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CO., LTD., SAMSUNG ELECTRONICS  
16 AMERICA, INC. and SAMSUNG  
TELECOMMUNICATIONS AMERICA, LLC

17 UNITED STATES DISTRICT COURT  
18 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION

19 APPLE INC., a California corporation,

20 Plaintiff,

21 vs.

22 SAMSUNG ELECTRONICS CO., LTD., a  
23 Korean business entity; SAMSUNG  
ELECTRONICS AMERICA, INC., a New  
24 York corporation; SAMSUNG  
TELECOMMUNICATIONS AMERICA,  
25 LLC, a Delaware limited liability company,

26 Defendants.

CASE NO. 11-cv-01846-LHK

**SAMSUNG’S NOTICE OF MOTION AND  
MOTION FOR JUDGMENT AS A  
MATTER OF LAW, NEW TRIAL  
AND/OR REMITTITUR PURSUANT TO  
FEDERAL RULES OF CIVIL  
PROCEDURE 50 AND 59**

**Date: December 6, 2012  
Time: 1:30 p.m.  
Place: Courtroom 8, 4th Floor  
Judge: Hon. Lucy H. Koh**

**FILED UNDER SEAL**

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**NOTICE OF MOTION AND MOTION**

PLEASE TAKE NOTICE that on December 6, 2012, at 1:30 p.m., before the Honorable Lucy H. Koh, Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC (collectively “Samsung”) shall and hereby do move the Court for judgment as a matter of law pursuant to Fed. R. Civ. P. 50(b), renewing Samsung’s prior request pursuant to Fed. R. Civ. P. 50(a), and alternatively for a new trial or remittitur pursuant to Fed. R. Civ. P. 59, as to each and every claim and issue on which Apple prevailed before the jury, including both parties’ claims for patent infringement pursuant to 35 U.S.C. § 271, Apple’s claims for trade dress dilution pursuant to 15 U.S.C. § 1125(c), and Apple’s claims for damages, as more fully set forth below. Samsung additionally requests new trial or hearing pursuant to Fed. R. Civ. P. 49. This motion is based on the memorandum of points and authorities below, the trial record, the accompanying declarations of Susan Estrich, John Pierce, and Michael Wagner, all pleadings and papers on file in this action, such matters as are subject to judicial notice, and all other matters or arguments that may be presented in connection with this motion.

**MEMORANDUM OF POINTS AND AUTHORITIES**

Judgment as a matter of law under Fed. R. Civ. P. 50(b) is required where a plaintiff fails to present a legally sufficient basis for a reasonable jury to rule in its favor. *Lakeside-Scott v. Multnomah Cty.*, 556 F.3d 797, 802 (9th Cir. 2009). A new trial is appropriate under Fed. R. Civ. P. 59 where “the verdict is against the weight of the evidence, [] the damages are excessive, or [] for other reasons, the trial was not fair to the party moving.” *Molski v. M.J. Cable, Inc.*, 481 F.3d 724, 729 (9th Cir. 2007); *Rattray v. City of National City*, 51 F.3d 793, 800 (9th Cir. 1994) (same, prevent “miscarriage of justice”); *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1275 (Fed. Cir. 2000) (same, for “prejudicial legal error” in jury instructions). Remittitur is appropriate under Rule 59 where the damages awarded by the jury are not supportable, and the “proper amount of a remittitur is the maximum amount sustainable by the evidence.” *Jessen Elec. & Serv. Co. v. Gen. Tel. Co.*, 106 F.3d 407 (9th Cir. 1997). Samsung is entitled to judgment as a matter of law, new trial, or remittitur here for the reasons below.

1 **I. JUROR CONDUCT REQUIRES A NEW TRIAL**

2 A new trial is warranted based on a finding of implied bias if a juror “lies materially and  
3 repeatedly in response to legitimate inquiries,” and a court should “presume bias where a juror lies  
4 in order to secure a seat on the jury.” *Dyer v. Calderon*, 151 F.3d 970, 982 (9th Cir. 1998) (en  
5 banc). “Statements which tend to show deceit during *voir dire* are not barred by [Fed. R. Evid.  
6 606(b)(1)].” *Hard v. Burlington N. R.R.*, 812 F.2d 482, 485 (9th Cir. 1987). A juror’s failure to  
7 answer truthfully also may constitute a “prejudicial impairment” of a party’s “right to the exercise  
8 of peremptory challenges.” *United States v. Colombo*, 869 F.2d 149, 151 (2d Cir. 1989); *see*  
9 *United States v. Gonzalez*, 214 F.3d 1109, 1114 (9th Cir. 2000).

10 The jury foreman, Velvin Hogan, failed to answer truthfully during *voir dire*. Asked by  
11 the Court whether “you or a family member or someone very close to you [has] ever been  
12 involved in a lawsuit, either as a plaintiff, a defendant, or as a witness?” (Reporter’s Transcript  
13 (“RT”) 148:18-21), he disclosed one such lawsuit but failed to disclose two others, including one  
14 in which he was sued by his former employer, Seagate, for breach of contract after he failed to  
15 repay a promissory note (RT 148:22-150:12; *Seagate Tech., Inc. v. Hogan*, Case No. MS-93-0919  
16 (Santa Cruz Mun. Ct. June 30, 1993), Declaration of Susan Estrich (“Estrich Decl.”) Ex. A), and  
17 filed for personal bankruptcy six months later (*In re Velvin R. Hogan and Carol K. Hogan*, Case  
18 No. 93-58291-MM (Bankr. N.D. Cal. Dec. 27, 1993); Estrich Decl., Ex. B). Samsung has a  
19 substantial strategic relationship with Seagate (Estrich Decl. Ex. C), which culminated last year in  
20 the publicized sale of a division to Seagate in a deal worth \$1.375 billion, making Samsung the  
21 single largest direct shareholder of Seagate (*id.* Exs. D-G). The attorney who sued Mr. Hogan on  
22 Seagate’s behalf is the husband of a Quinn Emanuel partner. *Id.* ¶3. Mr. Hogan’s failure to  
23 disclose the Seagate suit raises issues of bias that Samsung should have been allowed to explore in  
24 questioning and that would have triggered a motion to strike for cause or a peremptory strike.

25 Moreover, Mr. Hogan’s public statements suggest that he failed to answer the Court’s  
26 question truthfully “in order to secure a seat on the jury,” in which case bias is presumed, *Dyer*,  
27 151 F.3d at 982-83 (“The individual who lies in order to improve his chances of serving [on a  
28 jury] has too much of a stake in the matter to be considered indifferent.”). He stated he

1 “expected to be dismissed from the jury because of [his] experience” and was “grateful” to be  
2 selected (Estrich Decl. Ex. H), and that, “[e]xcept for my family, it was the high spot of my  
3 career. You might even say my life.” *Id.*, Ex. I. During *voir dire*, Mr. Hogan remained silent  
4 when asked if he had “strong feelings or strong opinions about either the United States patent  
5 system or intellectual property laws” (RT 167:1-6) and would be able to follow the Court’s  
6 instructions “even if it may not completely correspond to what you may know about the patent  
7 system or the intellectual property laws.” RT 159:25-160:11; 165:13-18. After the verdict,  
8 however, he said he wanted to be satisfied that the verdicts “protected copyrights and intellectual  
9 property rights” in order “to send a message to the industry at large that patent infringing is not the  
10 right thing to do” and “make sure the message we sent was not just a slap on the wrist.” Estrich  
11 Decl. Exs. I, J, K.

12 Finally, Mr. Hogan’s self-reported conduct during the jury deliberations presents the  
13 “reasonable possibility” that extraneous material “could have affected the verdict.” *Sea Hawk*  
14 *Seafoods, Inc. v. Alyeska Pipeline Serv. Co.*, 206 F.3d 900, 906 (9th Cir. 2000). In post-verdict  
15 interviews with the media, Mr. Hogan said that he told his fellow jurors an accused device  
16 infringes a design patent based on “look and feel” (Estrich Decl. Ex. N), that an accused device  
17 infringes a utility patent unless it is “entirely different” (*id.* Ex. M), that a prior art reference could  
18 not be invalidating unless that reference was “interchangeable” (*id.* Exs. L, N), and that  
19 invalidating prior art must be currently in use (*id.* Ex. O). These incorrect and extraneous legal  
20 standards had no place in the jury room. *See Hard*, 812 F.2d at 485; *Gibson v. Clanon*, 633 F.2d  
21 851, 853, 855 (9th Cir. 1981); *United States v. Perkins*, 748 F.2d 1519, 1530-33 (11th Cir. 1984);  
22 *Casanas v. Yates*, 2010 WL 3987333, at \*6 (N.D. Cal. Oct. 12, 2010) (approving for cause  
23 dismissal where juror “was applying his experience to question the law, not using his experience  
24 to determine the facts”).

25 For all these reasons, Mr. Hogan’s conduct during *voir dire* and jury deliberations must be  
26 fully examined in a hearing with all jurors and can be cured only by a grant of new trial.

27  
28

1 **II. SAMSUNG IS ENTITLED TO JUDGMENT AS A MATTER OF LAW OR A NEW TRIAL ON APPLE'S DESIGN PATENT INFRINGEMENT CLAIMS**

2 **A. No Reasonable Jury Could Find Infringement of Apple's Design Patents**

3 The key to design patent infringement is whether a “hypothetical ordinary observer who is  
4 conversant with the prior art” would in purchasing be deceived by similarities with an accused  
5 product *when focusing only on the ornamental features* of the claimed designs. *Egyptian*  
6 *Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 678 (Fed. Cir. 2008). Design patent law protects only  
7 designs that are new, original and ornamental, 35 U.S.C. § 171, not “general design concepts,”  
8 *OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997), or a design’s  
9 “functional” and “structural” elements or “basic configuration,” *Lee v. Dayton-Hudson*, 838 F.2d  
10 1186, 1188 (Fed. Cir. 1988). Unprotected attributes must be “factored out” when analyzing  
11 infringement, with only the remaining elements compared to the accused designs. *Richardson v.*  
12 *Stanley Works, Inc.*, 597 F.3d 1288, 1293 (Fed. Cir. 2010); *OddzOn Prods.*, 122 F.3d at 1405.  
13 Even differences between the patented and accused designs that are so minor that they “might not  
14 be noticeable in the abstract can become significant” in light of prior art. *Egyptian Goddess*, 543  
15 F.3d at 678.<sup>1</sup>

16 The record fails to support the jury’s finding of infringement of any of Apple’s design  
17 patents under these standards. Apple conceded that some attributes of its designs were functional  
18 or otherwise unprotectable. *E.g.*, RT 1197:13-17; 1199:25-1200:4 (Bressler admitting “a clear  
19 cover over the display element” is “absolutely functional”); 1438:13-19; 1440:7-12; 1474:5-76:7  
20 (Kare admitting Apple’s patents do not protect features like use of “the color green for go” on  
21 icon, or images of clock, or square shapes with rounded corners, or “colorful matrix of icons”  
22 arranged in grid). Apple conceded that it did not limit its infringement analysis to new and  
23 ornamental designs. RT 1090:12-22 (Bressler did not factor out functional elements); 1470:12-  
24

25 <sup>1</sup> The Court’s design patent instructions to the jury erred under these standards in failing to  
26 explain that the jury’s comparisons must be from the perspective of a hypothetical ordinary  
27 observer who is conversant with the prior art; in relegating the comparison of patented and  
28 accused designs to the prior art to a series of discretionary guidelines, in instructing that “[m]inor  
differences should not prevent a finding of infringement,” and in failing to factor out non-  
ornamental elements. Dkt. 1903 at 63. These instructional errors require a new trial.

1 16; 3475:1-24 (Kare did not consider functionality). And Apple failed to show that an ordinary  
 2 observer would be deceived by similarities, admitting that, “by the end of the smartphone  
 3 purchasing process, the ordinary consumer would have to know which phone they were buying.”  
 4 RT 1103:13-1104:18.<sup>2</sup> Judgment as a matter of law for Samsung is therefore required. *Read*  
 5 *Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed. Cir. 1992).

6 ***The D’677 and D’087 Patents.*** The jury should have factored out the non-ornamental  
 7 elements of these design patents in assessing infringement, especially since the record showed that  
 8 those designs are largely devoid of ornamentation (RT 1145:19-23 (designs do not “have much  
 9 ornament”); RT 522:8-12 (Apple wanted iPhone to be “as simple as possible”)). The record  
 10 showed that the non-ornamental elements included designs that are rectangular and have curved  
 11 corners; have flat, clear, large screens; are of a size that can be handheld; are black; and have  
 12 speakers near the top, opaque borders and a bezel. RT 675:5-12; 678:5-680:15 (larger screens  
 13 benefit users, black and opaque borders hide components, speaker near top is required for sound,  
 14 and round corners “help you move things in and out of your pocket”); RT 1199:8-1200:4  
 15 (transparent cover). Moreover, as Apple admitted, the prior art discloses numerous elements of  
 16 these designs, including at least a “rectangular” display screen that is “balanced vertically and  
 17 horizontally within the design,” “rounded corners,” “narrower lateral borders,” “larger borders  
 18 above and below the screen,” a bezel, and a “lozenge shaped” speaker placed in the top border.  
 19 RT 1110:23-1121:4, 1175:1-4 (referencing DX511, DX727, DX728 and JX1093).

20 Considering only the ornamental attributes of Apple’s designs in light of the prior art, no  
 21 reasonable jury could find infringement of the D’677 and D’087 patents by any accused device.  
 22 Apple’s expert Peter Bressler admitted that “details are important” and “contribute to how an  
 23

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24 <sup>2</sup> Bressler admitted he lacked evidence “that any consumer has ever purchased a Samsung  
 25 smartphone believing it was actually a device manufactured by [Apple]” or that “consumers have  
 26 been confused at any time when purchasing Apple devices or Samsung devices into thinking they  
 27 are devices from the other manufacturer” or “whether anybody would ever be deceived” when  
 28 purchasing a smartphone. RT 1101:11-1102:8; 1103:2-1104:18; DX807. Bressler’s opinions  
 were also based on the incorrect standard of whether an ordinary observer “might” mistake two  
 designs, and an erroneous belief that similarity need not “be deceptive.” RT 1008:12-1010:4;  
 1105:6-22. Dr. Kare admitted she did not know whether consumers would be deceived after  
 turning a Samsung phone on and navigating to the application screen. RT 1424:1-1425:22.



1 ordinary observer forms an overall impression” and pointed to the “very specific proportion[s]” of  
 2 Apple’s phone designs and the “very specific impression” those dimensions create. RT 1016:11-  
 3 20, 1019:5-8, 1133:9-11, 1157:8-12. Apple distinguished its own designs from the prior art  
 4 based on “little differences” in details. RT 3613:6-11; 1154:3-15 (distinction in “lateral  
 5 borders”); 1176:6-21 (distinction that “lozenge shaped speaker opening” is “centered”); 1351:17-  
 6 1352:10, 3597:10-3598:1 (prior art is “not absolutely flat all the way across the front”); 1121:7-10  
 7 (absence of bezel in prior art). The types of differences that suffice to separate Apple’s designs  
 8 from prior art also suffice to prevent a finding of infringement. *Int’l Seaway Corp. v. Walgreens*  
 9 *Corp.*, 589 F.3d 1233, 1240 (Fed. Cir. 2009). Comparison of Samsung’s products and Apple’s  
 10 designs shows such differences and more exist here, as Apple’s expert admits. RT 1176:13-  
 11 1178:25 (locations of speaker slots); 1126:10-1127:24, 1131:7-1132:1, 1138:5-1140:7 (absence of  
 12 bezel, differing shapes or forms of bezels); 1143:2-16 (shapes of corners); 1162:18-23 (additional  
 13 keys).

14 ***The D’305 Patent.*** Nor could any rational jury have found infringement of the D’305  
 15 when limited to its ornamental visual impression. Apple does not own the concept of colorful  
 16 icons arranged in a grid of square icons with rounded corners, nor can Apple claim protection over  
 17 the functional aspects of the D’305 design, including the use of pictures and images as “visual  
 18 shorthand” to communicate information (RT 1452:1-1455:25), the inclusion of sufficient space  
 19 between icons to allow for finger-operation (RT 1467:3-1468:22), and other elements discussed  
 20 above.<sup>3</sup> Apple’s expert Susan Kare admitted that differences abound between the accused  
 21 Samsung products and Apple’s designs, including the selection, location and shapes of, and  
 22 images on, the icons. RT 1426:2-1435:24; 1444:7-23. Apple only attempted to claim 2 of the  
 23 20 Samsung icons were substantially similar to Apple’s icons. RT 1429:2-1430:25; 1433:9-  
 24 1435:24; 1444:7-23. Apple admitted that the home screen of the accused products “doesn’t, in

25 <sup>3</sup> Courts have repeatedly denied a monopoly in the copyright context over the GUI design  
 26 concepts that Apple seeks to protect here. *See Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d  
 27 1435, 1444 (9th Cir. 1994) (“No copyright protection inheres in the[] ideas” of “icons representing  
 28 familiar objects from the office environment that describe functions being performed”); *Lotus*  
*Dev. v. Borland Int’l*, 49 F.3d 807, 815-18 (1st Cir. 1995) (similar). The result should be no  
 different under design patent law.

1 fact, look like the patent” (RT 1397:1-4); the fact that users are required to pass through start-up  
 2 screens that say “Samsung” and the names of the products at issue (RT 1422:14-1424:2) shows  
 3 there is no risk of deception. *Contessa Food Prods., Inc. v. Conagra, Inc.*, 282 F.3d 1370, 1381  
 4 (Fed. Cir. 2002) (ordinary observer test considers “normal use of the product”). The Court  
 5 should enter judgment for Samsung of non-infringement on all three of Apple’s design patents, or  
 6 order a new trial.

7 **B. No Reasonable Jury Could Find Apple’s Design Patents Valid**

8 The Court also should enter judgment on Apple’s design patents because no rational jury  
 9 could find those patents valid. *First*, Apple’s design patents are all invalid as functional in light  
 10 of the evidence discussed above. *PHG Techs., LLC v. St. John Cos.*, 469 F.3d 1361, 1366 (Fed.  
 11 Cir. 2006) (“If the patented design is primarily functional rather than ornamental, the patent is  
 12 invalid.”).<sup>4</sup> *Second*, the D’677 and D’087 patents are invalid as obvious based upon the prior art  
 13 (including the JP’638, as well as the JP’383, KR’547, and LG Prada) that Apple admitted  
 14 displayed design characteristics of the asserted patents (RT 2581:9-2590:18; 2591:2593:20;  
 15 2595:7-22; DX511; DX727; DX728; JX1093). *Titan Tire Corp. v. Case New Holland, Inc.*, 566  
 16 F.3d 1372, 1380-81 (Fed. Cir. 2009). *Third*, the D’677 patent is invalid for double-patenting.  
 17 *Miller v. Eagle Mfg. Co.*, 151 U.S. 186, 198 (1894) (second patent must be “substantially  
 18 different” from first). D’677 and embodiments of D’087 (particularly the sixth embodiment)  
 19 depict the same design; the only elements added by the D’677 are the color black and oblique  
 20 lines, features that do not make D’677 “a separate invention, distinctly different and independent,”  
 21 *id.* at 198, and the D’087 subsumes the D’677 because Apple admits that “the flat front surface [of  
 22 D’087] could be any color. It could be transparent. It could be anything.” RT 1019:12-17.<sup>5</sup>

23 \_\_\_\_\_  
 24 <sup>4</sup> See also RT 2603:15-2611:7 (functional elements include “rectangular shape for the  
 25 device” and the “display,” “rounded corners,” “flat surface,” “location of the earpiece slot” and its  
 26 “elongated shape,” and color “black”); RT 1194:4-1212:14; DX807 (Bressler is “[n]o more  
 equipped than any ordinary observer to opine on the functionality of a smartphone” and had  
 “never designed a smartphone,” did not consider whether alternatives “functioned the same or not”  
 and failed to determine if any feature affected “cost” or “quality” of article).

27 <sup>5</sup> Apple claimed that the same Apple devices that embody D’087 also embody D’677 (RT  
 1021:16-1023:22), and that the same Samsung devices that infringe D’087 also infringe D’677.  
 28 RT 1049:6-23, 1056:6-1057:24; 1060:7-1064:11.

1 *Fourth*, the D’889 patent is also invalid as obvious in light of prior art including the TC1000 and  
 2 the 1994 Fidler tablet (JX1074; JX1078; DX 805; RT 2595:23-2601:17 (prior art shares “overall  
 3 rectangular shape with evenly rounded corners,” “transparent, flat front cover,” “very large  
 4 display,” “flat front surface that goes across the whole front face up to a relatively thin rim,”  
 5 “relatively narrow profile,” “almost identical to the proportions of the D’889,” “flat back”)), and  
 6 as functional given Apple’s admissions that it does not own the “use of a rectangular shape with  
 7 rounded corners” or “the use of a large display screen for an electronic device.” RT 3609:9-  
 8 3611:10; DX 810. The Court should enter judgment of invalidity or order a new trial.

### 9 **III. SAMSUNG IS ENTITLED TO JUDGMENT AS A MATTER OF LAW OR A NEW 10 TRIAL ON APPLE’S TRADE DRESS CLAIMS**

#### 11 **A. No Reasonable Jury Could Find Apple’s Trade Dress Protectable**

12 “The traditional interest in trademark protection is stretched very thin in dilution cases  
 13 where confusion is absent,” as here, and unlike patent protection, which is time-limited, trade  
 14 dress law poses special dangers if used to give “permanent protection” to “the design of an article  
 15 of manufacture.” *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 53 (1st Cir. 1998) (Boudin,  
 16 J., concurring).<sup>6</sup> These concerns have constitutional dimension.<sup>7</sup>

17 Accordingly, trade dress is not protected if doing so would impose “significant non-  
 18 reputation-related disadvantages” on competitors. *TrafFix Devices, Inc. v. Marketing Displays,  
 19 Inc.*, 532 U.S. 23, 33-35 (2001); *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d  
 20 1062, 1072 (9th Cir. 2006). Protection is limited to “identification of source,” and does not

21 <sup>6</sup> *See Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 213 (2000) (“Consumers  
 22 should not be deprived of the benefits of competition with regard to the utilitarian and aesthetic  
 23 purposes that product design ordinarily serves.”); *Anti-Monopoly, Inc. v. Gen. Mills Fun Group*,  
 24 611 F.2d 296, 301 (9th Cir. 1979) (“trademark is misused if it serves to limit competition”); *Avery  
 25 Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999) (recognizing breadth of dilution  
 26 claims). Even in the infringement context, courts reject claims based on alleged post-sale  
 27 confusion as to product configuration trade dress. *Gibson Guitar Corp. v. Paul Reed Guitars,  
 28 LP*, 423 F.3d 539 (6th Cir. 2005).

<sup>7</sup> *See Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989) (“Congress  
 may not create patent monopolies of unlimited duration”); *Sears v. Stiffel*, 376 U.S. 225, 232-33  
 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 237 (1964); *I.P. Lund Trading*,  
 163 F.3d at 50 (recognizing constitutional concerns when “attempting to apply the dilution  
 analysis to the design itself of the competing product involved”); *Merch. & Evans, Inc. v.  
 Roosevelt Bldg. Products Co., Inc.*, 963 F.2d 628, 633 (3d Cir. 1992) (“indefinite trademark  
 protection of product innovations would frustrate the purpose of the limited duration of patents”).

1 extend to “usefulness,” *id.* at 1073, or “features which constitute the actual benefit that the  
 2 consumer wishes to purchase,” *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 785 (9th Cir.  
 3 2002).<sup>8</sup> No reasonable jury could fail to find Apple’s claimed trade dress functional under  
 4 *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844 (1982), for Apple’s own evidence confirmed  
 5 that its trade dress is “essential to the use or purpose of the article” and “affects [its] cost or  
 6 quality.” *Au-Tomotive Gold*, 457 F.3d at 1072 (quoting *Inwood*).<sup>9</sup> For example, the claimed  
 7 trade dress had a clear face covering the front of the iPhone (RT 1199:25-1200:16 (“absolutely  
 8 functional”)); rounded corners (RT 680:9-15 (“help you move things in and out of your pocket”));  
 9 a large display screen (RT 674:20-675:24 (“a benefit to users”)); a black color (RT 679:15-20  
 10 (“hide internal wiring and components”)); familiar icon images (RT 2533:25-2534:15); and a  
 11 useful size and shape (DX5622.001 (“size and shape/comfort benefits”)).

12 Moreover, Apple’s trade dress is unprotectable on account of its aesthetic functionality.  
 13 Apple argued that its trade dress was designed to be aesthetically appealing and that aesthetic  
 14 beauty is a primary motivator for consumer purchases. RT 484:1-11 (in designing iPhone, Apple  
 15 sought a “beautiful object”); 602:8-19 (iPhone is “beautiful and that that alone would be enough to  
 16 excite people and make people want to buy it”); 625:4-626:4 (“reasons for the iPhone success” are  
 17 “people find the iPhone designs beautiful” and “it’s an incredibly easy-to-use device.”); 635:23-  
 18 636:5 (“attractive appearance and design” motivates purchases); 721:3-7 (customers “lust after  
 19 [iPhone] because it’s so gorgeous”). Apple cannot use design patents to protect these same  
 20 features and then obtain a perpetual monopoly in allegedly desirable designs under trade dress

21 <sup>8</sup> The jury instructions did not properly explain these principles, having deleted the language  
 22 from the model instructions that a feature is functional “[i]f the feature is part of the actual benefit  
 23 that consumers wish to purchase when they buy the product,” RT 3921:1-10, and having  
 24 incorrectly stated that a feature can be non-functional even if it “contributes to consumer appeal  
 and saleability” without explaining that is true, if at all, only if the feature contributing to appeal  
 “is indistinguishable from and tied to the mark’s source-identifying nature.” *Au-Tomotive Gold*,  
 457 F.3d at 1074. See Dkt. 1903 at 84. These and other instructional errors merit a new trial.

25 <sup>9</sup> A product feature “need only have some utilitarian advantage to be considered functional,”  
 26 not “superior utilitarian advantages.” *Disc Golf Ass’n, Inc. v. Champion Discs, Inc.*, 158 F.3d  
 1002, 1007 (9th Cir. 1998) (emphasis in original). Apple claimed (PX 10; RT 4111:1-12) that  
 27 Samsung could have employed alternate designs, but alternative designs are irrelevant—once  
 28 functionality under *Inwood* is established, “speculation about other design possibilities” is  
 immaterial. *TraFFix*, 532 U.S. at 33; *Talking Rain Bev. Co., Inc. v. South Beach Bev. Co.*, 349  
 F.3d 601, 603 (9th Cir. 2003) (same).

1 law. *E.g., Elmer v. ICC Fab., Inc.*, 67 F.3d 1571, 1580 (Fed. Cir. 1995) (trade dress functional  
 2 where it “was broadly defined to be essentially coextensive with, and in fact broader than, the  
 3 patent claim”); *Duraco Prod., Inc. v. Joy Plastic Enter., Ltd.*, 40 F.3d 1431, 1453 (3d Cir. 1994).

4 Secondary meaning requirements likewise limit trade dress protectability to cases where  
 5 “the primary significance of a product feature or term is to identify the source of the product rather  
 6 than the product itself.” *Inwood*, 456 U.S. at 851 n.11. No rational jury could find secondary  
 7 meaning on the record here, for the evidence failed to show that consumers believed the *primary*  
 8 *significance* of the asserted trade dress was to identify it with Apple. Apple’s survey established  
 9 only that a majority of respondents shown blurred images of iPhones said they associate the  
 10 “overall appearance” of the phone with “Apple” or “iPhone” (RT 1583:10-1584:24), but that is  
 11 insufficient because a plaintiff “must show that the primary significance of the term in the minds  
 12 of the consuming public is not the product but the producer.” *Kellogg Co. v. Nat’l Biscuit Co.*,  
 13 305 U.S. 111, 118-19 (1938). Apple’s evidence that it advertised the iPhone as a whole (PX 11-  
 14 14) is insufficient as well; the differences here between Apple’s iPhone product (which includes  
 15 the Apple logo, trademark, and home button) and its generic claimed trade dress (which does not)  
 16 undermine the claim that advertising the product as a whole created secondary meaning. *First*  
 17 *Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987).

18 For these reasons, the Court should grant judgment as a matter of law that Apple’s trade  
 19 dress is not protectable, or order a new trial.

20 **B. No Reasonable Jury Could Find Actionable and Willful Dilution**

21 Nor did the evidence establish crucial elements of trade dress dilution and damages.  
 22 *First*, “to meet the ‘famousness’ element,” “a mark [must] be truly prominent and renowned”  
 23 among the general public. *Avery Dennison*, 189 F.3d at 875 (quoting *I.P. Lund*, 163 F.3d at 46)).  
 24 This must have been so prior to the time of Samsung’s sales of accused products. *Nissan Motor*  
 25 *Co. v. Nissan Comp. Corp.*, 378 F.3d 1002, 1013 (9th Cir. 2004).<sup>10</sup> The record contains no  
 26

27 <sup>10</sup> The Court erroneously refused to instruct the jury that, “to be ‘famous,’ each of Apple’s  
 28 asserted trade dresses must have been truly prominent and renowned at the time of Samsung’s first  
 (footnote continued)

1 evidence of such fame. Apple offered no survey restricted to the time before Samsung entered  
2 the market, and its June 2011 survey shows recognition by less than 64% of likely cell phone  
3 purchasers (not the general population). RT 1578:24-1579:4; 1584:17-1585:5; *see Nissan*, 378  
4 F.3d at 1014 (65% awareness insufficient); *Textron*, 753 F.2d at 1025; 4 MCCARTHY ON  
5 TRADEMARK at § 24:106, 24-310 (2008 ed.) (“75% of the general consuming public of the United  
6 States” is required). Much of Apple’s advertisement and press coverage evidence (PX 12-14)  
7 was dated after Samsung’s alleged first use, rendering it irrelevant; it focused on the product as a  
8 whole and its appealing features, not the source-identifying features of the claimed trade dress;  
9 and in any case, the consumer response to this advertising is already reflected in Apple’s survey  
10 results, which show insufficient fame.

11 *Second*, the record does not support a finding of likely dilution. Apple offered no  
12 evidence that the accused Samsung phones “impair the distinctiveness” of Apple’s trade dress. 15  
13 U.S.C. § 1125(c)(2)(B). *See* RT 1534:14-21 (“no empirical evidence” and “no hard data to show  
14 that Samsung’s actions have diluted Apple’s brand”). And proof of at least 25 third-party  
15 smartphones bearing similar trade dress to that claimed by Apple (*see* Ex. 712 (third-party phones  
16 with similar trade dress elements); RT 893:16-25; 895:12-20 (market contains many smartphones  
17 that look similar)) undermines any finding of likely dilution. *McKeon Prods., Inc. v. Flent*  
18 *Prods. Co.*, 2002 U.S. Dist. LEXIS 27123, at \*34-35 (E.D. Mich. Nov. 19, 2002) (rejecting  
19 dilution claim where “retailers typically have at least hundreds of products with blue and yellow  
20 and white packaging” so that “[p]laintiff’s colored packaging does not stand out in retail stores.”).

21 *Third*, “willfulness” is a required element for any award of trade dress dilution damages.  
22 35 U.S.C. § 1125(c) (damages available only when a party “willfully intended to trade on the  
23 recognition of the famous mark”). Willfulness requires that a party “willfully calculate[s] to  
24 exploit the advantage in an established mark,” and mere copying does not suffice. *Bandag, Inc.*  
25 *v. Al Bolser’s Tire Stores, Inc.*, 750 F.2d 903, 920-21 (Fed. Cir. 1984). Apple failed to introduce  
26 any evidence, let alone clear and convincing proof, that Samsung intended to trade on the source-  
27 \_\_\_\_\_  
28 commercial sale of its accused products” and “have become very widely recognized by the  
consuming public as the designator of Apple’s goods,” Dkt. 1903 at 87.

1 identifying attributes of Apple's trade dress.<sup>11</sup> Apple did not even contend it notified Samsung of  
 2 any asserted trade dress, much less establish Samsung knew its conduct was infringing. RT  
 3 1968:2-11 (no mention of trade dress in presentations to Samsung); PX 52; DX 800.

4 For these reasons, the Court should also grant judgment as a matter of law or a new trial on  
 5 trade dress dilution liability and damages.

6 **IV. SAMSUNG IS ENTITLED TO JUDGMENT AS A MATTER OF LAW OR A NEW  
 TRIAL ON APPLE'S UTILITY PATENT INFRINGEMENT CLAIMS**

7 **A. No Reasonable Jury Could Find Apple's Utility Patents Valid**

8 No reasonable jury, applying correct standards, could find Apple's utility patents valid.  
 9 Samsung's expert testified that Fractal Zoom and Nomura, which both scroll or zoom by  
 10 distinguishing between one or two or more input points, anticipate or render obvious every  
 11 limitation of claim 8 of the '915 patent. RT 2897:12-2902:5, 2908:1-7, 2903:15-2907:25 (Gray  
 12 invalidity testimony). The record contains no evidence to support any contrary finding. There  
 13 is also no dispute that Fractal Zoom and Nomura are 102(a) and (b) prior art to the '915 patent.  
 14 RT 2285:4-2290:20; 2275:24-2290:20, 2350:15-2357:18, 2362:8-2366:19; 2902:6-24; DX 550  
 15 (Bogue, Forlines and Gray testimony establishing prior art dates).

16 Samsung's expert also testified that TableCloth and LaunchTile, which both have the  
 17 claimed snap-back behavior, anticipate or render obvious every limitation of claim 19 of the '381  
 18 patent. RT 2854:18-2858:22; 2860:3-2864:11; 2864:24-2870:22; 2872:17-2873:9 (van Dam  
 19 invalidity testimony). The record contains no evidence to support any contrary finding, and it is  
 20 undisputed that TableCloth and LaunchTile are 102(a) and (b) prior art to the '381 patent. RT  
 21 2293:9-23; 2363:7-13; 2275:24-2282:4; 2290:21-2299:16; 2350:15-2351:8; 2357:19-2364:5;  
 22 2247:22-2248:13; 2229:14-2253:16 (Bogue, Forlines, Bederson and van Dam testimony  
 23 establishing prior art dates).

24 Samsung's expert testified that LaunchTile, Agnetta, and Robbins, which all exhibit the  
 25

26 <sup>11</sup> The jury instructions incorrectly stated that willfulness could be established by a mere  
 27 preponderance of the evidence, *see CollegeNET, Inc. v. XAP Corp.*, 483 F.Supp.2d 1058, 1066 (D.  
 28 Oregon 2007) (clear and convincing evidence required), and failed to provide guidance as to *how*  
 to determine whether Samsung's conduct was willful. Dkt. 1903 at 93.

1 claimed enlarging and centering behavior, anticipate or render obvious every limitation of claim  
 2 50 of the '163 patent. RT 2913:2-2917:2; 2917:3-2919:16; 2919:17-2922:6 (Gray invalidity  
 3 testimony). The record contains no evidence to support any contrary finding, and there is no  
 4 dispute that these references are 102(a) and (b) prior art. RT 2247:22-2248:13; 2229:14-  
 5 2253:16; 2919:17-2920:14; JX 1081; 2917:3-22; DX 561; JX 1046 (Bederson and Gray testimony  
 6 establishing prior art dates). The Court should enter judgment of invalidity or order a new trial.<sup>12</sup>

7 **B. No Reasonable Jury Could Find Infringement Of Apple's Utility Patents**

8 The Court should also enter judgment of non-infringement as to each accused product.  
 9 To establish infringement, Apple must show the presence of every limitation in the accused  
 10 product. *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931, 935 (Fed. Cir. 1987) (*en*  
 11 *banc*), overruled in part on other grounds, *Cardinal Chem. Co. v. Morton Int'l*, 508 U.S. 83  
 12 (1993). When multiple products are accused, this showing must be made as to each product; a  
 13 patentee "cannot simply 'assume' that all of the [accused] products are like the one [patentee's  
 14 expert] tested and thereby shift to [the defendant] the burden to show that is not the case." *L&W,*  
 15 *Inc. v. Shertech, Inc.*, 471 F.3d 1311, 1318 (Fed. Cir. 2006). For the '915 and '163 patents,  
 16 Apple's expert performed a limitation-by-limitation analysis of only *one* product, the Samsung  
 17 Galaxy S II (T-Mobile) (RT 1819:18-1831:7, 1833:21-1840:22), and then introduced videos of the  
 18 other 23 accused devices with no infringement analysis (RT 1829:12-1830:13; 1840:23-1842:6).  
 19 For the '381 patent, Apple's infringement analysis for the Gallery application was also limited to a  
 20 single product, the Samsung Galaxy S II (AT&T) (RT 1741:15-1747:23; 1751:19-1753:12); and  
 21 for the Contacts application the record contains no source code evidence or even demonstrative  
 22 videos for six accused products (the Continuum, Epic 4G, Galaxy S (i9000), Galaxy S II (i9100),  
 23 Indulge, and Mesmerize) (RT 1753:13-1755:21). This fails to meet Apple's burden of proof.

24 Separately, the record does not support any infringement of the '915 patent because the  
 25 event object does not cause a scroll or gesture operation as required by claim 8. Dkt. 1158 at 20;

26 <sup>12</sup> Mr. Hogan told the jury that prior art cannot invalidate a patent unless the prior art was  
 27 "interchangeable," meaning one could "load" the old "software" into the new system and have it  
 28 "run without error." Estrich Decl., Ex. L. at 2-3. That is incorrect. *See* 35 U.S.C. §§ 102-103;  
 Dkt. 1903 at 44, 46.



1 RT 2910:18-22; 2911:6-2912:1. Apple identified the MotionEvent object in Samsung's devices  
2 as the claimed event object (RT 1821:25-1822:17), but it is the WebView object, not the  
3 MotionEvent object, that causes the scroll or gesture operation; the MotionEvent object causes  
4 nothing. RT 2911:6-2912:1 (Gray non-infringement testimony). Apple admits that the "all-  
5 important test" for infringement of the '915 patent is found in the limitation "distinguishing  
6 between a single input point...that is interpreted as the scroll operation and two or more input  
7 points...that are interpreted as the gesture operation." RT 1826:12-15; 1857:2-24 (Singh  
8 testimony). But that limitation is not satisfied: because a device that scrolls with two fingers  
9 does not meet this test (RT 2896:5-12, 2912:2-19; 1860:15-1862:10), some Samsung products  
10 allow for such scrolling (RT 1862:22-1865:9; 2912:2-19), and the record contains no evidence of  
11 any that do not, the jury could not find infringement of the '915 patent.

12 A new trial is also necessary due to inconsistencies in the jury's verdict on the '915  
13 patent. The jury found that the Ace, Intercept, and Replenish devices do not infringe the '915  
14 patent but the remainder of the accused devices do. These verdicts are irreconcilably inconsistent,  
15 for the Ace, Intercept and Replenish exhibit the same behavior as devices found to infringe,  
16 including the Droid Charge, Indulge, Epic 4G, Infuse 4G, Transform and Prevail. The same  
17 Android version found in the non-infringing Ace (Android 2.2.1) and the Intercept and Replenish  
18 (Android 2.2.2) are found in these other devices which the jury found to be infringing. A new  
19 trial is therefore warranted under Fed. R. Civ. P. 49. *Los Angeles Nut House v. Holiday*  
20 *Hardware Corp.*, 825 F.2d 1351, 1356 (9th Cir. 1987).

21 No reasonable jury could have found infringement of the '381 patent either. The Court  
22 previously found the claims of this patent to require the electronic document to *always* snap back.  
23 Dkt. 452 at 58-60. Samsung's products do not do so, using instead a "hold still" feature which  
24 Apple's expert admitted does not infringe. RT 1792:16-1793:7; 1796:22-1797:7 (Balakrishnan  
25 non-infringement testimony). This feature does not translate the electronic document into a  
26 second direction, as required by the last limitation of Claim 19. RT 1791:14-1799:4.  
27 Samsung's products also exhibit a "hard stop" behavior, wherein they do not display an area  
28 beyond the edge of the electronic document at all. Apple admits this "hard stop" behavior does

1 not infringe the '381 patent. RT 1785:19-1787:3 (Balakrishnan non-infringement  
2 testimony). Accordingly, judgment of non-infringement should enter.

3 **V. THE RECORD LACKS CLEAR AND CONVINCING EVIDENCE OF WILLFUL**  
4 **INFRINGEMENT**

5 Willfulness requires clear and convincing proof (1) to the jury that Samsung subjectively  
6 knew or recklessly disregarded that particular patents were valid and infringed, and (2) to the  
7 Court of an objectively high likelihood of such infringement. *Bard Peripheral Vascular, Inc. v.*  
8 *Gore & Assoc., Inc.*, 682 F.3d 1003, 1007 (Fed. Cir. 2012); *In re Seagate Techs., Inc. v. Gateway,*  
9 *Inc.*, 497 F.3d 1360, 1371 (Fed. Cir. 2007) (en banc). Willfulness is assessed “on a claim by  
10 claim basis.” *Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.*, 687 F.3d 1300, 1311 (Fed. Cir.  
11 2012). Knowledge of the asserted patents is mandatory but insufficient. *i4i Ltd. P’ship v.*  
12 *Microsoft Corp.*, 598 F.3d 831, 860 (Fed. Cir. 2010).<sup>13</sup> In “ordinary circumstances” the inquiry  
13 focuses on the defendant’s pre-suit knowledge because patentees “should not be allowed to accrue  
14 enhanced damages based solely on the infringer’s post-filing conduct”; the usual remedy for  
15 alleged post-filing willful infringement is a preliminary injunction. *Seagate*, 497 F.3d at 1374.<sup>14</sup>

16 Here, proof of willfulness, objective as well as subjective, is deficient. The record  
17 contains no evidence that Samsung knew of any Apple patent in issue other than the '381 patent;  
18 the '915 and '163 patents, in particular, did not issue until November 30, 2010 and January 4,  
19 2011, mere months before this litigation commenced. JX 1044, 1046. As to the '381, the record  
20 shows only that it was listed amidst 75 other patents in Apple’s 23-page August 2010 presentation,  
21 without proof that it was ever discussed, belying any inference that Samsung was on notice of  
22 those particular claims. PX 52 at 12-16; see RT 1958:17-1959:13 (Tekslar unable to testify to  
23 discussions). Even if Samsung’s defenses as to validity and infringement do not prevail, they are  
24 at least reasonable, which also forecloses a finding of willfulness. See *Spine Solutions, Inc. v.*

25 <sup>13</sup> Authorities routinely deny willfulness claims when such knowledge is not shown. *E.g.*,  
26 *Sealant Sys. Int’l, Inc. v. TEK Global*, 2012 WL 13662, at \*3-4 (N.D. Cal. Jan. 4, 2012); *LML*  
27 *Holdings, Inc. v. Pac. Coast Dist., Inc.*, 2012 WL 1965878, at \*4 (N.D. Cal. May 30, 2012);  
*Solannex, Inc. v. Miasole*, 2011 WL 4021558, at \*3 (N.D. Cal. Sept. 9, 2011); *IpVenture, Inc. v.*  
*Cellco P’ship*, 2011 WL 207978, at \*2 (N.D. Cal. Jan. 21, 2011).

28 <sup>14</sup> Apple never sought a preliminary injunction as to the '915, '163, or D'305 patents.

1 *Medtronic Sofamor Danek USA, Inc.*, 620 F.3d 1305, 1319 (Fed. Cir. 2010); *Uniloc USA, Inc. v.*  
 2 *Microsoft Corp.*, 632 F.3d 1292, 1310 (Fed. Cir. 2011), reh’g denied (Mar. 22, 2011); *Black &*  
 3 *Decker, Inc. v. Robert Bosch Tool Corp.*, 260 F. App’x 284, 291 (Fed. Cir. 2008).

4 Nor is Apple’s evidence of alleged “copying” sufficient, as—far from showing willful  
 5 infringement—copying is “of no import on the question of whether the claims of an issued patent  
 6 are infringed.” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1336 (Fed.  
 7 Cir. 2009); *Goodyear Tire v. Hercules Tire*, 162 F.3d 1113, 1121 (Fed. Cir. 1998) (no  
 8 infringement despite intent “to appropriate the general appearance of the Goodyear tire”),  
 9 *abrogated on other grounds by Egyptian Goddess*, 543 F.3d at 678; *Hupp v. Siroflex of Am.*, 122  
 10 F.3d 1456, 1464-65 (Fed. Cir. 1997). Copying publicly-known information not protected by a  
 11 valid patent is fair competition, *see TrafFix*, 532 U.S. at 29; *Bonito Boats*, 489 U.S. at 159-60, and  
 12 it “is erroneous” to suppose “that copying is synonymous with willful infringement.” *Princeton*  
 13 *Biochemicals, Inc. v. Beckman Ins., Inc.*, 180 F.R.D. 254, 258 n.3 (D.N.J. 1997). Moreover, with  
 14 few exceptions these documents did not even address the patents or rights at issue here. There  
 15 can be no equation between copying and willful infringement of established patent rights. *Wm.*  
 16 *Wrigley Jr. Co. v. Cadbury Adams USA LLC*, 683 F.3d 1356, 1364 (Fed. Cir. 2012).

17 Accordingly, the Court should grant judgment to Samsung on willfulness, or a new trial.

18 **VI. THE RECORD LACKS SUFFICIENT EVIDENCE OF DIRECT INFRINGEMENT**  
 19 **OR ACTIVELY INDUCED INFRINGEMENT BY SEC**

20 Patent infringement “cannot be predicated on acts wholly done in a foreign country.”  
 21 *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1251 (Fed. Cir. 2000); *see MEMC Elec.*  
 22 *Materials, Inc. v. Mitsubishi Materials Silicon*, 420 F.3d 1369, 1375, 1377 (Fed. Cir. 2005)  
 23 (“Mere knowledge that a product sold overseas will ultimately be imported into the United States  
 24 is insufficient to establish liability under section 271(a).”). The record lacks sufficient evidence  
 25 that SEC engaged in any negotiations, signed any contracts, or offered for sale or sold any  
 26 products *in the U.S.* The record also lacks sufficient evidence that SEC actively induced any  
 27 direct infringement in the U.S. under 35 U.S.C. § 271(b). “To establish liability under section  
 28 271(b), a patent holder must prove that once the defendants knew of the patent, they actively and

1 knowingly aided and abetted another's direct infringement." *DSU Med. Corp. v. JMS Co.*, 471  
 2 F.3d 1293, 1305 (Fed. Cir. 2006) (*en banc*). "[M]ere knowledge of possible infringement by  
 3 others does not amount to inducement; specific intent and action to induce infringement must be  
 4 proven." *DSU*, 471 F.3d at 1305; *Tegal Corp. v. Tokyo Elec. Co.*, 248 F.3d 1376, 1379 (Fed. Cir.  
 5 2001) ("a failure to stop infringement" is insufficient).<sup>15</sup> Apple offered no evidence of  
 6 inducement; the evidence establishes the opposite. RT 948:11-13; 900:12-24 (STA, SEA and  
 7 SEC have distinct management and employees; STA makes its own business decisions). The  
 8 Court should grant judgment of non-infringement by SEC, or order a new trial. In any event, a  
 9 new trial on damages is necessary because, as Apple's expert admits, the vast majority of Apple's  
 10 claimed damages are based on profits made by SEC. RT 2071:1-2072:1; 2072:21-24; DX180.

11 **VII. SAMSUNG IS ENTITLED TO JUDGMENT, NEW TRIAL AND/OR REMITTITUR**  
 12 **ON DAMAGES**

13 Over Samsung's objection (RT 3853:5-3856:10), the Court used a verdict form providing  
 14 for a single damages amount for each product without specifying the amounts attributable to  
 15 particular patents or trade dress or whether the award was derived from Samsung's profits,  
 16 Apple's lost profits, and/or a reasonable royalty. Dkt. 1931, at 15-16.<sup>16</sup> Where, as here, the  
 17 basis for the jury's award is unclear, the Court may "work[] the math backwards" to determine the  
 18 basis for the award. *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1336-37 (Fed. Cir.  
 19 2009); *Telcordia Techs., Inc. v. Cisco Sys., Inc.*, 612 F.3d 1365, 1378 (Fed. Cir. 2010); *In re First*  
 20 *Alliance Mortg. Co.*, 471 F.3d 977, 1002-03 (9th Cir. 2006). Comparison of the verdicts with the  
 21 amounts presented by Apple's expert Terry Musika in PX25A1 reveals the following:

- 22 • For each of the 11 Samsung phones (Captivate, Continuum, Droid Charge, Epic  
 23 4G, Galaxy S II 2 (AT&T), Galaxy S II (T-Mobile), Galaxy S II (Epic 4G Touch), Galaxy S II  
 24 (Skyrocket), Gem, Indulge, and Infuse 4G) for which the jury found infringement of one or more

25 <sup>15</sup> Apple agrees that inducement requires proof of "specific intent to encourage another's  
 26 infringement." Brief of Defendant-Appellee Apple, Inc. at \*25, *Mirror Worlds, LLC v. Apple*  
*Inc.*, 2011 WL 6939526 (Fed. Cir. Nov. 10, 2011) (Nos. 2011-1392, 2011-1393) (quot. omitted).

27 <sup>16</sup> If the Court sets aside the verdict for insufficient proof of liability on any ground urged  
 28 here, the verdict's failure to separate each damages amount by patent or trade dress will mandate a  
 new trial on damages. *Verizon Servs. Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295, 1310  
 (Fed. Cir. 2007).

1 design patents but no trade dress dilution, the jury awarded exactly 40% of Apple’s claimed figure  
2 for Samsung’s profits. Wagner Decl. at ¶ 12.

3 • For each of the five Samsung phones (Fascinate, Galaxy S 4G, Galaxy S Showcase  
4 (i500), Mesmerize, and Vibrant) for which the jury found infringement of one or more design  
5 patents and trade dress dilution, the jury awarded exactly the amount of lost profits claimed by  
6 Apple *plus* 40% of Apple’s claimed figure for Samsung’s profits. *Id.* at ¶ 13 .

7 • For five of the seven Samsung products that were found to infringe only utility  
8 patents (Exhibit 4G, Galaxy Tab, Nexus S 4G (‘381 & ‘915), Replenish (‘162 and ‘381), and  
9 Transform (‘915)), the jury awarded exactly half of Apple’s claimed royalties figure. *Id.* at ¶14.

10 • For the remaining two Samsung products found to infringe only utility patents, the  
11 jury awarded exactly 40% of what Apple claimed as Samsung’s profits on the Galaxy Prevail, and  
12 \$833,076 for the Galaxy Tab 10.1 (WiFi). *Id.* at ¶¶ 15-16.

13 • Accordingly, **\$948,278,061** of the verdict represents *Samsung’s profits*:  
14 (\$599,859,395 for 11 phones the jury found infringed design patents, \$290,551,383 for five  
15 phones the jury found infringed design patents and diluted trade dress, and the remaining  
16 \$57,867,383 for one phone found to infringe only utility patents); **\$91,132,279** of the verdict  
17 represents Apple’s *lost profits* for five Samsung phones found to infringe design patents and dilute  
18 trade dress; **\$9,180,124** of the verdict represents Apple’s *royalties* for five Samsung devices found  
19 to infringe only utility patents; and **\$833,076** of the verdict represents an amount awarded for one  
20 device found to infringe utility patents. *Id.* at ¶¶ 17-20.

## 21 A. The Record Lacks Sufficient Evidence To Support The Damages Verdict

### 22 1. The Award Of \$948,278,061 For Samsung’s Profits

23 ***Design Patent Infringement.*** Apple did not limit its calculations of Samsung’s profits to  
24 those attributable to use of the patented designs. While 35 U.S.C. § 289 allows an award for  
25 patent infringement of an “article of manufacture” up “to the extent of [the infringer’s] total  
26 profit,” it does not eliminate the requirement inherent in all patent infringement litigation that  
27 causation must be shown. *Carbice Corp. of Am. v. Am. Patents Dev. Corp.*, 283 U.S. 27, 33  
28 (1931) (patent infringement is “essentially a tort”); see *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d

1 860, 869 (Fed. Cir. 2010) (“At all times, the damages inquiry must concentrate on compensation  
2 for the economic harm caused by infringement of the claimed invention.”). Unless limited to the  
3 portion of profits attributable to infringement of the patented design rather than other,  
4 noninfringing features of accused devices, infringer’s profits violate the causation requirement and  
5 impose excessive damages far beyond any compensation or deterrence rationale. *Cf.*  
6 *Laserdynamics v. Quanta Computer, Inc.*, \_\_\_ F.3d. \_\_\_, 2012 WL 3758093, at \*12 (Fed. Cir. Aug.  
7 30, 2012) (limiting damages “in any case involving multi-component products” to “the smallest  
8 salable patent-practicing unit” unless “demand for the entire product is attributable to the patented  
9 features”); *Junker v. HDC Corp.*, 2008 WL 3385819, at \* 5 (N.D. Cal. July 28, 2008) (applying  
10 same rule to infringer’s profits under section 289); *Bush & Lane Piano Co. v. Becker Bros.*, 222 F.  
11 902, 905 (2d Cir. 1915) and *Bush & Lane Piano Co. v. Becker Bros.*, 234 F. 79, 81-82 (2d Cir.  
12 1916) (applying same rule to predecessor statute to § 289 and limiting infringer’s profits to those  
13 attributable to design of piano case rather than whole piano); *see also Cornell Univ. v. Hewlett-*  
14 *Packard Co.*, 609 F. Supp. 2d 279, 286-87 (N.D.N.Y. 2009) (Rader, J.).

15 The record contains no evidence that the entire sales value of Samsung’s products was  
16 attributable to their outer casings or GUI, as opposed to the numerous noninfringing technological  
17 components that enable the devices to function and drive consumer choice. Apple’s own study  
18 showed that only 1% of iPhone users said that design and color is the reason they chose a phone  
19 (DX592.023), and just 5% of respondents to a J.D. Power study identified visual appeal as why  
20 they purchased a phone. PX69.43 (all aspects of physical design comprised only up to 23% of  
21 the reasons for consumer selections, and visual appeal amounted to only 22% of that 23%, or just  
22 5% of the total). There was thus no evidence that infringement of the design of the outer casings  
23 or GUI caused Samsung to receive \$600 million in profits.

24 ***Trade Dress Dilution.*** “Trademark remedies are guided by tort law principles,” and a  
25 plaintiff may recover “profits only on sales that are attributable to the infringing conduct.” *Lindy*  
26 *Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1407-08 (9th Cir. 1993). The record contains no  
27 evidence that Samsung profited in an amount over \$290 million on sales of five phones from  
28 lessening the capacity of Apple’s trade dress to identify and distinguish its goods or services. To

1 the contrary, Apple's expert, Professor Winer, admitted he had no empirical evidence to show  
2 Samsung's actions have diluted Apple's brand, and he never quantified the amount of any alleged  
3 harm from dilution or loss of any kind to Apple as a result of Samsung's actions. RT 1534:14-  
4 17; 1534:22-1535:11. Nor did Apple's damages expert Mr. Musika. In addition, as explained  
5 above, *supra*, the evidence showed that design of a smartphone accounts for at most between 1%  
6 and 5% of the reason consumers purchase a particular phone. See DX592.023; PX69.43.

7 ***Failure To Deduct Samsung's Operating Expenses.*** Mr. Musika calculated Samsung's  
8 profits as gross revenue minus cost of goods sold. RT 2054:11-2055:2; PX34B.17-18. He did  
9 not deduct any of Samsung's other operating expenses, even though he admitted Samsung  
10 incurred those expenses. RT 2061:1-11. Using his method, "the overall gross profit percentage  
11 on just the accused products was approximately 35.5 percent." RT 2060:19-21. By contrast,  
12 Samsung's expert Mr. Wagner testified to the operating expenses that Samsung incurred in  
13 making the accused sales, which resulted in an average profit margin of 12%. RT 3022:7-  
14 3025:8, 3028:7-3031:23, 3074:23-3075:5. He also noted that the audited figures for Samsung's  
15 Telecommunications segment showed its profit margin to be 15%, and the entire company's  
16 profitability to be 10%. RT 3073:5-3074:22. There was no basis for Mr. Musika's failure to  
17 deduct Samsung's operating expenses in arriving at his figures for Samsung's profits. See  
18 *Sunbeam Prod., Inc. v. Wing Shing Prod. (BVI) Ltd.*, 311 B.R. 378, 401 (S.D.N.Y. 2004)  
19 (appropriate to deduct fixed costs in determining infringer's profits under Section 289); *adidas*  
20 *Am., Inc. v. Payless Shoesource, Inc.*, 2008 WL 4279812, at \*13 (D. Or. Sept. 12, 2008) (same for  
21 operating costs in trademark case).

22 **2. *The Award of \$91,132,279 For Apple's Lost Profits***

23 A plaintiff in a patent infringement action must establish both but-for and proximate  
24 causation between infringement and lost profits, *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538,  
25 1545-46 (Fed. Cir. 1995), showing "likely outcomes with infringement factored out of the  
26 economic picture." *Crystal Semiconductor Corp. v. Tritech Microelects. Int'l, Inc.*, 246 F.3d  
27 1336, 1355 (Fed. Cir. 2001) (citation omitted). The record fails to support the award of \$91  
28 million in lost profits for five phones for several independent reasons.

1           *First*, Apple’s damages expert failed to take price elasticity of demand into consideration,  
2 even though it was undisputed that consumers would have had to pay \$67 more for an iPhone than  
3 a Samsung smartphone, and \$240 more for an iPad than a Galaxy Tab.<sup>17</sup> *See id.* at 1355-56  
4 (requiring consideration of consumer reaction to products’ “different prices”); *Monolithic Power*  
5 *Sys., Inc. v. O2 Micro Int’l Ltd.*, 476 F. Supp. 2d 1143, 1155-56 (N.D. Cal. 2007); *cf. BIC Leisure*  
6 *Prods., Inc. v. Windsurfing Int’l, Inc.*, 1 F.3d 1214, 1218-19 (Fed. Cir. 1993).

7           *Second*, Apple failed to show that consumer purchases were driven by the desire for  
8 Apple’s designs and inventions, as opposed to the functionality of Samsung’s phones. Mr.  
9 Musika referred to two Samsung documents, PX34 and PX194 (RT 2078:4-2083:3), but neither  
10 discusses any of the Apple patented features or trade dress. With respect to utility patents, Mr.  
11 Musika testified that he relied on Dr. Hauser’s survey. RT 2077:1-8. But Dr. Hauser testified  
12 for less than two minutes on direct (RT 1913:23 (Time: 3:28) to RT 1916:16-17 (Time: 3:30)),  
13 failed to offer any meaningful explanation, and admitted that his survey bears no relationship to  
14 the real world. *See* RT 1935:16-1936:9.

15           *Third*, the evidence failed to show that, absent Samsung’s infringement, Samsung  
16 customers would have bought iPhones rather than a non-accused Android device from Samsung or  
17 another manufacturer. As Apple’s own research showed, just 25% of Android purchasers even  
18 considered an iPhone. PX572.82; RT 2129:4-2132:6.

19           *Fourth*, neither Mr. Musika nor any other Apple witness offered any basis to conclude  
20 Apple had “either or both” the “manufacturing and marketing capacity” to sell the “2 million  
21 incremental units over the two year time period” on which he based his lost profits figures. RT  
22  
23  
24  
25

---

26 <sup>17</sup> Mr. Wagner testified the average Apple customer paid \$206 for an iPhone, while the average  
27 Samsung customer paid \$139 for Samsung smartphones (RT 3049:4-3050:18), and testified the  
28 average price of the Galaxy Tab was \$240 lower than the iPad. RT 3050: 19-3051:4. Because  
Mr. Musika admitted he knew there was a difference between the prices of the parties’ products  
(RT 2132:7-2133:5), Mr. Wagner’s testimony was uncontroverted.



1 2085:10-2086:3.<sup>18</sup> He also admitted that Apple had no capacity to manufacture additional  
2 iPhone 4s for five months during the damages period. RT 2141:13-2142:13.

3 *Fifth*, Mr. Musika presented the jury with only one lost profits number per accused product  
4 (PX25A1.4), assuming that each and every Samsung product infringed all of Apple's patents and  
5 diluted all its trade dresses. RT 2114:15-2118:24; 2122:3-2123:6. Because the jury failed to  
6 find infringement and dilution for all Apple's asserted rights, and lacked any basis in evidence to  
7 adjust Mr. Musika's number on a per-product basis, the record fails to support any causation  
8 between the liability findings and lost profits.<sup>19</sup> Moreover, Mr. Musika's lost profits calculations  
9 were based on the length of the design around periods for the intellectual property found to be  
10 infringed. RT 2084:2-19. Yet, with the exception of a one-month design around period for the  
11 '381 patent (RT 2123:12-24), Mr. Musika provided the jury with no basis to determine the length  
12 of the design around period for any particular item of intellectual property (let alone the  
13 reasonableness of that period), when the periods started or ended, or how changes in his notice  
14 date assumptions impacted these variables, including whether the design around period had  
15 already ended before the notice period even began. *Wechsler v. Macke Int'l Trade, Inc.*, 486  
16 F.3d 1286, 1294 (Fed. Cir. 2007).

### 17 3. *The Award Of \$9,180,124 In Royalties*

18 There was no evidence to support Mr. Musika's "ultimate conclusion" that a reasonable  
19 per-unit royalty for each of the utility patents would be \$3.10, \$2.02, \$2.02 (RT 2090:20-2091:2),  
20 or that the combined royalty for all design patents and trade dress would be \$24 per unit  
21 (PX25A1.16; RT 2164:23-25). Although Mr. Musika stated that he performed a *Georgia-Pacific*  
22 analysis and used three valuation methods (RT 2088:20-21, 2089:2-17), he identified no specific  
23 evidence supporting his royalty rates. Such unsupported testimony is insufficient to support a  
24

25 <sup>18</sup> While Apple introduced just two pages of Mr. Musika's analysis to support this bare  
26 conclusion (PX25A1.14-15), Mr. Musika did not explain what these pages showed, how they were  
27 prepared, or the assumptions on which they relied. RT 2097:13-17.

28 <sup>19</sup> For example, Mr. Musika assumed that Samsung would have no market share from non-  
diluting sales in Q2 2011, *see* PX25A1.8, but the jury found that many Samsung phones on sale  
that quarter (Captivate, Continuum, Droid Charge, Epic 4G, Galaxy Prevail, and Infuse 4G) did  
*not* violate Apple's trade dress. *See* Dkt. 1931 at 1.

1 reasonable royalty award. *WhitServe, LLC v. Computer Pack., Inc.*, \_\_\_ F.3d \_\_\_, 2012 WL  
2 3573845, at \*15 (Fed. Cir. Aug. 7, 2012) (reasonable royalty award unsupported by expert  
3 testimony that was “conclusory, speculative and, frankly, out of line with economic reality”); *see*  
4 *also ResQNet.com*, 594 F.3d at 869-872 (similar); *Go Med. Indus., Ltd. v. Inmed Corp.*, 471 F.3d  
5 1264, 1274 (Fed. Cir. 2006) (affirming JMOL rejecting unsupported trademark royalty).

6 Moreover, while Mr. Musika’s royalty analysis assumes each Samsung product infringes  
7 all Apple’s claimed utility patents (RT 2114:15-2118:24; 2122:16-2123:6), the Nexus S 4G was  
8 held not to infringe the ‘163 patent; the Replenish not to infringe the ‘915 patent; and the  
9 Transform not to infringe the ‘381 or the ‘163 patent. Dkt. 1931. By using one-half of Mr.  
10 Musika’s calculated royalty, the jury improperly applied the *same* royalty rate to all five products,  
11 despite the fact that the jury reached *different* conclusions about infringement.

#### 12 **B. The Damages Rest Upon An Incorrect Notice Date**

13 Apple’s patent infringement damages are limited to the time period after it gave Samsung  
14 actual written notice of the allegedly infringed patents and the specifically accused products. *See*  
15 35 U.S.C. § 287(a); *Funai Elec. Co., Ltd. v. Daewoo Elecs. Corp.*, 616 F.3d 1357, 1373 (Fed. Cir.  
16 2010); *SRI Int’l, Inc. v. Advanced Tech. Lab., Inc.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997); *Amsted*  
17 *Indus. Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994). Actual notice is  
18 similarly a prerequisite for recovery of damages or profits for registered trade dress infringement  
19 because Apple does not display the trade dress with the required statutory language identifying its  
20 registration. *See* 15 U.S.C. § 1111; RT 2007:21-2008:1.

21 Mr. Musika based all of his damage estimates for patent infringement and registered trade  
22 dress dilution on a notice date of August 4, 2010, the date of a meeting between SEC and Apple  
23 representatives. PX25A1.2; RT 2095:6-21; 2168:18-2169:10. But only the ‘381 patent was  
24 mentioned in the associated presentation. PX52.12-16; RT 1965:22-1968:11. The earliest  
25 notice Samsung received of the ‘915 and D’677 patents and Apple’s registered trade dress was  
26 Apple’s filing of the April 15, 2011 complaint. RT 1968:20-1970:2. The earliest notice  
27 Samsung received of the ‘163, D’305, D’889, and D’087 patents was Apple’s filing of the June  
28 16, 2011 amended complaint. Dkt. 1903 (Final Instruction Nos. 42 & 57). Mr. Musika’s

1 reliance on an erroneous notice date inflated the revenue he used to calculate Samsung's profits  
 2 and Apple's damages by more than \$3.3 billion. *See* JX1500; Wagner Decl. at 25. Because the  
 3 jury calculated Samsung's profits and Apple's damages based on Mr. Musika's use of an incorrect  
 4 notice date, the Court should vacate the award and grant a new trial on damages. *See Litton Sys.,*  
 5 *Inc. v. Honeywell, Inc.*, 140 F.3d 1449, 1465 (Fed. Cir. 1998) (new trial required "if a jury may  
 6 have relied on an impermissible basis in reaching its verdict"); *see also In re First Alliance*, 471  
 7 F.3d 977, 1001-03 (9th Cir. 2006) (remanding for new trial and consideration of remittitur where  
 8 "one of the figures used" by jury to determine damages award was improper); *Brocklesby v.*  
 9 *United States*, 767 F.2d 1288, 1294 (9th Cir. 1985) (holding that "judgment must be reversed if  
 10 any of the three theories [underlying it] is legally defective").<sup>20</sup>

11 **C. At A Minimum, The Jury's Damages Award Should Be Remitted**

12 "[T]he proper amount of a remittitur is the maximum amount sustainable by the evidence."  
 13 *Informatica Corp. v. Business Objects Data Integration, Inc.*, 2007 WL 2344962, at \*4 (N.D. Cal.  
 14 Aug. 16, 2007). Remittitur is appropriate under Rule 59 "(1) where the court can identify an  
 15 error that caused the jury to include in the verdict a quantifiable amount that should be stricken . . .  
 16 and (2) more generally, where the award is 'intrinsically excessive' in the sense of being greater  
 17 than the amount a reasonable jury could have awarded, although the surplus cannot be ascribed to  
 18 a particular, quantifiable error." *Cornell Univ.*, 609 F. Supp. 2d at 292 (citations omitted). Here  
 19 the Court has available numerous easily quantifiable bases to reduce the award:

20 **1. Reduction Of \$70,034,295 In Lost Profits**

21 Because the lost profits portion of the jury's award on five phones (Fascinate, Galaxy S  
 22 4G, Galaxy S Showcase, Mesmerize and Vibrant) found to infringe design patents and dilute trade  
 23 dress rested on insufficient evidence, *see supra*, the Court should reduce the award on these  
 24 phones by the amount of \$70,034,295, leaving the amount awarded on those phones at most at  
 25

26 \_\_\_\_\_  
 27 <sup>20</sup> The Court's conclusion that a preservation obligation arose in August 4, 2010 (Dkt. 1894  
 28 at 16) does not establish that Apple also satisfied the more stringent statutory notice requirements  
 for damages on its patent and trade dress claims as of that date.

1 \$311,649,267, which represents 40% of Mr. Musika's number for Samsung's profits on those  
2 phones (PX25A1.5). Wagner Decl., ¶ 26.

3 2. ***Reductions of \$253,328,000 And \$220,952,000 To Reflect Correct Notice***  
4 ***Dates***

5 Because Mr. Musika's profit calculations incorrectly assume an August 4, 2010 notice date  
6 for each design patent at issue, *see supra*, the Court should reduce the jury's award of  
7 \$599,859,395 in Samsung's profits on the 11 phones found to infringe one or more design patents  
8 but not to dilute trade dress by \$253,328,000 to \$346,531,495, which represents 40% of Mr.  
9 Musika's calculation of Samsung's profits on these phones after adjustment for the correct notice  
10 dates based on the filing of the complaint (for D '677) and the amended complaint (for D '087 and  
11 D '305). Wagner Decl., ¶ 27. For the same reason, the Court should reduce the jury's award on  
12 the five phones found to infringe design patents and dilute registered trade dress to correct for the  
13 wrong August 4, 2010 notice date. Assuming the jury's lost profit award is already eliminated,  
14 *see supra*, this adjustment yields an additional reduction in the amount of \$220,952,000 to  
15 \$90,697,267 or 40% of Mr. Musika's calculation of Samsung's profits on these phones adjusted  
16 for notice. Wagner Decl., ¶ 28.<sup>21</sup>

17 3. ***Reductions Of \$329,204,825 And \$86,162,404 Based On The Portion Of***  
18 ***Samsung's Profits Attributable To Infringement or Dilution***

19 ***Design Patent Infringement.*** Because no more than 5% of Samsung's profits were  
20 attributable to the design patents at issue, *see supra*, any award of Samsung's profits on the 11  
21 phones found to infringe one or more of design patents but not to dilute trade dress should be  
22 reduced to no more than 5% of Mr. Musika's calculation of Samsung's profits for these products.  
23 After adjusting for the correct notice date, *see supra*, this results in an additional reduction of  
24 \$329,204,825, leaving an award of \$17,326,570 for these 11 products. Wagner Decl. ¶ 29 & 31.

25 <sup>21</sup> Contrary to Mr. Musika's assumption (RT 2095:6-21), the damages period for Apple's  
26 unregistered trade dress claim should not have commenced until the April 15, 2011 complaint,  
27 requiring the same reduction of any award whether for registered or unregistered trade dress  
28 dilution on these five phones. *See Coach Inc. v. Asia Pac. Trading Co.*, 676 F. Supp. 2d 914,  
924-25 (C.D. Cal. 2009) (plaintiff who sues under both 15 U.S.C. §§ 1114 and 1125(a) "must  
meet § 1111's 'actual notice requirement . . .').

1           **Trade Dress Dilution.** Any award of Samsung’s profits for the five phones found liable  
 2 for trade dress dilution likewise should be limited to the amount attributable to the underlying  
 3 trade dress violation—no more than 5% of Mr. Musika’s profit number for these five products.  
 4 After adjusting for the removal of lost profits, *see supra*, and correcting for the incorrect notice  
 5 date, *see supra*, this results in an additional reduction in the award of \$86,162,404, leaving a  
 6 remaining award of \$4,534,863 for these five products. Wagner Decl. at ¶ 30 & 31.<sup>22</sup>

7                           4.           **Reduction of \$57,867,383 On The Prevail**

8           The jury awarded \$57,867,383 on the Galaxy Prevail. Because the Prevail was found to  
 9 infringe only Apple’s utility patents and Apple did not seek a reasonable royalty for this product  
 10 (*see* PX25A1.4-5), the only permissible remedy the jury could have awarded was Apple’s  
 11 unsupported lost profits. But the maximum lost profits figure Mr. Musika presented for the  
 12 Prevail was \$8,573,370 (PX25A1.4), so the jury’s award was necessarily based on Mr. Musika’s  
 13 number for *Samsung’s profits* for the Prevail, \$144,668,457 (PX25A1.5). Because infringer’s  
 14 profits are an impermissible remedy for utility patent infringement under 35 U.S.C. §284, *Aro*  
 15 *Mfg. Co. v. Convertible Top Replac. Co.*, 377 U.S. 476, 506 (1964), and because Mr. Musika’s  
 16 lost profits figures are unsupported, the damages award for this product should be remitted to zero.

17 **VIII. SAMSUNG IS ENTITLED TO JUDGMENT AS A MATTER OF LAW ON ITS**  
 18 **OFFENSIVE CASE**

19                           A.           **Judgment of Infringement Should be Entered for the ‘516 and ‘941 Patents**

20           No rational jury would not find infringement of claims 15 and 16 of the ‘516 patent and  
 21 claims 10 and 15 of the ‘941 patent. Since Apple did not challenge Samsung’s evidence of the  
 22 PMB 9801’s operation in the accused products (RT 3433:7-25; 3462:17-24), literal infringement  
 23 “reduces to a question of claim interpretation” that should be resolved in Samsung’s favor.  
 24 *MyMail, Ltd. v. Am. Online, Inc.*, 476 F.3d 1372, 1378 (Fed. Cir. 2007).

25                           **The “Total Transmit Power” Element of Claim 15 of the 516 Patent is Met.** For the  
 26 ‘516 patent, the only dispute was whether the “total transmit power” limitation of claim 15 was

27                           <sup>22</sup> 15 U.S.C. § 1117(a) permits the Court to reduce an award of defendant’s profits to “such  
 28 sum as the court shall find to be just according to the circumstances of the case.” *See adidas Am., Inc. v. Payless Shoesource, Inc.*, 2008 WL 4279812, at \*12-13 (D. Or., Sept. 12, 2008).

1 met. RT 3422:12-14. The evidence showed that: 1) Apple’s products calculate total transmit  
2 power by summing the transmit power for all utilized channels (*i.e.*, E-DPDCH, E-DPCCH,  
3 DPDCH, and DPCCH, *see* RT 3420:18-3421:2); and 2) the transmit power for its E-DPCCH  
4 channel is scaled down when total transmit power exceeds maximum allowed power (RT 3421:18-  
5 3422:11). Apple asserted that the total transmit power must be calculated by summing *only* the  
6 transmit powers for the E-DPDCH and DPDCH channels. RT 3421:8-17. That is at odds with  
7 all of the patent’s embodiments. Figure 6, for example, shows that, when total transmit power  
8 for the physical channels—which includes E-DPCH, DPDCH, DPCCH, and E-DPCCH—exceeds  
9 the maximum allowed power, the transmit power for the E-DPDCH channels is scaled down.  
10 JX1073 at Fig. 6. In each embodiment, total transmit power of *all* utilized channels is summed  
11 when determining whether total transmit power exceeds maximum allowed power and is never  
12 limited to only DPDCH and E-DPDCH. As Apple’s construction of “total transmit power”  
13 improperly excludes preferred embodiments, it must be rejected. *Verizon Servs. Corp. v. Vonage*  
14 *Holdings Corp.*, 503 F.3d 1295, 1305 (Fed. Cir. 2007); *Invitrogen Corp. v. Biocrest Mfg., L.P.*,  
15 327 F.3d 1364, 1369 (Fed. Cir. 2003) (same). When this limitation is properly construed, the  
16 undisputed evidence establishes literal infringement of the ‘516 patent.

17 ***The “Entire SDU” Limitations of the ‘941 Patent are Met.*** For the ‘941 patent, the only  
18 dispute was whether Apple’s products meet the “entire SDU” limitation of claims 10 and 15, a  
19 phrase whose meaning is plain from the specification and contrary to Apple’s interpretation. The  
20 invention comprises a single-bit field, after the Sequence Number (SN) field in the packet header,  
21 which is set to ‘0’ when an exact match exists between the sizes of the data part and the Service  
22 Data Unit (SDU) and there is no room for padding or concatenation, as shown in Fig. 5A (“DATA  
23 PART = RLC SDU”). This field is set to ‘1’ when one or more other fields, including a padding  
24 field or the start of another SDU (concatenation), may be inserted. That this one-bit field  
25 indicates an exact match between the sizes of the data part and the SDU is confirmed throughout  
26 the specification and never contradicted. JX1070 at 4:7-10 (“one concrete RLC SDU...without  
27 any segmentation/concatenation/ padding”); 8:27-29; 10:12-13; 6:37-44 (similar examples). Yet  
28 Apple argued the “entire SDU” field need not indicate an exact match but could be set to any

1 value whether or not padding/concatenation is required. RT 3447:19-3449:22. This unsound  
2 construction should be rejected and the verdict of non-infringement set aside.

### 3 **B. Standards Patents Exhaustion**

4 The verdict that Samsung's standards patents were exhausted by Samsung's sales to Intel  
5 Corp. is not supported by substantial evidence, for Apple introduced no evidence that Intel made  
6 *authorized* "indirect" sales to Apple of the Intel PMB 9801 chips, let alone that any initial sales *in*  
7 *the United States* had occurred. See *Quanta Computer, Inc. v. LG Elec., Inc.*, 553 U.S. 617, 630-  
8 35 (2008); *Jazz Photo Corp. v. U.S.*, 439 F.3d 1344, 1350 (Fed. Cir. 2006). Nor can the  
9 exhaustion verdict be squared with the jury's non-infringement finding, because exhaustion  
10 requires an item to sufficiently embody the patent, *Quanta*, 553 U.S. at 628.

11 Apple failed to prove an initial sale in the U.S. of the Intel PMB 9801 chips, which are  
12 delivered to Apple in China. PX79 (showing chip delivery location in China); RT 3664:4-9.  
13 That the expired Intel agreement may have been international in scope "does not affect exhaustion  
14 of that patentee's rights in the United States." *Fuji Photo Film Co., Ltd. v. Jazz Photo Corp.*, 394  
15 F.3d 1368, 1376 (Fed. Cir. 2005). To the contrary, the Federal Circuit has found an initial U.S.  
16 sale only where the goods are actually delivered to a U.S. location.<sup>23</sup> Moreover, the sum total of  
17 Apple's evidence on authorization was several lines of video deposition testimony from  
18 Samsung's Dr. Ahn concerning an expired Intel agreement that he did not recognize (RT 3547:22-  
19 24 (PX218.2)) and testimony from Apple expert Donaldson opining on the meaning to licensing  
20 professionals of "sell . . . indirectly" (RT 3542:19-3543:24). Apple introduced no other evidence  
21 about the agreement and did not ask the Court to construe it or provide relevant guidance, a  
22 "fundamental error" that undermines the verdict. *Mgmt. Sys. Assocs., Inc. v. McDonnell Douglas*  
23 *Corp.*, 762 F.2d 1161, 1177-78 (4th Cir. 1985). Finally, Apple offered no evidence that Intel  
24 Corp. took affirmative steps to extend rights to Intel Americas before the agreement expired (*see*  
25

26 <sup>23</sup> *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1375 (Fed. Cir. 2010) (invoices  
27 "all identify delivery to U.S. destinations"); *Litecubes, LLC v. N. Light Products, Inc.*, 523 F.3d  
28 1353, 1371 (Fed. Cir. 2008) (products delivered directly to U.S.); *Transocean Offshore Deepwater*  
*Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296, 1310 (Fed. Cir. 2010) (same); *N.*  
*Am. Philips Corp. v. Am. Vending Sales, Inc.*, 35 F.3d 1576, 1578 (Fed. Cir. 1994) (same).

1 PX81.23 (authorizing Intel to extend rights to subs)) or otherwise had *any* involvement in the Intel  
2 Americas transaction reflected in Apple’s invoices. RT 3169:4-3170:16. There was no  
3 evidence that Intel Corp. sold the PMB 9801 chips to Apple either directly or indirectly, let alone  
4 with authorization. *Intel Corp. v. Broadcom Corp.*, 173 F. Supp. 2d 201, 222 (D. Del. 2001).

5 **C. Judgment Should Be Entered For Samsung On The ‘460, ‘893, & ‘711 Patents**

6 **The ‘460 Patent.** The evidence shows that Apple’s products send email messages, send  
7 email messages displaying photos, and scroll through photos exactly as claim 1 of the ‘460 patent  
8 requires. Dkt. 1156 at 16; RT 709:20-711:19, 2383:1-2401:6, 2487:1-2490:12. First, Apple  
9 argued that claim 1 requires a specific sequence of steps—an claim construction argument not  
10 properly left to the jury—that its devices allegedly cannot perform. RT 3297:8-3300:24; Dkt.  
11 1904 at 41; *Interactive Gift Exp., Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1342 (Fed. Cir. 2001).  
12 But the intrinsic record of the ‘460 patent confirms that claim 1 does not have this sequence  
13 limitation. Dkt. 1826 at 35; JX 1069, fig. 8, tag 802 before 810; col. 10:50-11:11; Dkt. 1156 at  
14 16. Second, Apple argued that swiping between photos and “use of scroll keys” are not  
15 equivalent, RT 3297:1-3; 3301:3-4, yet Apple's own user guides equate swiping and use of scroll  
16 keys on Apple's devices and this argument only applies to some but not all accused products. RT  
17 2399:9-2400:16; DX 533.119. Third, Apple argued that its apps are somehow so new that they  
18 cannot use claim 1’s “modes” (RT 3297:4-7; 3304:15-17). This argument, however, is  
19 unsupported either by any claim construction of “mode” or by the actual evidence – every Apple  
20 expert and Apple’s own fact witness admitted that Apple’s apps have modes including “camera  
21 mode” and “photo browsing mode,” and Apple’s documents confirm this. RT 3180:19-21,  
22 3181:2-8, 3232:25-3233:1; 3244:8-15, 3294:11-23, 3305:21-3306:4; 3318:3-3319:18; DX 533.

23 **The ‘893 Patent.** Samsung presented indisputable evidence that Apple’s products  
24 maintain a bookmark on the last viewed image even after the user uses the camera as required by  
25 claim 10 of the ‘893 patent. RT 2403:3-2412:20, 2485:25-2486:25,3186:19-3187:2. Apple's  
26 first argument, that Apple uses "apps" and not "modes," is discussed above. The second, that  
27 Apple’s products *sometimes* did not infringe and therefore did not meet the “irrespective of a  
28 duration” element cannot serve as a basis for non-infringement as a matter of law. *Bell*



1 *Commc'ns Research, Inc. v. Vitalink Commc'ns Corp.*, 55 F.3d 615, 622-23 (Fed. Cir. 1995). In  
2 any event, this argument again impermissibly raised a matter of claim construction with the jury  
3 that Apple failed to raise earlier with the Court.

4 **The '711 Patent.** Aside from raising the same “apps” and not “modes” argument,” Apple's  
5 only other argument was that its products do not have “applets.” An “applet” is construed by the  
6 court. Apple’s expert, however, testified repeatedly that the term “applet” *includes* the limitation  
7 of operating system independence. RT 3225:23-3226:7; 3227:12-18. Samsung’s expert,  
8 correctly applied the court’s construction. RT 2433:8-11; DX 645. Under the Court's  
9 construction, the record can only support a judgment of infringement.

#### 10 **IX. A NEW TRIAL SHOULD BE GRANTED IN THE INTERESTS OF JUSTICE**

11 Rule 59 permits the Court to grant new trial to prevent manifest unfairness. Here, the  
12 Court’s constraints on trial time, witnesses and exhibits (Dkt. 1297, 1329) were unprecedented for  
13 a patent case of this complexity and magnitude, and prevented Samsung from presenting a full and  
14 fair case in response to Apple’s many claims. Denial of Samsung’s “empty chair” motion (Dkt.  
15 1692, 1721) compounded the problem, enabling Apple to exploit Samsung’s absent witnesses to  
16 repeated advantage at trial. RT 3348:14-17; 4080:3-6; 4090:2-4; 4095:7-14; 4232:15-22.

17 Samsung was also treated unequally: Apple’s lay and expert witnesses were allowed to  
18 testify “we were ripped off” and “Samsung copied” (RT 509:11-510:22; 659:2-664:19; 1957:15-  
19 21; 1960:15-1963:1), while Samsung’s witnesses were barred from explaining how Samsung’s  
20 products differ from Apple’s (RT 850:12-851:20; 2511:9-2515:5), or even how one Samsung  
21 product differs from another (RT 948:14-950:17). Samsung was required to lay foundation for  
22 any Apple document (RT 524:15-525:19; 527:3-12), while Apple was not (RT 1525:12-1526:7;  
23 1406:11-1410:8; 1844:16-1845:8; 987:21-988:20; 2832:6-12). Apple was permitted to play  
24 advertisements (RT 641:6-642:16; 645:14-646:7), but Samsung was not (Dkt 1511). And Apple  
25 had free rein to cross-examine Samsung’s experts based on their depositions, but Samsung did not.  
26 RT 1085:6-11; 1188:9-15; 1213:17-1220:5. In the interests of justice, Samsung therefore  
27 respectfully requests that the Court grant a new trial enabling adequate time and evenhanded  
28 treatment of the parties.

1 DATED: September 21, 2012

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