

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PHILIPS NORTH AMERICA LLC,

Plaintiff,

v.

FITBIT LLC,

Defendant.

Civil Action No. 1:19-cv-11586-FDS

Leave Granted: June 3, 2022

**FITBIT LLC'S NOTICE OF SUPPLEMENTAL AUTHORITY
FOR ITS MOTION TO STRIKE PORTIONS OF THE EXPERT REPORT AND
EXCLUDE CERTAIN OPINIONS AND TESTIMONY OF DR. AKEMANN**

Defendant Fitbit LLC ("Fitbit") respectfully submits this Notice of Supplemental Authority for its Motion To Strike Portions Of The Expert Report And Exclude Certain Opinions And Testimony Of Dr. Michael P. Akemann (Dkt. 310), plaintiff Philips North America LLC's ("Philips") damages expert.

On April 11, 2022, the Federal Circuit issued a precedential opinion in *Niazi Licensing Corp. v. St. Jude Med. S.C., Inc.*, 30 F.4th 1339 (Fed. Cir. 2022) (attached as Ex. A). The Federal Circuit affirmed the district court's exclusion of portions of plaintiff's damages expert report as unreliable and, held: "Damages should be apportioned to separate out noninfringing uses, and patentees cannot recover damages based on sales of products with the mere capability to practice the claimed method." *Niazi Licensing Corp.*, 30 F.4th at 1357. All asserted claims of Philips' Patent-in-Suit are method claims, and Dr. Akemann makes no "attempt to determine what portion of Fitbit's accused revenues might be properly attributed to the [Patent-in-Suit]." (Dkt. 310, at 16.)

The Federal Circuit's precedential opinion provides supplemental authority for Fitbit's

motion to strike (Dkt. 310), including at least the following relevant excerpts from the opinion:

The district court excluded Mr. Carlson's expert opinion as legally insufficient because *Mr. Carlson failed to “apportion” between infringing and noninfringing uses* and because *he could not properly include leads in the royalty base*. We affirm the district court's exclusion.

. . . *Mr. Carlson included in his damages calculations sales of all of St. Jude’s outer catheters, inner catheters, guide wires, and leads, even though it was undisputed that not all of those sold devices had been used to practice the claimed method*. Whether one refers to this as failure to “apportion” as the parties and district court did or as failing to limit damages to a reasonable approximation of actual infringing uses of the claimed method, *Mr. Carlson's failure to account for noninfringing uses of the sold devices was legally improper*. In this regard, we disagree with Niazi's carefully worded assertion on appeal that apportionment does not apply to method claims. Damages should be apportioned to separate out noninfringing uses, and patentees cannot recover damages based on sales of products with the mere capability to practice the claimed method. Rather, where the only asserted claim is a method claim, the damages base should be limited to products that were actually used to perform the claimed method.

. . . Mr. Carlson did not address or rely on any evidence—such as testimony of electrophysiologists, other anecdotal testimony, or survey evidence—that estimated the amount or percentage of sold devices that were actually used to infringe the claimed method. . . . [E]ven assuming that the record supported the notion that the claimed method was the “predominant” method, predominant is a broad word that merely means “most frequent” or “common.” Such a broad, unsupported, and conclusory assertion does not reliably establish how often the patented method was used by doctors to allow a reasonable approximation of the damages base.

We are also not persuaded by Niazi’s argument that Mr. Carlson properly included leads in his calculation of the royalty base because he accounted for apportionment in the royalty rate. . . . There is *simply no explanation of how (or even whether) he apportioned to account for unpatented uses* when selecting the minimum royalty rate of 14.6%. . . .

Niazi Licensing Corp., 30 F.4th at 1357-1358 (internal citations omitted) (emphasis added).

Dated: June 6, 2022

By: /s/ Leslie M. Spencer

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CERTIFICATE OF SERVICE

I certify that this document is being filed through the Court's electronic filing system, which serves counsel for other parties who are registered participants as identified on the Notice of Electronic Filing (NEF). Any counsel for other parties who are not registered participants are being served by first class mail on the date of the electronic filing.

Dated: June 6, 2022

/s/ Alexandra K. Kim

Alexandra K. Kim