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 1   IN THE UNITED STATES DISTRICT COURT
                   FOR THE EASTERN DISTRICT OF TEXAS
 2   MARSHALL DIVISION

 3   VERSATA SOFTWARE, INC.   *   Civil Docket No.
                                 *   2:07-CV-153
 4   VS.   *   Marshall, Texas
                                 *
 5   *   August 17, 2009
     SAP AMERICA INC., ET AL   *   8:30 A.M.
 6
                          TRANSCRIPT OF TRIAL
 7   BEFORE THE HONORABLE CHAD EVERINGHAM
                 UNITED STATES MAGISTRATE JUDGE
 8   AND A JURY

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25   (Proceedings recorded by mechanical stenography,
     transcript produced on CAT system.)
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1 1999, the Patent Office awarded Trilogy this patent,

2 which we'll call the '400 patent.

3   Later in April of 2003, the Patent Office

4 awarded Trilogy a second patent on Mr. Carter's

5 invention, and we're going to call that the '350 patent.

6   In awarding these patents, the Patent

7 Office made a determination that Mr. Carter's invention

8 was new and was worthy of the United States patent

9 protection.

10   Let's talk about what Tom Carter actually

11 invented that solved the pricing problem in a little

12 more detail.

13   Mr. Carter figured out a way to allow

14 users of the software to input the actual hierarchy

15 trees that we saw into the pricing table.

16   Let me show you an example of a pricing

17 table from Mr. Carter's patent. This is Figure 5.

18   And as you can see in this pricing table,

19 the hierarchy is inserted into the table for customers

20 and for products. This is the tree, branches and all.

21   This was counterintuitive. It was

22 actually the opposite of the approach of SAP at the

23 time. SAP required, in 1995, the users to go and break

24 the branches off of the tree for the customers and

25 products, and then create separate tables for each