

EXHIBIT G

Patent Case Management Judicial Guide

Third Edition

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Federal Judicial Center 2016

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known only to a few artisans. In this example, the inconsistency—and the blow to credibility—has nothing to do with the ultimate conclusion that the expert reached about claim construction; the testimony is simply inconsistent. As a result, the court should consider allowing the use of such prior opinions based on a case-by-case balancing of probative value and potential prejudice. In some instances, the court should consider deferring decision on the motion until the direct examination of the expert is complete so as to better appreciate the import of the alleged inconsistency.

7.5.4.3 Motion to Bar Evidence/Argument About Dropped Claims/Patents

This motion is brought by the patentee and seeks to preclude any reference to the fact that the patentee initially asserted more claims or patents than it is pursuing at trial. Typically, the patentee argues that the claims/patents were dropped for efficiency and that this change does not reflect the merits of the liability arguments concerning those claims/patents in any way. As a result, the argument goes, this fact has no probative value. Moreover, there is a substantial risk of prejudice because the jury is likely to assume that the claims were dropped because the patentee believed them to be invalid or not infringed.

Accused infringers typically argue that the fact that the patentee dropped claims or patents does have probative value, at least when willful infringement or an antitrust counterclaim is asserted. In the former situation, the fact that the patentee initially asserted additional/different patents or claims before pursuing the patents/claims asserted at trial may affect the reasonableness of the accused infringer's response. Therefore, as the argument goes, this fact is relevant to whether the accused infringer reasonably believed that it had a right to continue its allegedly infringing conduct. In the antitrust counterclaim scenario, the counterclaim plaintiff may seek to show that the patentee has engaged in an unwarranted campaign to instill fear, uncertainty, and doubt into the marketplace by falsely asserting patent infringement.

There is no clear-cut way to resolve this motion. The outcome is highly fact-dependent. The accused infringer may in some cases legitimately seek to use the information to rebut willfulness or for some other purpose. Even so, this motion should be decided before opening statements. In most cases, waiting for testimony to be elicited during trial will not provide additional clarity about which side has the better argument. For antitrust counterclaims, this issue weighs in favor of bifurcating the trial (affirmative patent infringement claims tried first; antitrust counterclaims addressed in a second trial phase) so as to avoid confusing the jury.

7.5.4.4 Motion to Bar Disclosure that the Patentee Seeks an Injunction

This motion is brought by the patentee and seeks to preclude any evidence or argument to the jury disclosing that the patentee seeks an injunction. Because a request for an injunction seeks equitable relief, it is decided by the court, rather than

Chapter 7: Pretrial Case Management

by the jury. Typically, the patentee argues that disclosing the request for an injunction has no probative value and would prejudice the plaintiff by potentially generating sympathy that could affect the jury's decision on liability. The accused infringer often responds that mentioning the possibility of an injunction is no more prejudicial than disclosing the size of the damages award sought (which, of course, is disclosed, unless the case is bifurcated), and that the information may be relevant to other issues in the case, such as the accused infringer's state of mind for willfulness (e.g., that the accused infringer evaluated the patent seriously because it knew the plaintiff would be seeking an injunction). If the relevance to an issue before the jury is shown, the motion should generally be denied. But the court should evaluate the motion carefully to discern whether, given the specific facts of the case, the risk of prejudice trumps the probative value of the argument or evidence.

7.5.4.5 Motion to Preclude Reference to Related Proceedings in the Patent Office

This motion is often, although not always, brought by the patentee who seeks to preclude any reference to a pending reexamination or reissue involving the patent-in-suit. Typically, the argument is that the parallel proceedings have no relevance until they are completed—when the claims are ultimately issued intact, modified, or rejected. Moreover, there is considerable risk that the jury will misunderstand the significance of the proceedings and will inappropriately weigh this evidence. In response, the opposing party typically counters that the parallel proceeding has substantial probative value concerning invalidity or inequitable conduct. For example, if the Patent Office decides to reexamine the patent-in-suit because of a particular prior art reference, that fact supports the argument that the reference is material, which is relevant to inequitable conduct. Conversely, if the Patent Office reissued a patent over a prior art reference, this supports the argument that the reference is not material. *See, e.g., Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1237 (Fed. Cir. 2003).

One common dispute that has arisen since the passage of the AIA concerns the admissibility of Patent Trial and Appeal Board (PTAB) decisions to institute, or not institute, an *inter partes* review (IPR) or covered business method review (CBMR). In this context, a patentee typically argues that a non-institution decision is probative of the patent's validity because the standard for institution (effectively, more likely than not that one or more claims is invalid) is lower than the burden for proving invalidity at trial (clear and convincing evidence of invalidity). While this argument has some surface appeal, its ultimate persuasiveness depends on the specific positions being advanced before the district court in comparison with those advanced in the IPR/CBMR petition. It is strongest where the prior art and positions being advanced at trial overlap exactly with those made in the IPR/CBMR petition; it is weakest where the prior art and positions do not overlap at all. Where, as in most cases, there is some but not complete overlap, the district court should conduct typical Rule 403 balancing based on the specific facts. Weighing the factors, district courts have come down on both sides of admissibility. Some permitted the patentee