spoken to hundreds of customers and over 100 dealers, and observed consumer behavior at boat shows to help him determine what drives consumer demand in the recreational boating industry. . . . [Defendant's] objections to [plaintiff's expert's] testimony go to the weight to be given the evidence and not to its admissibility. [His] opinions on what drives [defendant's] sales are properly a topic for cross-examination and will not be excluded."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Amy J. St. Eve | December 18, 2012

CIVIX-DDI LLC v. Hotels.com L.P., et. al.
1-05-cv-06869 (ILND)



Obviousness
Secondary Considerations

Reasonable Royalty
Prior License or Sale of Patent

The court denied defendant's motion in limine to preclude plaintiff from using 26 prior settlements as evidence of non-obviousness. "[Defendant] argues without any legal citation that [plaintiff] cannot establish a sufficient nexus because secondary considerations, such as commercial success, require evidence about a licensee's motivations for entering a license. . . . [D]etermining whether a sufficient nexus exists is a factual issue for the jury to decide, not for the Court to decide based on a motion in limine. Additionally, the Court agrees with [plaintiff] that the Patent Office's determination that no nexus exists is evidence for the jury to consider when weighing the evidence, not a reason to preclude evidence of a potential nexus pre-trial."

Motion to Strike Evidence Presented at Trial: Denied

Nora Barry Fischer | December 18, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.
2-09-cv-00290 (PAWD)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Georgia Pacific Factors

The court denied plaintiff's motion to strike the testimony of defendants' damages expert. "[Defendants' expert's] testimony, although obviously not as thorough and detailed as [plaintiff's expert's], was sufficient to cross the threshold set by [WhitServe, LLC v. Computer Packages, Inc., 694 F.3d 10 (Fed. Cir. 2012)] as it was more than a cursory review of the Georgia-Pacific factors and a conclusory statement of his opinion. Although he did not address each of the fifteen Georgia-Pacific factors, line-by-line, as [plaintiff's expert] did, he was not required to do so. . . . While [he] did not pinpoint the Georgia-Pacific factor(s) to which this evidence pertained, it is apparent that he fully considered this evidence in support of his opinion, and such evidence the Court finds relevant to a potential damages award."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Nora Barry Fischer | December 15, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.
2-09-cv-00290 (PAWD)



Expert Evidence
Qualification of Expert

Infringement Remedies
Damages

The court denied in part defendant's motion to exclude testimony from plaintiff's damages expert and rejected defendant's argument that she was not qualified due to her lack of real-world experience. "[Plaintiff] was not required to put forth the 'best qualified' witness but only an individual who could meet the minimum standards for expert testimony set out by the Third Circuit. Whether [plaintiff's expert] is the best qualified and most reasonable expert witness vis-à-vis any expert witness put on by [defendant] is a matter for the jury to resolve. . . . In light of the liberal standard for the qualifications of experts enunciated by the Court of Appeals for the Third Circuit, and the Federal Circuit's approval of the methods used by damages experts to quantify the hypothetical negotiation, it appears that an appropriately credentialed individual on the issue of intellectual property damages may testify at trial as to application of the Georgia-Pacific factors, including the artificial hypothetical negotiation, despite a lack of experience in actual negotiations."

Expert Evidence
Qualification of Expert

Infringement Remedies
Damages

The court denied in part defendant's motion to exclude testimony from plaintiff's damages expert and rejected defendant's argument that the expert was not qualified because she was a "hired gun" and lacked practical experience in accounting, finance, or economics. "[Defendant] is correct that courts have disapproved of the use of such professional witnesses; but this is just one of a host of factors to consider when determining whether a proposed expert meets the minimum standards necessary to be qualified under Daubert. . . . While the Court has expressed its skepticism with the presentation of [plaintiff's expert] as well as the use of such professional witnesses generally . . . she has sufficient minimum qualifications to offer an expert opinion on the reasonable royalty in this case as her overall credentials exceed the floor of the Third Circuit's liberal standards for qualifications. . . . [Defendant] cannot meaningfully dispute that Lawton is qualified to render a general damages opinion given her bachelor's degree in finance and economics and extensive consulting work over her twenty-seven year career. . . . In addition, [she] impresses the Court as well-versed in the facts of the case and very knowledgeable of her subject matter."

Expert Evidence
Qualification of Expert

Expert Evidence
Data/Assumptions Supporting Opinion

Infringement Remedies
Damages

The court granted in part defendant's motion to exclude testimony from plaintiff's damages expert. "[Plaintiff's] proffer of [its expert's] testimony through its slide presentation and the *voir dire* exceeded the scope of her expertise, such that she was opining, at times, on more technical matters concerning [defendant's] business, the semiconductor industry and the market for computer chips and the patented technology. . . . In place of her lack of expertise, she has relied on [other experts'] testimony. . . . While the Court holds that [she] may rely on these other expert witnesses, who have already testified, she may not express her own opinions on these matters, or. . . exhaustively summarize the testimony of these other experts."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Mark S. Davis | December 3, 2012

Morpho Detection, Inc. v. Smiths Detection, Inc.
2-11-cv-00498 (VAED)



Damages
Marking & Notice of Infringement

Damages
Price-Erosion Damages

The court granted defendant's motion in limine to preclude plaintiff from presenting evidence of price erosion damages where the court had already limited plaintiff's damages because of its failure to mark. "A lost profit analysis assumes a sale to which price erosion can apply so as to calculate the lost profit on the actual sale, it does not create the sale out of whole cloth and then apply price erosion analysis to a non-existent competing transaction. . . . The plain language of the marking statute also requires exclusion of [plaintiff's damages expert's] opinion. The statute. . . clearly states that damages cannot be recovered for infringement occurring prior to notice. That is precisely what [plaintiff] seeks to do by transforming pre-notice infringement (for which no damages are permitted) into post-notice infringement (for which

damages are permitted) by using a but-for analysis."

Damages

Price-Erosion Damages

Laches

Litigation Laches

The court granted defendant's motion in limine to preclude plaintiff from presenting evidence of price erosion damages where the court had granted defendant's motion for summary judgment of laches to bar plaintiff from recovering pre-filing damages. "[T]he post-notice infringements upon which [plaintiff's damages expert] relies are hypothetical and are therefore grounded in pre-notice infringement -- the recovery of damages for which are barred by laches. Because there was no actual post-notice sales or infringing competition during the damages accounting period upon which [plaintiff] is relying for its price erosion calculations, there can be no damages based upon such assumed price erosion."

Ex Parte / Emergency Motion in Limine -- Evidence

Supporting Claim/Defense: Denied

Nora Barry Fischer | November 29, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et al.

2-09-cv-00290 (PAWD)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

Acts Of Infringement

"Using" the Invention

The court denied defendants' emergency motion to strike plaintiff's attempt to include sales of accused chips outside of the U.S. in its damages calculations. "Admittedly, there is no case exactly on point. On the other hand, [plaintiff] has put forth sufficient facts to support its theory, albeit novel. [Plaintiff] intends to prove that the alleged infringing method is used during [defendant's] sales cycle, which is performed here in the United States, where both its engineers and customers are located. [Plaintiff] seeks damages for this sales cycle infringement by claiming a reasonable royalty rate on all of the chips that are produced during this sales cycle and purchased based on the result of said cycle. In this Court's view, one of the simplest ways to determine the value of an infringing use of a patented method during research is to ascertain how many sales were made based on that infringing use."

Motion in Limine -- Expert Testimony: Denied

Roger T. Benitez | November 26, 2012

Gen-Probe Incorporated v. Becton Dickinson and Company

3-09-cv-02319 (CASD)



Expert Evidence

Expert's Methodology

Baseline Royalty

Royalty Rate

The court denied defendant's motion to preclude the royalty estimates testimony of plaintiff's damages expert. "[Defendant] alleges that . . . [the expert's] royalty rate analyses are improperly premised on 'arbitrary profit splits,' such as the '25-percent rule' . . . [Plaintiff] counters that his calculations were influenced, appropriately, by the facts of the case, including the competitive environment and [its] policy of exploiting its own patents. . . . [Plaintiff's expert] explained his methodology as based on a combination of real world observation and the Nash bargaining solution. The Nash bargaining solution is a mathematical proof. Although it has been criticized as impenetrable, at least one court has permitted its use 'in addition to, rather than in lieu of' other considerations. . . . The Court agrees with [plaintiff] that [its expert's] analysis is tied to the facts of the case. It will not exclude his testimony on this ground."

Expert Evidence

Expert's Methodology

Royalty Base

Entire Market Value Rule

The court denied defendant's motion to preclude the royalty estimates testimony of plaintiff's damages expert. "[Defendant] alleges that . . . [plaintiff's damages expert] applies the wrong royalty base by attributing the entire market value of [defendant's] products to [plaintiff's] patented technology. . . . Because [plaintiff] provides some evidence that would support application of the entire market value rule, the Court will not exclude [the expert's] testimony on this

ground."

Motion in Limine -- Expert Testimony: Denied
Roger T. Benitez | November 26, 2012

Gen-Probe Incorporated v. Becton Dickinson and Company
3-09-cv-02319 (CASD)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude the testimony of two defense experts as to comparable licenses. "[P]laintiff's concerns are appropriate fodder for cross-examination. Unfortunately, 'a perfectly comparable agreement is rarely available.' From a technological and economic standpoint, the licenses at issue are at least marginally comparable. . . . If nothing else, arguably invalidating prior art is not 'radically different' from the technology claimed by [plaintiff's] patents. Moreover, both of the proposed licenses include running royalties, which provide some basis for comparison."

Motion in Limine -- Evidence Supporting Claim/Defense: Granted
Marilyn L. Huff | November 20, 2012

Multimedia Patent Trust v. Apple Inc., et. al.
3-10-cv-02618 (CASD)



Evidence
FRE 403 -- Prejudice

Royalty Base
Entire Market Value Rule

The court granted defendants' motion in limine to preclude references to their revenues or profits. "[T]o the extent [plaintiff's] damages analysis utilizes Defendants' revenues to support its reasonable royalty calculations, its analysis violates the entire market value rule. In addition, the Court concludes that the probative value of this evidence is substantially outweighed by the danger of unfair prejudice to the Defendants."

Motion in Limine -- Evidence Supporting Claim/Defense: Granted
Marilyn L. Huff | November 20, 2012

Multimedia Patent Trust v. Apple Inc., et. al.
3-10-cv-02618 (CASD)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Prior License or Sale of Patent

The court granted defendants' motion in limine to preclude plaintiff from presenting testimony regarding the value of one of the defendant's licenses with a third party which contained the patents-in-suit but was directed to different technology. "[A] license is not comparable simply because it contains the patents-in-suit. . . . [T]he fact that the accused products were covered by the license is also insufficient to establish comparability; rather, [plaintiff] must show that the. . . license is technologically comparable to license that would have been reached at the hypothetical negotiation. . . . In addition, the Court concludes that any probative value this license might have would be substantially outweighed by the danger of unfair prejudice to [defendant]."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Marilyn L. Huff | November 20, 2012

Multimedia Patent Trust v. Apple Inc., et. al.
3-10-cv-02618 (CASD)



Evidence
FRE 403 -- Prejudice

Baseline Royalty
Royalty Rate

The court granted in part defendants' motion to exclude plaintiff's damages expert's opinion on a royalty rate. "[I]t is unnecessary for [plaintiff's expert] to state his royalty rate as a percentage of Defendants' revenue or state what a 1% royalty of Defendants' accused products would be because his ultimate conclusion – based on the information he relied on – is that a reasonable royalty would be a rate of \$1.50 per product. Under these circumstances, any discussion of the

Defendants' total revenue carries a substantial danger of unfair prejudice to the Defendant."

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

The court granted defendants' motion to exclude expert testimony based on industry surveys. "[One of plaintiff's damage experts] relies on 'various industry surveys' to support his calculation of the litigation discount that should be applied to [plaintiff's] licenses. . . . [Another expert] relies on industry royalty rates to support the reasonableness of [plaintiff's] licensing policies. This generic industry data is not tethered to the relevant facts and circumstances of the present case. Indeed, in its opposition, [plaintiff] fails to provide any explanation of how this industry data is related to the facts in this case. Therefore, any damages testimony based on this industry data should be excluded."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Marilyn L. Huff | November 20, 2012

Multimedia Patent Trust v. Apple Inc., et. al.
3-10-cv-02618 (CASD)



Evidence

FRE 403 -- Prejudice

Reasonable Royalty

Related License/Contract

Reasonable Royalty

Prior License or Sale of Patent

The court granted in part defendants' motion in limine to preclude plaintiff from relying on unaccepted licensing offers. "Defendants move to preclude [plaintiff] from relying on unaccepted licensing offers as part of its damages analysis. . . . Defendants argue that licensing negotiations are irrelevant to calculating a reasonable royalty. In response, [plaintiff] argues that the licensing negotiations its damages expert relies on are relevant because they are negotiations that materialized into an actual license. . . . [T]he Federal Circuit has explained that licensing offers can be relevant to the reasonable royalty analysis although it has noted that their evidentiary value is limited. Because their evidentiary value is limited, the Court will permit the parties to refer to licensing offers only where the offers materialized into an actual license."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Nora Barry Fischer | November 7, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.
2-09-cv-00290 (PAWD)



Evidence

FRE 402 -- Relevance

Reasonable Royalty

Prior License or Sale of Patent

The court denied plaintiff's motions in limine to exclude one of plaintiff's license agreements and an internal forecast estimating the value of a license for defendant's alleged infringement. "[Plaintiff] focuses its arguments on challenging the values set forth in the [license] and the 2006 forecast, as the figures of a lump sum of \$200,000 offered to [the licensee] and its 2006 internal discussions concerning the potential of an annual fee of \$2,000,000 are drastically less than their expert's initial billion dollar opinion as to the value of the patents in this case. . . . The Court finds that the [license] and the 2006 forecast are highly probative of the type of license that [plaintiff] may have sought during those negotiations, i.e., a running royalty versus a lump-sum license. . . . [T]he challenged evidence is highly probative of whether [plaintiff] would have accepted a running royalty or opted for a lump sum during the negotiations."

Motion in Limine -- Expert Testimony: Denied

Nora Barry Fischer | November 6, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.
2-09-cv-00290 (PAWD)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court denied defendant's motion in limine to preclude evidence of excess profits, premiums, and operating profit premiums. "Defendants' counsel argued primarily that [plaintiff's damages expert] did not properly compare the value of the at issue technology to the next best alternative and therefore the evidence that she would present at trial is flawed and prejudicial. . . . Plaintiff's counsel proffered that [its expert] will base her apportionment and reasonable royalty estimate on her analysis of hypothetical non-infringing alternatives. . . and several possible alternatives, such as using pre-existing products, moving the work overseas. . . , among others. Plaintiff maintains that she has analyzed each of these alternatives and its plausibility in formulating her opinions. Once [plaintiff] enters this evidence at trial, [defendant] will have the opportunity to 'vigorously cross examine' [her] and respond with any evidence to the contrary."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Nora Barry Fischer | November 6, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.

2-09-cv-00290 (PAWD)



Evidence

FRE 402 -- Relevance

Evidence

FRE 403 -- Prejudice

Infringement Remedies

Damages

The court granted in part defendant's motion in limine to exclude evidence of compensatory damages beyond a reasonable royalty. "[Defendant's] motion will be denied to the extent that it seeks to exclude surrounding the economic circumstances of [plaintiff] at the time of the hypothetical negotiation; but, it will be granted to the extent that it seeks to exclude the prospective investment opportunities or potential opportunity costs as a result of [defendant's] alleged infringement. The Court will likewise grant [defendant's] motion to exclude [plaintiff's] references to the alleged 'reputation harm' caused by [defendant's] infringement. . . . [T]here is no evidence in the record supporting the contention that [plaintiff's] reputation has been diminished in any way."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Nora Barry Fischer | November 5, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.

2-09-cv-00290 (PAWD)



Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion

Royalty Base

Entire Market Value Rule

The court denied defendant's motion to exclude reference to the entire price, profit, or margin of the accused chips. "Here there is purported evidence that the patents-in-suit are considered 'must have' technology. [LaserDynamics, Inc. v Quanta Computer, Inc., 694 F.3d 51, (Fed. Cir. 2012)] therefore supports the Court's Summary Judgment decision that Uniloc does not 'foreclose[e] the use of these figures, and indeed, a number of them are necessary for [plaintiff's expert] to testify coherently on the issue of damages'. . . . Once [plaintiff] enters into evidence its basis for the argument that the patents-in-suit are 'must have' technology and this Court finds such evidence sufficiently reliable, then [plaintiff's expert] can provide her expert analysis. In doing so, [her] testimony shall only refer to total revenue, total profit, or total margin of the accused chips to start her analysis. Thereafter, she may refer to the total number of sales, total apportioned revenue, average price per chip, operating profit per chip, and apportioned profit per chip in making her calculations."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Nora Barry Fischer | November 2, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.

2-09-cv-00290 (PAWD)



Damages

Marking & Notice of Infringement

The court granted in part defendant's motion in limine to preclude evidence of plaintiff's compliance with the marking statute based on plaintiff's licensee's resale of defendant's accused chips. "The sales by [plaintiff's licensees] of products embodying the [patent-in-suit] were authorized by the licenses granted to them by [plaintiff]. The licenses did not restrict

them to selling only specific products authorized by [plaintiff] but provided that they could sell any product, without specifying how or when the product was made. [Plaintiff] also did not contractually require its licensees to mark any such products, and in fact did not instruct any of its licensees to do so in this case. . . . Despite its failure to present any evidence of compliance with § 287(a), [plaintiff] intends to introduce evidence of its alleged pre-suit damages with respect to the '839 Patent at trial. However, this pre-suit damages evidence is inadmissible without first establishing compliance with § 287(a) and [plaintiff] cannot meet this prerequisite without presenting evidence of compliance at trial and simultaneously violating Rules 26(a)(1)(ii) and 26(e)."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Susie Morgan | November 1, 2012

Innovation Toys, LLC v. MGA Entertainment, Inc., et. al.
2-07-cv-06510 (LAED)



Exceptional Case
Deliberate Copying

Evidence
FRE 402 -- Relevance

Damages
Lost Profits

The court denied in part defendants' motion in limine to exclude evidence regarding the newest version of plaintiff's product which was released four years after the accused product. "[T]estimony and evidence regarding [the new version] is relevant to the issue of lost profits. Plaintiff shall not be precluded from introducing such testimony and evidence to support its argument regarding lost profits. However, as [the new version] was not released until well after [defendants] allegedly copied Plaintiff's game, [defendants] logically could not have copied [it]. Plaintiff may not introduce testimony and evidence or argue that [the new version] shows copying."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Samuel Der-Yeghiayan | October 31, 2012

PSN Illinois, LLC v. Abbott Laboratories, et. al.
1-09-cv-05879 (ILND)



Evidence
FRE 402 -- Relevance

Damages
Reasonable Royalty

The court denied plaintiff's motion in limine to preclude defendant from mentioning that defendant abandoned one of its drug programs. "[Plaintiff] is seeking to recover damages for what would have been a reasonable royalty paid by [defendant] to use [plaintiff's] technology. The Federal Circuit has recognized that post-infringement evidence can be relevant for the purposes of calculating what would have been a reasonable royalty. . . . [Plaintiff] argues that although [defendant] has now shut down [the] program, nothing would prevent [it] from restarting the program at any time. However, [plaintiff] will be able to make such an argument to the jury at trial. . . . [S]uch evidence could, in part, be relevant to assessing what would have been a reasonable royalty."

Motion in Limine -- Expert Testimony: **Granted**

Samuel Der-Yeghiayan | October 31, 2012

PSN Illinois, LLC v. Abbott Laboratories, et. al.
1-09-cv-05879 (ILND)



Evidence
FRE 403 -- Prejudice

Expert Evidence
Data/Assumptions Supporting Opinion

Infringement Remedies
Damages

The court granted defendant's motion in limine to exclude the opinions of plaintiff's damages experts. "[Defendant] contends that [plaintiff's expert's] damages approach is flawed, asserting that [his] analysis includes allegedly infringing activities that occurred during time periods that were excluded by this Court's summary judgment rulings and that [he] fails to disaggregate damages in his analysis. . . . Since [his] opinion when taken as a whole is based upon the excluded time period, it is fundamentally flawed. In addition, the jury will likely be misled and confused when presented with evidence concerning a time period for which [plaintiff] cannot recover damages, and such evidence would be prejudicial

to [defendant]."

Motion in Limine -- Expert Testimony: **Denied**
Philip M. Pro | October 25, 2012

Halo Electronics, Inc. v. Bel Fuse Inc., et. al.
2-07-cv-00331 (NVD)



Expert Evidence
Data/Assumptions Supporting Opinion

Baseline Royalty
Royalty Base

The court denied defendants' motion in limine to exclude plaintiff's damages expert's testimony regarding his royalty base determination. "The Court previously found a genuine issue of material fact regarding whether [defendant] is liable for induced infringement. Therefore, the amount of non-U.S. sales of [the] accused products that were imported back into the U.S. by third parties is relevant to [plaintiff's] induced infringement claim and the royalty base analysis. . . . [Plaintiff's expert] based his royalty base analysis on sufficient facts considering the evidence available in this case. An estimation was necessary given the lack of specific data showing how much of [defendant's] sales of the accused products outside the U.S. were eventually imported back into the U.S."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied defendants' motion in limine to exclude plaintiff's damages expert's determination of a 10-15% royalty rate. "[Defendant] argues [plaintiff's expert] improperly arrived at a 10-15% royalty rate by dividing the profit margins of [plaintiff] and [defendant] in half and using the resulting figures as the upper and lower limits for the rate. [Defendant] contends this is a 'supercharged' 50% version of the '25% rule of thumb' rule rejected by the Federal Circuit. . . . Because [plaintiff's expert] used the [Georgia-Pacific Corp. v. U.S. Plywood Corp., 318 F. Supp. 1116 (S.D.N.Y. 1970)] factors to determine his reasonable royalty rate range of 10-15%, rather than a version of the unreliable 25% rule, the Court will not exclude [his] royalty rate analysis."

Motion in Limine -- Expert Testimony: **Denied**
James L. Robart | October 22, 2012

Microsoft Corporation v. Motorola Inc., et. al.
2-10-cv-01823 (WAWD)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Implied License
RAND/SSO Membership

The court denied defendants' motion to exclude plaintiff's three RAND experts who used an ex ante, multilateral negotiation analysis instead of a bilateral analysis. "[T]he court can find no instance where a prior court has been called upon to make a determination of a reasonable royalty rate for a block of standard essential patents held out by the patent holder for licensing on RAND terms. . . . [Plaintiff's] proposed framework seeks to address this concern by contemplating a negotiation (for determining a RAND rate) at a time just prior to adoption of the standard, thereby eliminating excess value added to the patents through the adoption of the standard. Indeed, this ex ante interpretation of a RAND royalty rate has been endorsed by numerous publications and the Federal Trade Commission. . . . [A]s [plaintiff's] counsel admitted at oral argument, an ex ante negotiation may not fully, or at all, address [defendants'] ex post promise that it license its standard essential patents on RAND terms. Such discrepancies between the methodology and the circumstances of the present case can be addressed at trial through cross examination."

Motion in Limine -- Expert Testimony: **Denied**
James L. Robart | October 22, 2012

Microsoft Corporation v. Motorola Inc., et. al.
2-10-cv-01823 (WAWD)



Expert Evidence
Expert's Methodology

Implied License
RAND/SSO Membership

Reasonable Royalty
Related License/Contract

Reasonable Royalty
Prior License or Sale of Patent

The court denied plaintiff's motion to exclude defendants' expert on RAND royalty rates. "[Defendants' expert] looked to past/existing [defendants'] license agreements involving some or all of [defendants'] 802.11 and H.264 standard essential patents in an effort to determine an established royalty rate and then analyzed the remaining Georgia-Pacific factors to modify the initial rate. . . . [His] methodology of beginning with an initial royalty rate and then analyzing the Georgia-Pacific to reconstruct a hypothetical negotiation has thoroughly 'been subjected to peer review and publication.' . . . Here, it appears [plaintiff's] dispute is with the opinions of [defendants'] technical professionals who found [their] 802.11 and H.264 patent portfolios fundamental to the respective standards. Such a dispute is factual in nature and will not act to exclude admissible expert testimony."

Expert Evidence
Expert's Methodology

Implied License
RAND/SSO Membership

Royalty Base
Entire Market Value Rule

The court denied plaintiff's motion to exclude defendants' expert on RAND royalty rates and rejected plaintiff's argument regarding the entire market value rule. "On the face of the rule, it would be appear [defendants' expert] has improperly applied the 2.25% royalty rate to [plaintiff's] end product price without first demonstrating that [defendants'] standard essential patents create the basis for the customer demand of [plaintiff's] products. . . . [T]he court declines to adopt a per se rule that a royalty rate may never be applied to the entire product price without satisfaction of the entire market value rule. With that said, the court has already expressed skepticism that an appropriate RAND royalty rate for [defendants'] standard essential patents should be based on the end product price of [plaintiff's] products. . . . Nevertheless, as the court cannot say [defendants' expert's] testimony violates the entire market value rule, the court will not currently exclude [his] testimony, which is otherwise based on a reliable methodology."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied plaintiff's motion to exclude a survey conducted by defendant's expert to understand "usage and valuation of . . . the H.264 video decoding and the 802.11 Wi-Fi capabilities" of the accused product (the Microsoft Xbox 360). "[Plaintiff's] assertion that [defendants' expert] used a non-representative sample does not appear well-founded. . . . But, any argument as to underinclusiveness of the survey goes to weight, as opposed to admissibility. Second, although [plaintiff] may dispute the clarity of [his] questionnaire, the disputed questionnaire terms were themselves defined in the survey and given to respondents who owned an Xbox, and were arguably more likely to understand technical terms."

Motion in Limine -- Expert Testimony: **Denied**
William M. Conley | October 16, 2012

Havco Wood Products LLC v. Industrial Hardwood Products, Inc.
3-10-cv-00566 (WIWD)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied defendant's motion in limine to exclude the testimony of plaintiff's reasonable royalty. "Although less detailed than [his] lost profits analysis applying a four-prong [Panduit Corp. v. Stahl Bros. Fibre Works, 575 F.2d 1152 (6th Cir. 1978)] test, [plaintiff's expert's] royalty analysis considers the [Georgia Pacific Corp. v. U.S. Plywood Corp., 318 F. Supp. 1116 (S.D.N.Y. 1970)] factors in arriving at a mutually-acceptable license based on a hypothetical negotiation and is adequate to satisfy Daubert. In particular, [his] ultimate 10% royalty rate per unit is supported by a full analysis of available factors and, while it offers no mathematical certainty, no hypothetical negotiation could. Instead, [the] percentage seems an arguably reasonable, even conservative, estimate of the outcome of a hypothetical negotiation

consistent with [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)]."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Raymond A. Jackson | October 12, 2012

I/P Engine, Inc. v. AOL, Inc., et. al.
2-11-cv-00512 (VAED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted in part plaintiff's motion to exclude opinions from defendants' rebuttal damages expert where the expert used a proxy/yardstick method "to calculate his measure of damages based on non-comparable licensing agreements. . . . Defendants argue that they are not using a new or untested measure of damages in a patent suit and that any use of an analogy related home valuation in a real estate market is misinterpreted. Regardless of whether Defendants are actually using a new approach for calculating damages, the Court has found no case law, nor has any been suggested to it, describing or supporting the use of any 'yardstick' or 'proxy' approach to measuring of damages."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied in part granted in part
Raymond A. Jackson | October 12, 2012

I/P Engine, Inc. v. AOL, Inc., et. al.
2-11-cv-00512 (VAED)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

The court granted in part plaintiff's motion in limine to exclude evidence of non-comparable license agreements. "Defendants argue that despite the fact that the agreements are not comparable, they are still relevant and admissible evidence to show [defendant's] preferences toward lump sum royalty payments. However, the Federal Circuit has made clear that non-comparable licensing cannot be used as the basis for determining a reasonable royalty. Because the form of the royalty is equally important as the amount of the royalty, the Court concludes that if an agreement is non-comparable as to one aspect of the royalty question, it is non-comparable as to all aspects. Furthermore, the Court believes that the introduction of these agreements, even if for the purpose of showing [defendant's] preferred form of royalty, is likely to confuse the jury and allow them to give impermissible weight to the amounts of the lump sum payments associated with those agreements."

Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

The court denied in part plaintiff's motion in limine to exclude evidence of non-comparable license agreements where there was a disagreement over whether the underlying technology was comparable. "Given it is the province of the jury to determine what a reasonable royalty as well as to determine the factual basis of said royalty, the Court finds that the question of whether the technology underlying [an] Agreement is similar enough to be comparable for the purposes of determining a reasonable royalty is one for the jury."

Motion in Limine -- Expert Testimony: **Denied**
William M. Conley | October 5, 2012

Rockwell Automation, Inc., et. al. v. WAGO Corporation, et. al.
3-10-cv-00718 (WIWD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendants' motion in limine to exclude plaintiffs' damages expert and rejected defendants' argument that her opinions violated the entire market value rule. "[P]laintiffs assert that [their expert's] calculations are based on the smallest salable patent-practicing unit, and included is the same unit used by [defendants]. . . . Plaintiffs intend to prove that the patented components of [defendants'] alleged infringing products drive customer demand; as such plaintiffs seek to recover a royalty reflecting the value of the entire commercial embodiment. Defendants challenge this

premise and [plaintiffs' expert's] conclusion based on it, but that alone does not render [her] opinion unreliable under Daubert, nor does it warrant striking her opinion altogether."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Roy S. Payne | September 23, 2012

First American CoreLogic, Inc. v. Fiserv, Inc., et. al.
2-10-cv-00132 (TXED)



Royalty Base
Entire Market Value Rule

The court granted in part defendant's motion in limine to exclude evidence of the entire market value of the accused product. "No reference shall be made to the unapportioned revenue or profit earned from the sales of accused products."

Motion in Limine -- Expert Testimony: Denied

Roy S. Payne | September 22, 2012

First American CoreLogic, Inc. v. Fiserv, Inc., et. al.
2-10-cv-00132 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Lost Profits

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert on lost profits where defendant argued that the parties were not competitors and their products were not interchangeable. "[Plaintiff's expert's] report points to evidence showing that it is common for vendors in the industry to buy AVM [automated valuation models] output from other vendors to include with their integrated products. . . . [He] opines that if [defendant] was not able to sell the allegedly infringing AVM output, [plaintiff] would have made the sale of the AVM output. [Plaintiff] is not seeking profits for the sale of an integrated fraud product. . . . [Plaintiff's expert] relies on [plaintiff's] evidence that suggests there are no acceptable non-infringing substitute products. Second, [he] has pointed to evidence that [plaintiff's] AVM output is interchangeable for [defendant's] AVM output. Accordingly, the Court overrules [defendant's] objection."

Motion in Limine -- Expert Testimony: Denied

Tanya Walton Pratt | September 10, 2012

Cook Incorporated v. Endologix, Inc.
1-09-cv-01248 (INSD)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert as to lost profits. "[Defendant] [argues that] the AAA stent graft market conditions belie application of the simple market approach taken by [plaintiff's expert]. . . . [Defendant] argues that because [plaintiff's expert] did not make any attempt include the role played by patient anatomy in the choice of AAA stent grafts during the damages period, her methodology is unreliable. . . . [T]here is competing evidence as to whether [the parties'] products are distinct or fairly interchangeable. To the extent [defendant] believes [plaintiff's expert's] opinion did not adequately consider the different variables of the products, [it] may present its own damages theory at trial."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert as to reasonable royalties and rejected defendant's objection to the expert relying on an unrelated district court case as a relevant benchmark to determine the parties were direct competitors. "[Plaintiff's expert's] use of the [Bard Peripheral Vascular, Inc. v. W.L. Gore & Associates, Inc., No. CV-03-597-PHX-MHM, (D. Ariz. Sept. 9, 2010)] decision as a factor in her reasonable royalty analysis does not render her opinion unreliable and her testimony will not confuse or mislead the jury. . . . [T]he

Bard license is not 'radically different' from the hypothetical licenses in this case and was not a 'starting point' as in [ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860 (Fed. Cir. 2010)]. . . . Furthermore, [her] report thoroughly applies the [Georgia-Pacific Corp. v. United States Plywood Corp., 318 F. Supp. 1116 (S.D.N.Y. 1970)] factors to reach her opinion on reasonable royalty. The Court finds no reason to exclude this one factor out of the many relied upon by Ms. Davis."

Motion in Limine -- Expert Testimony: **Denied**
Ann D. Montgomery | August 28, 2012

Ergotron, Inc. v. Rubbermaid Incorporated
0-10-cv-02010 (MND)



Expert Evidence
Expert's Methodology

Royalty Rate
Rate Cap Based on Noninfringing Substitute

Royalty Rate
Rate Cap Based on Infringer's Profits

The court denied plaintiff's motion to exclude the opinion of defendant's damages expert as to an upper limit on damages. "[I]t is settled law that an infringer's net profit margin is not the ceiling by which a reasonable royalty is capped. . . . Likewise, the costs of implementing a non-infringing alternative cannot cap reasonable royalty damages as a matter of law. [Plaintiff] argues [defendant's expert's] analysis runs afoul of these rules because she used [defendant's] profit expectations and design-around costs as an absolute ceiling capping damages. [Plaintiff] argues, therefore, that [her] methods are unreliable because they misapply the law of damages. . . . [Defendant's expert] indeed repeatedly states that 2.4% would be a 'cap' on the royalty rate. Nonetheless, the context of [her] statements makes it apparent that her conclusion is based not on a misapplication of the law – i.e. a belief that damages should always be capped based on an infringer's expected profits or design-around costs – but rather her analysis of the facts of this case."

Motion in Limine -- Expert Testimony: **Denied**
Ann D. Montgomery | August 28, 2012

Ergotron, Inc. v. Rubbermaid Incorporated
0-10-cv-02010 (MND)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendant's motion to exclude the opinions of plaintiff's damages expert as to the entire market value rule. "There is no dispute that the Accused Products contain many non-patented features. However, there is also no dispute that the Accused Products are lift systems for use as wall-mounted electronic medical workstations. . . . [T]here is no dispute that the Accused Products are a single functioning unit. Therefore, a reasonable jury could find that the entire market rule applies. [Plaintiff's expert's] application of the rule is not so unreliable it could offer no assistance to the jury."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Nora Barry Fischer | August 24, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et al.
2-09-cv-00290 (PAWD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted in part defendants' motion to exclude plaintiff's damages expert. "[Plaintiff's expert] has not applied the entire market value rule simply by referencing [defendants'] total operating profit on a per-unit basis. Instead, she has used the average operating profit as a starting point for her apportionment analysis. Simple reference to average operating profits for the purpose of showing a starting point is justified, so long as the testimony does not lapse into statements that tend to show how 'reasonable' a royalty is when compared to a much larger amount. . . . However, in order to ensure that the comparative bias observed in [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)] does not arise here, the Court will order the parties to meet and confer and submit a proposed limiting instruction [to] ensure that [her] testimony does not go into total revenue, total profit, or total margin of the accused chips, except to start her analysis. . . . The Court does not read Uniloc as foreclosing the use of these figures, and indeed, a number of them are necessary for her to testify coherently on the issue of damages, while the 'total numbers' – with the exception of total sales – may serve only to taint the jury."

Motion in Limine -- Expert Testimony: **Denied**
Nora Barry Fischer | August 24, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.
2-09-cv-00290 (PAWD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied plaintiff's motion to exclude the opinions of two defense experts as to acceptable non-infringing alternatives. "According to [plaintiff], because there is no evidence in the record that these alternatives were either acceptable or available on the market. . . then such alternatives are irrelevant in determining the appropriate reasonable royalty in this case. . . . [Defendants' expert] outlines multiple ways to achieve the effect which [plaintiff] touts as the primary benefit of its patented technology. Despite the lack of evidence on 'availability,' the mere existence of these technologies is indicative that not only had others discovered different means of improving [signal-to-noise ratio] gain, but that [defendants] probably 'could have come up with one' as well. . . . More importantly, the question of whether there is a 'noninfringing substitute is a question of fact,' such that a court should not determine the issue by way of a Daubert review."

Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied plaintiff's motion to exclude a defense expert's opinions regarding acceptable non-infringing alternatives and rejected plaintiff's argument that the expert was required to price the alleged alternatives. "While availability is clearly effected by the price of the alternative technologies, the burden is not on [defendant] to establish what [plaintiff's] damages are; that burden lies with [plaintiff]. To the extent that [plaintiff] argues that high price can make a technology effectively unavailable, this argument carries little weight in light of [its] previous assertions with respect to damages in this case. [Plaintiff] has argued – incessantly, throughout this entire litigation, even on issues unrelated to damages – that the technology embodied in its patents was 'must have' to [defendants]. . . . What's good for the goose is good for the gander. If [plaintiff] posits that price is of no moment to [defendants] with respect to licensing [plaintiff's] technology, price must also be of no moment to [defendants] in licensing the available alternatives."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Nora Barry Fischer | August 24, 2012

Carnegie Mellon University v. Marvell Technology Group, Ltd., et. al.
2-09-cv-00290 (PAWD)



Damages
Reasonable Royalty

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted plaintiff's motion to exclude the opinion of defendants' damages expert to the extent it was based on three third party agreements to participate in plaintiff's data systems storage center. "[T]he Court does not see how an established royalty can be demonstrated in this case. There are numerous parts to these Associate Agreements. The \$250,000 annual fee is only a portion of the overall exchange. It would appear that the hypothetical negotiation between [the parties] cannot account for such additional benefits that inure both to [plaintiff] and the licensees under these agreements. In other words, the Associate Agreements are 'radically different from the hypothetical agreement under consideration.'"

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Susan R. Nelson | August 21, 2012

Airborne Athletics, Inc. v. Shoot-A-Way, Inc.
0-10-cv-03785 (MND)



Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

Scheduling/Pretial Orders

Modification of Scheduling Order

The court denied plaintiff's motion in limine to exclude a product that defendant redesigned after implementing changes that plaintiff's expert advised at his deposition would avoid infringement. "[Defendant's] disclosure of the new product was indeed late in terms of the discovery deadlines, but it was not very late. The new product was disclosed shortly after the close of discovery, not on the eve of trial, and [defendant] notified [plaintiff] within a matter of days of when it purportedly redesigned its product and offered it for sale. . . . [G]iven [defendant's] explanation for how it came to redesign the Gun – based on [plaintiff's expert's] deposition testimony – it did not disclose the redesigned Gun earlier, because it did not exist earlier"

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

Scheduling/Pretial Orders

Modification of Scheduling Order

The court denied plaintiff's motion in limine to exclude evidence of a product that defendant redesigned after implementing changes that plaintiff's expert advised at his deposition would avoid infringement. "[Plaintiff] brought this lawsuit and included a claim for lost profits. Although additional discovery is costly to both sides, it is not prejudicial to [plaintiff] alone. . . . [T]he Court finds that a continuance would cure the prejudice. . . . The Court will permit additional discovery, for a very limited period."

Motion in Limine -- Expert Testimony: **Denied**
Janis L. Sammartino | August 17, 2012

Illinois Tool Works Inc. v. MOC Products Company, Inc.
3-09-cv-01887 (CASD)



Expert Evidence

Expert's Methodology

Damages

Lost Profits

The court denied defendant's motion in limine to preclude plaintiff's damages expert from testifying as to what plaintiff's profit would have been but for the infringement. "Generally speaking, '[t]he measure of lost profits is the difference between the patent owner's cost of production and the price at which the patent owner would have sold the product.' . . . Here, for the price variable, [plaintiff's] expert generally utilized the average selling price that [defendant] sold its products at. For the cost variable, on the other hand, [he] used the cost of the goods that were sold by [plaintiff]. . . . Although the Court did not find any case law supporting [his] methodology of using the infringer's price less the patentee's cost to calculate the measure of lost profits, the Court also did not find any case law discrediting this method. The Court therefore doubts that [plaintiff's expert's] methodology is so unreliable as to warrant exclusion under Rule 702."

Motion in Limine -- Expert Testimony: **Denied**
William C. Bryson | August 10, 2012

TQP Development, LLC v. Merrill Lynch & Co., Inc., et. al.
2-08-cv-00471 (TXED)



Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

The court denied plaintiff's motion to exclude the testimony of defendants' damages expert as to non-infringing alternatives. "[Defendants' expert] began his analysis of the cost of implementing a non-infringing alternative cipher algorithm by consulting [defendants'] non-infringement expert, and [defendants'] senior manager of network engineering. [He] also reviewed documentary evidence received from [defendants'] lawyers and engineers. He also relied on various public documents though he was unable during his deposition to specifically identify those documents. [His] reliance on these various sources indicates that his methodology was reliable and reproducible."

Motion in Limine -- Expert Testimony: Denied
William C. Bryson | August 10, 2012

TQP Development, LLC v. Merrill Lynch & Co., Inc., et. al.
2-08-cv-00471 (TXED)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert for calculating a royalty base on the number of times infringement occurred. "[Defendant's expert] explained his reasons for choosing a per-login royalty in his report and during his deposition. Whether his methodology and the reasons for departing from the per-unit royalty in the prior licenses are persuasive is a question for the jury. It is enough that [he] has expressed his opinion in a manner that could be helpful to the jury and that his opinion is relevant and supported by evidence."

Motion in Limine -- Expert Testimony: Denied in part granted in part
Vanessa L. Bryant | July 27, 2012

Sargent Mfg. Co. v. Cal-Royal Products Inc.
3-08-cv-00408 (CTD)



Damages
Reasonable Royalty

Expert Evidence
Data/Assumptions Supporting Opinion

The court denied defendant's motion in limine to exclude the testimony of plaintiff's reasonable royalty expert. "[T]he question of a reasonable royalty rate and the similarity of licensing agreements as a basis of reference for arriving at a reasonable royalty rate, are questions of fact. . . . At trial, the Parties will each have the opportunity to present evidence regarding a reasonable royalty rate, and to challenge the rates proposed by the opposing party. The Court will not foreclose the jury's review of this question of fact. . . . The Court cannot preclude testimony regarding the entire market value methodology at this stage without having first entertained [plaintiff's] evidence as to damages to discern whether the factual predicate for relying upon this methodology has been satisfied."

Motion in Limine -- Expert Testimony: Denied without prejudice
Marilyn L. Huff | July 24, 2012

Area 55, Inc., et. al. v. Amazon.com, Inc., et. al.
3-11-cv-00145 (CASD)



Expert Evidence
Data/Assumptions Supporting Opinion

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied without prejudice defendant's motion to exclude the opinions plaintiff's damages expert regarding the absence of acceptable, noninfringing substitutes. "[Plaintiff's damages expert] bases his analysis of lost profits on the assumption that there are no acceptable, noninfringing substitutes exist in the marketplace. For this assumption, [he] relied on his discussions with [the inventor] in formulating his conclusions. [The inventor's] deposition testimony reflects that he extensively considered whether there were acceptable, noninfringing alternatives available in the marketplace. . . . Although Defendant may dispute whether acceptable noninfringing substitutes are available, the proper recourse is for Defendant to present contrary evidence and attack [plaintiff's expert's] testimony on cross examination rather than for the Court to exclude [his] testimony."

Damages
Reasonable Royalty

Expert Evidence
Data/Assumptions Supporting Opinion

The court denied without prejudice defendant's motion to exclude the reasonable royalty opinions of plaintiff's damages expert. "Defendant argues that [plaintiff's damages expert] bases his reasonable royalty analysis on unreliable data, including [defendant's] 10K filing with the SEC from a Yahoo website. . . . [Plaintiff's expert's] reliance on sales information and [defendant's] practices is reasonable; sales data and business practices are typical facts relied upon by damages experts, constituting a sound economic and factual predicate. Further, [he] explains how he reached his conclusions, emphasizing that he believes the reasonable royalty rate is the difference between [plaintiff's] gross margin, equal to sales price less cost of goods sold, and [defendant's] 15% revenue share. Although Defendant may dispute [his]

conclusions, the proper recourse is for Defendant to present contrary evidence and attack [plaintiff's expert's] testimony on cross examination."

Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court denied without prejudice defendant's motion to exclude the reasonable royalty opinions of plaintiff's damages expert, but instructed plaintiff that it would not allow certain evidence which did not affect the expert's ultimate analysis and conclusion. "[T]o the extent that Plaintiffs attempt to introduce testimony stating that breaking even or losing money is consistent with [defendant's] business model, the Court declines to permit the evidence. . . . [Plaintiff's damages expert] claims that [defendant] would be willing to take a loss on individual sales of [plaintiff's] products because [it] would realize value in fulfilling 'their mission and vision which is to offer customers a low price, pleasant experience, with lots of choices.' After considering [the expert's] statements relating to [defendant's] willingness to lose money, the Court concludes that these statements are not based on sound economic principles. . . . Furthermore, to the extent the parties wish to move into evidence testimony regarding [defendant's] capitalization and revenue, as referenced in [plaintiff's expert's] report, the Court declines to allow the evidence."

Motion to Clarify Order Re Motion in Limine -- Expert

Testimony: **Granted**

Keith P. Ellison | July 19, 2012

WesternGeco LLC v. ION Geophysical Corporation
4-09-cv-01827 (TXSD)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court granted a defendant's motion to clarify whether plaintiff's damages expert would be precluded from offering an opinion on a reasonable royalty against defendant where the challenge to the expert by another defendant was not identical. "[Plaintiff's expert's] methodology in determining [the moving defendant's] reasonable royalty is highly flawed and would not be helpful to a jury. Of particular concern is the fact that [he] offers no opinion at all on the allocation of values between patented and unpatented features of the surveys."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**

Keith P. Ellison | July 16, 2012

WesternGeco LLC v. ION Geophysical Corporation
4-09-cv-01827 (TXSD)



Damages

Reasonable Royalty

The court granted defendant's motion to exclude the testimony of plaintiff's damages expert as to a reasonable royalty based on the expert's application of the hypothetical license negotiation. "[T]he Court cannot assume . . . that [defendant], in a hypothetical negotiation with [plaintiff], would have taken a risk on the infringement question and agreed to a huge, profit-eliminating (and even revenue eliminating) royalty obligation for itself. As a matter of law, no such risk can be taken in a hypothetical negotiation in which infringement is deemed known. With knowledge of validity and infringement, such a financially catastrophic agreement would have been totally unreasonable. . . . [A]ny unreasonable negotiating approach must be rejected, since the ultimate goal is to arrive at what the statute terms a 'reasonable royalty.' [Plaintiff's expert's] methodology inherently arrives at an unreasonable result, and one to which no reasonable negotiator for [defendant] could possibly have agreed."

Expert Evidence

Expert's Methodology

Expert Evidence

Data/Assumptions Supporting Opinion







Damages

Lost Profits

The court granted in part defendant's motion to exclude the testimony of plaintiff's damages expert as to lost profits with respect to a customer survey. "Notwithstanding the general admissibility of [plaintiff's expert's] analysis, there is one

survey that concerns the Court. . . that [plaintiff's expert] opined would have been won by [plaintiff] in the reconstructed market. However, the manager of [plaintiff's] CRM database has agreed that [plaintiff] did not submit a tender for this survey. Without having submitted a tender on this survey, [plaintiff] cannot legitimately argue. . . that this survey would have been won by [it] in a reconstructed market. Thus, while the Court finds that Defendants' other challenges are properly addressed at trial, it cannot allow [plaintiff's expert] to testify that the [this] survey should be considered a lost profit survey."

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Event	Case	Order
Motion in Limine -- Expert Testimony: Denied Paul S. Grewal July 13, 2012	<i>Brocade Communications Systems, Inc., et. al. v. A10 Networks, Inc., et. al.</i> 5-10-cv-03428 (CAND)	 
Expert Evidence Expert's Methodology Expert Evidence Data/Assumptions Supporting Opinion Damages Lost Profits The court denied defendant's motion in limine to exclude plaintiff's damages expert with respect to lost profits. "The court is persuaded that [plaintiff's expert's] opinions on the first two Panduit factors are sufficiently grounded in data and his analysis is reliable. [He] cited evidence that combined demand. . . increased. . . after the patented features were introduced. . . . [He] also considered demand for the patented features, perspective of inventors, the opinions of technical experts and competitors, patents in the same technology spaces, and [the parties'] competition for contracts. . . . [He] also calculated separate royalty rates for the [3] patent groups and explained that his royalty rates for [2 groups] are based on the presumption that at least one patent from each technology group is valid and infringed. This is sufficient."		
Motion in Limine -- Expert Testimony: Denied Paul S. Grewal July 13, 2012	<i>Brocade Communications Systems, Inc., et. al. v. A10 Networks, Inc., et. al.</i> 5-10-cv-03428 (CAND)	 
Expert Evidence Expert's Methodology Infringement Remedies Damages The court denied plaintiff's motion to exclude defendant's damages expert despite plaintiff's objection to her use of a "lines of code" metric. "[Defendant's expert's] use of the 'lines of code' metric is but one input in her damages calculation and she appears to take into account both the qualitative and quantitative significance of the copied portion in relation to [plaintiff's] work as a whole. . . . In addition, the 'line of code' metric is not barred by Federal Circuit precedent, which recognizes that the 'lines of code' metric can properly be considered as part of patent damages analysis."		
Motion to Reconsider Motion in Limine -- Evidence Supporting Claim/Defense: Granted E. Richard Webber July 11, 2012	<i>Monsanto Company, et. al. v. E.I. Dupont De Nemours and Company, et. al.</i> 4-09-cv-00686 (MOED)	 
Evidence FRE 402 -- Relevance Hypothetical Negotiation Timing of Hypothetical Negotiation The court reconsidered its ruling made before opening statements and found that defendants were not permitted to present evidence that they no longer planned to commercialize the accused soybean seeds. "The issue was whether Defendants' current lack of intent to commercialize [the accused seeds] is relevant to [plaintiff's] request for infringement damages. . . . The Federal Circuit has clearly stated that the applicable time frame for the hypothetical negotiation is the time of infringement. Therefore, Defendants' present intentions concerning commercialization of [their] soybeans are irrelevant and inadmissible under Federal Rule of Evidence 402. Moreover, the Court finds that any remote probative value of this evidence is greatly outweighed by the danger of confusing the jury. . . . The Court, however, will allow Defendants to present evidence that to date, no sale of [that] seed has occurred."		

Motion in Limine -- Expert Testimony: Denied
Patti B. Saris | July 10, 2012

Metris USA, Inc., et. al. v. Faro Technologies Inc.
1-08-cv-11187 (MAD)



Expert Evidence
Data/Assumptions Supporting Opinion

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied defendants' motion in limine to exclude the testimony of plaintiff's damages expert on lost profits to the extent the expert relied on another expert's opinion as to acceptable non-infringing alternatives. "[Defendant] has moved to exclude the expert opinion of [plaintiff's damages expert] with respect to the alleged absence of acceptable noninfringing alternatives as a basis for lost profits. Its key argument is that [plaintiff's] economist lacks the expertise to opine on [defendant's] 'likely' redesign to avoid infringing the [patent-in-suit]. [The expert] relied, among other things, on the contents of [a technical expert's report]. 'An expert may express an opinion that is based on facts that the expert assumes, but does not know, to be true. It is then up to the party who calls the expert to introduce other evidence establishing the facts assumed by the expert.' . . . [W]hen 'experts rely on conflicting sets of facts, it is not the role of the trial court to evaluate the correctness of facts underlying one expert's testimony.'"

Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court denied defendant's motion in limine to exclude the testimony of plaintiff's damages expert as to the "revealed preference" theory of lost profits. "[Defendant] moved to exclude [the testimony of plaintiff's damages expert] on the ground that the 'revealed preference' theory is unreliable when calculating lost profits in this case. [Defendant] claims [plaintiff's expert] has conducted no market surveys to support his view that customers who use arm-mounted scanners do not consider non-arm-mounted scanners as a close substitute. . . . While the record is not well-developed, the 'revealed preference' theory appears to be an economic principle cited in the literature. [Defendant] has not demonstrated that revealed preference is an unreliable methodology in the patent context that should be excluded under Fed. R. Evid. 702."

**Motion in Limine -- Expert Testimony: Denied in part
granted in part**
Lucy H. Koh | June 30, 2012

Apple Inc. v. Samsung Electronics Co. Ltd., et. al.
5-11-cv-01846 (CAND)



Expert Evidence
Expert's Methodology

Infringement
Design Patent Infringement

Damages
Apportionment

The court granted plaintiff's motion to exclude defendant's damages expert's opinions regarding apportionment of design patent damages. "[Plaintiff] argues that [defendant's expert's] apportionment of [defendant's] profits based on [plaintiff's] design patents should be excluded as inconsistent with 35 U.S.C. § 289, which provides that a design patent holder is entitled to an infringer's total profits. [Defendant's] opposition cites no legal basis for [its expert's] apportionment of damages. . . , instead appealing only to procedural and policy arguments for allowing apportionment in this case."

**Motion in Limine -- Expert Testimony: Denied in part
granted in part**
Lucy H. Koh | June 30, 2012

Apple Inc. v. Samsung Electronics Co. Ltd., et. al.
5-11-cv-01846 (CAND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied in part defendant's motion to exclude plaintiff's damages expert's reasonable royalty analysis.

"[Defendant's] criticisms of [plaintiff's expert's] 'income approach' and 'cost approach' analyses largely go to weight, not admissibility. First, while [defendant] may disagree with [his] apportionment of any premium for [plaintiff's] products, his basic income approach methodology is sound and is not subject to exclusion. . . . [Defendant's] final objection to [his] reasonable royalty analysis, however, has merit. [Plaintiff's expert] improperly relies on a license. . . that he himself admits is 'not a comparable license to any of the [plaintiff's] Intellectual Property In Suit' to establish a floor for a reasonable royalty. This is improper. . . ."

Motion in Limine -- Expert Testimony: **Denied**
Philip P Simon | June 29, 2012

BASF Corporation v. Aristo Inc., et. al.
2-07-cv-00222 (INND)



Damages
Reasonable Royalty

Expert Evidence
Data/Assumptions Supporting Opinion

The court denied the parties' cross-motions to exclude each other's damages experts. "An expert has to engage in the task of deciding what the parties would have been thinking at the negotiation about the market the substrates would be sold in (the [Original Equipment Manufacturer] market, the aftermarket, or both) and the amount of postinfringement knowledge the parties should be able to use. . . . A jury could very well find that [plaintiff's] royalty calculation is excessive in its emphasis on the OEM. . . . But, just as a jury might not be persuaded by [plaintiff's] expert, a jury could very well find that [defendant's] royalty calculation is unreasonable in its emphasis on the aftermarket and its minimization of the OEM. . . . It is for the jury to decide the correctness of the facts that underlie each of these experts' opinions."

Motion in Limine -- Expert Testimony: **Denied in part
granted in part**
Patti B. Saris | June 29, 2012

Metris USA, Inc., et. al. v. Faro Technologies Inc.
1-08-cv-11187 (MAD)



Infringement Defenses
Invalidity

Expert Evidence
Expert's Methodology

Reasonable Royalty
Hypothetical Negotiation

The court granted in part plaintiff's motion in limine to exclude the opinion of defendant's damages expert that "doubts about the validity of the patent" created downward pressure on the royalty rates. "Under established law, the hypothetical negotiation approach 'assumes that the asserted patent claims are valid and infringed.' None of the Georgia-Pacific factors includes doubts about the validity of the patent. . . . [Defendant] has not cited a case that has held that this factor allows an expert to doubt the presumption that the patent is 'unquestionably valid and enforceable.'"

Motion in Limine -- Fact Witness / Evidence / Exhibit:
Denied in part granted in part
B. Lynn Winmill | June 18, 2012

Fleming v. Escort Inc., et. al.
1-09-cv-00105 (IDD)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Prior License or Sale of Patent

The court granted in part plaintiff's motion in limine to exclude evidence of his litigation with a third party over the patent-in-suit. "[T]he fact that [plaintiff] sued [a third party] for the purchase price [for the patent] is relevant as it is further evidence of the value [he] placed on the patent at that time. The Court will not, however, allow a journey down the rabbit trail of details surrounding that California litigation. Its relevance lies in the fact that [plaintiff] sued [the third party] alleging that a deal had been made to sell the patent for \$1 million. Also relevant are [plaintiff's] statements made under oath during that litigation pertaining to the value of his patent."

Motion in Limine -- Expert Testimony: **Denied**
B. Lynn Winmill | June 15, 2012

Fleming v. Escort Inc., et. al.
1-09-cv-00105 (IDD)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to preclude plaintiff's financial expert from testifying with respect to two licenses which arose after the first alleged infringement. "[T]he case law sets up no automatic bar [against evidence of licensing deals that post-date the date of first infringement], and in fact allows such evidence if appropriate. . . . [Plaintiff's expert] is explaining here how the licensing deals after [after the first alleged infringement] show what the parties would have done in a hypothetical negotiation [at the time of the first alleged infringement.]. In essence, [he] is saying that. . . [plaintiff] would have insisted on a running royalty because of the uncertainty of sales volume. Thus, the relevance of the running royalty licensing deals entered into after [the first alleged infringement] was explained by [plaintiff's expert] and is not being revealed for the first time on the eve of trial."

Motion in Limine -- Expert Testimony: **Denied**
Leonard P. Stark | June 14, 2012

Tarkus Imaging Inc. v. Adobe Systems Inc., et. al.
1-10-cv-00063 (DED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to strike testimony of plaintiff's damages expert, because the data upon which he relied went to weight, and not admissibility of his opinions. "[Defendant's] challenges to [plaintiff's expert's] reliance on the [a] licensing agreement, calculation of a reasonable royalty rate, and use of [defendant's product information] all go to the weight to be accorded to his damages analysis, which is an issue for the jury to decide. [Defendant] can challenge [plaintiff's expert's] damages opinion through cross-examination and presentation of contrary expert testimony."

Motion in Limine -- Expert Testimony: **Denied**
Mark A. Pizzo | June 14, 2012

ALPS South, LLC v. Ohio Willow Wood Company
8-09-cv-00386 (FLMD)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court denied defendant's motion to strike plaintiff's damages expert's report and testimony on the ground that the expert failed to provide evidence supporting his lost profit analysis and to establish causation by the four-part [Panduit Corp. v. Stahl Bros. Fibre Works, Inc., 575 F.2d 1152 (6th Cir. 1978)] test. "[Defendant's] arguments supporting its motions to strike [plaintiff's expert's] reports [and] testimony are appropriately addressed through its examination of [the witness] at trial, and are inappropriate grounds for excluding expert opinions or testimony based on [Daubert v. Merrell Dow Pharmaceuticals, 509 U.S. 579 (1993)]. [Defendant's] challenges go primarily to the weight that should be afforded the experts' opinions, not to admissibility."

Motion in Limine -- Expert Testimony: **Denied**
Leonard P. Stark | June 14, 2012

Tarkus Imaging Inc. v. Adobe Systems Inc., et. al.
1-10-cv-00063 (DED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude the expert report and testimony of defendant's damages expert, because plaintiff's asserted bases for striking his testimony went to weight, and not admissibility of his opinions. "[Plaintiff's] arguments challenging [defendant's expert's] ultimate conclusion and inferences from specific negotiations and licensing agreements go to the weight that should be accorded to [defendant's expert's] opinion, which is an issue to be decided by the jury. At trial, [plaintiff] can challenge [defendant's expert's] damages analysis through cross-examination and presentation of contrary evidence."

Motion in Limine -- Expert Testimony: Denied
Mark A. Pizzo | June 14, 2012

ALPS South, LLC v. Ohio Willow Wood Company
8-09-cv-00386 (FLMD)



Expert Evidence
Expert's Methodology

Hypothetical Negotiation
Timing of Hypothetical Negotiation

Reasonable Royalty
Georgia Pacific Factors

The court denied defendant's motion to strike plaintiff's technical expert's report and testimony on the grounds that plaintiff's methodology in determining reasonable royalty rates was unreliable, that his hypothetical negotiation was flawed because it did not take place at the time when the alleged infringing activity began, and that he relied upon speculation and a superficial (and incomplete) analysis of the [Georgia- Pacific Corp. v. U.S. Plywood, 318 F.Supp. 1116 (S.D. N.Y. 1970)] factors. "[Defendant's] arguments supporting its motions to strike [plaintiff's expert's] reports [and] testimony are appropriately addressed through its examination of [the witness] at trial, and are inappropriate grounds for excluding expert opinions or testimony based on [Daubert v. Merrell Dow Pharmaceuticals, 509 U.S. 579 (1993)]. [Defendant's] challenges go primarily to the weight that should be afforded the experts' opinions, not to admissibility."

Motion in Limine -- Expert Testimony: Denied
James Ware | June 7, 2012

Mformation Technologies, Inc. v. Research in Motion Limited, et. al.
3-08-cv-04990 (CAND)



Evidence
FRE 402 -- Relevance

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion in limine to exclude non-comparable license agreements and defendants' damages expert's related opinions. "Although [defendants' expert] testified that Plaintiff has not entered into any license agreements which cover only the [patent-in-suit], she explained how she used each licensing agreement in her calculation and how she believes the agreement would be adjusted to account for differences between the technology covered and a license for only [that] Patent. Notably, Plaintiff's damages expert relied on many of these same licensing agreements in reaching his damages calculation. To the extent that Plaintiff challenges the reliability of [defendants' expert's] opinions, Plaintiff should have done so through a timely Daubert motion."

Motion in Limine -- Expert Testimony: Denied
Christina A. Snyder | June 4, 2012

Raymond Caluori v. Ryobi Limited, et. al.
2-07-cv-02035 (CACD)



Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Apportionment

The court denied defendant's motion in limine to exclude plaintiff's damages expert's testimony concerning the profit attributable to the patented feature under the "analytical approach." "[Plaintiff's damages expert] explained that although the devices with the rear-mounted guides would have been less expensive to produce, they would have nevertheless resulted in a reduction in [defendant's] profits because [defendant] would have been unable to charge consumers the same price as for devices with arbor-mounted guides. And, while defendants may dispute the validity [plaintiff's expert's] assumption regarding [defendant's] profit margin, such an attack is better suited to cross-examination rather than a motion to disqualify."

Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied
Leonard P. Stark | May 31, 2012

Tarkus Imaging Inc. v. Adobe Systems Inc., et. al.
1-10-cv-00063 (DED)



Evidence
FRE 402 -- Relevance

Infringement Remedies
Damages

The court denied defendants' motion in limine to exclude their membership agreements with a patent litigation defense company, and plaintiff's motion in limine to exclude evidence regarding other clients of the patent litigation defense company, because that evidence could be relevant to the issue of damages. "The [patent litigation defense company] agreement is not non-comparable [to other agreements] as a matter of law. Its impact on a proper damages calculation is a question of fact for the jury and will be the subject of expert testimony.

Motion in Limine -- Expert Testimony: **Granted**
Richard A. Posner | May 22, 2012

Apple, Inc. v. Motorola, Inc., et. al.
1-11-cv-08540 (ILND)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Georgia Pacific Factors

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert as to one of plaintiff's patents-in-suit where the expert based his reasonable royalty calculation on what defendant's technical expert said it would cost to create the allegedly infringing software notification. "[Defendant's damages expert] proposed testimony that the infringing notification window cost [defendant] \$67,000 to develop is not expert testimony but fact testimony. . . . It also is not the best evidence of that fact, if it is a fact; and while an expert witness is permitted to base an opinion on hearsay evidence, he isn't permitted to use that privilege merely to shield the source of the evidence from cross-examination. . . . The inadequacy of [defendant's expert's] proposed testimony (surprising in light of his careful expert testimony upheld [in another case]) compels me to exclude it."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Reasonable Royalty
Georgia Pacific Factors

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert that plaintiff would have paid \$347 million as a FRAND royalty for two of defendant's cell phone patents. "[Defendant's expert] failed to consider the range of plausible alternatives (to licensing [defendant's] patents) facing [plaintiff], alternatives that she would doubtless have considered in non-litigation consulting if asked by [plaintiff] (say), what is the lowest-cost method of obtaining access to the functionality of these patents? . . . Her failure to analyze [plaintiff's] alternative of contracting with [a third party] marks her approach to calculating a reasonable royalty for [plaintiff's] cellular patents as unreliable; and she offers no backup estimate based on a reliable methodology."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Georgia Pacific Factors

In granting plaintiff's motion to exclude the opinion of defendant's damages expert, the court criticized the portion of the expert's analysis that focused on the relative size of defendant (Apple) versus the proposed reasonable royalty. "[The expert] began her testimony at the Daubert hearing by explaining that \$347 million, while a seemingly large number, is nothing to Apple—a company that made some \$30 billion in revenue from the products that Motorola contends infringe the Motorola patents. The implication is that even if Apple could have saved, say, \$100 million by launching on Verizon, what's the difference to Apple of having to pay \$347 million versus \$247 million? Either figure is less than 1 percent of Apple's total profits during the damages period. Obviously a damages estimate cannot be based on such reasoning. For imagine her being hired by Apple for advice on how to minimize its liability to Motorola, and her advising Apple that although her highest estimate of the cost of avoiding infringement is \$347 million, that's probably too high by a couple of hundred million dollars, but that she hasn't bothered to consider avoidance measures that would cost less than \$347 million because one hundred million dollars or so is chicken feed to Apple and so it wouldn't want to pay an additional fee to her to search the alternatives. That is nonsense."

Expert Evidence

Expert's Methodology

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

The court granted plaintiff's motion to exclude the testimony of defendant's damages expert as to alternative lost profits for two of defendant's cell phone patents. "The lost-profits estimate posits a counterfactual world in which [plaintiff does not have a product] on the market because [plaintiff] doesn't have a license to use [defendant's] cellular patents. This is science fiction. . . . The alternative-universe approach must take account of alternatives the alleged infringer would have embraced in order to avoid a trip to that universe. [Plaintiff] would not have said to itself that because it couldn't launch the iPhone on [one carrier] without infringing [defendant's] patents it would not make a cell phone."

Motion in Limine -- Expert Testimony: Denied in part
granted in part

Richard A. Posner | May 22, 2012

Apple, Inc. v. Motorola, Inc., et. al.
1-11-cv-08540 (ILND)



Damages

Reasonable Royalty

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Georgia Pacific Factors

The court excluded the opinion of plaintiff's damages expert as to the reasonable royalty for an asserted "notification window" patent because the expert relied on defendant's consumer survey that was not directed to determining the relative value of the patented technology. "I'm not trying to draft a consumer survey. I am merely asserting that the survey that [defendant] did conduct, which did not look for aversion to partial obstruction and so far as I can tell had nothing to do with pricing, but rather with helping the company to determine which programs and features are particularly important to cell phone users, is not the kind of survey that [plaintiff's damages expert]. . . would have conducted had he been hired outside the litigation context to determine the relative values to [defendant's] consumers of a notification window that can be partially obstructed and one that cannot be. . . . [I]f an expert witness fails to conduct a responsible inquiry that would have been feasible to conduct, his failure cannot be excused by reference to the principle that speculation is permitted in the calculation of damages; that permission presupposes the exhaustion of feasible means of dispelling uncertainty. . . . No lower figure can be extracted from his report, so there is no basis for a damages estimate that [plaintiff] can fall back upon."

Damages

Reasonable Royalty

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Georgia Pacific Factors

The court excluded the opinion of plaintiff's damages expert as to the reasonable royalty for an asserted touch-screen interface patent because the expert relied on the price plaintiff charged for a mouse alternative instead of a consumer survey directed to the technology at issue. "[T]he dispositive element of the [patent] is the use of a tap on the right-hand side of the screen to switch to the next page of a Kindle book that has been loaded on the cell phone. The value of that feature to the consumer is again a question the answer to which could be elicited, within a permissible (because unavoidable) range of uncertainty, by a properly designed and executed consumer survey. [Plaintiff's expert's] comparison with the [plaintiff's product] fails to isolate the value to consumers of the 'tap for next item' function. . . . The fact that many consumers will pay more for [plaintiff's product] than for a mouse tells one nothing about what they will pay to avoid occasionally swiping unsuccessfully because their swiping finger wasn't actually vertical to the screen. Maybe consumers would pay \$2, but there is no evidence they would, or at least none furnished by [plaintiff's expert]."

Damages

Reasonable Royalty

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Georgia Pacific Factors

The court excluded the opinions of plaintiff's damages expert as to the reasonable royalty for plaintiff's real-time display patent because the expert based his analysis on information obtained from plaintiff's principal technical expert. "Suppose [the damages expert] had been hired by [defendant] to advise on how at lowest cost [defendant] might obtain the functionality of [the asserted patent at issue] without infringing that patent. Obviously [the damages expert] would not have gone to the patentee for that information! For it would be in the patentee's interest to suggest a method of inventing around that was extremely costly, because the costlier the invent-around, the higher the ceiling on a reasonable royalty. . . . So. . . imagine this imaginary conversation between [plaintiff's damages expert] and [defendant], which I'll pretend hired [the damages expert] to advise on how at lowest cost to duplicate the patent's functionality without infringement: [Defendant]: 'What will it cost us to invent around, for that will place a ceiling on the royalty we'll pay [plaintiff]?' [Expert]: 'Brace yourself: \$35 million greenbacks.' [Defendant]: 'That sounds high; where did you get the figure?' [Expert]: 'I asked an engineer who works for [plaintiff].' [Defendant]: 'Dummkopf! You're fired.'"

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Roy S. Payne | May 13, 2012

Pact XPP Technologies, AG v. Xilinx, Inc., et. al.
2-07-cv-00563 (TXED)



Evidence

FRE 402 -- Relevance

Reasonable Royalty

Hypothetical Negotiation

The court granted defendants' motion in limine to exclude the cost of their acquisition of non-party where defendant argued that they acquired much more than assets related to the accused product features. "[T]he Court finds that the acquisition price is not admissible because it is not sufficiently comparable to the hypothetical license in this case. The evidence shows that [defendant] likely received more than it would from a hypothetical patent license (for example, all the technology and know-how to implement a working transceiver or the addition of experienced engineers to its staff). However, [plaintiff] may use the remaining unobjected to evidence surrounding the. . . acquisition to the extent it is relevant."

Motion in Limine -- Fact Witness / Evidence / Exhibit:

Denied in part granted in part

F. Dennis Saylor, IV | May 4, 2012

Abbott GmbH & Co., KG, et. al. v. Centocor Ortho Biotech, Inc.
4-09-cv-11340 (MAD)



Evidence

FRE 402 -- Relevance

Royalty Base

Entire Market Value Rule

Lost Profits

Demand for Patented Product

The court granted plaintiffs' motion in limine concerning adverse clinical events to prove invalidity or noninfringement, but denied the motion to the extent such evidence was offered on the issue of damages. The evidence was relevant to damages because plaintiffs asserted the entire market value rule on the assumption that plaintiffs' patented technology drove demand for defendants' accused product. "[Defendant] contends that the fact that [plaintiff] withdrew its FDA application for [its experimental product] in response to the agency's inquiry regarding [adverse clinical events] is evidence that the technology of the patents is not the sole basis of the market demand for [defendants' accused product] ... suggest[ing] that the [adverse clinical events] evidence supports an inference that market demand for [the accused product] is based in part on a perception that it is safe. ... [E]vidence of [adverse clinical events] will not be admitted insofar as it is offered to prove invalidity or non-infringement, but may be admitted with respect to the proper amount of damages to be awarded."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Irma E. Gonzalez | April 16, 2012

DataQuill Limited v. High Tech Computer Corp.
3-08-cv-00543 (CASD)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the revised opinions of plaintiff's damages expert for relying on plaintiff's licenses for add-on wireless products that were not comparable to the mobile handsets at issue. "[Plaintiff] has not presented to the Court any technical expert testimony explaining the technology contained in the 'add-on wireless modules,' such that a basis could be formed for comparing them to [defendant's] mobile handsets. Therefore, [plaintiff's expert's] report fails to provide any discernible link from which a jury could find that the two different products are technologically comparable."

Expert Evidence
Expert's MethodologyReasonable Royalty
Related License/ContractBaseline Royalty
Royalty Rate

The court granted in part defendant's motion to exclude the revised opinions of plaintiff's damages expert where the expert derived a royalty rate from defendant's revenue-sharing agreement with a third party. "[Defendant] is correct that the [revenue-sharing] agreement cannot be considered under [Georgia-Pacific] factor 12. The agreement is not a license agreement for a patent or patents. . . . [Plaintiff's expert] may consider the [revenue-sharing] agreement and the revenue or profits obtained under it as evidence of the value of [defendant's] alleged use of the patented technology under Georgia-Pacific factor 11. However, [he] may not extrapolate a royalty rate from the [revenue-sharing] agreement and use that derived royalty rate as support for the reasonableness of his 0.60% royalty rate."

Damages
Reasonable RoyaltyExpert Evidence
Expert's MethodologyReasonable Royalty
Related License/Contract

The court granted defendant's motion to exclude the revised opinions of plaintiff's damages expert to the extent the expert relied on the MPEG LA license. "The MPEG LA agreement covers different technology – video compression technology – than what [plaintiff's expert] asserts is covered by the [patent-in-suit] – camera phone capabilities. In addition, the MPEG LA agreement is a worldwide license for hundreds of patents covering an entire standard, and, therefore, is much larger in scope than the license that would have been reached at the hypothetical negotiation. However, [the] amended expert report contains no explanation of how the two licenses are technologically or economically comparable."









Motion in Limine -- Expert Testimony: **Denied in part**
granted in part
Roy S. Payne | April 16, 2012

Pact XPP Technologies, AG v. Xilinx, Inc., et. al.
2-07-cv-00563 (TXED)

Infringement Defenses
Use For U.S. Gov't (28 USC § 1498)Expert Evidence
Expert's MethodologyBaseline Royalty
Royalty Base

The court granted in part plaintiff's motion to exclude defendants' rebuttal damages expert's opinions regarding sales to the U.S. government. "[T]here is no evidence supporting the assumption that the percentage of each customer's sales to the government is representative of the percentage of that customer's [accused product] purchases that are sold to the government. . . . However, the Court finds that the methodology. . . where [defendants' expert] simply adds up the total number of sales classified as DO/DX, relies on sufficient facts and is sufficiently reliable to be presented to the jury. Accordingly, [plaintiff's] objections to those paragraphs are overruled. [Defendants' expert] may testify to the extent of

DO/DX sales to the extent that there is adequate foundation supporting the assumption that these classifications relate to sales made to the Department of Defense."

Motion in Limine -- Expert Testimony: Denied in part granted in part William H. Alsup April 10, 2012	<i>Oracle America, Inc. v. Google Inc.</i> 3-10-cv-03561 (CAND)	 
Damages Reasonable Royalty Expert Evidence Expert's Methodology Expert Witnesses Court Appointed Expert Witnesses (FRCP 706)	<p>The court granted in part defendant's motion to exclude portions of the report and testimony of the appointed damages expert. "This Court's prior order held that the hypothetical license must be 'tailored to the amount and type of infringement that actually occurred' and that 'the reasonable royalty must compensate for the infringing features, but not for non-infringing ones'. . . . [The appointed expert's] second and third explanations for equating the value of the IP in suit to the entire Java ME IP portfolio are inappropriate for the hypothetical negotiation scenario. Significantly, [the expert] fails to take into account that at the end of the hypothetical negotiation, [defendant] gets a license to the IP in suit, nothing more. . . . If [defendant] was liable for the value of the entire IP portfolio each time a single IP in that portfolio was asserted in an infringement action, then [plaintiff] would be overcompensated."</p>	
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Leonie M. Brinkema April 3, 2012	<i>Amdocs (Israel) Limited v. Openet Telecom, Inc., et. al.</i> 1-10-cv-00910 (VAED)	 
Exceptional Case Willful Infringement Evidence Motion in Limine -- Generally Damages Marking & Notice of Infringement	<p>The court granted defendant's motion in limine to exclude plaintiff's pre-complaint damages for failure to mark and rejected plaintiff's argument that defendant should have raised this issue at summary judgment. "Plaintiff's opposition is based primarily on a procedural objection -- that this motion is really a motion for summary judgment as to part of plaintiff's damages claim and not a true motion in limine, which is meant to address evidentiary issues. The line between such motions is close; however, the main purpose of a motion in limine is to streamline the trial. . . . The evidence attached to defendant's motion satisfies the Court that the software products at issue were not marked with the relevant patents but were capable of being marked."</p>	
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Michael H. Schneider April 3, 2012	<i>SimpleAir, Inc. v. AWS Convergence Technologies, Inc., et. al.</i> 2-09-cv-00289 (TXED)	 
Evidence FRE 403 -- Prejudice Reasonable Royalty Prior License or Sale of Patent	<p>The court granted plaintiff's motion in limine to preclude defendants from presenting evidence of plaintiff's litigation and settlements with third parties except as related to license and exhaustion defenses. "The potential for prejudice and jury confusion substantially outweigh any probative value of the settlement induced license agreements."</p>	
Motion in Limine -- Expert Testimony: Denied in part granted in part Michael H. Schneider April 3, 2012	<i>SimpleAir, Inc. v. AWS Convergence Technologies, Inc., et. al.</i> 2-09-cv-00289 (TXED)	 

Reasonable Royalty
Prior License or Sale of Patent

Royalty Rate
Rate Cap Based on Noninfringing Substitute

The court granted in part plaintiff's motion to exclude portions of defendant's damages expert's opinions. "The parties are precluded from introducing or relying upon settlement license agreements for damages purposes thus, this part of the motion is granted. . . . [Defendant's expert] may not 'claim that reasonable royalty damages are capped at the cost of implementing the cheapest available, acceptable, noninfringing alternative,' and, thus, to that extent the motion is granted."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Leonie M. Brinkema | April 3, 2012

Amdocs (Israel) Limited v. Openet Telecom, Inc., et. al.
1-10-cv-00910 (VAED)



Exceptional Case
Willful Infringement

Evidence
FRE 402 -- Relevance

Damages
Marking & Notice of Infringement

The court denied defendant's motion in limine to preclude evidence of willfulness despite the court's finding of plaintiff's failure to mark. "In its Motion in Limine . . . [defendant] seeks to exclude evidence of willful patent infringement from trial. Although the evidence of willfulness in this case appears extremely weak given that the plaintiff did not mark the relevant products or provide notice to the defendant until it filed the lawsuit, willfulness is a fact-bound issue a plaintiff has a right to litigate. Whether it is wise to litigate such an issue is a tactical decision for the plaintiff."

Motion in Limine -- Fact Witness / Evidence / Exhibit:

Denied in part granted in part

Steven D. Merryday | March 26, 2012

Advanced Cartridge Technologies, LLC v. Lexmark International, Inc.
8-10-cv-00486 (FLMD)



Evidence
FRE 403 -- Prejudice

Evidence
FRE 609 -- Conviction of Crime

Reasonable Royalty
Prior License or Sale of Patent

The court granted plaintiff's motion in limine to preclude defendant from presenting certain criminal and dissolution of marriage information about plaintiff's owner. "[Plaintiff's] motion to exclude the arrest records of [its owner] is granted, except a judgment of conviction of a felony or crime of dishonesty within ten years is admissible as impeachment if [he] testifies. [Plaintiff's] motion to exclude the general records of a dissolution action involving [its owner] is granted except the fact of a sworn financial statement that omits to value a patent-in-suit owned by (that is, an asset of) [him] as of the effective date of the financial statement is admissible on cross-examination to impeach contrary testimony by [him] to the extent that the financial statement constitutes an earlier statement under oath by [him] of the value of a patent-in-suit. The fact that the financial statement occurred in connection with a dissolution of marriage is irrelevant. . . ."

Motion in Limine -- Expert Testimony: Denied

Christina A. Snyder | February 27, 2012

Raymond Caluori v. Ryobi Limited, et. al.
2-07-cv-02035 (CACD)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion to exclude plaintiff's damages expert. "[T]he Court is mindful of the Federal Circuit's guidance that the 'most reliable' license may arise out of litigation. . . . Insofar as [defendant] objects that [a license] Agreement [relied on by plaintiff's expert] 'resulted from litigation,' that argument is better addressed to the weight to be

accorded to Heath's opinions, rather than their admissibility."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

Expert Witnesses
Failure To Disclose in Expert Report

The court denied defendant's motion to exclude the testimony of plaintiff's damages expert as to the entire market value rule, but the court did order further discovery. "The Court recognizes that [plaintiff's expert] report does not specifically incorporate the 'analytical approach' approved of by the Federal Circuit in [TWM Mfg. Co. Inc. v. Dura Corp., 789 F.2d 895 (Fed. Cir. 1986)]. Nevertheless, [plaintiff's expert] explained in his deposition that he was able to conduct such analysis only after receiving information from defendant's expert not previously provided by [defendant]. Therefore, while [his] opinions need not be stricken . . . [plaintiff's expert] must supplement his report to include this analysis. [Defendant] shall then have an additional opportunity to depose [him] regarding his application of the analytical approach."

Motion in Limine -- Expert Testimony: Denied in part
granted in part
Andrew J. Guilford | February 27, 2012

Man Machine Interface Technologies LLC v. Vizio Inc et al
8-10-cv-00634 (CACD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied in part defendant's motion in limine to preclude testimony from plaintiff's damages expert as to the royalty base. The court rejected defendant's argument that plaintiff failed to satisfy the entire market value rule as to the lowest priced accused device, but agreed that plaintiff failed to make the same showing as to higher priced items. "For the entire market value rule to apply, 'the patentee must prove that the patent-related feature [in this case a thumb-switch] is the 'basis for customer demand.' . . . [B]ecause the thumb-switch is such a prominent feature in the remote, a reasonable juror could conclude that the thumb-switch is the primary driver of consumer demand for the device. . . . At the same time, Plaintiff fails to satisfy its burden of showing that the thumb-switch device drove customer demand for Defendant's higher priced remotes. For example, [plaintiff's expert] concludes that Defendant's expensive VUR10 remote should carry a much higher royalty per unit than Defendant's cheaper XRUM9M remote, even though Plaintiff fails to show that the price difference has anything to do with Plaintiff's patented technology. Indeed, the price difference appears to be driven by features in the VUR10 remote – such as Bluetooth and a full QWERTY keyboard – that are completely unrelated to the [patent-in-suit]. Accordingly, the Court prohibits [plaintiff's expert] from testifying that the royalty per unit on any of the separately sold remote controls exceeds the royalty per unit for the XRUM9M remote – the separately sold remote with the lowest per unit price."

Damages
Reasonable Royalty

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court granted defendant's motion in limine to preclude testimony from plaintiff's damages expert as to royalty rates based on third-party license agreements. "[T]he royalty rates [plaintiff's expert] computes are unreliable because they are based on mere 'summaries' of license agreements that are easily distinguishable from any hypothetical licensing agreement that [the parties] may have entered. For example, [plaintiff's expert] admits in her deposition that the license agreement summaries she considered involved licensing of more than one patent. [She] also admits that at least one of the license agreements she considered involved a parent and a subsidiary."

Motion in Limine -- Expert Testimony: Denied in part
granted in part
David O. Carter | February 24, 2012

Spellbound Development Group Inc v. Pacific Handy Cutter Inc et al
8-09-cv-00951 (CACD)



Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Price-Erosion Damages

The court granted in part defendants' motion in limine to exclude testimony and evidence from plaintiff's damages expert including "[t]he expert's calculation of price erosion based on a finding that Plaintiff was 'forced' to lower its prices due to Defendants' infringement. This finding of causation is not adequately supported by the record, which appears to include only: (1) [a witness's] statement that Plaintiff was forced to lower its prices; and (2) anecdotal evidence that, at one time, Plaintiff did lower its prices, without any control for factors other than Defendants' infringement that might cause the price reduction."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

W. Royal Furgeson, Jr | February 21, 2012

General Electric Company v. Mitsubishi Heavy Industries Ltd., et. al.
3-10-cv-00276 (TXND)



Damages
Marking & Notice of Infringement

The court denied defendant's motion in limine to preclude plaintiff from claiming damages before its suit was filed due its to failure to mark even though the only remaining claim covered a method. "[Defendant] argues that [plaintiff's] damages should nevertheless be limited because [plaintiff] failed to mark products associated with [two claims of the remaining patent-in-suit], which it initially asserted and later dropped. . . . The Court declines to limit the scope of [plaintiff's] recoverable damages to the period of time after [plaintiff] filed suit solely because [it] once asserted claims over unmarked products."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

W. Royal Furgeson, Jr | February 21, 2012

General Electric Company v. Mitsubishi Heavy Industries Ltd., et. al.
3-10-cv-00276 (TXND)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court denied defendant's motion in limine to preclude plaintiff from seeking lost profits for sales occurring before the patent-in-suit issued. "The Court finds that the 'but for' test governing the award of lost profits is not limited to sales that occurred after a patent is issued and declines to decide as a matter of law something that is clearly a matter of disputed fact. If [plaintiff] can prove by a preponderance of the evidence that but for [defendant's] infringement, it would have made additional profits, then it is entitled to introduce expert testimony regarding an appropriate amount of lost profit damages."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Sue L. Robinson | February 14, 2012

LadaTech LLC v. Illumina Inc.
1-09-cv-00627 (DED)



Bifurcation
Bifurcation of Liability & Remedies

Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Prior License or Sale of Patent

The court granted defendants' motion to preclude plaintiff's evidence of the parties' failed attempts to license the patent-in-suit. "While plaintiff has provided caselaw supporting its argument that a failed licensing attempt is relevant circumstantial evidence of a defendant's knowledge of a patent (and, sometimes, a plaintiff's infringement contentions), plaintiff does not need to prove this element at trial, as defendants have stipulated that they knew of the [patent-in-suit] for purposes of inducement of infringement. . . . Willfulness and damages have been bifurcated from this case, and the danger of unfair prejudice to defendants and juror confusion that would likely result from this collateral issue outweighs the probative value of the failed licensing attempts in the context offered in view of defendants' stipulation."

Motion in Limine -- Expert Testimony: Denied

Arthur J. Schwab | February 10, 2012

University of Pittsburgh of The Commonwealth System of Higher
Education v. Varian Medical Systems, Inc.
2-08-cv-01307 (PAWD)



Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion in limine to preclude the testimony of plaintiff's damages expert and rejected defendant's challenge to the expert's reliance on a third party license agreement. "There is no reason to exclude this evidence based upon [defendant's] assertion that the only reason this license was included was because of the high royalty rate. Although the license was exclusive, which points to the royalty rate being higher than in this case, there are several factors that point to the royalty rate in this case being higher. For example, the license . . . was for a pending patent. . . . Additionally, there was no certainty that the patent was valid and being infringed – which is the assumption during a damages trial. Although not a respiratory gating patent, the patent application at issue in the. . . license did deal with radiation therapy by one of [defendant's] major rivals. The patent application was not 'radically different' than the patent-in-suit."

Expert Evidence
Expert's Methodology

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

The court denied defendant's motion in limine to preclude the testimony of plaintiff's damages expert even though the expert did not consider pre-suit licensing negotiations. "This case is easily distinguished from ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860 (Fed. Cir. 2010), in which the Federal Circuit discussed the consideration of actual licenses for the patent-in-suit. The current suit deals with license negotiations for the patent-in-suit. The license negotiations between [the parties] differed in important ways from the hypothetical negotiation that is at issue during the damages trial."

Motion in Limine -- Evidence Supporting Claim/Defense:**Granted**

Arthur J. Schwab | February 10, 2012

University of Pittsburgh of The Commonwealth System of Higher
Education v. Varian Medical Systems, Inc.
2-08-cv-01307 (PAWD)



Evidence
FRE 403 -- Prejudice

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Prior License or Sale of Patent

The court denied plaintiff's motion in limine to preclude evidence of pre-suit license negotiations. "[Plaintiff] argues that because the issues of validity and infringement had not been decided at the point of the pre-lawsuit negotiations that this evidence should not be admitted pursuant to Fed. R. Evid. 403. However, [plaintiff's] own expert used license agreements that were negotiated prior to a patent being even issued, much less after a final determination on validity and infringement. [Plaintiff's expert] then (appropriately) points out that these license figures should be adjusted upwards because of the certainty of validity and infringement that is assumed during the hypothetical negotiation for a reasonable royalty. . . . [Plaintiff] is free to cross-examine [defendant's damages expert] on this subject during the damages phase of the trial."

Motion in Limine -- Evidence Supporting Claim/Defense:**Denied**

Arthur J. Schwab | February 10, 2012

University of Pittsburgh of The Commonwealth System of Higher
Education v. Varian Medical Systems, Inc.
2-08-cv-01307 (PAWD)



Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court denied defendant's motion in limine to exclude the value of certain components of the infringing device from the royalty base. "It is important to note that many components of the [accused] System are not patented by [plaintiff] but [defendant] does not argue that those components should be excluded from the royalty base. . . . [T]he Court surmises that the primary reason that [defendant] is arguing that the linear accelerators are not a part of the patented apparatus is because of the impact that including the linear accelerators will have on damages. However, because the Court has concluded the linear accelerators are a part of the patented apparatus and not just a mere accessory, the added value of the linear accelerators may be used in determining the royalty base. . . . The current case is more akin to a TV that has a built in DVR. In that case, the TV is a critical component of the whole patented apparatus and the TV may be included in the royalty base."

Claim Construction
Dependent Claims

Baseline Royalty
Royalty Base

Royalty Base
Entire Market Value Rule

The court denied defendant's motion in limine to exclude the value of certain components from the royalty base because "the damages that are awarded from infringement of a dependent claim cannot exceed those that are awarded from infringement of the independent claim from which it is derived. In support of its proposition, [defendant] cites only a footnote from *Wahpeton Canvas Co. v. Frontier, Inc.*, 870 F.2d 1546, 1553 n.10 (Fed. Cir. 1989). This Court will decline [defendant's] invitation to extend the dicta in *Wahpeton* into the promulgation of a rule of law by the Court of Appeals for the Federal Circuit."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Barbara B. Crabb | February 1, 2012

Promega Corporation, et. al. v. Life Technologies Corporation
3-10-cv-00281 (WIWD)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

The court granted plaintiff's motion to preclude evidence of a licensing agreement that the court previously determined (in ruling on a motion for summary judgment of infringement) did not give defendants the right to sell accused products. In ruling on the current motion, the court rejected the argument that defendants "should be able to argue that particular sales of [the accused products] fall within the license agreement if defendants did not have knowledge of how a customer was going to use [an accused product]." "Defendants have waived [this] issue. . . . If defendants believed that the license agreement protected them in instances in which they were unaware of the customer's use of the kit, that is an issue they should have raised in response to plaintiff's [earlier] motion."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Dana M. Sabraw | January 27, 2012

CareFusion 303, Inc. v. Sigma International
3-10-cv-00442 (CASD)



Damages
Reasonable Royalty

Royalty Base
Entire Market Value Rule

The court granted defendant's motion in limine regarding plaintiff's reasonable royalty analysis based on the entire market value rule. "[T]he Court grants the motion as to the reasonable royalty analysis based on the entire market value rule."

Damages
Lost Profits

Royalty Base
Entire Market Value Rule

The court denied defendant's motion in limine regarding plaintiff's lost profits analysis based on the entire market value rule. "Although the Model Patent Jury Instructions for the Northern District of California support Defendant's argument that the entire market value rule applies equally to the issue of lost profits, the Federal Circuit has yet to address this specific issue, and neither side has cited any other legal authority that supports extension of Lucent Techs, Inc. v. Gateway, Inc., 580 F.3d 1301 (Fed. Cir. 2009), and Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1291 (Fed. Cir. 2011), to the analysis of lost profits."

Motion in Limine -- Expert Testimony: **Denied in part**
granted in part

William H. Alsup | January 9, 2012

Oracle America, Inc. v. Google Inc.
3-10-cv-03561 (CAND)



Expert Evidence
Expert's Methodology

Damages
Convoyed Sales

Reasonable Royalty
Baseline Royalty

The court denied defendant's motion in limine to exclude plaintiff's damages expert's upward adjustment of the hypothetical negotiation starting point to account for lost convoyed sales. "[I]t was clear that [plaintiff] expected convoyed sales after licensing a compatible version of Java to [defendant]. [Plaintiff's] expectations were catalogued qualitatively in a variety of documents and quantitatively in financial projections. . . . While the amount of adjustment involves an element of uncertainty, [plaintiff's expert's] quantitative analysis was based on sufficiently reliable financial projections. The Federal Circuit has upheld a hypothetical royalty based on a contemporaneously created business plan projecting revenue. The convoyed-sales projections were contemporaneously calculated by. . . a senior director of business operations at [plaintiff]. [Defendant] does not explain why [she] would have projected an overly optimistic amount."

Expert Evidence
Expert's Methodology

Damages
Apportionment

The court granted defendant's motion in limine to exclude plaintiff's damages expert's apportionment analysis and struck those opinions and calculations. "[Plaintiff's expert] failed to apportion that \$100 million offer [in 2006 that was the starting point for the hypothetical negotiation] properly between the 26 claims in suit versus all other items in the 2006 offer. He did make a stab at an apportionment but his apportionment methodology was flawed. His method was to review future 2008–2011 data to estimate the impact of certain features in the 2008–2011 marketplace. . . . The main flaw in this method is that the universe of know-how included in Android during 2008–2011 was different from the universe of know-how included in the 2006 offer. . . . For all that is shown, the thousands of other items in the 2006 offer might have deserved far more than 55 percent of the total pie."

Expert Evidence
Expert's Methodology

Damages
Apportionment

The court granted defendant's motion in limine to exclude plaintiff's damages expert's apportionment analysis and suggested that one way to fairly apportion a \$100 million offer that was the hypothetical starting point would be to "divide the thousands of items into coherent groups and to evaluate the relative importance of the groups and to apportion the \$100 million across the groups in proportion to their relative importance. The group or groups including the 26 claims in suit would further need to be apportioned as between these claims versus the rest of the group members. Other methods might be viable as well."

Expert Evidence
Expert's Methodology

Damages
Apportionment

The court granted defendant's motion in limine to exclude plaintiff's damages expert's opinions apportioning a patent-in-suit's value among its claims where the expert's analysis was patent-by-patent and not claim-by-claim. "The [court's previous] order stated that a claim-by-claim analysis of damages was needed. . . . [A] single patent can include many distinct variations of an invention, each represented by its own claim. . . . An infringer of one claim is compelled by law to pay for a license, via the hypothetical negotiation, for the specific invention represented by that claim but it is not required to pay for a license for the other specific inventions not infringed. . . . [I]f liability is found on a claim, it may be possible to extend the royalty rate found by the jury on that claim into the future as a condition of not granting an injunction. [Plaintiff] does not deny that [its expert] treated each patent as an indivisible whole. It is a mystery why [plaintiff] and [its expert] deliberately choose to disregard this aspect of the [court's prior] order."

Motion in Limine -- Expert Testimony: **Granted**
Benjamin H. Settle | January 4, 2012

Pactool International Ltd. v. Dewalt Industrial Tool Co., et. al.
3-06-cv-05367 (WAWD)



Expert Evidence
Fact Versus Expert Testimony

Infringement Remedies
Damages

The court granted plaintiff's motion to exclude defendants' damages expert. "[Defendants' expert's] opening report improperly invades the province of the jury to find facts that are at issue. [He] relies on sales documents and inventory documents to conclude that Kett sold the thin blades to [plaintiff] prior to [a certain date]. That specific conclusion is a question of fact for the jury to determine. If the Court allowed this testimony, [defendants' expert's] would not be assisting the trier of fact to understand or determine a fact at issue; [he] would be providing testimony that there actually was at least one sale made. This is improper."

Motion in Limine -- Expert Testimony: **Denied in part**
granted in part
Irma E. Gonzalez | December 1, 2011

DataQuill Limited v. High Tech Computer Corp.
3-08-cv-00543 (CASD)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

Defendant's motion to exclude opinions from plaintiff's damages expert was granted in part. "Although the Court finds that [plaintiff's expert] has sufficient factual support for his conclusion that the 'significant patent agreements' are technological comparable to the license reached at the hypothetical negotiation . . . [his] report appears to have no analysis at all of the economic differences between the 'significant patent agreements' and the license reached at the hypothetical negotiation. Therefore, [he] has failed to establish economic comparability and his testimony regarding the 'significant patent agreements' should be excluded on this ground alone. Moreover, what is troubling about [his] lack of economic analysis is that 'the significant patent agreements' appear to be licenses between [defendant] and heavyweights in the telecommunications industry . . . for entire portfolios of patents. . . . If [plaintiff's expert] cannot show that the 'significant patent agreements' are economically comparable, then he should not rely on those licenses in his analysis."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied in part defendant's motion to exclude plaintiff's damages expert's reasonable royalty opinions where it found that the entire market value rule was proper in this case. "[Plaintiff] is not merely claiming that the technology is vital to the operation of the handsets, but that it is vital to their competitive position in the marketplace. . . . Because [plaintiff] has presented evidence showing the importance of the allegedly patented technology to accused devices' ability to succeed in the marketplace, it has presented sufficient evidence from which a reasonable jury could find that the entire market value rule has been satisfied."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Sue L. Robinson | October 31, 2011

SRI International v. Internet Security, et al
1-04-cv-01199 (DED)Expert Evidence
Expert's MethodologyExpert Evidence
Data/Assumptions Supporting OpinionReasonable Royalty
Georgia Pacific Factors

The court granted in part plaintiff's motion to preclude improper damages testimony. "[Defendant's expert's] proffered testimony regarding possible 'design arounds' as alternatives to the patented technology is wholly speculative and, consequently, not helpful to the trier of fact. There is no indication that any of the technical alternatives proposed by [him] would work. [He] admitted as much at his deposition. ('I have no idea whether or not they would be commercially viable.')

Expert Evidence
Expert's MethodologyRoyalty Base
Entire Market Value RuleReasonable Royalty
Georgia Pacific Factors

The court granted plaintiff's motion to exclude the opinion of defendant's expert that "while patentable, the inventions at bar offered only a minor incremental improvement over what was known in the art and, therefore, the value of the inventions is negligible." "[Plaintiff] seeks to demonstrate that the patent-related features of [the accused product] were the basis for customer demand. [Defendant's] rebuttal evidence, therefore, should be directed to the overall value of [the accused product]. It is not appropriate for [defendant's expert] to simply identify a few features and state that they would have little value, as he has done in his report."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Sue L. Robinson | October 31, 2011

SRI International v. Internet Security, et al
1-04-cv-01199 (DED)Expert Evidence
Data/Assumptions Supporting OpinionInfringement Remedies
Damages

The court granted defendant's motion in limine to limit the testimony of plaintiff's damages expert as to incorrect sales data. "[Defendant] states that the sales data it produced in 2006 mistakenly included duplicate entries, and that revised data was provided in May 2011 and considered by [plaintiff's] financial expert. [Plaintiff] does not dispute that its expert has considered the May 2011 data, but argues that the jury should adjudge the accuracy of the 2011 sales data vis a vis the 2006 sales data. I disagree, and exclude the inaccurate 2006 sales data as confusing and misleading to the jury."

Motion in Limine -- Expert Testimony: Denied

Barbara B. Crabb | October 27, 2011

SanDisk Corporation v. Kingston Technology Co., Inc., et. al.
3-10-cv-00243 (WIWD)Damages
Reasonable RoyaltyExpert Evidence
Expert's Methodology

The court denied plaintiff's motion to exclude the testimony of defendant's damages expert that plaintiff's worldwide licenses were anticompetitive. "[P]laintiff argues that [the expert's] opinions that plaintiff's worldwide royalties and its fields of use are anticompetitive should be excluded because they are conclusory and lacking in economic analysis. Plaintiff argues that [defendant's expert's] analysis of worldwide licenses disregards their various economic benefits. This may be persuasive on cross-examination but it is not a basis on which to exclude his testimony. [He] does reach a legal

conclusion when he says that plaintiff's fields of use impose a 'double-royalty' but he also says that the licenses charge twice their value. He bases the latter conclusion on the relative cost of the technology and on the form of plaintiff's past licenses. I will disregard any legal conclusions, such as that the licenses charge a 'double-royalty,' but [defendant's expert] may testify about his economic analysis."

Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court denied plaintiff's motion to exclude defendant's damages expert's testimony as unreliable despite plaintiff's argument that he "never assesses current output and prices for USB flash drives or what output and price would be in a world absent plaintiff's licenses. . . . [Defendant's expert] does argue that plaintiff's licenses would raise prices by excluding competitors. If he did not take into consideration evidence about what the cost, output or price of USB flash drives would be in a world without aggregators, then plaintiff may use this failing to challenge his conclusions at trial."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Barbara B. Crabb | October 25, 2011

Novozymes A/S, et. al. v. Danisco A/S, et. al.
3-10-cv-00251 (WIWD)



Damages

Conveyed Sales

The court allowed plaintiffs to present evidence of lost profits from sales not made of collateral products. "The only issue at this stage is whether plaintiffs are allowed to seek such damages. Rite-Hite Corp. v. Kelley Co., Inc., 56 F.3d 1538 (Fed. Cir. 1995), makes it clear that they are. *Id.* at 1548-49 (finding no 'justification in the statute, precedent, policy, or logic to limit the compensability of lost sales of a patentee's device that directly competes with the infringing device if it is proven that those lost sales were caused in fact by the infringement')."

Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

Barbara B. Crabb | October 25, 2011

Novozymes A/S, et. al. v. Danisco A/S, et. al.
3-10-cv-00251 (WIWD)



Damages

Apportionment

The court granted plaintiffs' motion in limine to preclude defendant's argument that lost profits should be apportioned to account for defendant's contribution to development of the claimed invention. "Defendants contend that the work their scientists did on identifying the alphaamylase variant at position 239 added value to the [patent-in-suit] and should be taken into consideration by the jury in determining plaintiffs' lost profits. In other words, the damages should be apportioned to reflect the added value they provided. . . . This is not a case in which an extra feature adds value to a larger component; the [patent-in-suit] incorporates the entire invention, which is the GC358 starch hydrolyzing alpha-amylase variant. . . . [A] patent holder is entitled to all of the infringer's profits unless his patent created only a part of those profits. Those are not the facts in this case, in which the [patent-in-suit] claims the entirety of the invention. The entire value of defendants' infringing sales of [the accused product] derives from this invention; therefore plaintiffs are entitled to the full amount of whatever lost profits they are able to prove."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**

Michael H. Schneider | October 14, 2011

Alexsam, Inc. v. Shell Oil Company, et. al.
2-08-cv-00015 (TXED)



Reasonable Royalty

Related License/Contract

Expert Witnesses

Materials Considered in Forming Opinion

Plaintiff's motion to exclude portions of defendant's damages expert's opinion was granted as to a license relied upon by the expert that was never produced. "Defendant contends that [the expert] is able to rely on this data because it falls within his personal knowledge. Because [defendant's expert] relied on the license, did not produce the license, and was unable at deposition to elaborate on the details of the license, he may not make reference to this license or its contents."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

William H. Alsup | October 6, 2011

Conceptus, Inc. v. Hologic, Inc.
3-09-cv-02280 (CAND)District Court Procedural Issues
Summary Judgment PracticeEvidence
Evidence/Contentions Not Timely DisclosedLost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted in part plaintiff's motion in limine to preclude evidence that of a non-infringing alternative that was not addressed in summary judgment. "The summary judgment ruling that there were no acceptable and available non-infringing alternatives will stand. [Defendant] had the burden of identifying any such alternatives at the summary judgment stage, and it failed to do so. [Defendant] may not now introduce the new theory that tubal ligation was an acceptable alternative. . . . The summary judgment ruling does not imply that [plaintiff] would have sold its product to every user of [defendant's] method if [defendant] had not been in the market. Rather, the absence of any acceptable non-infringing alternative is only one step along the way to proving lost profits."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

William H. Alsup | September 27, 2011

Conceptus, Inc. v. Hologic, Inc.
3-09-cv-02280 (CAND)Evidence
FRE 402 -- RelevanceReasonable Royalty
Related License/Contract

The court denied in part plaintiff's motion to exclude evidence of plaintiff's prior litigation with a non-party. "The fact of the settlement between [plaintiff and the non-party] shall not be introduced to show that [the non-party] first invented any of the technology there at issue. The license agreement they reached, however, will not be excluded wholesale. . . . [T]he license agreement may be introduced as evidence of the rates paid for licenses to patents comparable to the patent in suit — the second Georgia-Pacific factor relevant to determination of a reasonable royalty. . . . [A]ny influence the litigation context may have had on the price of [that] license would impact its evidentiary weight, not its admissibility."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied in part granted in part

Keith F. Giblin | September 23, 2011

Tyco Healthcare Group LP et al v. Applied Medical Resources Corp
9-09-cv-00176 (TXED)Evidence
FRE 402 -- RelevanceLost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court granted plaintiffs' motion in limine in part, allowing that "[t]he fact that Plaintiffs have not filed any lawsuit against [a third party] for infringement of the patents-in-suit can be brought up in relation to the existence of acceptable non-infringing alternatives and whether Plaintiffs value the patents-in-suit. It is not relevant for any other purpose."

Motion in Limine -- Evidence Supporting Claim/Defense:











Denied in part granted in part

Keith F. Giblin | September 23, 2011

Tyco Healthcare Group LP et al v. Applied Medical Resources Corp
9-09-cv-00176 (TXED)Lost Profits
Causation (No Noninfringing Substitutes or Market Share)Lost Profits
Manufacturing Capability

Plaintiffs' motion in limine regarding corporate structures was granted in part. "[Defendant] may refer to its status as a vertically integrated company for the limited purposes of discussing its ability to transition to acceptable non-infringing alternatives and for net profit margins. [Defendant] cannot state that [plaintiffs'] parent company is located in Ireland. If

[plaintiff] discusses its manufacturing capacity in the context of lost profits, [defendant] may point out that [plaintiff's] business model of outsourcing may impact its manufacturing capacity."

Motion in Limine -- Expert Testimony: Granted Keith F. Giblin September 23, 2011	<i>Tyco Healthcare Group LP et al v. Applied Medical Resources Corp</i> 9-09-cv-00176 (TXED)	 
<p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Baseline Royalty Royalty Rate</p> <p>Defendant's motion in limine to exclude the testimony of plaintiff's damages expert concerning a royalty range. "[The expert's] testimony on a royalty range was not limited to trocars, but appears to be based on his experience on the medical field as a whole. Prior license agreements must be 'sufficiently comparable to the hypothetical license at issue in suit.' . . . The court understands Plaintiffs' argument about relevance under Georgia-Pacific factor 12, but both factor 12 and [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011)] discuss royalty rates for use of the invention and similar inventions. [Plaintiff's expert's] testimony involved the medical field in general, and devices not comparable to the trocars at issue in this case."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Keith F. Giblin September 23, 2011	<i>Tyco Healthcare Group LP et al v. Applied Medical Resources Corp</i> 9-09-cv-00176 (TXED)	 
<p>Reasonable Royalty Related License/Contract</p> <p>Defendant's motion in limine to exclude testimony regarding defendant's settlement agreement with a third party was granted. "[T]his is a litigation license and not admissible."</p>		
Motion in Limine -- Expert Testimony: Granted Charles Everingham September 9, 2011	<i>Versata Software, Inc. et al v. SAP America, Inc. et al</i> 2-07-cv-00153 (TXED)	 
<p>Damages Reasonable Royalty</p> <p>Expert Evidence Expert's Methodology</p> <p>The court granted defendants' motion to exclude expert testimony regarding plaintiffs' reasonable royalty model. "[A]t no time does any expert attempt to apportion the contribution of the patented invention to [defendants'] product. Instead, [one expert] simply accepts [another's] data without comment, and assumes that the patented features will provide the exact same value to [defendants'] customers as they do to [plaintiffs'] customers. This leap from apples to oranges is unsupported and improper."</p>		
Motion to Strike Evidence / Argument Supporting a Motion: Denied in part granted in part Ronald M. Whyte August 19, 2011	<i>Synthes (USA) v. Spinal Kinetics Inc.</i> 5-09-cv-01201 (CAND)	 
<p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Reasonable Royalty Related License/Contract</p> <p>The court denied plaintiff's motion to strike defendant's expert's royalty opinions. "The royalty agreements on which [defendant's expert] relies are at least marginally relevant because they relate to the allegedly competing [plaintiff] products, as well as the alleged infringing product. [Plaintiff] is correct in arguing that all the agreements involve situations and circumstances different from the facts of this case. That said, a perfectly comparable agreement is rarely available."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Granted James V. Selna August 10, 2011	<i>Broadcom Corporation v. Emulex Corporation</i> 8-09-cv-01058 (CACD)	 

Evidence
FRE 402 -- Relevance

Damages
Lost Profits

Damages
Convoyed Sales

Defendant's motion in limine to exclude evidence of foreign sales was granted. "[Defendant] contends that because no infringement occurs where a product is made and sold outside of the United States . . . no damages for such sales may be awarded because there is no infringement. . . . [Plaintiff] responds that it entitled to damages on all sales which it would have enjoyed 'but for' [defendant's] infringement. But none of [plaintiff's] 'but-for' cases deals with foreign sales. Nor can foreign sales be lumped with domestic sales on a convoy theory."

Motion in Limine -- Expert Testimony: **Granted**
James V. Selna | August 10, 2011

Broadcom Corporation v. Emulex Corporation
8-09-cv-01058 (CACD)



Expert Evidence
Qualification of Expert

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

Plaintiff's motion in limine to preclude defendant's damages expert from testifying about non-infringing substitutes was granted. "[Defendant's expert] is not qualified to state that [a third party] could provide a noninfringing. . . substitute, and he repeatedly stated as much at deposition. In his report, he cites to two [of plaintiff's] e-mails which discuss the [third party's product] as a substitute. . . . The Court disagrees with [defendant's] statement that the e-mails 'on their face' are sufficient to prove that noninfringing substitutes exist."

Motion in Limine -- Expert Testimony: **Denied in part**
granted in part
Charles Everingham | July 19, 2011

Convolve, Inc. v. Dell Inc. et al
2-08-cv-00244 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

Defendant's motion in limine to preclude plaintiff's damages expert from testifying about a royalty rate in a related license agreement was granted in part. "Before eliciting testimony from [plaintiff's damages expert] regarding the royalty rate reflected in [that] license, Plaintiff must first establish the functionality enabled by the patent-in-suit, as well as the functionality purportedly covered by [that] license, and compare their economic importance."

Motion in Limine -- Expert Testimony: **Denied in part**
granted in part
Raymond A. Jackson | July 15, 2011

ActiveVideo Networks, Inc. v. Verizon Communications, Inc., et. al.
2-10-cv-00248 (VAED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

Royalty Base
Entire Market Value Rule

Defendants' motion to exclude plaintiff's damages expert was denied. "[Plaintiff] has submitted substantial evidence to demonstrate that VOD (or the patented feature) is the basis for consumer demand for the [accused] system or substantially contributed to the value of the system. Accordingly, the Court declines to exclude [plaintiff's expert's] report and opinions on this ground. [Defendant] also argues that [plaintiff's expert] 'cherry-picked' two agreements in establishing a reasonable royalty rate and argues that the two agreements relied upon do not provide acceptable benchmarks. However, the Court finds that this objection goes to the weight and not the admissibility of [his] testimony."

Motion in Limine -- Expert Testimony: Denied in part
granted in part
 Marilyn L. Huff | July 13, 2011

Lucent Technologies, Inc. et al v. Gateway, Inc. et al
 3-07-cv-02000 (CASD)



Damages
 Reasonable Royalty

Expert Evidence
 Expert's Methodology

Royalty Base
 Entire Market Value Rule

The court granted defendant's motion in limine to exclude a supplemental damages expert report that calculated a royalty based on the entire value of the accused software. The court previously granted a motion in limine excluding plaintiff's expert report which calculated a royalty based on total revenue from sales of the accused software. Plaintiff's supplemental damages report set forth a per unit calculation, but was still based on the entire value of each unit and still failed to satisfy the requirements of the entire market value rule. "[Plaintiff's] per unit analysis still relies solely on the whole per unit price of [defendant's product] without apportioning this to account for all the other unpatented features that consumers use besides [patented] technology even when consumers invoke the [patent's] methods. . . . [T]he Court explicitly stated that. . . '[plaintiff] needs to further apportion by some measure to separate between the patented and unpatented features as tied to the facts of this case and economic realities.' [Plaintiff] has failed to apportion by any further measure contrary to the Court's [prior] Order."

Expert Evidence
 Expert's Methodology

Reasonable Royalty
 Hypothetical Negotiation

Royalty Base
 Entire Market Value Rule

The court denied without prejudice defendant's motion in limine to preclude defendant's damages expert's business realities theory. "[Plaintiff's expert's] business realities approach does not differ significantly from Professor Mnookin's real world negotiation theory, in that both take into account factors that would influence the hypothetical negotiation. [Plaintiff's expert] puts forth a range of agreement – \$65 to \$75 million – that accounts for a variety of negotiating factors, without resorting to a rate times base calculation. At trial, [plaintiff] will still need to demonstrate that [its expert's] business realities analysis is not in violation of the entire market value rule. [Plaintiff] will also need to prove that the factual predicates for its calculations, such as [a] survey's 7% multiplier and the \$67 unit price of [defendant's product], are credible."

Damages
 Reasonable Royalty

Expert Evidence
 Expert's Methodology

The court granted defendant's motion in limine to exclude plaintiff's damages expert's "alternative analysis" theory in his supplemental report where he found the parties would agree on a \$70 million lump sum royalty. "[Plaintiff's expert] posits that around \$70 million, both [parties] would realize that they would be giving up too much if they held out any longer and would therefore agree to meet in the middle of the \$0 to \$138.7 million range. . . . The Court agrees that this analysis is not based in sound economic principles and factual predicates as required under the law. . . . [Plaintiff's expert's] vague statement on his reliance on 'other Georgia-Pacific factors and Business Realities considerations' are not tied to any factual predicates. It is unclear to the Court what else he relies on as part of these other factors to arrive at the \$70 million number, apart from consideration of the 1% royalty rate."

Motion in Limine -- Expert Testimony: Denied
 Charles Everingham | July 8, 2011

Convolve, Inc. v. Dell Inc. et al
 2-08-cv-00244 (TXED)



Reasonable Royalty
 Related License/Contract

Baseline Royalty
 Royalty Rate

The court denied defendants' motion in limine to exclude portions of plaintiff's damages expert's testimony. "As [plaintiff's expert] explains in his report, in 1996, [a third party and a defendant] entered into a license agreement in which [defendant] agreed to pay [the third party] a royalty equal to 25% of the manufacturing cost savings that resulted from [defendant's] use of the licensed technology. Rather than relying on the industry 25% rule of thumb rejected in [Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292, 1317 (Fed. Cir. 2011)], [plaintiff's expert's] use of a 25% apportionment factor is instead based on an actual, arms-length license agreement entered into by [defendant] – who is a party to the hypothetical negotiation in this case."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Charles Everingham | July 8, 2011

Convolve, Inc. v. Dell Inc. et al
2-08-cv-00244 (TXED)



Expert Evidence
Qualification of Expert

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted in part plaintiff's motion in limine to exclude defendant's damages expert's testimony as to royalty rates of related licenses. "Other than surmising that the technology covered by [certain] licenses are in the 'same general field . . . and covers the same products' as the [patent-in-suit], [defendant's expert] makes no attempt to link the particular technology of [those] licenses to the [patent]. Furthermore, [he] makes no attempt to rely on a technical expert that could establish such a link. . . . Considering this, [defendant's expert] may use [those] licenses to allude solely to general licensing practices, but may not testify as to the royalty rates discussed in [those] licenses."

Motion in Limine -- Expert Testimony: **Denied**
Charles Everingham | July 7, 2011

Convolve, Inc. v. Dell Inc. et al
2-08-cv-00244 (TXED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion to exclude portions of defendants' expert's report and testimony concerning third party license agreements relied upon "to support [the expert's opinion] opinions that the hard disk drive industry prefers lump-sum royalties." "[T]he court concludes that, in his analysis of [those] licenses, [defendants' expert] gave adequate consideration to the comparability of the commercial circumstances and the technology at issue, particularly in light of the fact that [his] use of [those] licenses is limited to showing the existence of an industry preference for a lump-sum royalty – i.e., he made no attempt to incorporate the royalty rates underlying [those] licenses into his opinion."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

To rely on royalty rates of third party license agreement as a basis for damages opinion, expert must first establish the comparability of the licenses. "[I]f [defendant's expert] attempts to incorporate the royalty rates underlying the [third party] licenses into his testimony in front of the jury, [defendant] must first establish the comparability of licenses. It is not sufficient to state that both the [patent-in-suit] and the patents underlying the [third party] licenses cover hard disk drive technology. Rather, [defendant] must establish the functionality enabled by the [patent-in-suit], as well as the functionality purportedly covered by the licensed patent, and compare their economic importance."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Raymond A. Jackson | July 5, 2011

ActiveVideo Networks, Inc. v. Verizon Communications, Inc., et. al.
2-10-cv-00248 (VAED)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion in limine to exclude certain non-infringing alternatives opinions of defendants' expert. "Although damage awards based on gross speculation may not be sustained, a district court may consider a hypothetical negotiation between a willing licensor and a willing licensee as a tool to fix a royalty rate that is adequate to compensate a patentee for infringement. The Court finds that [defendants' expert's] testimony about the 2005 Agreement may be relevant to a reasonable royalty calculation."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Marilyn L. Huff | June 30, 2011

Lucent Technologies, Inc. et al v. Gateway, Inc. et al
3-07-cv-02000 (CASD)



Juries
Jury Instructions

Indirect Infringement
Contributory Infringement

Indirect Infringement
Inducing Infringement

Infringement Remedies
Damages

The court denied defendant's motion in limine to limit the damages period based on the Supreme Court's recent decision in *Global Tech Appliances, Inc. v. SEB, S.A.*, No. 10-6, (May 31, 2011) (holding that induced infringement under 35 U.S.C. § 271(b) requires knowledge that the induced acts constitute patent infringement). "[I]n light of the jury's finding of indirect infringement under either or both theories, the Court agrees with [plaintiffs] that the Global-Tech opinion does not necessarily impact the damages period. Global-Tech changed only the standard with respect to inducement — not contributory infringement. . . . [B]ased on the jury's general verdict of indirect infringement and because the verdict must be viewed with inferences favoring prevailing party, the Court must assume that the jury may have predicated their verdict on a finding of contributory infringement."

Motion in Limine -- Expert Testimony: **Granted**

Colleen McMahon | June 23, 2011

Schindler Elevator Corporation, et. al. v. Otis Elevator Company
1-06-cv-05377 (NYSD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted defendant's motion in limine to exclude plaintiff's damages expert from using the entire market value rule to establish a reasonable royalty because Plaintiff did not offer credible evidence that customer demand for defendant's elevator system was based on the patented feature. "While one can assume that those who wanted the feature found it desirable and were willing to pay for it (with [one exception]), there is no way of knowing (short of interviewing the customers, which was never done) whether this feature alone drove the decision to purchase from [defendant]. . . . Finally, [plaintiff's expert] appears to have used the wrong standard. He opines that the patent feature was a 'substantial basis for demand' at the seven accused installations. But the test. . . is whether the patent component was of such paramount importance that it substantially created the value of the component parts -- thereby making it 'the basis for customer demand.'"

Motion in Limine -- Expert Testimony: **Denied**

Colleen McMahon | June 23, 2011

Schindler Elevator Corporation, et. al. v. Otis Elevator Company
1-06-cv-05377 (NYSD)



Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Rate

Defendant's motion in limine to exclude the testimony of plaintiff's damages expert was denied. In doing so, the court rejected defendant's argument that setting a maximum possible license at the rate that would eliminate defendant's profit rendered the expert's opinion inadmissible. "[The expert's] 'arbitrary starting point' for the calculation of a reasonable royalty is not. . . completely untethered from the facts of this case; rather, it was selected because it is the rate at which [plaintiff] at one point licensed its intellectual property [to another plaintiff]. . . . Neither is [his] selection of a maximum possible license value 'untethered' from the facts of this case. . . . The notion that [defendant] would be willing to pay a royalty that would wipe out its entire profit. . . is of course worthy of some pointed cross-examination; but [his] upper bound of reasonableness cannot be said to be unrelated to the facts of this case."

Expert Evidence

Expert's Methodology

Reasonable Royalty

Hypothetical Negotiation

Reasonable Royalty

Prior License or Sale of Patent

The court denied defendant's motion in limine to exclude the testimony of plaintiff's damages expert. In doing so, the court rejected defendant's argument that the expert's use of prior license between plaintiff and a related company to establish a starting point for calculating a reasonable royalty was arbitrary and "untethered to the facts of the case." "The fact that [plaintiff's expert] applied the Georgia Pacific factors to the midpoint between the rate in the [license between plaintiff and an affiliated company] and the presumed profit of [defendant] is yet another methodological decision that can be attacked . . . but it cannot fairly be analogized to what was deemed improper in [Uniloc USA, Inc. v. Microsoft, 632 F.3d 1292 (Fed. Cir. 2011)]."

Motion in Limine -- Expert Testimony: Denied in part
granted in part

Marilyn L. Huff | June 16, 2011

Lucent Technologies, Inc. et al v. Gateway, Inc. et al
3-07-cv-02000 (CASD)



Expert Evidence

Expert's Methodology

Reasonable Royalty

Hypothetical Negotiation

The court denied plaintiff's motion in limine to exclude defendant's damages expert from testifying about his real-world negotiations theory. "Under this theory, two parties come to a negotiation with their 'best alternative to a negotiated agreement' and a reservation price. The two parties will only come to an agreement if there is an overlap between their 'zone of potential agreement'. . . . [Plaintiff] argues that this theory ignores that the hypothetical negotiation between two parties should (1) assume the patent is valid and infringed, (2) allow parties to walk away, and (3) ignores information about the 'Book of Wisdom'. . . . The Court agrees with [defendant] that there is no single correct approach at calculating reasonable royalties. . . . [Defendant's expert's] negotiation that he applies to the facts of this case is widely accepted in the scientific community and has been published in many journals. The Court concludes that [his] negotiation theory is based on reliable principles and methods."

Motion in Limine -- Expert Testimony: Denied in part
granted in part

Marilyn L. Huff | June 16, 2011

Lucent Technologies, Inc. et al v. Gateway, Inc. et al
3-07-cv-02000 (CASD)



Expert Evidence

Expert's Methodology

Royalty Base

Entire Market Value Rule

The court granted in part defendant's motion in limine to exclude plaintiff's damages expert's entire market value opinion was granted in part. "[T]he Court concludes that [plaintiff's] method of apportionment does not properly apportion between the patented and unpatented features of Outlook in a way that separates out from the royalty base the portion that can be attributed to the Day patent technology. Though [plaintiff] discounts the base to include only the revenue from Outlook where a user uses the Day patent technology, [plaintiff] fails to show that it is entitled to capture this entire market value as the base. . . . At best, [plaintiff] has introduced evidence to show that the Day patent technology is the basis for consumer demand for about 7% of users based on the Jay survey. For a product that is feature-rich like Outlook, use as a proxy for value does not appropriately account for all the other unpatented features that consumers

use besides the Day patent technology even when consumers invoke the Day patent methods."

Expert Evidence
Expert's Methodology

Baseline Royalty
Royalty Base

The court granted defendant's motion in limine to exclude evidence of a third party software add-in as a proxy for the value of the patented technology. "[I]f [plaintiff] intends to use an add-in as a proxy for what the Day patent technology may be worth to [defendant], [it] needs to show a market for the add-in. If there is no market for the add-in, there is no evidence that consumers would buy the add-in. Moreover, if the add-in was then incorporated into [defendant's product], there is no evidence that any consumer would pay [defendant] anything additional because of the inclusion of the add-in. . . . [W]ithout evidence that there is a market for this add-in, the add-ins analysis does not meet the requirement for damages being based on 'sound economic and factual predicates.'"

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied defendant's motion in limine to exclude plaintiff's damages analysis based on the "time a customer saves when using the [patent-in-suit] technology over alternatives" but required a limiting jury instruction. "The one second time savings is based on testimony of Lucent's technical expert. . . who is familiar with the patented technology and its alternatives. . . . Moreover . . . courts have at times considered time savings as a proper basis for calculating damages. Such evidence of time savings may also be relevant to show 'the profits and savings that could be made upon . . . sale or adoption [of the patented component].' . . . [T]he Court permits [plaintiff] to introduce the time savings analysis but only with a limiting instruction to the jury that the number represents only the time savings value of the Day patent technology to consumers and not necessarily what [defendant] would pay for the feature."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Hypothetical Negotiation

The court denied defendant's motion in limine to exclude testimony from plaintiff's damages expert concerning his "business realities" methodology for calculating damages. "[Defendant] argues that [the expert's] final conclusion—that the parties will meet in the middle of their respective walk away approaches—is not grounded in the facts of his case. In opposition, [plaintiff] argues that its approach is not unlike the real-world negotiation approach that [defendant's expert] uses in his damages calculation. In particular, [plaintiff] contends that [the expert] accounts for the parties negotiating positions, and couples that to the proper considerations of the hypothetical negotiation. The Court agrees with [plaintiff]. . . . The Court concludes that [plaintiff's damages expert's] business realities negotiation theory is based on reliable principles and methods."

Motion in Limine -- Evidence Supporting Claim/Defense:
Granted
Marilyn L. Huff | June 16, 2011

Lucent Technologies, Inc. et al v. Gateway, Inc. et al
3-07-cv-02000 (CASD)



Expert Evidence
Fact Versus Expert Testimony

Infringement Remedies
Damages

The court granted plaintiff's motion in limine to preclude evidence of defendant's damages figure to be presented via a fact witness. In doing so, the court rejected defendant's argument that such testimony was admissible because its fact witness had "19 years of experience with [defendant] . . . an understanding of product development at [defendant] [and] knew the software market at the time of the hypothetical negotiation." "[A] lay witness testifying as to his opinion is limited to opinions that are '(a) rationally based on the perception of the witness, and (b) helpful to a clear understanding of the witness' testimony or the determination of a fact in issue, and (c) not based on scientific, technical, or other specialized knowledge within the scope of Rule 702.' . . . [Defendant's fact witness] fails to explain how, using his personal knowledge, he arrives at a license fee of \$2 million for a single product license or \$5 million for an unrestricted

license from this \$31,200 figure. In particular, [he] does not adequately establish any knowledge he has in the area of licensing with specificity and only broadly claims that he has exposure to licensing in his role as a business leader."

Motion in Limine -- Expert Testimony: **Denied in part**
granted in part
 Charles Everingham | June 14, 2011

Mondis Technology Ltd v. LG Electronics, Inc. et al
 2-07-cv-00565 (TXED)



Expert Evidence
 Expert's Methodology

Expert Evidence
 Data/Assumptions Supporting Opinion

Royalty Base
 Entire Market Value Rule

The court denied in part defendants' motion to exclude expert testimony concerning the entire market value rule. "The defendants argue that [plaintiff's damages expert] cannot apply the 'entire market value rule' in this case because the patented feature of the accused product has not been shown to provide the basis for the customer demand. Indeed, the fact that the patented feature does not provide the basis for the customer demand is largely undisputed. . . . If this rule were absolute, then it would put Plaintiff in a tough position because on one hand, the patented feature does not provide the basis for the customer demand, but on the other hand, the most reliable licenses are based on the entire value of the licensed products. . . . Plaintiff bases its analysis on approximately 13 comparable licenses of the patents-in-suit that also use the entire base of the licensed product, and Defendants do the same. Therefore, [plaintiff's expert's] use of the entire value of the accused products is 'economically justified'. . . . Under the facts in this case, Plaintiff may base its reasonable royalty analysis on the entire value of the accused products, despite not showing the accused features provide the basis of the customer demand. In this Court's view, Federal Circuit jurisprudence regarding the 'entire market value rule' allows for this result, and further, Federal Circuit damages jurisprudence encourages this result by placing a large emphasis on comparable licenses of the patents-in-suit."

Expert Evidence
 Expert's Methodology

Baseline Royalty
 Royalty Rate

The court allowed plaintiff's damages expert to triple the standard royalty rate to account for uncertainty. "Plaintiff should at least be able to make the argument that at the hypothetical negotiation the royalty rate would be increased due to the lack of uncertainty. Otherwise. . . the economic dynamic would resemble 'heads I win, tails I break even.' And a contrary holding would discourage patentees from licensing their patents at a lower, pre-litigation rate (to account for uncertainty) because they would run the risk that they would be capped by that licensing rate in future cases."

Expert Evidence
 Expert's Methodology

Expert Evidence
 Data/Assumptions Supporting Opinion

Reasonable Royalty
 Related License/Contract

Defendants' motion to exclude plaintiff's damages expert was granted in part as to licenses from default judgments and other licenses which used tripling of royalty rates as a penalty. "[Plaintiff's expert] may not rely on the provisions in those licenses that discuss the tripling of the rates to support his 'tripling' theory. This is because these provisions are for the purpose of penalizing the licensee for challenging validity. As penalty clauses, they would not be relevant for the purpose that [plaintiff's expert] intends to use them — that is — to show that by removing the 'uncertainty' of invalidity, the royalty rate would be tripled. . . . [A]s the provisions are written, the tripling penalty is imposed by merely bringing a challenge to validity, regardless of whether the patent is ultimately found valid."

Motion in Limine -- Fact Witness / Evidence / Exhibit:
Denied in part granted in part
 John D. Love | May 20, 2011

Colorquick, LLC v. Vistaprint Limited et al
 6-09-cv-00323 (TXED)



Evidence
FRE 403 -- Prejudice

Infringement Remedies
Damages

Defendant's motion in limine to preclude "reference to [defendant's] financial performance that is unrelated to the patent-in-suit, including reference to overall sales, profits or revenues, to financial filings such as 10-Ks, and executive compensation" was granted as to executive compensation but otherwise denied.

Motion in Limine -- Expert Testimony: **Denied**
Faith S. Hochberg | May 12, 2011

Warner-Lambert Compa, et al. v. Purepac Pharmaceutic, et al.
2-00-cv-02931 (NJD)



Evidence
FRE 402 -- Relevance

Damages
Lost Profits

Reasonable Royalty
Prior License or Sale of Patent

Plaintiffs' motion to exclude defendants' expert's opinions regarding plaintiffs' settlements with third parties was denied where those parties had obtained summary judgment of noninfringement and plaintiffs settled with them before final judgment was entered. "[The summary judgment] decisions were not vacated upon entrance of the stipulations of dismissal as to [the third parties], and Plaintiffs have not set forth any legal argument as to why [those] holdings are no longer relevant. Evidence of these decisions is admissible, and the questions of how they weigh upon the presence or absence of non-infringing alternatives in the 'but for' world and the subsequent question of appropriate lost profits damages are for the jury."

Evidence
FRE 402 -- Relevance

Reasonable Royalty
Prior License or Sale of Patent

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

The court denied plaintiffs' motion to exclude defendants' experts' opinions that third parties likely developed non-infringing products based on plaintiffs' stipulated dismissals of those third parties (or failure to sue them at all). "[T]he terms of the settlement agreement and the presence on the market of potential gabapentin alternatives are relevant to the calculation of lost profits damages in this action. Similarly, the presence of potentially non-infringing alternatives on the market as a result of Plaintiffs' decision not to sue may alter the marketplace in a way that is relevant to lost profits."

Motion in Limine -- Evidence Supporting Claim/Defense:
Denied
Faith S. Hochberg | May 12, 2011

Warner-Lambert Compa, et al. v. Purepac Pharmaceutic, et al.
2-00-cv-02931 (NJD)



Evidence
FRE 402 -- Relevance

Damages
Reasonable Royalty

Plaintiffs' motion in limine to exclude evidence of off-label promotion of Neurontin was denied. "One of [the Georgia-Pacific Corporation v. U.S. Plywood Corporation, 318 F. Supp. 1116 (S.D.N.Y. 1970)] factors is '[t]he 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.' Plaintiffs' off-label promotion is just such a 'non-patented element,' and Defendants may argue that this promotion is relevant to the jury's calculation of a reasonable royalty."

Evidence
FRE 402 -- Relevance

Infringement Remedies
Damages

Plaintiffs' motion in limine to exclude evidence of their criminal conviction for illegal marketing of Neurontin as irrelevant was denied. "While the sale of Neurontin and the writing of off-label prescriptions are not illegal, the off-label marketing Plaintiffs engaged in is illegal, which is why they pled guilty to the charges. . . . [I]f Defendants can prove that some portion of Neurontin sales are attributable to illegal promotion, then the jury may consider that evidence as one of the many complex factors it will weigh in calculating the appropriate damages in this case."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Faith S. Hochberg | May 12, 2011

Warner-Lambert Compa, et al. v. Purepac Pharmaceutic, et al.
2-00-cv-02931 (NJD)



Evidence

FRE 402 -- Relevance

Damages

Lost Profits

Defendants' motion in limine to exclude evidence of their estimates of potential risk exposure was denied. "These documents are relevant to the jury's decision as to the amount of lost profits damages to be awarded, if any. Defendants cannot walk away from their own documents and affidavits, and they are in a position to adduce testimony to explain these documents and affidavits or to mitigate their impact."

Motion in Limine -- Fact Witness / Evidence / Exhibit:

Denied in part granted in part

Charles Everingham | May 5, 2011

Versata Software, Inc. et al v. SAP America, Inc. et al
2-07-cv-00153 (TXED)



Evidence

FRE 403 -- Prejudice

Damages

Lost Profits

Plaintiff's motion in limine to preclude references to gambling or alcohol consumption by plaintiff's employees was denied in part where plaintiff was seeking lost profits. "[Defendant] may inquire about the incremental cost that [plaintiff] may have incurred relating to the recruiting activities used to attract, hire, and retain competent employees. [Defendant] may not make any references to 'alcohol consumption' and may only refer to these recruiting activities as 'entertainment' paid for by Versata."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Charles Everingham | May 5, 2011

Versata Software, Inc. et al v. SAP America, Inc. et al
2-07-cv-00153 (TXED)



Evidence

FRE 402 -- Relevance

Damages

Lost Profits

Plaintiff's motion in limine to preclude references to marketing expenses was denied where plaintiff was seeking lost profits. "The marketing sponsored by [plaintiff], including the 'marketing event,' is an expense that may be incurred as a means to generate the sales [plaintiff] claims it would have made but for the asserted infringement. Thus, these expenses may be considered variable costs."

Evidence

FRE 402 -- Relevance

Damages









Reasonable Royalty

Damages

Lost Profits

The court denied plaintiff's motion in limine to exclude valuations of plaintiffs' business. "Although the market valuations

of the Plaintiffs' business may not conclusively prove damages in this case . . . [plaintiff's] lost profits claim renders these market valuations relevant because lost profits requires that the patentee prove with reasonable probability that 'but for' the infringement, the plaintiff would have made the sales. In addition, independent, third-party valuations can be relevant to a reasonable royalty analysis."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied Charles Everingham May 5, 2011	<i>Versata Software, Inc. et al v. SAP America, Inc. et al</i> 2-07-cv-00153 (TXED)	 
<p>Damages Reasonable Royalty</p> <p>Pleadings Demand for Jury Trial</p> <p>The court denied defendant's motion in limine to preclude evidence of reasonable royalty damages in the presence of the jury and to strike plaintiff's jury trial demand regarding those damages. "The court notes that [defendant] fails to cite a single case that addresses its argument, much less a case that holds that its argument is persuasive. Moreover, the court finds that a motion in limine filed on the eve of trial is not an appropriate vehicle to request this drastic relief. In addition, [plaintiff] has a right to a jury trial on reasonable royalty damages. Section 284 specifically provides for reasonable royalty damages and further states that "[w]hen the damages are not found by a jury, the court shall assess them."</p>		
Motion in Limine -- Expert Testimony: Denied Charles Everingham May 5, 2011	<i>Versata Software, Inc. et al v. SAP America, Inc. et al</i> 2-07-cv-00153 (TXED)	 
<p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Damages Lost Profits</p> <p>Defendants' motion in limine to exclude plaintiffs' damages expert's lost profit model was denied. "[T]he court finds that the evidence relied upon by [plaintiffs' expert] satisfies the minimum threshold required by Daubert and Rule 702. For example, [plaintiffs' expert] based his lost profit calculation on [plaintiffs'] actual sales of Pricer between 1996 and 1998, which was three years before [defendant] introduced hierarchical access. [He] also addressed [plaintiffs'] incremental profit margins and met with [a third party's COO] to discuss the accuracy of these incremental profit margins."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Leonie M. Brinkema May 4, 2011	<i>Rolls-Royce plc v. United Technologies Corporation</i> 1-10-cv-00457 (VAED)	 
<p>Damages Price-Erosion Damages</p> <p>Defendant's motion in limine to preclude evidence of price erosion was granted. "The only market [plaintiff's expert] cites for [her conclusion on price inelasticity] is the processed fluid milk market, a market hardly similar to the very unique jet engine market. . . . [T]he unsupported assumption of price inelasticity significantly undermines the validity of [plaintiff's] price erosion damages claim."</p> <p>Lost Profits Demand for Patented Product</p> <p>Defendant's motion in limine to preclude certain evidence of lost profits damages was granted where plaintiff's relied on the price of the entire engine but the patented covered only one aspect of one part of more than 10,000. "[Plaintiff's] expert has not cited any economic evidence that the design of the . . . fan blade is the basis for customer demand for the entire engine. . . . [Plaintiff] will be limited to a maximum of 50 percent of the market value."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part Sue L. Robinson May 4, 2011	<i>Boston Scientific Corporation et al v. Cordis Corporation</i> 1-10-cv-00315 (DED)	 
<p>District Court Procedural Issues Prior Litigation</p>		

Damages
Reasonable Royalty

Damages
Lost Profits

The court limited any reference at trial regarding the parties' prior litigation to a statement to be made by the court: "[A]lthough the result of [prior litigation] is relevant to both a lost profits and reasonable royalty analysis . . . Introduction of evidence of the [prior litigation] shall be limited to the following statement, which shall be made by the court at trial: 'In an earlier case, [plaintiff] asserted that [defendant's products] infringed . . . the same patent and the same claim at issue in this case. . . . [T]he jury in that case returned a verdict that [defendant's products] infringed [the patent-in-suit] and that [the claim] was not invalid, a finding that has been upheld on appeal. Therefore, the jury verdict and judicial determinations of infringement and validity are final.'"

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Sue L. Robinson | April 28, 2011

Boston Scientific Corporation et al v. Cordis Corporation
1-10-cv-00315 (DED)



Evidence
FRE 402 -- Relevance

Royalty Base
Entire Market Value Rule

Plaintiff's motion to exclude clinical trial data was denied. "[T]he clinical trial data may be relevant under the entire market value rule. . . . To exclude this evidence would be to parse the actual story of this dispute with too broad of a stroke. However . . . the court shall require [defendant] to notify [plaintiff] before offering documents and testimony concerning the clinical trial data."

Motion in Limine -- Expert Testimony: Denied

Faith S. Hochberg | April 25, 2011

Warner-Lambert Compa, et al. v. Purepac Pharmaceutic, et al.
2-00-cv-02931 (NJD)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

Reasonable Royalty
Hypothetical Negotiation

The court denied defendants' motion to exclude the testimony of plaintiffs' economist as to his \$3.8 billion reasonable royalty calculation. "[Plaintiffs' expert] contends that a reasonable royalty in this case is \$3.8 billion, the same amount as his estimate of lost profits. Defendants argue that [the expert's] analysis is improper and should be excluded because he has failed to undertake a separate analysis to calculate a reasonable royalty than he used to calculate lost profits. [The expert] testified before this Court that though he reached the same number, his analyses as to lost profits and reasonable royalty were distinct from one another. . . . [Plaintiffs' expert] testified that based on his review of contemporaneous documents and his analysis of the parties' expectations, the hypothetical negotiation between Plaintiffs as licensors and Defendants as licensees would have produced no mutually agreed upon price range in which the parties could have negotiated. This is consistent with the holdings of several courts that the 'willing licensor/willing licensee' model is 'an inaccurate, and even absurd, characterization when . . . the patentee does not wish to grant a license.' . . . While Defendants will certainly challenge [plaintiffs' expert's] conclusions on cross-examination and to offer their own experts' contrary testimony on the issue of a reasonable royalty, they have not set forth a persuasive basis in analytical methodology upon which to exclude [his] testimony."

Motion in Limine -- Expert Testimony: Denied

Sue L. Robinson | April 13, 2011

Boston Scientific Corporation et al v. Cordis Corporation
1-10-cv-00315 (DED)



District Court Procedural Issues
Prior Litigation

Expert Evidence
Expert's Methodology

Reasonable Royalty

Georgia Pacific Factors

Defendant's motion to exclude the testimony of plaintiffs' damages expert was denied. "[Plaintiffs' expert] looked to factor 13 of the Georgia-Pacific factors to determine the impact of the judgment in the [previous case between the parties involving the same patent], concluding that the judgment strengthened [plaintiffs'] bargaining position in the hypothetical negotiation and demonstrated the business need and market niche for the [accused product]. These considerations are relevant to the reasonable royalty analysis separate and apart from the willfulness analysis, even though overlapping evidence may be used to support both."

Motion in Limine -- Expert Testimony: **Denied**
Faith S. Hochberg | April 8, 2011

Warner-Lambert Compa, et al. v. Purepac Pharmaceutic, et al.
2-00-cv-02931 (NJD)



Expert Evidence
Data/Assumptions Supporting Opinion

Damages
Lost Profits

Plaintiffs' motion in limine to preclude defendants' damages experts from testifying about non-infringing alternatives in the 'but for' world was denied. "Plaintiffs ask this Court to determine as a matter of law that these non-infringing alternatives were not available – as that term is used in [Grain Processing Corp. v. American Maize-Products Co., (Fed. Cir. 1997)] – in the 'but for' world. This application should have been made as a summary judgment motion and is inappropriate at this stage of the litigation. Moreover, the availability of these non-infringing alternatives is an issue of fact, and the testimony of the parties' various experts will be considered by the jury in deciding that issue."

Motion in Limine -- Expert Testimony: **Denied in part**
granted in part
Faith S. Hochberg | April 8, 2011

Warner-Lambert Compa, et al. v. Purepac Pharmaceutic, et al.
2-00-cv-02931 (NJD)



Expert Evidence
Qualification of Expert

Damages
Lost Profits

Acts Of Infringement
ANDA Infringement (Hatch-Waxman)

Defendants' motion in limine to exclude plaintiffs' Hatch-Waxman expert was granted in part where the expert was an attorney and lobbyist. "[Plaintiffs' expert] is not an economic or business expert – as she, in fact, concedes – and is not qualified to opine on what actions any of the generic manufacturers in this case would have taken in the 'but for' world. . . . [She] is barred from testifying as to actions generic manufacturers would have taken in the 'but for' world. [She] will be permitted to testify about the regulatory scheme of the Hatch-Waxman Act, but she may not testify about any legal conclusions or opinions of law."

Motion in Limine -- Expert Testimony: **Denied**
John R. Tunheim | March 31, 2011

3M Innovative Properties Company et al v. Louis M. Gerson Co., Inc.
et al
0-08-cv-04960 (MND)



Expert Evidence
Expert's Methodology

Infringement Remedies
Damages

Defendants' motion to exclude plaintiffs' damages expert was denied. "[Plaintiffs' expert's] report may be lacking in clearly defined 'sound economic principles,' however because there is no industry wide survey or analysis of the market, and because [she] spoke with employees of both parties who were largely in agreement about the state of the market, [her] testimony is not the product of an unreliable methodology. [Her] previous experience analyzing and testifying about patent markets, coupled with her review of the testimony and documents, constitutes a reliable methodology on which to base her opinions."

Motion to Strike Evidence / Argument Supporting a
Motion: **Granted**
Timothy C. Batten, Sr | March 30, 2011

Insituform Technologies, Inc., et. al. v. AMerik Supplies, Inc., et. al.
1-08-cv-00333 (GAND)



Evidence

FRE 402 -- Relevance

Reasonable Royalty

Prior License or Sale of Patent

The court granted defendant's motion to strike a project-specific patent license between defendant and plaintiffs that plaintiffs relied upon in their default proceedings against another defendant. "[T]he license agreement only applied to one of several instances in which [defendant] used [plaintiffs'] patents; for the other instances, [defendant] contends no royalty was charged. . . . Further, [defendant] has shown that the danger of unfair prejudice outweighs the marginal relevance of the license agreement. . . . Even though [plaintiff] only seeks to establish a reasonable royalty as to [the defaulting defendant] on the present motion, it seems likely that [plaintiffs] would rely upon similar arguments, opinions and documents in later seeking to impose the same royalty upon [defendant]."

Motion in Limine -- Evidence Supporting Claim/Defense:**Denied**

Richard A. Posner | March 22, 2011

Chamberlain Group, Inc., The v. Lear Corporation et al
1-05-cv-03449 (ILND)



Exceptional Case

Willful Infringement

Evidence

FRE 402 -- Relevance

Reasonable Royalty

Related License/Contract

Defendant's motion to exclude evidence that it licensed technologies from third parties was denied. "This evidence is relevant to willfulness insofar as it shows that [defendant] knows how to obtain a license to incorporate other companies' technology into its product when needed, and that it did not obtain a license to incorporate [plaintiffs'] technology."

Motion in Limine -- Expert Testimony: Denied

Stephen L. Crocker | February 11, 2011

Stoughton Trailers, LLC v. Great Dane Limited Partnership
3-09-cv-00570 (WIWD)



Expert Evidence

Expert's Methodology

Lost Profits

Demand for Patented Product

Defendant's motion in limine to preclude the testimony of plaintiff's damages expert was granted in part. "[A]lthough [the expert's] proposed 80/20 profit split lacks analytical precision, it is not so arbitrary as to be unreliable under Daubert. . . . However, [defendant] is correct that [plaintiff] cannot use evidence that it failed to provide during discovery to prove a key assumption made by [its expert] -- namely, that market demand for [defendant's] trailers was driven by the patented invention. . . . That [defendant] could have anticipated that foundational support for [plaintiff's expert's] opinions was in the offing is not the same as timely receiving the actual evidence."

Motion in Limine -- Expert Testimony: Denied

Dennis M. Cavanaugh | February 3, 2011

Sanofi-Aventis Deutschland GmbH et al. v. Glenmark Pharmaceuticals Inc., USA et al.
2-07-cv-05855 (NJJD)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The court denied defendants' motion in limine to exclude plaintiffs' damages expert's opinion on reasonable royalties because he applied a 50/50 profit split. "Plaintiffs argue that [their expert] did not arbitrarily apply a 50/50 profit split, but rather reached that result after considering the facts of the case, specifically the relationship between the parties and their relative bargaining power, the relationship between the patent and the accused product, the standard profit margins in the industry, and the presumed validity of the patent."

Motion in Limine -- Evidence Supporting Claim/Defense:**Granted**

Dennis M. Cavanaugh | February 3, 2011

Sanofi-Aventis Deutschland GmbH et al. v. Glenmark Pharmaceuticals Inc., USA et al.
2-07-cv-05855 (NJD)



Evidence

FRE 403 -- Prejudice

Reasonable Royalty

Prior License or Sale of Patent

Plaintiffs' motion in limine to exclude evidence regarding a payment pursuant to a licensing agreement between two plaintiffs with a price reduction based on the date a generic product entered the marketplace was granted. "Defendants claim that evidence of the payment would not be used to improperly persuade the jury but to show the relative economic position of the Plaintiffs pre- and post-infringement. However, the only apparent value in informing the jury would be to inform their decision regarding damages, and thereby have the payment offset the damage through the back door."

Motion in Limine -- Expert Testimony: Denied

Dennis M. Cavanaugh | February 3, 2011

Sanofi-Aventis Deutschland GmbH et al. v. Glenmark Pharmaceuticals Inc., USA et al.
2-07-cv-05855 (NJD)



Expert Evidence

Expert's Methodology

Reasonable Royalty

Georgia Pacific Factors

The court denied plaintiffs' motion in limine to exclude testimony of defendants' reasonable royalty expert because the expert lowered rates based on questions concerning the patent's validity. Defendants argued that "[their expert's] critique originally included the risk of invalidity of the patent because it was not clear that Plaintiffs' expert's game theory analysis was dependent on the Georgia-Pacific factors; now that he understands Plaintiffs' expert correctly, [he] will not rely on the risk of invalidity in his critique."

Motion in Limine -- Evidence Supporting Claim/Defense:**Denied**

Dennis M. Cavanaugh | February 3, 2011

Sanofi-Aventis Deutschland GmbH et al. v. Glenmark Pharmaceuticals Inc., USA et al.
2-07-cv-05855 (NJD)



Evidence

FRE 402 -- Relevance

Damages

Lost Profits

Damages

Affiliated Entities & Damages

Defendants' motion in limine that only the plaintiff who made, used, or sold plaintiffs' drug product in the U.S. was entitled to claim lost profits was denied. "Here, a parent corporation, as a co-plaintiff to the litigation and exclusive licensee to the patent, is seeking lost profits it would normally enjoy but for the infringement. . . . Based on the parties' arguments, this Court's prior determination that each Plaintiff is either a patent owner or an exclusive licensee, and this Court's determination that the instant case is factually distinct from that of [Poly-America, L.P. v. GSE Lining Tech., Inc., 383 F.3d 1303 (Fed. Cir. 2004)], Defendants' motion is denied."

Motion in Limine -- Expert Testimony: Denied in part granted in part

Charles Everingham | January 30, 2011

LaserDynamics, Inc. v. Asus Computer International et al
2-06-cv-00348 (TXED)



Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

Plaintiff's motion to exclude licensing documents and related testimony by defendant's expert was denied in part. "Defendant wishes to offer [certain] licenses, which cover many patents at a lower rate than Plaintiff's expert proposes, precisely because they are non-comparable. Defendant still must offer evidence or testimony allowing for comparison

between the patents covered by the licenses in question and the patent-in-suit as well as evidence or testimony allowing for a comparison between other relevant terms of the licenses and the hypothetical license to the patent-in-suit. Defendant may only incorporate the royalty rates of these licenses into its rebuttal after introducing such evidence. Provided [defendant's expert] or another witness does so, these agreements are not excluded."

Expert Evidence

Data/Assumptions Supporting Opinion

Reasonable Royalty

Related License/Contract

The court granted in part plaintiff's motion to exclude licensing documents and testimony despite defendant's argument that "it should be allowed to present evidence of [a licensing] program despite not having a single license agreement reached through the program in evidence. Instead, [defendant's expert] intends to rely on a public offer of terms and press releases indicating agreements had been reached. Without the full terms of these agreements, however, it is impossible to determine their full scope."

Motion in Limine -- Evidence Supporting Claim/Defense:

Denied

Leonard Davis | January 27, 2011

ACQIS LLC v. International Business Machines Corp
6-09-cv-00148 (TXED)



Evidence

FRE 402 -- Relevance

Reasonable Royalty

Prior License or Sale of Patent

Defendant's motion in limine to preclude plaintiff's settlement and litigation licenses was denied and the court ordered the parties "to meet and confer to discuss minimizing the prejudice of references to the litigation/settlement licenses and file a stipulation with the Court. If necessary parties may file a proposed jury instruction to address this issue."

Motion in Limine -- Expert Testimony: **Granted**

Robert E. Payne | January 26, 2011

ePlus, Inc. v. Lawson Software, Inc.
3-09-cv-00620 (VAED)



Expert Evidence

Expert's Methodology

Reasonable Royalty

Related License/Contract

Reasonable Royalty

Prior License or Sale of Patent

Defendant's motion in limine to preclude plaintiff's damages expert from testifying at trial was granted where his running royalty rate calculations were based upon a "linchpin" of two settlement agreements containing lump sum royalties. "It is now . . . well-settled that settlement agreements entered into in the context of litigation may be considered, but that they have minimal probative value respecting the calculation of reasonable royalties. . . . The disparity of circumstances between the settlement agreement lump sum licenses and the hypothetical negotiation for a running royalty and the temporal differences [the settlements occurred years after the hypothetical negotiation called for by Georgia-Pacific] make it difficult to find that the 'fit' component is met."

Expert Evidence

Expert's Methodology

Reasonable Royalty

Related License/Contract

In granting defendant's motion in limine to preclude plaintiff's damages expert from testifying at trial, the court was critical of the expert's exclusion of three other settlements from his analysis because they were "based 'on avoidance of litigation.' . . . The frailty of that reasoning suggests strongly that it was the small amount of the settlements, rather than the avoidance of litigation that kept [plaintiff's expert] from including [those] settlements in his calculus. More importantly, [his] given reason for excising those three settlements from his royalty calculations was not explained to be a valid principle of economic analytical method."

Expert Evidence

Expert's Methodology

Reasonable Royalty
Georgia Pacific Factors

Plaintiff's damages expert was excluded from testifying at trial where the expert applied "some unarticulated quantum of 'higher' royalty rate [to his baseline rate] . . . without explaining at all how it was that the application of any or all of those [Georgia-Pacific] factors would permit an increase in the base royalty of approximately 100%. That is the quintessential ipse dixit. It is so because I, the expert, say it is so."

Motion in Limine -- Expert Testimony: Denied
Gerald E. Rosen | January 20, 2011

Lear Automotive Dearborn, Incorporated v. Johnson Controls, Incorporated
2-04-cv-73461 (MIED)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied defendant's motion in limine to exclude reasonable royalty testimony from plaintiff's damages expert even though the expert's analysis relied in part on principles applicable to the entire market value rule. "[The expert's] analysis in this case does not rely upon the 'entire market value' rule, but rather employs the traditional Georgia-Pacific factors in a manner which merely implicates some of the same principles underlying this rule. . . . Although these two analytical approaches share a common principle — namely, that a reasonable royalty should account for the extent to which a patented item increases the demand for or value of the accused product — [plaintiff] and its expert need not meet each of the formal, rigid prerequisites to the 'entire market value' rule in order to employ this shared principle. . . . In this case, [plaintiff's expert] has selected a royalty rate that is intended to reflect the modest 5-to-11 percent 'compatibility gap' that the patented device was expected to close. Thus, his analysis is not defeated by its reliance on principles that also feature in the 'entire market value' rule, nor does his reliance on these principles dictate that he satisfy all of the prerequisites for application of the 'entire market value' rule."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

In denying defendant's motion in limine to exclude plaintiff's damages expert, the court found that "[a]lthough the question is a close one, the Court believes that this challenge to [plaintiff's expert's] damage analysis goes to the weight, and not the admissibility, of his proposed testimony. To be sure, [defendant] has identified reasons for a trier of fact to reject [his] reliance upon [defendant's] license agreements with the [other] manufacturers as a model for computing a reasonable royalty owed to [plaintiff]. Nonetheless, [his] approach is not wholly speculative, but rather rests upon [defendant's] actual negotiations and agreements. . . ."



**Type of court
document**
Legal issue

Evidence (and selected
subcategories)
Damages (and all subcategories)

Event	Case	Order
Motion in Limine -- Expert Testimony: Denied in part granted in part David Folsom January 4, 2011	<i>LecTec Corporation v. Chattem Inc et al</i> 5-08-cv-00130 (TXED)	
<p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Reasonable Royalty Prior License or Sale of Patent</p> <p>The court granted plaintiff's motion to limit testimony from defendants' damages expert to the extent such testimony was premised on lump sum settlements. "[L]ump sum settlements, which do not in themselves provide any per-[accused product] royalty rate, should not be admissible. Expert witnesses can generally rely on inadmissible evidence, but in order to avoid jury confusion and unfair prejudice, [defendants' expert] should not testify regarding any lump sum settlement agreements."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part David Folsom January 4, 2011	<i>LecTec Corporation v. Chattem Inc et al</i> 5-08-cv-00130 (TXED)	
<p>Evidence FRE 408 -- Settlement</p> <p>Reasonable Royalty Related License/Contract</p> <p>Defendants' motion in limine to preclude reference to settlement discussion was denied in part. "Offers of settlement and settlement negotiations should be excluded pursuant to Rule 408. Reference to settlement agreements is permissible, however, provided that the settlement at issue includes a royalty on a per-[accused product] basis."</p>		
Motion in Limine -- Expert Testimony: Denied Charles Everingham December 13, 2010	<i>SynQor, Inc. v. Artesyn Technologies, Inc. et al</i> 2-07-cv-00497 (TXED)	
<p>Expert Evidence Expert's Methodology</p> <p>Expert Evidence Data/Assumptions Supporting Opinion</p> <p>Baseline Royalty Royalty Base</p> <p>The court denied defendants' motion to preclude the testimony of plaintiff's damages expert on the issue of a reasonable royalty. Although the expert's analysis was based on only three early sales of plaintiff's products -- as opposed to the average selling price of millions plaintiff's and defendants' sales -- the court declined to preclude the testimony at this time. "[D]efendants argue that [the expert] cherry-picked a high price based on a few sales of one product to one customer in one year, and then applied that price (adjusted for power output) across the board. Plaintiff responds that [the expert] chose this benchmark because it more closely approximated a 'but for' world where a customer is willing to pay a higher price because of a shortage of suppliers. . . . [T]he Court finds that it cannot determine from the evidence presented thus far whether or not [the expert's] assumptions lapse into 'pure speculation' or are grounded in 'sound economic and factual predicates.' . . . [A]bsent evidence at trial that the market would have accommodated the determined benchmark, the damages model may lack the sound economic and factual predicates necessary to justify its consideration by the jury. . . . The presiding judge should evaluate the evidence at trial and ultimately determine at that time whether or not the underlying factual predicates have been sufficiently developed to warrant the submission of [the expert's] opinions to the jury."</p> <p>Expert Evidence Data/Assumptions Supporting Opinion</p>		

Baseline Royalty
Royalty Base

The court denied defendants' motion to preclude the testimony of plaintiff's damages expert on the issue of a reasonable royalty even though the expert's royalty exceeded defendant's profits and, in some cases, the selling price of the accused products. "[P]laintiff . . . argues that [its damages expert] was correct not to put a cap on damages because the profits earned by the defendants in the eroded market that they allegedly created should not be used to set the limits on damages. Again, assuming that the information provided to [the expert] [i.e., that 'but for' the infringement prices would have been substantially higher] is supported by proper factual predicates, [the expert's] reliance on this information does not compel the exclusion of 'but for' pricing in the reasonable royalty calculation."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Robert W. Sweet | December 9, 2010

ResQNet.com, Inc. v. Lansa, Inc.
1-01-cv-03578 (NYSD)



Evidence
FRE 402 -- Relevance

Damages
Reasonable Royalty

Plaintiff's motion in limine to exclude evidence of infringement during a hearing on reasonable royalties was denied. "Because the nature and scope of actual infringement may be relevant in determining the proper royalty rate, [defendant] may present evidence on that issue."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied in part granted in part**
David Folsom | October 11, 2010

Datatrans Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Evidence
FRE 403 -- Prejudice

Trial
Order of Proof

Reasonable Royalty
Prior License or Sale of Patent

Defendants' objection to plaintiff's expert's demonstrative exhibit showing other defendants had settled and infringed was sustained in part. "Defendants have legitimate concerns about potential unfair prejudice stemming from Plaintiff presenting such evidence at the opening of its case-in-chief, before Plaintiff has relied on licenses or commercial success to prove validity or damages. On balance, these concerns can be mitigated by requiring that before Plaintiff presents any opinions by [its infringement expert] that other banks have infringed or have licensed the claimed inventions, Plaintiff must first present opinions on damages or validity that render alleged infringement of non-parties relevant."

Motion in Limine -- Evidence Supporting Claim/Defense: **Granted**
William M. Conley | October 8, 2010

Douglas Dynamics, LLC v. Buyers Products Company
3-09-cv-00261 (WIWD)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

Plaintiff's motion in limine to exclude evidence of a cross-license agreement entered into by plaintiff due to a settlement was granted where "the [patent subject to the license] is no longer at issue. Relevance of a license of [that] patent is, therefore, extremely weak. Also, the probative value of that license is substantially outweighed by unfair prejudice to plaintiff and by the likely confusion it would create for the jury."

Motion in Limine -- Evidence Supporting Claim/Defense: **Granted**
William M. Conley | October 8, 2010

Douglas Dynamics, LLC v. Buyers Products Company
3-09-cv-00261 (WIWD)



Evidence
Contrary to Admission/Stipulation

Damages
Reasonable Royalty

Damages
Lost Profits

Defendant's motion in limine to preclude evidence of lost profits damages and to limit evidence on reasonable royalties was granted. "[Plaintiff's expert] unequivocally explained that noninfringement of [one of the patents-in-suit] meant no lost profit damages for plaintiff and, therefore, plaintiff cannot argue for such damages now that it has been determined that [that] patent is not infringed. [Plaintiff's expert] also explained that damages in the form of a reasonable royalty would be limited to between 1 and 2 percent if [that] patent were not infringed but other patents-in-suit were infringed. Accordingly, plaintiff is limited to arguing as much at trial."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied
Audrey B. Collins | October 7, 2010

Accentra, Inc., et. al. v. Staples, Inc.
2-07-cv-05862 (CACD)



Evidence
Evidence/Contentions Not Timely Disclosed

Damages
Lost Profits

Plaintiff's motion in limine to exclude defendant's argument against lost profits because defendant failed to produce unredacted discovery on the sale of non-infringing substitutes was denied. "If [plaintiff] wanted more information than what [defendant] provided, it should have sought that information through a motion to compel during discovery. . . ."

Motion in Limine -- Evidence Supporting Claim/Defense: Granted
David Folsom | October 5, 2010

Datatransury Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Evidence
FRE 403 -- Confusion

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

Plaintiff's motion in limine under Rule 403 to exclude the fact that plaintiff amended its pleadings and discovery was granted. "[E]xcluding use of dropped claims and instrumentalities for non-infringement also requires exclusion as to non-infringing alternatives because a non-accused instrumentality is not necessarily a non-infringing instrumentality. Discussion of instrumentalities having been formerly accused but no longer accused would likely confuse the jury and would risk unfair prejudice against Plaintiff."

**Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part
granted in part**
David Folsom | October 5, 2010

Datatransury Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Evidence
FRE 403 -- Prejudice

Evidence
FRE 408 -- Settlement

Reasonable Royalty
Related License/Contract

Defendants' motion in limine under Rules 401-403 and 408 to exclude litigation-induced licenses and consent judgments was granted in part "as to litigation-related licenses that do not compute a royalty rate on a per-check basis." The court further ruled that any licenses admitted cannot be used to argue evidence of infringement and but may be used as evidence of secondary considerations of nonobviousness.

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
 Martin Reidinger | September 27, 2010

Borgwarner, Inc. et al v. Honeywell International, Inc.
 1-07-cv-00184 (NCWD)



Expert Evidence
 Expert's Methodology

Damages
 Lost Profits

Defendant's motion to preclude plaintiff's damages expert's opinions on lost profit damages was denied. "While [defendant] criticizes various aspects of [plaintiff's expert's] analysis, and particularly his determination of the absence of noninfringing substitutes, the Court finds that such arguments go more to the weight to be afforded his testimony rather than its admissibility."

Motion in Limine -- Evidence Supporting Claim/Defense: **Granted**
 Audrey B. Collins | September 22, 2010

Accentra, Inc., et. al. v. Staples, Inc.
 2-07-cv-05862 (CACD)



Damages
 Convoyed Sales

Damages
 Price-Erosion Damages

Expert Witnesses
 Identification Of Experts

Expert Witnesses
 Failure To Disclose in Expert Report

Defendant's motion in limine to exclude price erosion and convoyed sales damages theories that plaintiff disclosed in proposed jury instructions was granted. "[T]he theories of price erosion and convoyed sales are matters for expert testimony, and neither [plaintiff's COO] nor [its CEO] have been disclosed as experts or have provided expert reports to [defendant]. . . . [Proving price erosion] requires undertaking a 'credible economic analysis' to account for 'the nature, or definition, of the market, similarities between any benchmark market and the market in which price erosion is alleged, and the effect of the hypothetically increased price on the likely number of sales at that price.' Similarly, a convoyed sales theory of damages allows a patentee to seek damages based on the sales of unpatented components if the patentee can establish that the patented component or feature is the basis for customer demand."

Motion in Limine -- Expert Testimony: **Denied**
 Audrey B. Collins | September 22, 2010

Accentra, Inc., et. al. v. Staples, Inc.
 2-07-cv-05862 (CACD)



Expert Evidence
 Expert's Methodology

Royalty Base
 Entire Market Value Rule

Defendant's motion in limine to exclude plaintiff's damages expert for not separately calculating profits and royalties for each patent-in-suit was denied. "[W]hile the 'entire market value' rule applies to [the expert's] opinions, that does not justify excluding them from trial. . . . While [his] opinion might be vigorously attacked on cross-examination for not having undertaken individualized analysis of each patent based on the 'entire market value' rule, that is a matter of weight, not admissibility. . . . It is up to [defendant] to attack [his] testimony as an evidentiary matter at trial, not as a threshold admissibility question beforehand."

Motion in Limine -- Expert Testimony: **Denied**
 Ted Stewart | September 20, 2010

Phillip M. Adams & Associates, L.L.C. v. Lenovo International, et. al.
 1-05-cv-00064 (UTD)



Expert Evidence
 Qualification of Expert

Infringement Remedies
 Damages

Defendants' motion in limine to exclude plaintiff's damages expert was denied. "The fact that portions of his testimony were excluded in two other cases does not mean he is not qualified. . . . Significantly, the same restrictions that were placed on [plaintiff's expert] in [one case] were also placed on the defendant's expert."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Ted Stewart | September 14, 2010

Phillip M. Adams & Associates, L.L.C. v. Lenovo International, et. al.
1-05-cv-00064 (UTD)



Expert Evidence
Fact Versus Expert Testimony

Reasonable Royalty
Georgia Pacific Factors

Defendants' motion in limine to exclude the inventor from offering expert testimony regarding damages was denied in part. "[The inventor], as the inventor of the patent and a manager of Plaintiff may testify as a fact witness as to the amount of previous licenses for the patents and the price Plaintiff would have required to grant a license in the same time period. He may also testify as a fact witness as to various facts that may also be relevant for the Georgia-Pacific factors used to determine damages, such as demand or lost profits, provided a foundation is shown. . . . But because he is not an expert, he may not testify as to the application of those factors under Georgia-Pacific."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Roslyn O. Silver | September 2, 2010

Integrated Technology Corporation v. Rudolph Technologies, Inc., et al.
2-06-cv-02182 (AZD)



Evidence
FRE 402 -- Relevance

Damages
Marking & Notice of Infringement

Defendant's motion in limine to exclude evidence of pre-filing damages for failure to mark was denied. "[T]here is ample evidence that Integrated marked its products. Ultimately, the issue of proper marking is an issue of fact."

Motion in Limine -- Expert Testimony: **Denied**
Roslyn O. Silver | September 2, 2010

Integrated Technology Corporation v. Rudolph Technologies, Inc., et al.
2-06-cv-02182 (AZD)



Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

Defendant's motion to preclude plaintiff's damages expert from testifying about lost profits was denied. "[Defendant] argues [plaintiff's expert] did not consider noninfringing alternatives produced by [other companies]. But [defendant's] own documents report that [the parties] were the only 'viable' producers of probe card systems. The Court will not exclude [plaintiff's expert] based on his decision to accept [defendant's] own statements as true. Moreover, [defendant's] expert on lost profits used the same methodology [plaintiff's expert] used. Thus, rather than reflect true concern with the methodology used by [the expert], [defendant's] motion reflects its disagreement with [his] conclusions."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
W. Allen Pepper | August 27, 2010

Monsanto Company v. Scruggs, et. al.
3-00-cv-00161 (MSND)



Evidence
FRE 402 -- Relevance

Damages
Lost Profits

Defendants' motion in limine to preclude any reference to "any actual profits, cost savings or other pecuniary benefits or advantages, if any, that the defendants may have secured and enjoyed as a result of their infringement in this case" was denied.

Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part

W. Allen Pepper | August 27, 2010

Monsanto Company v. Scruggs, et. al.
3-00-cv-00161 (MSND)Reasonable Royalty
Prior License or Sale of PatentReasonable Royalty
Georgia Pacific Factors

Plaintiff's motion in limine to preclude evidence of an established royalty was granted but the court denied the motion to preclude an ex ante opportunity for a reasonable profit. "[T]he Court in no way intends to suggest that defendants necessarily have to be permitted to make a profit; merely that a reasonable opportunity for profit is one of the applicable factors enumerated in the Georgia-Pacific case and that plaintiffs are entitled to present evidence relating thereto."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part

Ted Stewart | August 4, 2010

Phillip M. Adams & Associates, L.L.C. v. Lenovo International, et. al.
1-05-cv-00064 (UTD)Evidence
FRE 403 -- PrejudiceReasonable Royalty
Prior License or Sale of Patent

Defendants' motion in limine to exclude a consent judgment between plaintiff and a non-moving defendant was denied in part. "Plaintiff is correct that Defendants' experts' reports challenge Plaintiff's license-based damages calculation of damages by examining the value assigned to licenses in prior settlements in great detail. If such arguments are raised by Defendants at trial, Plaintiff is entitled to explore why the [settlement with the non-moving defendant] and license supports its theory of damages."

Evidence
FRE 403 -- PrejudiceReasonable Royalty
Prior License or Sale of Patent

The court granted in part defendants' motion in limine to exclude a consent judgment between plaintiff and another defendant. "The Court finds that any mention of the [portion of the agreement] that 'all [of the settling defendant's] computers that include a device having an FDC manufactured by [two of the moving defendants], constitutes an infringement of each of the [patents-in-suit] and [the settling defendant] has admitted that such acts constitute infringement' would be confusing to the jury and prejudicial. . . . However, the Court is not ruling that the more general fact of [the settling defendant's] concession of its own infringement (without any mention of any other Defendant) is necessarily excluded."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied

Charles Everingham | August 3, 2010

Bright Response LLC v. Google Inc., et. al.
2-07-cv-00371 (TXED)Damages
Reasonable RoyaltyExpert Evidence
Fact Versus Expert Testimony

Defendant's motion to preclude plaintiff's corporate representative from testifying that 10% is a reasonable royalty was denied. "The court concludes that [plaintiff's representative] is entitled to explain what royalty would have been acceptable at the time of the hypothetical negotiation."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part

Charles Everingham | August 2, 2010

Bright Response LLC v. Google Inc., et. al.
2-07-cv-00371 (TXED)Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

Defendants' motion in limine was granted in part and "evidence of lump sum licenses to the patent-in-suit entered in settlement in support of the defendants' damages model" was allowed.

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Leonard Davis | August 2, 2010

*ReedHycalog UK, Ltd. et al v. Diamond
Innovations Inc*
6-08-cv-00325 (TXED)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Prior License or Sale of Patent

Defendant's motion in limine to preclude evidence regarding the 5 litigation licenses involving the patents-in-suit was denied. "The five litigation licenses in this case are consistent with the [plaintiff's] other nine non-litigation licenses as all fourteen licenses have similar running royalty structures. Further, while [plaintiff] intends to identify the licenses, the licensees, the rates of the licenses, the total royalties that have been received, and the royalties received per year, it will not identify the licenses as having resulted from litigation. Thus, the danger of prejudice to [defendant] from the implication of validity and infringement by a third party willing to pay money to settle a lawsuit is eliminated."

Evidence
FRE 402 -- Relevance

Reasonable Royalty
Prior License or Sale of Patent

The court denied defendant's motion in limine to preclude evidence regarding plaintiff's 9 non-litigation licenses. "Although all fourteen licenses are to drill bit manufacturers and [defendant] is a cutter manufacturer, the licenses may be used as a starting point for determining a reasonable royalty because the distinction of the type of licensee goes to the weight of the evidence and may be brought out on cross-examination. Further, the licenses on the Patents-in-Suit are evidence of [plaintiff's] alleged commercial success and are relevant to determining a reasonable royalty. . . ."

Motion in Limine -- Evidence Supporting Claim/Defense: **Granted**
Charles Everingham | July 30, 2010

Bright Response LLC v. Google Inc., et. al.
2-07-cv-00371 (TXED)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

Defendant's motion in limine to preclude plaintiff's use of confidential license agreements from one defendant against another "for computation of damages" was granted.

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Barbara B. Crabb | July 21, 2010

Riddell, Inc. v. Schutt Sports, Inc.
3-08-cv-00711 (WIWD)



Damages
Lost Profits

Royalty Base
Entire Market Value Rule

Defendant's motion in limine to preclude evidence of lost profits based on the value of the entire product was denied. "It will be up to [plaintiff] to prove that the patented features were what made the helmets more desirable. [Defendant] can try to challenge the damages case with evidence that increased sales were the product of other facts, such as which pro teams wore which helmets."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Jack Zouhary | June 15, 2010

Bettcher Industries, Inc. v. Bunzl USA, Inc.
3-08-cv-02423 (OHND)



Evidence

Contrary to Admission/Stipulation

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

Counsel's statements during at the preliminary injunction hearing that "[a third party's] presence in the market would keep prices low if [defendant] were enjoined from selling its [accused products]" was not a binding admission that the third party product was an acceptable noninfringing substitutes. "Counsel was not talking about [plaintiff's] lost profits, and [the third party's] true effect on the market (if any) is a fact-intensive issue. . . . The record has a considerable amount to say on that subject -- performance of [third party products], sales data, expert testimony -- and the jury can appropriately consider arguments from both sides."

Expert Evidence

Expert's Methodology

Damages

Lost Profits

The court supplemented its previous ruling regarding defendant's motion in limine regarding damages and confirmed that the parties can present evidence as to whether plaintiff's lost profits could be reduced by another company's market share. "[Defendant] argues that [plaintiff] has chosen the 'all or nothing' theory under [Panduit Corp. v. Stahl Bros. Fibre Works, Inc., 575 F.2d 1152 (6th Cir. 1978)], and that it cannot now switch to a market share theory. [Plaintiff] (for obvious reasons) indeed prefers the argument that it would have captured 100% of [defendant's] sales. But it does not follow that [plaintiff's] preferred theory precludes it from arguing an alternative market share theory. As a conceptual matter, the two theories are not incompatible."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part**
granted in part

T. John Ward | June 7, 2010

Tyco Healthcare Group LP et al v. E-Z-EM, Inc.
2-07-cv-00262 (TXED)



Reasonable Royalty

Related License/Contract

Plaintiffs' motion in limine to preclude admission of the amount of any settlement agreements made under the threat of litigation was granted in part "as to all licenses except those that are sufficiently similar."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part**
granted in part

T. John Ward | June 7, 2010

Tyco Healthcare Group LP et al v. E-Z-EM, Inc.
2-07-cv-00262 (TXED)



Evidence

FRE 402 -- Relevance

Damages

Lost Profits

Plaintiffs' motion in limine to preclude defendants from comparing their accused devices with plaintiffs' products was denied as to plaintiffs' lost profits claim. "The parties may present evidence comparing the accused products to the embodying product for the limited purpose of demonstrating (or rebutting) their similarity. The parties may not engage in a claim element-by-claim element comparison of the products. [Defendant] is also permitted to show that Plaintiffs' products do not practice the invention for the purpose of showing the value of the patent."

Motion in Limine -- Expert Testimony: **Recommended denial**
Paul R. Cherry | June 7, 2010

Braun Corporation The v. Vantage Mobility International LLC
2-06-cv-00050 (INND)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

The magistrate judge recommended denying defendant's motion to exclude plaintiff's expert's reasonable royalty

opinion. "[I]t appears that Defendant's objections to [plaintiff's expert's] opinion are based on a disagreement over which factors drive customer demand, with each of the experts differing on which factors each believes are the basis for customer demand. Arguments over facts underlying expert opinions go to the weight of the opinion rather than the admissibility."

Expert Evidence

Data/Assumptions Supporting Opinion

Damages

Lost Profits

The magistrate judge recommended denying defendant's motion to exclude plaintiff's expert's opinion on lost profits. "Defendant's challenge to [plaintiff's expert's] opinion is based on the conflicting opinions of [plaintiff's expert] and Defendant's expert. . . as to whether non-infringing substitutes exist. The mere existence of a competing device does not necessarily make it an acceptable substitute. . . . [A] motion to exclude is not the appropriate vehicle for resolving a question of fact."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied
Joseph J. Farnan, Jr | May 30, 2010

Dow Chemical Company v. Nova Chemicals Corporation et al
1-05-cv-00737 (DED)



Reasonable Royalty
Related License/Contract

The court denied plaintiff's motion in limine to exclude defendant's damages expert from relying on license agreements found through the Royaltysource database.

Motion in Limine -- Evidence Supporting Claim/Defense: Denied
David H. Coar | May 24, 2010

Abbott Laboratories v. Sandoz, Inc.
1-05-cv-05373 (ILND)



Evidence
FRE 402 -- Relevance

Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Georgia Pacific Factors

Plaintiff's motion in limine to exclude advice of counsel or legal opinions regarding noninfringement, invalidity, or nonenforceability was denied. "[Plaintiff] argues that this evidence is irrelevant and prejudicial because it pertains only to willful infringement, which is no longer a claim in this case. . . . [Defendant] intends only to present this evidence for the purpose of rebutting the reasonable royalty opinion submitted by [plaintiff's] expert. Confined to the limited purpose articulated by [defendant], this testimony is relevant, and its probative value substantially outweighs any danger of unfair prejudice."

Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied
David H. Coar | May 24, 2010

Abbott Laboratories v. Sandoz, Inc.
1-05-cv-05373 (ILND)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

Plaintiff's motion in limine to exclude evidence of settlement agreement royalties was denied. "This determination would be easy if the question merely involved whether to admit evidence of license agreements contained in [plaintiff's] settlements with [other companies]. . . . However, the fact that [plaintiff's] expert relied on the license agreements at issue separates this case from the precedent and supports the admission of these agreements. . . ."

Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied
John D. Love | April 30, 2010

Fenner Investments, Ltd. v. Hewlett-Packard Company et al
6-08-cv-00273 (TXED)



Reasonable Royalty
Related License/Contract

The court denied defendants' motion in limine "with respect to the issue of certain license agreements."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part
granted in part

John D. Love | April 28, 2010

*Fenner Investments, Ltd. v. Hewlett-Packard
Company et al*
6-08-cv-00273 (TXED)



Reasonable Royalty
Related License/Contract

Plaintiff's motion in limine concerning settlement licenses for patents other than the patents-in-suit was granted in part and the court rejected defendant's argument that ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860 (Fed. Cir. 2010) "changed the rules for admissibility of settlement agreements." "In ResQNet . . . the court's comment that a litigation license was 'the most reliable license' was made in the context of evaluating an expert's reliance on allegedly comparable licenses under the first Georgia-Pacific factor. That 'factor considers only past and present licenses to the actual patent and the actual claims in litigation' . . . Here, Plaintiff's expert is utilizing purportedly comparable licenses based on the twelfth Georgia-Pacific factor, i.e., consideration of '[t]he 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.' Finally, the Court notes the litigation licenses in ResQNet did not raise the concern of jury confusion because they had been admitted during a bench trial, whereas the parties here will try this case to a jury. . . . ResQNet is distinguishable and does not compel the admission of evidence and testimony relating to settlement agreements in prior litigation. . . . Parties enter into settlements for a number of reasons 'other than the value of the improvements patented'. . . Thus, admission of these agreements would 'invite a "minitrial" on similarities and differences in the facts' between this case and the settled claims. Such a diversion would cause unfair prejudice, confuse the issues, and waste time."

Motion in Limine -- Expert Testimony: Denied in part granted in part

John D. Love | April 16, 2010

*Fenner Investments, Ltd. v. Hewlett-Packard
Company et al*
6-08-cv-00273 (TXED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted defendants' motion to exclude the testimony of plaintiff's damages expert to the extent such testimony relied on the entire market value rule. Although the court observed the entire market value rule might be applicable in this case, the expert's report did not provide an adequate basis for applying the rule and the court granted plaintiff leave to serve a corrected report. "The Court finds [the expert's] report inadequate for applying the entire market value rule to establish a royalty base. [The expert's] report fails to demonstrate the patented inventions are bases for consumer demand for the accused products. . . . The Court recognizes, however, that this does not appear to be a case where a small saleable infringing unit is readily available to establish a narrower royalty base. . . . Although the parties identify costs for an ASIC chipset, the parties do not appear to agree the chipset is solely capable of infringement nor do they provide evidence that Defendants have ever sold the chipset itself. . . . Therefore, reliance on the market value of the entire product may be appropriate. [The expert's] report is inadequate, however, for failing to identify and support an appropriate 'multiplier' that takes into account the relative significance of the patented inventions and their contribution to the overall value of the accused products."

Expert Evidence
Expert's Methodology

Reasonable Royalty
Related License/Contract

The court granted defendants' motion to exclude the testimony of plaintiff's damages expert to the extent such testimony relied on allegedly similar license agreements. "The Court . . . finds [the expert's] report inadequate for failing to support his conclusion that the relied on licenses are comparable to the hypothetical agreements between Plaintiff and Defendants. [The expert] concluded each license agreement is comparable to the hypothetical agreement by simply reciting 'I understand that this technology is in the same field of technology as are the Patents-in-Suit.' To support this statement, [the expert] merely cited to 'Interview with Andrew Walding,' the Plaintiff's technical expert. [The expert] did

not detail the substance of his interview with Mr. Walding nor did he offer further explanation or rationale to justify his conclusions the license agreements pertained to comparable technology. Furthermore, [the expert] failed to explain whether the license agreements pertained to patented inventions that were essential to or only a small feature or component of the overall product."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part**
granted in part

David Folsom | March 31, 2010

Advanced Technology Incubator, Inc. v. Sharp Corporation et al
5-09-cv-00135 (TXED)



Reasonable Royalty
Prior License or Sale of Patent

Plaintiff's motion in limine concerning infringement by other companies was denied in part. "To the extent [a third party's] failure to sue [defendant] is offered to show laches or estoppel, these issues will not be part of the [upcoming] jury trial, so evidence offered for such purposes would be irrelevant. Nonetheless, [plaintiff's] negotiations and agreements with other parties may be probative of a reasonable royalty."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied**

David Folsom | March 31, 2010

Advanced Technology Incubator, Inc. v. Sharp Corporation et al
5-09-cv-00135 (TXED)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

Plaintiff's motion in limine concerning litigation-related licenses was denied. "The Court of Appeals for the Federal Circuit recently found that litigation-related licenses can be highly probative of a reasonable royalty. . . . [Plaintiff] also moves to exclude [another license], which was executed 18 months after the hypothetical negotiation date, was subject to renegotiation, and did not involve any United States patent. . . . On balance, [plaintiff's] arguments go to the weight of [that] license rather than its admissibility. . . ."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part**
granted in part

David Folsom | March 31, 2010

Advanced Technology Incubator, Inc. v. Sharp Corporation et al
5-09-cv-00135 (TXED)



District Court Procedural Issues
Standing

Evidence
FRE 402 -- Relevance

Infringement Remedies
Damages

Plaintiff's motion in limine concerning evidence of standing was denied in part. "[E]vidence of standing should not be presented at trial, but evidence regarding the assignments at issue can be presented if shown to be probative on some issue at trial other than standing, such as damages."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**

David Folsom | March 23, 2010

Datatrans Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Obviousness
Secondary Considerations

Reasonable Royalty
Related License/Contract

Defendants' objection to plaintiff's use of licenses at trial as evidence of secondary consideration of non-obviousness was overruled. "[E]vidence of commercial success can differ from evidence of long felt need, licensing, or other secondary considerations, which tends to indicate that a different nexus exists for each secondary consideration. Defendant has failed to offer support for its argument that the nexus must be made on a claim-by-claim or inventive element basis. Further, as a practical matter, it would be unlikely for a patentee to offer – or a licensee to seek – a

license on a claim-by-claim basis."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
David Folsom | March 19, 2010

Datatransury Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

Defendants' motion to exclude a license agreement between plaintiff and one of the defendants was denied following the testimony of another defendant at trial which included publishing an exhibit referencing the agreement. "Putting stricter limits on admissibility of [that] license agreement would tend to unfairly prejudice Plaintiff, who would become an essentially innocent victim of opposing counsel's mistake. For example, now that the jury knows that [one defendant] settled with Plaintiff, the jury would be left to assume that Plaintiff has not presented [that] license agreement because it is somehow unfavorable to Plaintiff. The jury might infer that [defendant] settled for a negligible sum of money or royalty rate."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
David Folsom | March 4, 2010

Datatransury Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Evidence
FRE 402 -- Relevance

Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

The court denied defendants' motion in limine to "preclude Plaintiff from offering evidence of litigation-induced licensing agreements, including any related consent decrees and judgments as well as communications related thereto, as evidence of the value of the patents-in-suit, whether pertaining to a 'reasonable royalty' analysis or as alleged 'secondary considerations' of nonobviousness and/or commercial success." "In light of [ResQNet.com, Inc. v. Lansa, Inc., --- F.3d ---, 2010 WL 396157 (Fed. Cir. 2010)], litigation-related licenses should not be excluded from the . . . trial in the above-captioned case. Although ResQNet involved a bench trial, the licenses at issue were considered by that trial court sitting as trier of fact, just as the jury will sit in the above-captioned case. Defendants' concerns about the reliability of litigation-related licenses are better directed to weight, not admissibility. . . . Defendants (as well as Plaintiff) may nonetheless propose a final jury instruction that gives the jury guidance on applying litigation-related licenses."

Motion in Limine -- Expert Testimony: **Denied**
Sue L. Robinson | March 3, 2010

Callaway Golf Company v. Acushnet Company
1-06-cv-00091 (DED)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

In denying defendant's motion to preclude the expert testimony of plaintiff's lost profits damages expert, Brian Napper, the court rejected defendant's argument that the market used by the damages expert for his lost profits analysis did not account for what users of the infringing product would use if the infringing product was not available. "[A]ccording to [defendant], Mr. Napper does not assess what [defendant] would have offered in 2001 if the Pro VI were not available, how the market would have responded to these offerings, or what the market might have looked like in 2003 had [defendant] withdrawn the Pro VI from the market. . . . To credibly demonstrate that [defendant] would have had viable, non-infringing alternatives to offer in 2001 - as well as to predict how the market would have responded to these alternatives by 2003 - is an exercise that may be appropriate, but certainly is not one that is mandatory in light of its speculative nature."

Expert Evidence
Expert's Methodology

Damages
Lost Profits

In denying defendant's motion to preclude the expert testimony of plaintiff's lost profits damages expert, Brian Napper, the court rejected defendant's argument that the expert calculated lost profits on sales by companies that do not own the patents-in-suit. "I conclude that where the profits of a wholly-owned subsidiary flow up to the parent, inclusion of such profits is appropriate."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Randall R. Rader, | March 2, 2010

IP Innovation, LLC. et al v. Red Hat Inc. et al
2-07-cv-00447 (TXED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court granted defendants' motion to preclude testimony by plaintiff's damages expert to the extent such testimony was based on the entire market value rule. "[Plaintiff] alleges that the operating systems' multiple virtual workspaces and workspace switching features infringe the patents-in-suit. In invoking the 'entire market value rule,' [the expert] included 100% of [defendants'] total revenues from sales of subscriptions to the accused operating systems in his proposed royalty base. [The expert's] methodology however does not show a sound economic connection between the claimed invention and this broad proffered royalty base. The claimed invention is but one relatively small component of the accused operating systems. The evidence shows that the workspace switching feature represents only one of over a thousand components included in the accused products. . . . Most of [defendants'] accused sales come from their Server products, the majority of which are not connected to a display and thus do not take advantage of the workspace switching feature. [The expert] made no effort to factor out of his proffered royalty base these products which do not even feature the claimed invention. Once again, this blatant oversight shows that [the expert] did not use the type of reliable economic principles and methods required by Rule 702 for an economic damages expert."

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

After granting defendants' motion to preclude testimony by plaintiff's damages expert concerning the entire market value rule, the court observed: "Another reason for excluding [the expert's] expert testimony is that he arbitrarily picked a royalty rate that is much higher than the existing royalty rates for licenses to the patents-in-suit. . . . The previous owner of the patents-in-suit, Xerox Corporation, entered into several license agreements that involved one or more of the patents-in-suit. At least two of these agreements were entered into outside of the context of litigation and thus appropriate as touchstones for determining the appropriate royalty rate in this case. [The expert] disregarded these licenses because Xerox entered into these agreements in the mid-1990's, a decade before the alleged hypothetical negotiation date. However, these licenses are far more relevant than the general market studies on which Mr. Gemini primarily relied in his expert report."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Keith F. Giblin | February 26, 2010

Tyco Healthcare Group LP et al v. Applied Medical Resources Corp
9-09-cv-00176 (TXED)



Evidence
Motion in Limine -- Generally

Damages
Marking & Notice of Infringement

The parties' motions in limine regarding evidence of marking were denied. "It may very well be that [plaintiff] is limited to pre-suit damages for some or all of [certain patents] based on a failure to mark. However, since the burden to prove marking — or an absence of patented articles — rests on [plaintiff], it would be inappropriate to grant either [party's] motion in limine regarding marking without first giving [plaintiff] the opportunity to present its case at trial."

Motion in Limine -- Expert Testimony: **Granted**
David Folsom | February 26, 2010

Datatrans Corporation v. Wells Fargo & Company et al
2-06-cv-00072 (TXED)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

Defendant's motion to exclude plaintiff's economic expert's testimony on commercial success was granted where plaintiff did not establish the required nexus between the claimed invention and commercial success. "Plaintiff has not sufficiently shown that any of the licensees necessarily entered into a license agreement [related to the patents-in-suit] based on the merits of the claimed invention. Indeed, the licensees could have entered into the licenses for any number of reasons unrelated to the claimed invention, e.g., that it would be cheaper to license than litigate. Even with respect to the non-litigation licenses, the surrounding circumstances and Plaintiff's business practices could have affected those licensees' decisions to take a license before a potential litigation commenced."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Warren W. Eginton | February 18, 2010

Joao et al v. Sleepy Hollow Bank
7-03-cv-10199 (NYSD)



Evidence
Evidence/Contentions Not Timely Disclosed

Expert Evidence
Fact Versus Expert Testimony

Infringement Remedies
Damages

Defendants' motion in limine concerning the testimony of plaintiff president concerning damages, including a late-disclosed proposed royalty of 5.7% based upon the court's decision in another case, was denied. "Patent law permits a factfinder to award damages without the aid of an expert witness. . . . As the court found in [Bowling v. Hasbro, Inc., 582 F. Supp. 2d 192, 203 (D.R.I. 2008)], a fact witness can testify as to plaintiff's damages, through, for example, testimony addressing the Georgia Pacific factors. Therefore, [plaintiff's president] will be permitted to testify as to matters upon which he has first-hand knowledge or observation."

Motion to Strike Evidence Presented at Trial: **Denied in part granted in part**
Joseph J. Farnan, Jr | February 16, 2010

LG.Philips LCD Co. Ltd. v. Chi Mei Optoelectronics Corporation et al
1-06-cv-00726 (DED)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Plaintiff's motion to strike defendants' damages expert's trial testimony because his "methods and analysis fail to comply with controlling Federal Circuit precedent concerning reasonable royalty law" was denied. "As [defendant] points out, courts in this circuit and others have acknowledged that the gatekeeping obligation provided for in [Daubert v. Merrell Dow Pharms., Inc., 509 U.S. 579 (1993)] is less pressing in the context of a bench trial. . . . [Plaintiff's] objections are more appropriately considered in the context of the weight to be afford [the expert's] testimony. . . ."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Charles Everingham | January 15, 2010

Function Media, L.L.C. v. Google, Inc. et al
2-07-cv-00279 (TXED)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

The court denied plaintiff's motion to exclude testimony from defendant's damages expert which "converts Google's grant of equity (2% of its stock) into a running royalty." "Although [defendant's expert] admits that he had not seen anyone perform his exact calculation, [defendant] asserts that the calculation is based upon widely accepted finance theory. . . . Through cross-examination of [the expert], [plaintiff] may address the reliability of the expert's calculations."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Charles Everingham | January 15, 2010

Function Media, L.L.C. v. Google, Inc. et al
2-07-cv-00279 (TXED)



Evidence
FRE 402 -- Relevance

Damages
Reasonable Royalty

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

For purposes of determining a reasonable royalty, the court permitted certain evidence of Google's acquisitions of other companies. "Because Google relies upon acquisitions, instead of traditional licenses, to procure intellectual property, [plaintiff's damages expert] used these acquisitions in his analysis." Specifically, the court permitted evidence (i) "that Google valued [an additional 2 billion impressions per week for Google's AdSense for Content] at \$2 billion" (gleaned from Google's acquisition of Doubleclick), (ii) "that Google paid 23% of its net assets . . . to delay a competitor from participating in the AdSense for Content market" (gleaned from Google's acquisition of Applied Semantics), and (iii) that "in a hypothetical negotiation, Google might have paid [plaintiff] a running royalty or some other non-fixed amount" despite Google's argument that it has "a strong preference for lump-sum licenses" (gleaned from Google's acquisition of dMarc). The court excluded evidence of "the dollar amount Google paid to acquire any organization" and evidence concerning Google's acquisition of YouTube and AdMob. Unlike the dMarc acquisition, plaintiff failed to show that the YouTube and AdMob acquisitions refute Google's stated preference for lump sum licenses.

Damages
Reasonable Royalty

Reasonable Royalty
Related License/Contract

The court denied Google's motion to exclude expert testimony which relied on Google's current stock price to calculate the value of patent licenses. "The increased value of Google stock is relevant to the jury's determination of the overall value of [a certain] license."

Renewed Motion Motion in Limine -- Evidence Supporting Claim/Defense:

Granted

David Folsom | January 6, 2010

Input/Output, Inc. et al v. Sercel, Inc.
5-06-cv-00236 (TXED)



Evidence
FRE 402 -- Relevance

Damages
Lost Profits

The court granted plaintiff's renewed motion in limine to exclude evidence of invalid claims and rejected defendant's argument that the invalid claims are relevant to lost profits. "The recovery of lost profits by a patentee is not limited to the situation in which the patentee is selling the patented device. However, the patentee needs to have been selling some item, the profits of which have been lost due to infringing sales, in order to claim damages consisting of lost profits. [Defendant] does not dispute that [plaintiff's] products compete with its products."

Motion in Limine -- Expert Testimony: Denied without prejudice

John D. Love | November 30, 2009

Realtime Data, LLC d/b/a IXO v. Packeteer, Inc.
et al
6-08-cv-00144 (TXED)













Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

Defendants' motion in limine to exclude testimony from plaintiff's expert regarding the entire value market rule was denied without prejudice. "The Court notes that in [Lucent Tech., Inc. v. Gateway, Inc., 580 F.3d 1301, (Fed. Cir. 2009)], both the district court and the Federal Circuit evaluated the entire market value rule in the context of other relevant evidence. Accordingly, at the time of trial, the Court will have the opportunity to evaluate the legal sufficiency of [the

expert's] testimony in the context of all of the presented testimony."

Motion in Limine -- Fact Witness / Evidence / Exhibit: Granted T. John Ward November 24, 2009	<i>Alexsam, Inc. v. Evolution Benefits, Inc. et al</i> 2-07-cv-00288 (TXED)	 
<p>Evidence FRE 402 -- Relevance</p> <p>Reasonable Royalty Prior License or Sale of Patent</p> <p>Plaintiff's motion in limine concerning evidence of other licenses, settlements, or agreements was granted. "[Defendant] may present evidence of prior license agreements, provided that they are not the result of litigation."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Granted Jeffrey Cole October 29, 2009	<i>Minemyer v. R-Boc Representatives, Inc., et. al.</i> 1-07-cv-01763 (ILND)	 
<p>Damages Marking & Notice of Infringement</p> <p>Defendants' motion in limine concerning damages allegedly incurred prior to the filing date of the lawsuit was denied because plaintiff sent a letter to a defendant four months before filing suit. "The letter here identifies the patents at issue, identifies . . . the patentee, and charges that [defendant's products] clearly infringe on [the patents]. That is adequate notice under the statute; there is no need, as defendants seem to suggest, to specify what patent claims are infringed."</p>		
Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied David Folsom October 9, 2009	<i>Abstrax, Inc. v. Dell, Inc. et al</i> 2-07-cv-00221 (TXED)	 
<p>Evidence FRE 402 -- Relevance</p> <p>Evidence FRE 802 -- Hearsay</p> <p>Infringement Remedies Damages</p> <p>Defendant's motion in limine to exclude evidence of prior litigation was denied. "Despite using a different expert and being made out-of-court, the statements made by [defendant's] expert in the [other] litigation are not hearsay. They are admissions. . . . Further, the statements are relevant to the damages questions before the jury. However, references to the [other] litigation must be specific and narrow as certain references are more probative than others."</p>		
Motion in Limine -- Evidence Supporting Claim/Defense: Denied David Folsom October 9, 2009	<i>Abstrax, Inc. v. Dell, Inc. et al</i> 2-07-cv-00221 (TXED)	 
<p>Evidence FRE 402 -- Relevance</p> <p>Reasonable Royalty Related License/Contract</p> <p>Defendant's motion in limine to exclude evidence of an 11 year old license with a non-party was denied. "[Defendant] argues that a significant difference exists between [its] license of an entire portfolio of [the non-party] patents and the license for the patent-in-suit. . . . [Plaintiff] argues that [defendant's] patent licenses with [the non-party] are relevant because they support [plaintiff's] theory that [defendant] was willing to pay a significant running royalty for patent rights."</p>		
Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied in part granted in part Joseph A. DiClerico, Jr October 8, 2009	<i>Insight Technology Incorporated v. Surefire, LLC</i> 1-04-cv-00074 (NHD)	 
<p>Evidence FRE 403 -- Confusion</p> <p>Reasonable Royalty Prior License or Sale of Patent</p>		

Plaintiff's motion in limine to preclude evidence of its settlement negotiations with a third party regarding the patent-in-suit was granted as to defendant's attempt to prove a reasonable royalty. "The introduction of the [third party's] settlement terms would necessitate a lengthy explanation to the jury of the economics of litigation risk, competition, and other considerations that inform a litigation settlement. All of this evidence would be collateral, and therefore confusing and a waste of time."

Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied in part granted in part

David Folsom | October 8, 2009

Retractable Technologies, Inc. v. Becton Dickinson and Company
2-07-cv-00250 (TXED)



Evidence

FRE 402 -- Relevance

Damages

Reasonable Royalty

Interaction of Federal Patent Laws With Other Federal and State Laws

Federal Antitrust

Defendant's motion in limine to exclude evidence of its size and wealth was denied in part. "[M]arket share can be relevant to determining a reasonable royalty. The Court has already excluded by its [earlier] Orders, however, opinions regarding Defendant's purported power in the market, control over the market, efforts to maintain market power, and other anti-competitive conduct. Accepting as true that Defendant is agreeable, Defendant's motion in limine should be granted . . . with the understanding that Plaintiffs can present evidence of Defendant's market share, albeit without presenting evidence regarding Defendant's alleged control of the market, efforts to maintain market power, wealth, and other similar evidence. . . ."

Motion in Limine -- Evidence Supporting Claim/Defense: Denied in part granted in part

David Folsom | October 7, 2009

Abstrax, Inc. v. Dell, Inc. et al
2-07-cv-00221 (TXED)



Evidence

FRE 403 -- Prejudice

Damages

Reasonable Royalty

Expiration Of Patent

Nonpayment of Maintenance/Issue Fees

Plaintiff's motion in limine concerning late paid maintenance fees was granted in part. "The late-paid maintenance fee's relevance to the valuation of the patent and the benefits of the patent. . . is valid, but any probative value on that issue is substantially outweighed by the dangers of undue prejudice. However, if [defendant] can provide evidence that demonstrates that [plaintiff or another company] reviewed or analyzed the [patent-in-suit] and its technology and intentionally decided to let it lapse because, for example, it lacked actual or potential commercial value, then it may approach."

Motion in Limine -- Expert Testimony: Denied

Robert H Cleland | September 29, 2009

Henrob Limited v Bollhoff Systemtechnik GMBH and Company, et. al.
2-05-cv-73214 (MIED)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

Defendants' motion in limine to preclude testimony from plaintiff's damages expert regarding the hypothetical negotiation date was denied. "The court finds nothing in the relevant case law which absolutely prohibits [plaintiff] from relying on a hypothetical negotiation date immediately prior to the alleged infringement date."

Motion in Limine -- Expert Testimony: Denied

Christopher C. Conner | September 10, 2009

Arlington Industries v. Bridgeport Fittings
3-01-cv-00485 (PAMD)



Expert Evidence
Expert's Methodology

Damages
Lost Profits

Defendant's motion in limine to preclude plaintiff's expert from testifying about lost profits was denied. "In subsequent [deposition] testimony, [plaintiff's expert] clarified his understanding of the applicable standard, explaining that an acceptable noninfringing substitute need not have all the patented features, but simply must possess all the advantages of the patented device. The standard applied by [the expert] — which he sets forth in his report and through his deposition testimony—is the standard required by the Federal Circuit."

Expert Evidence
Qualification of Expert

Damages
Lost Profits

In denying defendant's motion in limine to preclude plaintiff's damages expert from presenting evidence of lost profits, the court rejected defendant's argument that he was unqualified because he was an accountant. "Frankly, given the relative frequency with which accountants are permitted to offer lost profits testimony in infringement suits, [defendant's] argument is anemic."

Motion in Limine -- Expert Testimony: **Denied**
Barry A. Bryant | September 8, 2009

Advanced Technology Incubator, Inc. v. Sharp Corporation et al
2-07-cv-00468 (TXED)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

In denying plaintiff's motion to exclude defendant's damages expert, the court rejected plaintiff's argument that the expert's opinions impermissibly relied on after-the-fact cost comparisons. "[T]he Federal Circuit does not automatically preclude the consideration of actual purchase prices and costs that were paid after the date of such a 'hypothetical' negotiation [to determine a reasonable royalty]."

Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

Disclosures & Discovery
Obligation to Preserve Evidence

The court rejected plaintiff's argument that defendant's damages expert should be excluded because he based his opinion on an unsupported ratio for "TVs with infringing and non-infringing color filters." "Under the Federal Circuit's precedent, the 'ratio' approach has been used in situations where there were no exact records establishing the actual ratio of the products. Even if [defendant] is at fault for failing to keep precise records, the remedy is to still estimate damages, based upon the best available evidence, with doubt resolved against [defendant]. . . . Plaintiff will have ample opportunity to cross-examine [defendant's expert] at trial and highlight the alleged weakness of this ratio."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Charles Everingham | September 2, 2009

Abstrax, Inc. v. Dell, Inc. et al
2-07-cv-00221 (TXED)



Expert Evidence
Expert's Methodology

Reasonable Royalty
Prior License or Sale of Patent

Royalty Base
Entire Market Value Rule

Defendant's motion to exclude expert testimony concerning damages was denied. Calculating "a reasonable royalty based upon the total sales prices of the computers and other configurable products manufactured by [defendant] by assembly processes allegedly embodying the patented method" did not implicate the entire market value rule. "[The expert's] calculation of a reasonable royalty does not consider a combination of patented and nonpatented methods or apparatuses in order to develop the royalty base—[the expert's] analysis considers solely the products produced by a patented method. . . . If [plaintiff] is able to show that the patented method is used by [defendant] to assemble its computers to the extent described in [plaintiff's] opposition brief, then a connection between the infringement and the claimed royalty base would be established. Moreover, it is noteworthy that the patentee licensed its technology using a similar methodology."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Virginia M. Hernandez Covington | August 28, 2009

Hako-Med USA, Inc. v. Axiom Worldwide, Inc. et al
8-06-cv-01790 (FLMD)



Trial
Pre-Trial Statement/Order

Damages
Marking & Notice of Infringement

Defendants' motion in limine to exclude evidence that Plaintiffs allegedly marked their products was denied. "Defendants attempt to cast Plaintiffs' 'omission' of the marking issue from the pretrial statement as some failure on Plaintiffs' part to take a necessary action to preserve the issue for trial. It is Defendants who have been on notice of the markings issue since the Amended Complaint was filed and failed to challenge Plaintiffs' claim that the devices were marked."

Motion in Limine -- Expert Testimony: **Granted**
Catherine D. Perry | August 26, 2009

Monsanto Company et al v. Tidball et al
4-07-cv-02079 (MOED)



Expert Evidence
Qualification of Expert

Infringement Remedies
Damages

Plaintiffs' motion to exclude defendants' damages expert's testimony and report was granted. "[Defendant's damages expert] is an accountant who teaches classes on tax, auditing, and financial statements. She admits that she has no expertise, experience, or training in valuing royalties, patents, licenses, or damages for intellectual property infringement. In [a case pending in a different district], the [court] excluded [her] from testifying as a damages expert because she is not qualified to opine on damages in patent infringement cases."

Damages
Reasonable Royalty

Expert Evidence
Qualification of Expert

In excluding defendant's damages expert from trial, the court found that "[the expert] disregarded the clear directives from the Federal Circuit on the appropriate method to measure damages in saved seed cases. . . . Although claiming to use the hypothetical negotiation approach, she actually just uses discounted technology fees as an established royalty."

Motion in Limine -- Expert Testimony: **Denied**
Lewis A. Kaplan | August 12, 2009

Infosint S.A., v. H. Lundbeck A/S et al
1-06-cv-02869 (NYSD)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

Defendant's motion in limine to preclude plaintiff's proposed royalty base for failing to adhere to the entire market value rule was denied. "Courts apply the entire market value rule when a patentee seeks damages on unpatented components with a patented component. . . . [Plaintiff] claims that defendants' [products] themselves -- not a component of those pharmaceuticals -- infringe [the patent-in-suit]. The entire market value rule does not apply."

Motion in Limine -- Expert Testimony: **Ruling deferred**
Charles Everingham | August 7, 2009

Versata Software, Inc. et al v. SAP America, Inc. et al
2-07-cv-00153 (TXED)



Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court carried with the case defendant's motion in limine to preclude plaintiff's expert from relying on the entire market value rule in calculating his royalty base. "Before [plaintiff's expert] testifies . . . the court will expect [him] to identify reliable evidence and use sound economic analysis to show that the patented component drove demand for the entire [accused] system. Upon a threshold showing by [plaintiff], the court will allow the use of the entire market value rule."

Remand Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part granted in part**
Margaret M. Morrow | July 14, 2009

Aspex Eyewear Inc, et al v. Miracle Optics Inc, et al
2-01-cv-10396 (CADC)



Parties
Addition or Substitution of Parties (FRCP 25)

Infringement Remedies
Damages

On remand, plaintiffs' motion to allow evidence of post-filing sales of the accused product by defendant's successor-in-interest was granted. "[The original defendant] transferred the 'infringing business activity' to [its successor] in the middle of this litigation. Consequently, to the extent infringement is proved, plaintiffs can seek damages for [the successor's] ongoing sales of the [accused product], as well as for past sales by [the original defendant] prior to the transfer. It can also seek injunctive relief."

Motion in Limine -- Evidence Supporting Claim/Defense: **Granted**
John D. Love | May 7, 2009

CREATIVE INTERNET ADVERTISING CORPORATION v. Yahoo! Inc et al
6-07-cv-00354 (TXED)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

Plaintiff's motion in limine to exclude a settlement agreement between plaintiff and a former party to the instant lawsuit was granted. "It is undisputed that litigation changes the dynamic of negotiations, and neither the Court, nor Defendant is aware of the circumstances leading to the [settlement agreement]. While the continued, substantial expense of litigation may have been one factor, there could have also been a variety of other pertinent circumstances, including the parties' respective assessments of their claims, [the former party's] particular accused technology, [its] financial status at the time of settlement, and damages derived from the particular accused feature, among many other circumstances."

Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

In granting plaintiff's motion to exclude a settlement agreement between plaintiff and a former party to the lawsuit, the court rejected defendant's argument that the agreement was relevant as to validity. "[A]s previously noted, [the former party's] particular accused technology, [its] financial status at the time of settlement, and damages derived from the particular accused feature, among other circumstances have not been adequately assessed. Any probative value the [agreement] may have on the issue of validity is substantially outweighed by the danger of the jury considering the [agreement] for other, improper purposes, such as the value of Plaintiff's case, and therefore the [agreement] is inadmissible under Rule 403."

Motion to Strike Evidence / Argument Supporting a Motion: Denied in part granted in part

Charles Everingham | April 3, 2009

OPTi, Inc. v. Apple, Inc.
2-07-cv-00021 (TXED)Royalty Base
Entire Market Value Rule

Defendant's motion to exclude plaintiff's expert's opinion was granted in part. "The facts of this case do not support application of the entire market value rule, as the evidence is insufficient to show that the patented invention is the basis for customer demand for the entire accused products."

Motion in Limine -- Expert Testimony: Denied

William E. Smith | March 16, 2009

Uniloc USA, Inc., et al v. Microsoft Corp., et al
1-03-cv-00440 (RID)Damages
Reasonable RoyaltyExpert Evidence
Expert's Methodology

Defendant's motion to exclude plaintiff's damages expert was denied. "[Defendant] claims [the expert's] methodology for concocting the reasonable royalty [a 25% "rule of thumb"] is just not 'good science.' But this is like saying Alice did not serve Earl Gray at her tea party. Maybe so, but in this fictional world it is close enough because the starting premise . . . is at least arguably grounded in the evidence and the rule of thumb calculation and the Georgia-Pacific factors are so widely accepted."

Damages
Reasonable RoyaltyExpert Evidence
Expert's Methodology

The court rejected defendant's argument for excluding plaintiff's damage expert that "the 25% rule is only designed to serve as a starting point for a damage calculation and that because [plaintiff's expert] does not deviate from the rule this approach is result oriented and unreliable. While [the expert's] apparent rote application of the 25% rule is enough to raise an eyebrow, his expert report reveals that he considered many factors in forming his opinion."

Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied in part granted in part

William E. Smith | March 16, 2009

Uniloc USA, Inc., et al v. Microsoft Corp., et al
1-03-cv-00440 (RID)Evidence
FRE 402 -- RelevanceReasonable Royalty
Related License/Contract

Defendant's motion in limine to exclude evidence of foreign licenses was denied. Whether foreign licenses can be included in a damages calculation is "fact intensive and will depend substantially on the evidence at trial. . . . The Court will require the jury to answer special interrogatories to address [questions about whether the invention is a system or method] and further to indicate how it arrived at any damage award, by specifying the number of domestic and foreign licenses they found to be infringed."

Motion in Limine -- Expert Testimony: Denied

William E. Smith | March 16, 2009

Uniloc USA, Inc., et al v. Microsoft Corp., et al
1-03-cv-00440 (RID)Damages
Reasonable RoyaltyExpert Evidence
Expert's Methodology

Plaintiff's motion to preclude defendant's damages expert from testifying that a damages award should be a lump sum was denied. "[T]here is no one correct formula for computing damages in a patent case. A lump-sum or flat-fee royalty may be proper if there is evidence to support finding [defendant] would have entered into such an agreement at the time

the hypothetical negotiation is said to have occurred, or at least that such royalties are (or were) commonly utilized in the industry."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied**
Charles Everingham | March 11, 2009

PalTalk Holdings, Inc. v. Microsoft Corporation
2-06-cv-00367 (TXED)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

The court overruled plaintiff's objection to the admissibility of defendant's license agreement on the ground that such license was entered into under threat of litigation. "[A]lthough a veiled threat of litigation might, in some cases, be sufficient to render a subsequent license inadmissible, the circumstances surrounding the [license] negotiations suggest an arms-length process. . . . The parties did enter into a confidentiality agreement, which provides that its purpose was to allow possible compromise negotiations. . . . However, there was no proof of infringement exchanged, and there were no cease and desist demands. When the court adds to that the fact that the negotiations spanned over two years and involved only sporadic communications, the court is persuaded the license was not entered under a threat of litigation."

Motion in Limine -- Expert Testimony: **Denied**
David Folsom | March 8, 2009

PalTalk Holdings, Inc. v. Microsoft Corporation
2-06-cv-00367 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

Defendant's motion in limine to exclude any evidence of non-comparable license agreements was denied. "[N]on-comparable agreements may be relevant to a reasonable royalty assessment under Georgia-Pacific; specifically, such agreement may be relevant under Georgia-Pacific Factor 3 ["nature and scope of the [hypothetical] license"]."

Motion in Limine -- Expert Testimony: **Denied**
David Folsom | March 8, 2009

PalTalk Holdings, Inc. v. Microsoft Corporation
2-06-cv-00367 (TXED)



Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

Defendant's motion to preclude plaintiff's damages expert from testifying about industry patent licenses was denied. "[Plaintiff's expert] summarizes the terms from over 100 licenses that were produced by [defendant] in this litigation. [The expert's] opinion, however, does not rely on all of these licenses. . . . To the extent that [the expert's] opinion has given any one agreement too much consideration, [defendant] may cross examine him on his methodology."

Royalty Base
Entire Market Value Rule

The court denied defendant's motion to exclude testimony of plaintiff's damages expert as to royalty calculations that allegedly included all copies of the accused devices regardless of whether such devices practiced the patented method. "[W]here it is difficult to determine the precise apportionment between infringing and non-infringing uses, it is the infringer and not the patentee that bears the burden to produce data allowing for a proper apportionment. Because this burden was [defendant's], this Court will not penalize [plaintiff] or its damage expert when [defendant] did not produce such data in a timely manner and still contends that it need not have produced such data."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part**
granted in part
David Folsom | March 8, 2009

PalTalk Holdings, Inc. v. Microsoft Corporation
2-06-cv-00367 (TXED)



Royalty Base
Entire Market Value Rule

The court granted plaintiff's motion in limine as to defendant's argument that plaintiff "must show each instance of

infringement or cannot discuss the capability of the accused products to infringe." "[Defendant] may not argue that [plaintiff] must show each instance of infringement. Both [parties], however, may discuss the capabilities of each accused product to infringe (as well as their capabilities for non-infringing use) and probe whether each side's damage experts considered these facts."

Objection to Special Master's Order / Report Re Motion in Limine -- Evidence Supporting Claim/Defense: **Objection overruled / report adopted**
Joseph J. Farnan, Jr | March 4, 2009

Honeywell Intl. Inc., et. al. v. Nokia Corporation, et. al.
1-04-cv-01337 (DED)



Evidence
FRE 403 -- Confusion

Reasonable Royalty
Related License/Contract

The court adopted the special master's recommendation that 21 license agreements be excluded as evidence of plaintiff's commercial success or of a reasonable royalty. "[T]o the extent that the licenses do not involve defendants once named in this case, the language of the licenses confirm[s] that the licenses were negotiated under threat of litigation [and] the Court . . . is unable to identify any cases . . . in which licenses taken under the threat of litigation were given significant weight."

Evidence
FRE 403 -- Confusion

Reasonable Royalty
Related License/Contract

The court adopted the special master's recommendation that certain license agreements, although not entered into under threat of litigation, should be excluded from evidence because there was no nexus between the licenses and the patents-in-suit. "Though the licenses include some relationship to the asserted patent claim, the Court agrees with the Special Master that the connections [plaintiff] identifies are insufficient to establish a *prima facie* nexus to the asserted patent claim [and] the potential for jury confusion is great and that the licenses should be excluded under Rule 403."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
David Folsom | February 25, 2009

PalTalk Holdings, Inc. v. Microsoft Corporation
2-06-cv-00367 (TXED)



Evidence
FRE 402 -- Relevance

Damages
Reasonable Royalty

Defendant's motion in limine regarding damages was denied. "Because both [of the accused products] are allegedly used to practice the patented method, revenues from both may properly be used to calculate damages."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part granted in part**
David Folsom | February 25, 2009

PalTalk Holdings, Inc. v. Microsoft Corporation
2-06-cv-00367 (TXED)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

Plaintiff's motion in limine was granted in part and "[t]he parties will be precluded from referencing licenses, negotiations, or agreements entered into 'under the threat of litigation.' The fact that a license agreement indicates that it was executed to resolve a 'patent dispute' does not necessarily mean that the dispute had 'crystallized to the point of threatened litigation.' "

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part granted in part**
Patrick J. Schiltz | January 13, 2009

Spectralytics, Inc. v. Cordis Corporation
0-05-cv-01464 (MND)



Evidence
FRE 402 -- Relevance

Reasonable Royalty
Related License/Contract

Plaintiff was precluded from offering evidence or arguments about defendant's patent licensing, except with respect to one particular patent and then only if plaintiff first established that defendant's patent was sufficiently similar to the patent-in-suit to be relevant.

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Keith F. Giblin | January 9, 2009

Mettler-Toledo, Inc v. Fairbanks Scales Inc et al
9-06-cv-00097 (TXED)



Damages
Lost Profits

Defendant's motion to exclude evidence of lost profits was denied.

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied in part granted in part**
Charles Everingham | January 5, 2009

Freedom Wireless, Inc. v. Alltel Corporation et al
2-06-cv-00504 (TXED)



Reasonable Royalty
Related License/Contract

Plaintiff was allowed to "use license agreements unrelated to litigation to prove reasonable royalty."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Jeanne E. Scott | November 18, 2008

The GSI Group Inc v. Sukup Manufacturing Co
3-05-cv-03011 (ILCD)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

"The '25% Rule' has been accepted as a proper baseline from which to start such an analysis [of a reasonable royalty rate]. [Defendant] can challenge [plaintiff's expert's] use of the '25% Rule' through cross examination and through [defendant's] own expert witnesses. The Court, however, will not bar [the expert's] opinion based on his use of this rule."

Motion in Limine -- Expert Testimony: **Denied**
Robert C. Jones | October 21, 2008

IGT VS Alliance Gaming corporation, etal
2-04-cv-01676 (NVD)



Expert Evidence
Expert's Methodology

Lost Profits
Causation (No Noninfringing Substitutes or Market Share)

Defendant's damages expert was not precluded from testifying because he failed to assume, in a two-supplier market, that "but for" defendant's infringing activities, plaintiff would have made the sales that defendant captured. "[T]he alleged infringer must have a right to produce evidence as to what it would have done absent the infringement, namely in the form of offering noninfringing alternatives. In fact, 'if the defendant is not permitted to present evidence of this ilk, the analysis is quite skewed: only the patentee's "best case" scenario is presented, rather than a more realistic scenario."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
David Folsom | October 2, 2008

Pioneer Corporation v. Samsung SDI Co., Ltd. et al
2-06-cv-00384 (TXED)



Evidence
FRE 408 -- Settlement

Expert Evidence
Data/Assumptions Supporting Opinion

Reasonable Royalty
Related License/Contract

"Although this Court finds that negotiations, offers, and agreements reached under the threat of litigation should not be admitted under either Rules 403 or 408, such evidence may still be of some relevance to a damages expert when considered as one factor among many. Conversely, experts may not exclusively rely on such negotiations, offers, and agreements."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied**
Barbara B. Crabb | September 17, 2008

The First Years Inc. et al v. Munchkin, Inc.
3-07-cv-00558 (WIWD)



Infringement Remedies
Damages

Motion to preclude plaintiffs from seeking a reasonable royalty for provisional rights under 35 U.S.C. § 154(d) was denied because "there is no requirement that a patentee provide notice of the specific manner by which a defendant is believed to be practicing the inventions claimed in a patent application. Notice 'of the published patent application' is sufficient."

Motion in Limine -- Evidence Supporting Claim/Defense: **Granted**
Steven J. McAuliffe | August 15, 2008

Goss International Americas, Inc. v. Man Roland Inc. et al
1-03-cv-00513 (NHD)



Damages
Reasonable Royalty

Damages
Lost Profits

Indirect Infringement
Contributory Infringement

Defendant "is liable as a direct infringer, for making and selling the patented inventions, which means that it cannot also be liable for indirect infringement. . . . 'The doctrine of contributory infringement [is] a means of holding liable a person who [is] not a direct infringer but who aided and abetted a direct infringement.' It is not a means for augmenting the damages a patent holder may collect from a defendant who is liable for direct infringement."

Motion in Limine -- Expert Testimony: **Granted**
Steven J. McAuliffe | August 15, 2008

Goss International Americas, Inc. v. Man Roland Inc. et al
1-03-cv-00513 (NHD)



Damages
Reasonable Royalty

Damages
Lost Profits

"[Plaintiff] is free to elect between an award of lost profits or a reasonable royalty for [defendant's] manufacture and sale of the [accused device]. If a reasonable royalty would exceed lost profits, then [plaintiff] is entitled to a reasonable royalty. However, the economic value of the [accused product] to [defendant's] customers has no place in the proper calculation of either [plaintiff's] lost profits or a reasonable royalty as between [plaintiff] and [defendant], which is the only infringer in this case. Hence, evidence of the economic value of the [accused product] to [defendant's] customers is not relevant."

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied without prejudice**
Valerie Baker Fairbank | July 24, 2008

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



District Court Procedural Issues
Evidence

Damages
Marking & Notice of Infringement

The court denied without prejudice the defendants' motion to preclude "Plaintiffs from offering evidence of patent

damages prior to [the defendants'] actual knowledge of its allegedly infringing products" due to plaintiff's failure to mark. The defendants failed to prove they were entitled to judgment as a matter of law on whether plaintiffs' letter to the defendant constituted "a specific charge of infringement by a specific accused product or device."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied in part granted in part**

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



Valerie Baker Fairbank | July 24, 2008

Evidence
FRE 402 -- Relevance

Infringement Remedies
Damages

The court excluded evidence of the defendants' financial condition during the damages phase but noted that it "would be relevant to a determination of punitive damages during a damages phase."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied without prejudice**

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



Valerie Baker Fairbank | July 24, 2008

Damages
Reasonable Royalty

District Court Procedural Issues
Evidence

The court denied without prejudice the defendants' motion to exclude evidence of sales "by third parties over which [the defendants] have no control, such as [those] re-sold on e-Bay" because the defendants failed to establish that the Plaintiffs' damages expert incorporated those sales figures in a damages calculation.

Motion in Limine -- Evidence Supporting Claim/Defense: **Denied without prejudice**

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



Valerie Baker Fairbank | July 24, 2008

District Court Procedural Issues
Evidence

Damages
Convoyed Sales

The court denied without prejudice the defendants' motion to preclude the plaintiffs for claiming damages based on convoyed sales. The court noted that the motion "is essentially an improper, belated motion for partial summary judgment [requiring] a factually intensive analysis, and should be more properly addressed and briefed before any damages phase."

Motion in Limine -- Expert Testimony: **Denied without prejudice**

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



Valerie Baker Fairbank | July 24, 2008

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The court denied without prejudice the defendants' motion to exclude the plaintiffs' expert's testimony regarding reasonable royalty damages based on the entire market value of the product incorporating the patented invention. However, the court noted that "in the absence of some effort to connect the demand for the [entire product] with the patented [device], the testimony will be excluded."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied in part granted in part**

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



Valerie Baker Fairbank | July 24, 2008

Damages
Reasonable Royalty

The court found that the plaintiff's president and employees could offer "circumstantial evidence of copying; i.e., testify as to when the [plaintiff's] product was released, the marketing of that product, etc."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Valerie Baker Fairbank | July 24, 2008

Interactive Health LLC v. King Kong USA Inc
2-06-cv-01902 (CACD)



District Court Procedural Issues
Evidence

Damages
Lost Profits

The court granted, in part, the defendants' motion to preclude the plaintiffs' expert from testifying regarding lost profits to the extent that "the court precludes the mention of and testimony regarding Plaintiffs' market share until a proper foundation is laid outside of the jury's presence" as it is within the court's discretion to decide whether the market share analysis or the Panduit test should be presented to the jury.

Expert Evidence
Qualification of Expert

Expert Evidence
Expert's Methodology

Damages
Lost Profits

The court will exclude the plaintiffs' expert from testifying regarding her market share analysis unless "the Plaintiffs provide some further factual basis for their estimate of market share" other than the plaintiffs' president's opinion of that market share.

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Granted**
Leonard Davis | May 28, 2008

ReedHycalog UK, Ltd. et al v. Baker Hughes Oilfield Operations Inc et al
6-06-cv-00222 (TXED)



Reasonable Royalty
Related License/Contract

"Licenses negotiated to resolve litigation or threatened litigation are generally not relevant to determine a reasonable royalty, as those license fees may be "eroded by litigation" and reflect the desire to avoid litigation and not the commercial value of the patented technology."

Evidence
FRE 403 -- Prejudice

Reasonable Royalty
Related License/Contract

License between plaintiff and third party negotiated while plaintiff was involved in litigation with defendant in a separate lawsuit was not excluded from evidence. "While litigation over the [patents-in-suit] was pending when [plaintiff and the third-party] entered into licensing discussions and ultimately executed the . . . License, the evidence in the record does not show the . . . License was sufficiently 'eroded by litigation' that it is irrelevant to a reasonable royalty determination or that Defendants will be substantially prejudiced by admittance of its basic terms into evidence."

Motion in Limine -- Statements by Counsel: **Granted**
Randall R. Rader, | May 27, 2008

Cornell University, et al v. Hewlett Packard Co.
5-01-cv-01974 (NYND)



Royalty Base
Entire Market Value Rule

Circuit Judge Rader, sitting by designation, explained that Paper Converting Machine Co. v. Magna-Graphics Corp., 745 F.2d 11, 23 (Fed. Cir. 1984) does not apply the entire market value rule in the context of reasonable royalties, but lost profits. "Rather, Leeson [Corp v. United States, 599 F.2d 958, 974 (Ct. Cl. 1979) is] the case the Federal Circuit identifies as applying the entire market value rule in a reasonable royalty context."

Royalty Base
Entire Market Value Rule

"[T]here is no requirement that a patentee must have made, sold, or licensed the patented invention to be entitled to claim the entire market value of the accused products as the royalty base. Instead, the critical requirement is a connection between the patented invention and the unpatented components that the patentee seeks to include in the royalty base. Accordingly, [defendant] will not be permitted to argue to the jury that [plaintiff] must prove that it manufactured, sold, or licensed servers, workstations, or their components to avail itself of the entire market value rule."

Motion in Limine -- Expert Testimony: **Denied in part granted in part**
Randall R. Rader, | May 27, 2008

Cornell University, et al v. Hewlett Packard Co.
5-01-cv-01974 (NYND)



Damages
Reasonable Royalty

Expert Evidence
Expert's Methodology

"Even though consideration of the hypothetical is an essential aspect of computing reasonable royalty damages, the Federal Circuit 'requires sound economic proof of the nature of the market and likely outcomes with infringement factored out of the economic picture' in all damages calculations."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

"[E]xpert testimony offering the entire market value of accused products as the royalty base is only appropriate when it has been demonstrated, by a preponderance of the evidence, that the patented invention was the 'basis for demand' of those products."

Expert Evidence
Expert's Methodology

Royalty Base
Entire Market Value Rule

The testimony of plaintiff's damages expert, Dr. Marion Stewart, "that the entire market value of [defendant's products] should be used as the royalty base" was excluded because "Dr. Stewart's methodology . . . does not show a sound economic connection between this broad proffered royalty base and the claimed invention . . . [and] Dr. Stewart could not apportion value or demand between the claimed invention . . . and the accused products." "[I]f the claimed invention is present in the accused products it is but one component of the instruction buffer . . . itself a component of [the defendant's] family of processors . . . [which] in turn, are but one aspect of the massive and complex servers and workstations that Dr. Stewart and [plaintiff] seek to include in the royalty base."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied**
Randall R. Rader, | May 27, 2008

Cornell University, et al v. Hewlett Packard Co.
5-01-cv-01974 (NYND)



Evidence
FRE 402 -- Relevance

Royalty Base
Entire Market Value Rule

Court's order precluding counsel's argument to the jury that the entire market value rule requires proof that the patentee manufactured, sold, or licensed the accused products used for the royalty base did not preclude evidence that the plaintiff "has not manufactured or sold [such products] . . . [or] evidence that [plaintiff] has never licensed the claimed invention on terms that would entitle it to royalties for servers, workstations, or constituent parts incorporating the claimed invention." "Such evidence is plainly relevant to the hypothetical negotiation and properly before the court."

Motion in Limine -- Fact Witness / Evidence / Exhibit: **Denied in part granted in part**
William H. Alsop | May 22, 2008

Becton Dickinson & Company v. Therasense, Inc.
3-04-cv-03327 (CAND)



Damages
Lost Profits

Lost Profits

Causation (No Noninfringing Substitutes or Market Share)

Plaintiff was precluded from offering evidence of lost profits for a patent where it had previously settled litigation with another manufacturer and granted a covenant not to sue with respect to that patent. The covenant not to sue amounts to a license which destroys the exclusivity needed to recover lost profits.

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**Type of court
document**
Legal issue

Evidence (and selected
subcategories)
Damages (and all subcategories)

Event	Case	Order
Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied in part granted in part William H. Alsup May 22, 2008	<i>Therasense, Inc. v. Nova Biomedical Corporation</i> 3-04-cv-03732 (CAND)	
<p>Damages Lost Profits</p> <p>Lost Profits Causation (No Noninfringing Substitutes or Market Share)</p> <p>Plaintiff was precluded from offering evidence of lost profits for a patent where it had previously settled litigation with another manufacturer and granted a covenant not to sue with respect to that patent. The covenant not to sue amounts to a license which destroys the exclusivity needed to recover lost profits.</p>		
Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied in part granted in part William H. Alsup May 22, 2008	<i>Therasense, Inc. v. Becton, Dickinson and Company</i> 3-04-cv-02123 (CAND)	
<p>Damages Lost Profits</p> <p>Lost Profits Causation (No Noninfringing Substitutes or Market Share)</p> <p>Plaintiff was precluded from offering evidence of lost profits for a patent where it had previously settled litigation with another manufacturer and granted a covenant not to sue with respect to that patent. The covenant not to sue amounts to a license which destroys the exclusivity needed to recover lost profits.</p>		
Motion in Limine -- Fact Witness / Evidence / Exhibit: Denied in part granted in part William H. Alsup May 22, 2008	<i>Abbott Diabetes Care Inc. et al v. Roche Diagnostics Corporation et al</i> 3-05-cv-03117 (CAND)	
<p>Damages Lost Profits</p> <p>Lost Profits Causation (No Noninfringing Substitutes or Market Share)</p> <p>Plaintiff was precluded from offering evidence of lost profits for a patent where it had previously settled litigation with another manufacturer and granted a covenant not to sue with respect to that patent. The covenant not to sue amounts to a license which destroys the exclusivity needed to recover lost profits.</p>		
Motion in Limine -- Fact Witness / Evidence / Exhibit: Granted Randall R. Rader, May 14, 2008	<i>Cornell University, et al v. Hewlett Packard Co.</i> 5-01-cv-01974 (NYND)	
<p>Evidence FRE 402 -- Relevance</p> <p>Evidence FRE 408 -- Settlement</p> <p>Reasonable Royalty Related License/Contract</p> <p>Granting motion in limine to exclude "the amounts of negotiation offers . . .as well as the amount of the . . . license fees" concerning license agreement between plaintiff and a third party under both FRCP 408 and 402. "Where, as here, a license agreement arises under the threat of litigation, it has little relevance to the hypothetical reasonable royalty situation."</p>		

Motion in Limine -- Evidence Supporting Claim/Defense: Denied
Alexander Williams, Jr | May 9, 2008

F.O.B. Instruments, LTD. v. Krown Manufacturing, Inc. et al
8-06-cv-01412 (MDD)



Evidence

Motion in Limine -- Generally

Damages

Lost Profits

Motion in limine to exclude evidence of lost profits denied because "the Court does not believe that the issue of lost profits is an appropriate one that should be decided by a motion in limine."

Motion in Limine -- Expert Testimony: Denied
Patricia A. Gaughan | April 22, 2008

Parker-Hannifin Corporation et al. v. Champion Laboratories, Inc.
1-06-cv-02616 (OHND)



Damages

Reasonable Royalty

Expert Evidence

Expert's Methodology

Damages expert's methodology for calculating patented products' average sales price was not unreasonable even though it excluded sales to Wal-Mart. Excluding "statistical outliers" such as sales to Wal-Mart was reasonable because "Wal-Mart pays a lower price than that paid by customers such as [the infringing party]."

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