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

REMBRANDT WIRELESS TECHNOLOGIES, LP,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CASE NO. 2:13-cv-213-JRG
	§	
SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., AND SAMSUNG AUSTIN SEMICONDUCTOR, LLC,	§	
	§	
Defendants.	§	

MEMORANDUM OPINION AND ORDER

Before the Court is Samsung Defendants' ("Samsung") Rule 50(b) Renewed Motion for Judgment as a Matter of Law and/or Rule 59(a) Motion for New Trial on Liability Issues (Dkt. No. 329 ("Mot."). The Court heard argument on November 3, 2015. For the reasons set forth below, Samsung's Rule 50(b) Renewed Motion for Judgment as a Matter of Law and/or Rule 59(a) Motion for New Trial on Liability Issues is **DENIED**.

I. BACKGROUND

The Court held a jury trial in this case. The jury returned a verdict on February 13, 2015. The asserted claims of U.S. Patent No. 8,023,580 ("'580 Patent") and U.S. Patent No. 8,457,228 ("'228 Patent"), the two patents-in-suit, involve a system in which devices can communicate with each other on the same network using different modulation methods. The jury returned a unanimous verdict that the asserted claims were infringed and not invalid, and it awarded $15.7 million in damages to Plaintiff Rembrandt Wireless Technologies, LP ("Rembrandt"). ("Verdict", Dkt. No. 288.) Samsung now asserts that the jury did not have sufficient evidence for its findings.

II. APPLICABLE LAW

A. Applicable Law Regarding FED. R. CIV. P. 50

Upon a party's renewed motion for judgment as a matter of law following a jury verdict, the Court should properly ask whether "the state of proof is such that reasonable and impartial minds could reach the conclusion the jury expressed in its verdict." FED. R. CIV. P. 50(b); *see also Am. Home Assur. Co. v. United Space Alliance*, 378 F.3d 482, 487 (5th Cir. 2004). "The grant or denial of a motion for judgment as a matter of law is a procedural issue not unique to patent law, reviewed under the law of the regional circuit in which the appeal from the district court would usually lie." *Finisar Corp. v. DirectTV Group, Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008). "A JMOL may only be granted when, 'viewing the evidence in the light most favorable to the verdict, the evidence points so strongly and overwhelmingly in favor of one party that the court believes that reasonable jurors could not arrive at any contrary conclusion.'" *Versata Software, Inc. v. SAP Am., Inc.*, 717 F.3d 1255, 1261 (Fed. Cir. 2013) (quoting *Dresser-Rand Co. v. Virtual Automation, Inc.*, 361 F.3d 831, 838 (5th Cir. 2004)).

Under Fifth Circuit law, a court is to be "especially deferential" to a jury's verdict, and must not reverse the jury's findings unless they are not supported by substantial evidence. *Baisden v. I'm Ready Prods., Inc.*, 693 F.3d 491, 499 (5th Cir. 2012). "Substantial evidence is defined as evidence of such quality and weight that reasonable and fair-minded men in the exercise of impartial judgment might reach different conclusions." *Threlkeld v. Total Petroleum, Inc.*, 211 F.3d 887, 891 (5th Cir. 2000). A motion for judgment as a matter of law must be denied "unless the facts and inferences point so strongly and overwhelmingly in the movant's favor that reasonable jurors could not reach a contrary conclusion." *Baisden*, 693 F.3d at 498 (citation omitted). However, "[t]here must be more than a mere scintilla of evidence in the record to

prevent judgment as a matter of law in favor of the movant." *Arismendez v. Nightingale Home Health Care, Inc.*, 493 F.3d 602, 606 (5th Cir. 2007).

In evaluating a motion for judgment as a matter of law, a court must "draw all reasonable inferences in the light most favorable to the verdict and cannot substitute other inferences that [the court] might regard as more reasonable." *E.E.O.C. v. Boh Bros. Const. Co., L.L.C.*, 731 F.3d 444, 451 (5th Cir. 2013) (citation omitted). However, "[c]redibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge." *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150 (2000). "[T]he court should give credence to the evidence favoring the nonmovant as well as that 'evidence supporting the moving party that is uncontradicted and unimpeached, at least to the extent that that evidence comes from disinterested witnesses.'" *Id.* at 151 (citation omitted).

B. Applicable Law Regarding FED. R. CIV. P. 59

Under Federal Rule of Civil Procedure 59(a), a new trial can be granted to any party after a jury trial on any or all issues "for any reason for which a new trial has heretofore been granted in an action at law in federal court." FED. R. CIV. P. 59(a). In considering a motion for a new trial, the Federal Circuit applies the law of the regional circuit. *z4 Techs., Inc. v. Microsoft Corp.*, 507 F.3d 1340, 1347 (Fed. Cir. 2007). "A new trial may be granted, for example, if the district court finds the verdict is against the weight of the evidence, the damages awarded are excessive, the trial was unfair, or prejudicial error was committed in its course." *Smith v. Transworld Drilling Co.*, 773 F.2d 610, 612–13 (5th Cir. 1985). "The decision to grant or deny a motion for a new trial is within the discretion of the trial court and will not be disturbed absent an abuse of discretion or a misapprehension of the law." *Prytania Park Hotel, Ltd. v. General Star Indem. Co.*, 179 F.3d 169, 173 (5th Cir. 1999).

C. Applicable Law Regarding Infringement

To prove infringement under 35 U.S.C. § 271, a plaintiff must show the presence of every element, or its equivalent, in the accused product or service. *Lemelson v. United States*, 752 F.2d 1538, 1551 (Fed. Cir. 1985). First, the claim must be construed to determine its scope and meaning; and second, the construed claim must be compared to the accused device or service. *Absolute Software, Inc. v. Stealth Signal, Inc.*, 659 F.3d 1121, 1129 (Fed. Cir. 2011) (citing *Carroll Touch, Inc. v. Electro Mech. Sys., Inc.*, 15 F.3d 1573, 1576 (Fed. Cir. 1993)). "A determination of infringement is a question of fact that is reviewed for substantial evidence when tried to a jury." *ACCO Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307, 1311 (Fed. Cir. 2007).

D. Applicable Law Regarding Validity

An issued patent is presumed valid. 35 U.S.C. § 282; *Fox Grp., Inc. v. Cree, Inc.*, 700 F.3d 1300, 1304 (Fed. Cir. 2012). Samsung has the burden to show by clear and convincing evidence that the asserted claims were anticipated by or obvious over the prior art. *Microsoft Corp. v. i4i Ltd. P'ship*, 131 S. Ct. 2238, 2242 (2011). To prevail on judgment as a matter of law, moreover, Samsung must show that no reasonable jury would have a legally sufficient evidentiary basis to find for the Plaintiff. FED. R. CIV. P. 50. "Generally, a party seeking to invalidate a patent as obvious must demonstrate by clear and convincing evidence that a skilled artisan would have had reason to combine the teaching of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success from doing so.'' *In re Cyclobenzaprine Hydrochoride*, 676 F.3d 1063 (Fed. Cir. 2012) (internal quotation marks omitted).

III. ANALYSIS

A. Non-Obviousness of the Patents-in-Suit

Samsung argues that it presented unrebutted, clear and convincing evidence that the asserted claims are invalid as obvious in view of U.S. Patent No. 5,706,428 ("Boer patent") in combination with other prior art and is therefore entitled to judgment as a matter of law as to obviousness. (Mot. at 3–4.) In particular, Samsung argues that its expert, Dr. Goodman, testified that all but two elements of the asserted claims, including the "different types" of modulation methods, were present in and disclosed by the Boer patent: 1) the use of a master/slave protocol and 2) the requirement in claim 21 of the '228 patent that an address be placed in the first portion of a transmission. (*Id.*) With regard to the use of the "master/slave protocol" and the larger issue of the disclosure of "different types" of modulation methods, Samsung argues that the Boer patent by itself, as well as in combination with the Lucent Press Release (DX1185), discloses the use of "different types" of modulation methods and that the Upender article (DX1190) in combination with the Boer patent discloses the use of the "master/slave protocol" described in the asserted claims. (*Id.* at 8–16.) As to the requirement in claim 21 of the '228 patent that an address be placed in the first portion of a transmission, Samsung argues that Dr. Goodman testified that this limitation would have been obvious because "placing the address in the header [was] 'a way of saving power'" and the limitation was disclosed in U.S. Patent No. 5,537,398 (the "Siwaik patent"). (*Id.* at 16–19.) Further, Samsung argues that Dr. Goodman provided unrebutted testimony on motivations to combine the identified prior art. (*Id.* at 4.)

Rembrandt responds by arguing that Samsung failed to show that prior art combinations identified disclosed the "different types" of modulation methods, as required by the asserted claims. (Dkt. No. 335 ("Resp.") at 7.) Rembrandt also argues that Samsung failed to show that it

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