

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

CORE WIRELESS LICENSING)	
S.A.R.L.,)	
)	CIVIL ACTION NO. 6:12-CV-100
Plaintiff,)	
)	
vs.)	JURY TRIAL DEMAND
)	
APPLE INC.,)	
)	
Defendant.)	
)	

AMENDED FINAL JURY INSTRUCTIONS¹

¹ The parties have met and conferred in a further attempt to reach agreement on instructions related to the parties’ breach of contract claims and damages. Where the parties have different proposals related to an instruction, the parties’ positions are noted in the instruction heading. Where there is no such notation in the heading, submissions proposed by Core Wireless which are not agreed to by Apple are bracketed and underlined and submissions proposed by Apple which are not agreed to by Core Wireless are bracketed and in *italics*.

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION (AGREED)	4
II. EVIDENCE/BURDEN OF PROOF (AGREED)	7
III. CONTENTIONS OF THE PARTIES - PATENT INFRINGEMENT (AGREED).....	8
IV. INTRODUCTION OF PATENT (PARTIALLY AGREED).....	10
V. DIRECT INFRINGEMENT (AGREED)	12
VI. “COMPRISING” CLAIMS (AGREED)	13
VII. INTERPRETATION OF MEANS-PLUS-FUNCTION CLAIMS (AGREED).....	15
VIII. LITERAL INFRINGEMENT OF MEANS-PLUS-FUNCTION (AGREED).....	16
IX. [CORE WIRELESS’S PROPOSAL] APPARATUS CLAIMS THAT RECITE CAPACITY (DISPUTED),.....	17
X. [APPLE PROPOSAL] INFRINGEMENT OF STANDARD ESSENTIAL PATENTS (DISPUTED).....	18
XI. [APPLE PROPOSAL] MULTIPLE ALLEGED INFRINGERS (DISPUTED).....	19
XII. DOCTRINE OF EQUIVALENTS (PARTIALLY AGREED)	19
XIII. INDUCEMENT (PARTIALLY AGREED)	21
XIV. WILLFULNESS (PARTIALLY AGREED)	22
XV. INVALIDITY (PARTIALLY AGREED)	24
A. Invalidity: Anticipation.....	25
B. Invalidity: Obviousness	26
XVI. LEVEL OF ORDINARY SKILL IN THE ART (PARTIALLY AGREED).....	29
XVII. PATENT INFRINGEMENT DAMAGES (DISPUTED)	29

A.	Introduction (DISPUTED).....	29
1.	[Core Wireless’s Proposal] Patent Infringement Damages Introduction.....	30
2.	[Apple Proposal] Patent Infringement Damages Introduction.....	31
B.	[Apple’s Proposal] Damages May Not Be Punitive (DISPUTED).....	32
C.	Patent Damages – Burdens of Proof (AGREED)	32
D.	When Patent Infringement Damages Begin (Disputed).....	33
1.	[Core Wireless’s Proposal] When Patent Infringement Damages Begin	33
2.	[Apple’s Proposal] When Patent Infringement Damages Begin	34
E.	FRAND Royalty: Generally (PARTIALLY AGREED)	35
F.	Georgia-Pacific Approach (DISPUTED)	37
1.	[Core Wireless Proposal] Georgia Pacific Approach	37
2.	[Apple’s Proposal] FRAND Reasonable Royalty: <i>Georgia-Pacific</i> Approach.....	39
G.	APPORTIONMENT (DISPUTED).....	41
1.	[Core Wireless’s Proposal] Apportionment.....	41
2.	[Apple’s Proposal] FRAND Reasonable Royalty: Apportionment	42
H.	[Apple’s Proposal] Smallest Salable Unit (DISPUTED), ,	43
I.	[Apple’s Proposal] Lump Sum Royalty (DISPUTED),.....	44
XVIII.	BREACH OF CONTRACT (PARTIALLY AGREED).....	44
A.	Breach of Contract: Introduction (PARTIALLY AGREED)	44
B.	Breach of Contract Claims (PARTIALLY AGREED).....	45
1.	Elements of a Contract.....	46

- 2. Breach of Contract,47
- XIX. [CORE WIRELESS PROPOSAL] CORE WIRELESS’S DEFENSES TO BREACH OF CONTRACT.....48
 - A. Apple’s Duty to Mitigate48
 - B. [Core Wireless’s proposal] Core Wireless’s Defense to Breach of Contract – Waiver (DISPUTED),48
 - C. [Core Wireless’s proposal] Core Wireless’s Defense to Breach of Contract – Apple’s Material Breach (DISPUTED),49
 - D. [Core Wireless’s proposal] Core Wireless’s Defense to Breach of Contract – Apple’s Anticipatory Repudiation (DISPUTED),49
 - E. [Core Wireless’s proposal] Core Wireless’s Defense to Breach of Contract – Apple’s Unclean Hands (DISPUTED),50
- XX. CONTRACT DAMAGES (PARTIALLY AGREED).....50

I. INTRODUCTION (AGREED)

Please be seated.

Ladies and Gentlemen of the Jury: You've now heard the evidence in this case. I will now instruct you on the law that you must apply.

Each of you will have a copy of these final jury instructions for your review when you retire to deliberate in a few moments.

Accordingly, there's no need for you to take written notes on these written instructions unless you particularly want to do so.

It's your duty to follow the law as I give it to you. On the other hand, as I've said previously, you, the jury, are the sole judges of the facts.

Do not consider any statement that I have made in the course of the trial or may make in these instructions as an indication that I have any opinion about the facts of the case.

You're about to hear closing arguments from the attorneys. Statements and arguments of the attorneys are not evidence and are not instructions on the law. They're intended only to assist the jury in understanding the evidence and the parties' contentions.

A verdict form has been prepared for you. You'll take this to the jury room; and when you've reached unanimous agreement as to your verdict, you will have your foreperson fill in the blanks in that form, date it, and sign it.

Answer each question in the verdict form from the facts as you find them to be. Do not decide who you think should win and then answer the questions accordingly.

Your answers and your verdict in this case must be unanimous.

The parties have stipulated or agreed to some facts in this case. When the lawyers on both sides stipulate to the existence of a fact, you must, unless otherwise instructed, accept the

stipulation as evidence and regard the fact as proved.

In determining whether any fact has been proven in this case, there are two types of evidence that you may consider in properly finding the truth as to the facts in this case.

One is direct evidence, such as the testimony of an eyewitness. The other is indirect or circumstantial evidence; that is, the proof of a chain of circumstances that indicates the existence or non-existence of certain other facts.

As a general rule, the law makes no distinction between direct or circumstantial evidence but simply requires that you find the facts based on the evidence presented, both direct and circumstantial.

You may, unless otherwise instructed, consider the testimony of all the witnesses, regardless of who may have called them, and all the exhibits received and admitted into evidence, regardless of who may have introduced them in answering any question.

By allowing the testimony or other evidence to be introduced over the objection of an attorney, the Court did not indicate any opinion as to the weight or effect of such evidence.

As I've stated before, you are the sole judges of the credibility of all the witnesses and what weight and effect to give to the evidence in this case.

When the Court sustained an objection to a question addressed to a witness, you must disregard the question entirely, and you may draw no inference from its wording or speculate about what the witness would have said if he or she had been permitted to answer the question.

Now, at times during the trial, it's been necessary for the Court to talk with the attorneys here at the bench outside of your hearing or by calling a recess and talking to them while you were out of the courtroom. This happened because, during a trial, things often arise that do not involve the jury.

You should not speculate on what was said during such discussions that took place outside of your presence.

Certain testimony in this case has been presented to you through depositions. A deposition is the sworn, recorded answers to questions asked to a witness in advance of the trial.

If a witness cannot be present to testify in person from the witness stand, then that witness's testimony may be presented under oath in the form of a deposition.

Before the trial, the attorneys representing the parties for both sides of the case questioned these deposition witnesses under oath. A court reporter was present, and their testimony was recorded.

Deposition testimony is entitled to the same consideration as testimony given by a witness in person from the witness stand in open court.

Accordingly, you should judge the credibility and weigh the importance of deposition testimony to the best of your ability just as if the witness had testified in person in open court.

Ladies and Gentlemen, while you should consider only the evidence in this case, you are permitted to draw such reasonable inferences from the testimony and exhibits as you feel are justified in the light of common experience.

In other words, Ladies and Gentlemen, you may make deductions and reach conclusions that reason and common sense lead you to draw from the facts that have been established by the testimony and the evidence in the case.

Unless I instruct you otherwise, the testimony of a single witness may be sufficient to prove any fact, even if a greater number of witnesses may have testified to the contrary, if, after considering all of the evidence, you believe that single witness.

When knowledge of a technical subject may be helpful to the jury, a person who has

special training or experience in that technical field, called an expert witness, is permitted to state his or her opinions on those technical matters.

However, you're not required to accept that opinion or those opinions. As with any other witness, it's solely up to you to decide whether to rely upon that or not.

II. EVIDENCE/BURDEN OF PROOF (AGREED)

In any lawsuit, the facts must be proved by a required amount of evidence known as the burden of proof.

The burden of proof in this case is on the Plaintiff, Core Wireless, for some issues and on the Defendant, Apple, for other issues.

As I mentioned at the beginning of the trial, there are two burdens of proof that you will apply in this case:

Preponderance of the evidence and clear and convincing evidence. Beyond a reasonable doubt is the burden of proof or standard used in a criminal case, and it has no application in a civil case such as this.

The Plaintiff, Core Wireless, has the burden of proving patent infringement and damages by a preponderance of the evidence. Both Core Wireless, the Plaintiff, and Apple, the Defendant, have the burden of proving breach of contract by a preponderance of the evidence.

A preponderance of the evidence means evidence that persuades you that a claim is more probably true than not true. More probably true than not true. Sometimes this is talked about as being the greater weight and degree of credible testimony.

Apple, the Defendant, has the burden of proving invalidity by clear and convincing evidence. And Core Wireless, the Plaintiff, has the burden of proving willfulness by clear and convincing evidence.

Clear and convincing evidence means evidence that produces in your mind an abiding conviction that the truth of the parties' factual contentions are highly probable.

Although proof to an absolute certainty is not required, the clear and convincing evidence standard requires a greater degree of persuasion than is necessary for the preponderance of the evidence standard.

If proof establishes in your mind an abiding conviction in the truth of the matter, then the standard has been met.

In determining whether any fact has been proved by a preponderance of the evidence or by clear and convincing evidence, you may, unless otherwise instructed, consider the stipulations, the testimony of all the witnesses, regardless of who called them, and all the exhibits received into evidence, regardless of who may have produced them.

III. CONTENTIONS OF THE PARTIES - PATENT INFRINGEMENT (AGREED)

As I did at the start of the case, I will first give you a summary of each side's contentions in this case.

I'll then provide you with detailed instructions on what each side must prove to win on each of its contentions.

As I previously advised you, this case concerns United States patents: Patent No. 6,266,321, referred to as the '3-2-1 or '321 patent; Patent No. 6,978,143, referred to as the '1-4-3 or '143 patent; Patent No. 7,383,022, referred to as the '0-2-2 patent or the '022 patent, Patent No. 7,599,664, referred to as the '6-6-4 patent or the '664 patent, and Patent No. 7,804,850 patent, referred to as the '8-5-0 patent or the '850 patent.

I will collectively refer to these five patents as the patents-in-suit.

The Plaintiff, Core Wireless, seeks money damages from the Defendant, Apple, for

allegedly infringing the patents-in-suit by making, using, selling, or offering for sale certain iPhones and iPads.

Core Wireless contends that Apple made, used, offered to sell, or sold within the United States or imported into the United States products and/or a system that are operable on the GSM and/or UMTS networks that infringe at least one of the following claims:

- Claims 7, 9, and 10 of the '022 patent;
- Claims 14, 16, and 17 of the '664 patent;
- Claims 17 and 21 of the '143 patent;
- Claim 14 of the '321 patent; and
- Claims 1, 10, 21, and 27 of the '850 patent.

The claims listed in this paragraph are sometimes referred to as the “asserted claims.”

Core Wireless has accused the following Apple products of infringing the '850 Patent: the iPhone 5, iPhone 5S, iPhone 5C, iPad 3, iPad 4 with Retina Display, iPad Mini, iPad Air and iPad Mini with Retina Display. Core Wireless also has accused the following Apple products of infringing the remaining patents-in-suit: the iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4S, iPhone 5, iPhone 5S, iPhone 5C, iPad, iPad 2, iPad 3, iPad 4. Collectively, these products are referred to as the “Apple Accused Products.”

Apple denies that it has infringed any asserted claim of the asserted patents. Apple contends that during the term of these patents Apple did not make, use, sell, offer for sale, or import products and/or a system that infringe any of the asserted claims of Core Wireless's patents.

Core Wireless also contends that Apple is actively inducing their customers and/or end-users to directly infringe certain claims of the Patents-in-Suit. Core Wireless is seeking damages for the alleged infringement by Apple.

Separately, Apple also contends that the asserted claims of Core Wireless's patents are invalid. Apple contends that the asserted claims of the '143 and '321 patents are anticipated and rendered obvious by prior art that existed before Core Wireless's alleged invention and therefore the '143 and '321 patents are invalid. Apple contends the remaining patents are anticipated by prior art that existed before Core Wireless's alleged invention and therefore Core Wireless's asserted patent claims are invalid. Invalidity is a defense to infringement. Invalidity and infringement are separate and distinct issues that must be separately decided by you, the jury.

Your job is to decide whether the asserted claims of the asserted patents have been infringed and whether any of the asserted claims of those patents are invalid.

If you decide that any claim of a patent has been infringed and that claim is not invalid, you will then need to decide any money damages to be awarded to Core Wireless as compensation for the infringement.

IV. INTRODUCTION OF PATENT (PARTIALLY AGREED)

Before you can decide many of the issues in the case, you'll need to understand the role of the patent claims. Patent claims are the numbered sentence at the end of the patent. Claims are important because it's the words of the claims that define what a patent covers.

The figures and the text in the rest of the patent provide a description and/or examples of the invention and provide a context for the claims, but it is the claims that define the breadth of the patent's coverage.

Each claim is effectively treated as if it were a separate patent, and each claim may cover more or less than any other claim. Therefore, what a patent covers collectively depends on what each of its claims covers.

Claims are presumed to cover one or more embodiments described in the specification. [A reading that would exclude the preferred embodiment is rarely, if ever, correct and would require highly persuasive evidentiary support.]^{2,3}

Claims may describe apparatuses, devices, or products, such as machines. I will call such claims “apparatus” claims. Claims may also describe processes or methods for making or using a product. I will call such claims “method” claims.

In this case, Core Wireless has asserted both apparatus or product claims and process or method claims [*for some of the asserted patents*]⁴.

Each patent claim sets forth in words a set of requirements in a single sentence. The requirements of a claim are usually divided into parts called "limitations" or "elements."

If a device satisfies each of the requirements in the claim’s sentence, then it is said that device is "covered" by the claim, "falls under" the claim, or "infringes" the claim.

For example, a product claim that covers the invention of a table may recite the tabletop, four legs, and the glue that secures the legs to the tabletop. In this example, the tabletop, legs, and glue are each separate limitations of the claim.

² *Hill-Rom Servs. v. Stryker Corp.*, 755 F.3d 1367, 1379 (Fed. Cir. 2014) (quoting *Vitronics Corp. v. Conception, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996)).

³ Apple objects to this instruction on the ground that it improperly invites the jury to perform claim construction, which is a matter reserved solely for the Court. Core Wireless plainly intends to use this proposed construction to argue to that the jury should treat the term “finite length filter” as covering the embodiment in the ’022 and ’664 patents disclosing an “infinite length filter.”

⁴ Core Wireless objects to the inclusion of the bracketed language.

If a device is missing, or does not practice even one limitation or element of a claim, it does not meet all of the requirements of a claim and is not covered by the claim. If a device is not covered by the claim, it does not infringe the claim.

V. DIRECT INFRINGEMENT (AGREED)

You first need to understand each claim in order to decide whether or not there is infringement of the claim and to decide whether or not the claim is invalid. The first step is to understand the meaning of the words used in the patent claim. The law says that it is my role as the Judge to define the terms of the claims, and it is your role as the jury to apply my definitions to the issues that you are asked to decide in this case.

Therefore, as I explained to you at the start of the case, I have determined the meaning of certain claim terms, and I have provided my definitions to you of those certain claims terms, and these definitions are in your juror notebooks.

You must accept my definitions of these words in the claims as being correct. It's your job to take these definitions that I have supplied, and apply them to the issues that you are asked to decide, including both the issues of infringement and invalidity.

For claims that I have not construed or defined, you are to use the plain and ordinary meaning of the terms as understood by one of ordinary skill in the art, which is to say, in the field of technology of the patent at the time of the invention.

This case involves two types of patent claims: Independent and dependent claims.

An independent claim does not refer to any other claim of the patent. An independent claim sets forth all the requirements that must be met in order to be covered by that claim. It is not necessary to look at any other claim to determine what an independent claim covers.

In this case, Claim 14 of the '321 patent, Claim 17 of the '143 patent, Claim 7 of the '022

patent, Claims 14 and 27 of the '664 patent, and Claims 1 and 21 of the '850 patent are independent claims.

The rest of the claims being asserted in this case are dependent claims. A dependent claim does not itself recite all of the requirements of the claim, but refers to another claim for some of its requirements.

In this way, the claim depends on another claim. The law considers a dependent claim to incorporate all of the requirements of the claims to which it refers. The dependent claim then adds its own additional requirements.

To determine what a dependent claim covers, it's necessary to look at both the dependent claim and any other claims to which it refers. A product that meets all of the requirements of both the dependent claim and claims to which it refers is covered by that dependent claim.

VI. "COMPRISING" CLAIMS (AGREED)

The beginning portion, or preamble, of a number of Core Wireless's asserted claims use the word "comprising." The word "comprising," when used in the preamble, means including but not limited to or containing but not limited to.

When "comprising" is used in the preamble, if you decide that an accused product includes all of the requirements of that claim, the claim is infringed. This is true even if the accused instrumentality contains additional elements or performs additional steps.

For example, a claim to a table comprising a tabletop, legs, and glue would be infringed by a table that includes a tabletop, legs, and glue, even if the table also includes wheels on the end of the table's legs.

A patent owner has the right to stop others using the invention covered by its patent claims in the United States during the life of the patent.

If a person makes, uses, sells, or offers to sell within the United States or imports into the United States what is covered by the patent claims without the patent owner's permission, that person is said to infringe the patent.

In reaching your decision on infringement, keep in mind that only the claims of a patent can be infringed. You must compare the asserted patent claims, as I have defined each of them, to the accused products and determine whether or not there is infringement.

You should not compare the accused products with any specific example set out in the patent or with the prior art.

The only correct comparison is between the language of the claim itself and the accused products, just as I've explained to you.

You must reach your decision as to each assertion of infringement based on my instructions about the meaning and scope of the claims, the legal requirements for infringement, and the evidence presented to you by both of the parties.

Also, the issue of infringement is assessed on a claim-by-claim basis. Therefore, there may be infringement as to one claim but no infringement as to another claim in a patent.

In this case, there are two possible ways that a claim may be infringed. I'll explain the requirements for each of these types of infringement to you. The two types of infringement are called direct infringement and indirect infringement.

In order to prove direct infringement of a patent claim, Core Wireless must show by a preponderance of the evidence that the accused product or method includes each and every requirement of that claim.

In determining whether an accused product or method directly infringes a patent claim in this case, you must compare the accused product with each and every one of the requirements of

that claim to determine whether the accused product contains each and every requirement recited in the claim.

A claim requirement is present if it exists in an accused product just as it is described in the claim language, either as I have explained the language to you; or if I did not explain it, as it would be understood by one of ordinary skill in the art.

If an accused product omits any element recited in a claim, then you must find that that particular product does not literally infringe that claim.

A patent can be directly infringed even if the alleged infringer did not have knowledge of the patent and without the infringer knowing that what it was doing was infringement of the claim.

A patent may also be directly infringed even though the accused infringer believes in good faith that what it is doing is not infringement of the patent. Infringement does not require proof that a party copied the asserted patent claims.

VII. INTERPRETATION OF MEANS-PLUS-FUNCTION CLAIMS (AGREED)⁵

The elements used in claim 17 of the '143 patent were interpreted by the Court and are listed in the table in Tab 1 of your Juror Notebook. These elements are in a special form called a “means-plus-function” format. These elements require a special interpretation. Those words do not cover all means that perform the recited functions but cover [only]⁶ the described structures in the patent specification and drawings that performs the functions, or an equivalent of those structures. The table in Tab 1 of your Juror Notebook lists the recited functions, and structures in the patent specification that performs those functions as interpreted by the Court. You must

⁵ AIPLA’s Model Patent Jury Instructions, 2012, section 2.2.

⁶ Core Wireless does not object to the inclusion of this word, but does not believe it should be underlined.

use my interpretation of the means-plus-function elements in your deliberations regarding infringement and validity, as further discussed below.

VIII. LITERAL INFRINGEMENT OF MEANS-PLUS-FUNCTION⁷ (AGREED)

The Court has instructed you that claim 17 of the '143 patent contains means-plus-function elements. To show infringement, Core Wireless must prove that it is more likely than not that the structures in the Apple Accused Products that perform the functions listed in the table in Tab 1 are identical to, or equivalent to, the structures described in the specification for performing the identical function.

In deciding whether Core Wireless has proven that Apple Accused Products include structures covered by a means-plus-function requirement, you must first decide whether the Apple Accused Products have any structures that perform the functions listed in the table at Tab 1 of your Juror Notebook. If not, the claim containing that means-plus-function requirement is not infringed.

If you find that the Apple Accused Products perform the claimed functions, you must next identify the structures in the Apple Accused Products that perform these functions. After identifying those structures you must then determine whether Core Wireless has shown that those structures are either identical to, or equivalent to structures of the means-plus-function limitations, which the court determined as part of the claim construction and are listed in the table at Tab 1 of your Juror Notebook. If the structures in the Apple Accused Products are the same or equivalent to the structures I identified, the Apple Accused Products meet the requirements of that limitation.

Whether the structures of the Apple Accused Product are equivalent to structures described in the patent specification is decided from the perspective of a person of ordinary skill in the art. If a person of ordinary skill in the art would consider the differences between the structures

⁷ AIPLA's Model Patent Jury Instructions, 2012, section 3.5

found in the Apple Accused Products and structures described in the patent specification to be insubstantial, the structures are equivalent.

IX. [CORE WIRELESS’S PROPOSAL] APPARATUS CLAIMS THAT RECITE CAPACITY (DISPUTED)^{8,9}

[Core Wireless alleges that all of the claims of the '022, '664, '143, and '850 patents recite the capability to perform a function]¹⁰. To infringe a claim that recites the capability to perform a function, an apparatus needs only to have the recited capability to perform that function. Actually showing the performance of the function is unnecessary, and evidence that the apparatus is reasonably capable of satisfying the claim limitation is sufficient to find the limitation is met, even though it may also be capable of non-infringing modes of operation. Language claiming capability includes “Adapted to,” “Configured to,” and “means for.”

⁸ *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1204 (Fed. Cir. 2010); *see also Ericsson, Inc. v. D-Link Sys.*, 773 F.3d 1201, 1215-17 (Fed. Cir. 2014)

⁹ Apple objects to this instruction. Core Wireless contends that the asserted claims of the '022 and '664 patents contain language of capability because the '022 patent claims use the words “adapted to” and the '664 patent claims use the words “configured to.” However, in *Phoenix Solutions v. West Interactive*, the Federal Circuit affirmed (on a Rule 36 basis) a district court’s ruling that, while the word “adaptable” may connote language of capability, the words “adapted to” do not:

Here, the claim is directed toward a **“routine adapted to generate”, not a routine that is adapt able to generate**. ‘846 patent 38:52. The West CLASS platform is not adapted to generate such values because it is not adapted to perform any VAD at the VRU. **Furthermore, because the claim language uses “adapted” rather than adaptable, the claim language is not drawn towards capability.**

Phoenix Solutions v. West Interactive, 2010 WL 6032841 (C.D. Cal. Aug. 25, 2010), *aff’d*, ___ Fed. Appx. ___ (Fed. Cir. Nov. 9, 2011) (emphases added). Therefore, because these claims do not use the words “adaptable” or “configurable,” they are not claiming mere capability. In addition, Core Wireless has not identified any case law suggesting that “means for” is language of capability (because it is not). In any event, to the extent the Court decides to include a capability instruction, Apple respectfully requests that any such instruction make clear that the instruction only applies to the '022 and '664 patents.

¹⁰ Apple requests inclusion of this language, but Core Wireless contends this is not accurate.

[If any instruction on capacity is given, which Apple believes would be improper, Apple proposes the following: If the language requires that a processor be adapted to perform a step when a particular condition is present, the apparatus must perform the step each time the condition is present.^{11]}

X. [APPLE PROPOSAL] INFRINGEMENT OF STANDARD ESSENTIAL PATENTS¹² (DISPUTED)¹³

Claims should be compared to the accused product to determine infringement. Only in the situation where a patent covers every possible implementation of a standard will it be enough to prove infringement by showing standard compliance.

¹¹ *Ferguson Beauregard/Logic Controls Div. of Dover Res. Inc. v. Mega Sys. LLC*, 350 F.3d 1327, 1345 (2011).

¹² *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321, 1327 (Fed. Cir. 2010) (“[C]laims should be compared to the accused product to determine infringement.”); *id.* at 1328 (“Only in the situation where a patent covers every possible implementation of a standard will it be enough to prove infringement by showing standard compliance.”).

¹³ Core Wireless objects to the inclusion of this instruction and does not feel it is necessary or appropriate. At trial, Apple’s attorneys and its witnesses admitted that its products practice the relevant standards. For example, on page 65 of the Thursday afternoon transcript, Apple’s attorney asked its expert the following regarding the ‘143 patent:

Q. Code shows that the Apple products support the standards?

A. That’s correct.

Q. Is there any dispute that the Apple products support the standards in terms of what’s being accused for the ‘143 patent?

A. No.

There are similar admissions for the other patents. Therefore, it is not Core Wireless’s burden to show that Apple practices every possible implementation of the standard; Core Wireless must simply show that its patents cover the standards that Apple has admitted practicing. Accordingly, this instruction has no basis in the facts of this case.

XI. [APPLE PROPOSAL] MULTIPLE ALLEGED INFRINGERS¹⁴ (DISPUTED)¹⁵

Direct infringement requires that a party perform every step of a claimed process.

Where no single party does so, but multiple parties combine to do so, the claim is directly infringed if Apple has control over all the multiple parties such that all the infringing acts are all attributable to Apple. Mere arms-length cooperation between parties is insufficient to prove direct infringement. Rather, the accused infringer must control or direct the actions of third parties if those actions are to be attributed to the accused infringer.

Core Wireless must prove by a preponderance of the evidence (1) that all the steps of the claimed process were performed in the United States and (2) that Apple controls or directs third parties to perform the steps not performed by Apple.

XII. DOCTRINE OF EQUIVALENTS¹⁶ (PARTIALLY AGREED)

Core Wireless has raised two issues under the doctrine of equivalents for the '321 patent. First, it contends that “scrambling” is equivalent to “spreading.” Second, it contends that

¹⁴ Adapted from The Federal Circuit Bar Association, Model Patent Jury Instructions (May 2014), Instruction No. 3.7 [“Direct Infringement: Acts of Multiple Parties Must be Combined to Meet All Claim Limitations”]; 35 U.S.C. § 271(a); *Muniauction Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329-30 (Fed. Cir. 2008) (“Accordingly, where the actions of multiple parties combine to perform every step of a claimed method, the claim is directly infringed only if every step is attributable to the controlling party, i.e., the ‘mastermind.’”); *BMC Resources Inc. v. Paymentech LP*, 498 F.3d 1373, 1378-81 (Fed. Cir. 2007) (“Courts faced with a divided infringement theory have also generally refused to find liability where one party did not control or direct each step of the patented process.”); *On Demand Mach. Corp. v. Ingram Indus., Inc.*, 442 F.3d 1331, 1344-45 (Fed. Cir. 2006) (infringement by multiple alleged infringers); *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek*, 424 F.3d 1293, 1311 (Fed. Cir. 2005) (holding that where users of the accused product, not the manufacturer, “make[] the claimed apparatus,” manufacturer does not directly infringe); *Limelight Networks, Inc. v. Akamai Techs., Inc.*, 134 S. Ct. 2111, 2117 (2014) (holding that “there has simply been no infringement of the method in which the respondents have staked out an interest, because the performance of all the patent’s steps is not attributable to any one person”).

¹⁵ Core Wireless objects to the inclusion of this instruction as it is not necessary or relevant to any issue in this case, and Core Wireless never made this allegation.

¹⁶ AIPLA’s Model Patent Jury Instructions, 2012, section 3.11.

changing the power level after spreading is equivalent to changing the power level before spreading.

I will now instruct you on the doctrine of equivalents to use in assessing these two issues. For your deliberations on all other infringement issues, you should consider only literal infringement.

If you decide that an accused product or method does not literally infringe an asserted patent claim, you must then decide whether it is more probable than not that such product or method infringes the asserted claim under what is called the “doctrine of equivalents.” Under the doctrine of equivalents, the product or method can infringe an asserted patent claim if it includes parts or steps that are equivalent to those requirement(s) of the claim that are not literally present in the product or method. If the product or method is missing an equivalent part or step to even one part or step of the asserted patent claim, the product or method cannot infringe the claim under the doctrine of equivalents. Thus, in making your decision under the doctrine of equivalents, you must look at each individual requirement of the asserted patent claim and decide whether the product or method has an equivalent part or step to that individual claim requirement(s) that are not literally present in the product or method.

A part or step of a product or method is equivalent to a requirement of an asserted claim if a person of ordinary skill in the field would think that the differences between the part or step and the requirement were not substantial as of the time of the alleged infringement. One way to decide whether any difference between a requirement of an asserted claim and a part or step of the product or method is not substantial is to consider whether, as of the time of the alleged infringement, the part or step of the product or method performed substantially the same function, in substantially the same way, to achieve substantially the same result as the requirement in the patent claim.

In deciding whether any difference between a claim requirement and the product or method is not substantial, you may consider whether, at the time of the alleged infringement, persons of ordinary skill in the field would have known of the interchangeability of the part or step with the claimed requirement. The known interchangeability between the claim requirement and the part or step of the product or method is not necessary to find infringement under the doctrine of equivalents. [Further, the same element or method step of the accused product or method may satisfy more than one element of a claim.]^{17,18}

XIII. INDUCEMENT (PARTIALLY AGREED)

In addition to alleging direct infringement of the asserted patent claims, Plaintiff, Core Wireless, alleges that Defendant, Apple, induces infringement of its asserted patent claims. The act of encouraging or inducing others to infringe a patent is called inducing infringement.

Core Wireless alleges that Apple is liable for infringement by actively inducing another party or parties to directly infringe its patents.

As with direct infringement, you must determine whether there has been active inducement on a claim-by-claim basis.

Apple is liable for active inducement of a claim if Core Wireless proves by a preponderance of the evidence that:

- (1) the acts are actually carried out by Apple's customers using the accused products and directly infringe that claim;
- (2) Apple took action during the time the patent was in force intending to cause the infringing acts by Apple's customers using the accused products; and
- (3) Apple was aware of or willfully blind to the patent and knew that the acts, if taken,

¹⁷ Apple objects to the inclusion of the bracketed portion of the instruction.

¹⁸ Core Wireless believes the bracketed portion is an accurate statement of the law. Moreover, this entire instruction is taken from the AIPLA 2012 model jury instructions, and it would be error to use the instruction in all other respects but delete the last sentence of the instruction

would constitute infringement of the patent or that Apple was willfully blind to that infringement.

To prove willful blindness, Core Wireless must prove by a preponderance of the evidence that there was a high probability that a fact exists and that Apple took deliberate acts to avoid learning of that fact.

In order to establish active inducement of infringement, it's not sufficient that the other party or parties themselves directly infringe the claim, nor is it sufficient that Apple was aware of the acts by its customers using the accused products that allegedly constitute the direct infringement.

Rather, you must find that Apple specifically intended its customers using the accused products to infringe the patent or that Apple believed there was a high probability that its customers would infringe the patent but deliberately avoided learning the infringing nature of its customers' acts. [*Evidence of a good faith belief of non-infringement of a patent can be evidence that Apple lacks the required intent for induced infringement.*¹⁹]²⁰

XIV. WILLFULNESS (PARTIALLY AGREED)

In this case, Ladies and Gentlemen, Core Wireless contends that Apple has willfully infringed its patents. If you've decided that Apple has infringed, you must address the additional issue of whether or not that infringement was willful.

Willfulness requires you to determine, by clear and convincing evidence, that Apple acted recklessly.

To prove that Apple acted recklessly, Core Wireless must prove by clear and convincing

¹⁹ *Personalized Media Commc'ns v. Zynga, Inc.*, No. 2:12-cv-68 (E.D. Tex.) (Dkt. 264 at 15-16).

²⁰ Core Wireless objects to the inclusion of this sentence which was not in the *Smartflash* decision since it is unnecessary. Moreover, Apple presented no evidence of a good faith belief

evidence that Apple actually knew [or should have known]^{21, 22} that its actions constituted an unjustifiably high risk of infringement of a valid patent.

To determine whether Apple had this state of mind, consider all facts, which may include but are not limited to:

(1) Whether or not Apple acted in accordance with the standards of commerce for its industry;

[(2) Whether or not Apple intentionally copied a product of Core Wireless that is covered by the asserted patents;]²³²⁴

(3) Whether or not there is a reasonable basis for Apple to have believed that it did not infringe or had a reasonable defense to infringement;

[(4) Whether or not Apple made a good-faith effort to avoid infringing the asserted claims of the asserted patents, for example, whether Apple attempted to design around the asserted Core Wireless patents;]²⁵

And (5) whether or not Apple tried to cover up its infringement.

None of these factors alone is determinative, and this list of factors is not an exhaustive list of things that you should consider.

Your determination of willfulness should incorporate the totality of the circumstances

²¹ Apple objects to the inclusion of this language.

²² Core Wireless contends that this statement, taken directly from the *Smartflash* instructions, is an appropriate and accurate statement of the law.

²³ The Federal Circuit Bar Association *Model Patent Jury Instructions* (May 2014), Instruction No. 3.10 [“Willful Infringement”].

²⁴ Core Wireless objects to the inclusion of this language, including because it is irrelevant and misleading and may cause the jury to believe that Core Wireless must in fact make a product to be copied. Core Wireless believes the *Smartflash* instruction is an accurate statement of the law.

²⁵ Core Wireless objects to this factor since Apple has introduced no evidence of an attempt to design around the asserted patents, thus this factor is irrelevant.

based on the evidence presented during this trial.

Core Wireless has the burden of proving willfulness by clear and convincing evidence.

XV. INVALIDITY (PARTIALLY AGREED)

I'll now instruct you on the rules that you must follow in deciding whether or not Apple has proven the asserted claims of the patents-in-suit are invalid.

An issued patent is accorded a presumption of validity based on the presumption that the United States Patent and Trademark Office, which you've often heard referred to simply as the PTO, acted correctly in issuing the patent.

This presumption of validity extends to all issued patents, including those that claim the benefit of an earlier filed patent application, such as so-called "continuations" or "continuations-in-part."

To prove that any claim of a patent is invalid, Apple must persuade you by clear and convincing evidence that the claim is invalid.

Like infringement, validity is determined on a claim-by-claim basis. You must determine separately for each claim whether that claim is invalid.

If one claim of a patent is invalid, this does not mean that any other claim is necessarily invalid. Claims are construed the same way for determining infringement as for determining invalidity.

*[Prior art differing from the prior art considered by the Patent Office may carry more weight in meeting the clear and convincing standard than the prior art that was previously considered by the Patent Office.]*²⁶²⁷

²⁶ Adapted from *DDR Holdings, LLC v. Digital River, Inc.*, Case No. 2:06-CV-42-JRG (E.D. Tex.), (Dkt. No. 519); *see, e.g., Microsoft Corp. v. i4i Ltd. P'ship*, 131 S. Ct. 2238, 2251 (2011).

Apple has challenged the validity of the asserted claims on a number of grounds. In making your determination as to invalidity, you should consider each claim separately.

A. Invalidity: Anticipation

Apple contends that all asserted Claims of the patents in suit are invalid for being anticipated by prior art. Apple bears the burden of establishing anticipation by clear and convincing evidence.

A patent claim is invalid if the claimed invention is not new. For a claim to be invalid because it is not new, all of its requirements must have existed in a single device that predates the claimed inventions or must have been described in a single, previous publication or patent that predates the claimed invention.

In patent law, a previous device, publication, or patent that predated the claimed invention is called a prior art reference.

If a patent claim is not new, we say that it is anticipated by the prior art or by a prior art reference.

Anticipation requires that a single reference, not only disclose all elements of the claim within the four corners of the document, but that it must also disclose those elements arranged or combined in the same way as in the claim.

Apple must prove with clear and convincing evidence that an asserted patent claim was anticipated by the prior art reference.

In determining whether or not the invention is valid, you must determine the scope and content of the prior art at the time the invention was made.

For prior art to anticipate a claim of a patent, the disclosure in the prior art reference does

²⁷ Core Wireless objects to the inclusion of this language which was not included in the *Smartflash* instructions.

not have to be in the same words as in the claim, but all of the elements of the claim must be there, either stated or necessarily implied, so that someone of ordinary skill in the field of the invention, looking at that one prior art reference, would be able to make and use at least one embodiment of the claimed invention.

Anticipation can occur when the claimed invention inherently, and necessarily results from practice of what is disclosed in the written reference, even if the inherent disclosure was unrecognized or unappreciated by one of ordinary skill in the field of the invention.

If you find that a patent claim is not new, that it is anticipated, as explained above, you should find that claim invalid.

*[That which infringes if later anticipates if earlier. Thus, if you find by clear and convincing evidence that a system that infringes an asserted claim is disclosed by a prior art reference, then you must find the claim invalid.]*²⁸²⁹

B. Invalidity: Obviousness

Apple also contends that the asserted claims of the '143 patent and the '321 patent are invalid as obvious. Even though an invention may not have been identically disclosed or described in a single prior art reference before it was made by an inventor, the invention may have been obvious to a person of ordinary skill in the field of technology of the patent at the time the invention was made.

Apple bears the burden of establishing obviousness by clear and convincing evidence.

²⁸ *Brown v. 3M*, 265 F.3d 1349, 1352-53 (Fed. Cir. 2001) (“That which infringes if later anticipates if earlier.”) (citing *Polaroid Corp. v. Eastman Kodak Co.*, 789 F.2d 1556, 1573 (Fed.Cir.1986)); *Tate Access Floors v. Interface Architectural Res.*, 279 F.3d 1357, 1367 (Fed. Cir. 2002).

²⁹ Core Wireless objects to the inclusion of the bracketed language because it will only lead to juror confusion.

In determining whether a claimed invention is obvious, you, the jury, must consider the level of ordinary skill in the field of technology of the patent that someone would have had at the time the claimed invention was made, the scope and content of the prior art, any differences between the prior art and the claimed invention, as well as the ordinary knowledge of the person of ordinary skill at the time of the invention.

The skill of the actual inventor is irrelevant because inventors may possess something that distinguishes them from workers of ordinary skill in the art.

Keep in mind that the existence of each and every element of the claimed invention in the prior art does not necessarily prove obviousness. Most, if not all inventions, rely on building blocks of prior art.

In considering whether a claimed invention is obvious, you should consider whether, as of the priority date of the patents-in-suit, there was a reason that would have prompted a person of ordinary skill in the field to combine the known elements in a way that the claimed invention does, taking into account such facts as:

(1) Whether the claimed invention was merely the predictable result of using prior art elements according to their known function;

(2) Whether the claimed invention provides an obvious solution to a known problem in the relevant field;

(3) Whether the prior art teaches or suggests the desirability of combining elements in the claimed inventions;

(4) Whether the prior art teaches away from combining elements in the claimed invention;

(5) Whether it would have been obvious to try the combination of elements, such as when

there is a design need or market pressure to solve a problem, and there are a finite number of identified, predictable solutions;

And (6) whether the change resulted more from design incentives or other market forces.

In determining whether the claimed invention was obvious, consider each claim separately. Consider only what was known at the time of the invention.

In making these assessments, Ladies and Gentlemen, you should take into account any objective evidence (sometimes called "secondary considerations") that may have existed at the time of the invention, and afterwards, may shed light on non-obviousness, such as:

(1) Whether the invention was commercially successful as a result of the merits of the claimed inventions (rather than the result of design needs or market pressure, advertising, or similar activities);

(2) Whether the invention satisfied a long-felt need;

(3) Whether others had tried and failed to make the invention;

(4) Whether others copied the invention, understanding that there is no contention in this case that Apple copied the patented technology;

(5) Whether there were changes or related technologies or market needs contemporaneous with the invention;

(6) Whether the invention achieved unexpected results;

(7) Whether others in the field praised the invention;

(8) Whether persons having ordinary skill in the art of the invention expressed surprise or disbelief regarding the invention;

(9) Whether others sought or obtained rights to the patent from the patent-holder;

And (10) whether the inventor proceeded contrary to accepted wisdom in the field.

In support of obviousness, you may also consider whether others independently invented the claimed invention before or at about the same time as the named inventor thought of it.

If you find that Apple has proved obviousness by clear and convincing evidence, then you must find that that claim is invalid.

XVI. LEVEL OF ORDINARY SKILL IN THE ART³⁰ (PARTIALLY AGREED)

Several times in my instructions I have referred to a person of ordinary skill in the field of the invention. It is up to you to decide the level of ordinary skill in the field of the invention. You should consider all of the evidence introduced at trial in making this decision, including:

1. the levels of education and experience of persons working in the field;
2. the types of problems encountered in the field; and
3. the sophistication of the technology.

[A “person of ordinary skill in the art” is a hypothetical person who is presumed to have known of all of the relevant prior art at the time of the claimed invention³¹.]³²

XVII. PATENT INFRINGEMENT DAMAGES (DISPUTED)

A. Introduction (DISPUTED)

³⁰ Adapted from Jury Charge in *EON Corp. IP Holdings, LLC v. Silver Spring Networks, Inc.*, No. 6:11-CV-317-JDL, Dkt. No. 620 (E.D. Tex. June 10, 2014), Instruction No. 21 [“Level of Ordinary Skill”]. See also *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007); *In re Rouffet*, 149 F.3d 1350 (Fed. Cir. 1998); *Endress + Hauser, Inc. v. Hawk Measurement Systems Pty. Ltd.*, 122 F.3d 1040 (Fed. Cir. 1997).

³¹ Adapted from Jury Charge in *EON Corp. IP Holdings, LLC v. Silver Spring Networks, Inc.*, No. 6:11-CV-317-JDL, Dkt. No. 620 (E.D. Tex. June 10, 2014), Instruction No. 21 [“Level of Ordinary Skill”]. See also *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007); *In re Rouffet*, 149 F.3d 1350 (Fed. Cir. 1998); *Endress + Hauser, Inc. v. Hawk Measurement Systems Pty. Ltd.*, 122 F.3d 1040 (Fed. Cir. 1997).

³² Core Wireless objects to the inclusion of this language including because it is relevant to validity and not how to determine a person of skill.

1. [Core Wireless's Proposal] Patent Infringement Damages Introduction³³

If you find that Apple has infringed any valid claim of Core Wireless's patents-in-suit, you must then consider what amount of damages to award to Core Wireless. I'll now instruct you about the measure of damages.

By instructing you on damages, I'm not suggesting which party should win this case on any issue.

The damages you award must be adequate to compensate Core Wireless for any infringement you may find.

Damages are not meant to punish an infringer. Core Wireless has the burden to establish the amount of its damages by a preponderance of the evidence. The patent owner is not entitled to damages that are remote or speculative.

Core Wireless seeks damages in the form of a reasonable royalty.

A reasonable royalty is defined as the money amount Core Wireless and Apple would have agreed upon as a fee for Apple's use of Core Wireless's invention at the time the infringement began.

The determination of a damage award is not an exact science, and the amount need not be proven with unerring precision. You may approximate, if necessary, the amount to which the patent owner is entitled.

In such case, while the damages may not be determined by mere speculation or guess, it is proper to award a damages amount if the evidence shows the extent of the damages as a matter of just and reasonable inference.

I'll give more detailed instructions regarding damages shortly. Note, however, that under

³³ From Trial Transcript for *Smartflash v. Apple* 6:13-cv-447 (E.D. Tex Feb. 24, 2015)

the patent laws, Core Wireless is entitled to recover no less than a reasonable royalty for each infringing sale or use of its inventions.

A royalty is a payment to a patent-holder in exchange for the right to make, use, sell or import the claimed invention.

A reasonable royalty is the amount of money to be paid for a license to make, use, or sell the invention that a willing patent owner and a willing prospective licensee would have agreed to immediately before the infringement began as the part of hypothetical negotiation.

In considering this hypothetical negotiation, you should focus on what the expectations of the patent-holder and the infringer would have been had they entered into an agreement at that time and had they acted reasonably in their negotiations.

In determining this, you must assume that both parties believed the patent was valid and infringed and the patent-holder and infringer were willing to enter into an agreement.

The reasonable royalty you determine must be a royalty that would have resulted from this hypothetical negotiation and not simply a royalty either party would have preferred.

Evidence of things that happened after the infringement first began may be considered in evaluating the reasonable royalty only to the extent that the evidence aids in assessing what royalty would have resulted from a hypothetical negotiation.

2. [Apple Proposal] Patent Infringement Damages Introduction³⁴

If you find that Apple infringed any valid claim of the asserted patents, you must then consider what amount of damages to award to Core Wireless. I will now instruct you about the measure of damages. By instructing you on damages, I am not suggesting which party should prevail on the issues of infringement or invalidity. These instructions are provided to guide you

³⁴ Adapted from The Federal Circuit Bar Association, *Model Patent Jury Instructions* (May 2014), Instruction No. 6.1 [“Damages—Introduction”].

on the calculation of damages in the event you find infringement of a valid patent claim and, thus, must address the damages issue.

The damages you award must be adequate to compensate Core Wireless for any infringement you find to have occurred. They are not meant to punish an infringer. Your damages award, if you reach this issue, should put Core Wireless in approximately the same financial position that it would have been in had any infringement not occurred.

Core Wireless has the burden to establish the amount of its damages by a preponderance of the evidence. In other words, you should award only those damages that Core Wireless establishes that it more likely than not suffered.

If you find that Apple infringed a valid patent, you may award a reasonable royalty as damages.

B. [Apple’s Proposal] Damages May Not Be Punitive³⁵ (DISPUTED)³⁶

You must not award Core Wireless more damages than are adequate to compensate for the infringement, nor shall you include any additional amount for the purpose of punishing a defendant or setting an example.

C. Patent Damages – Burdens of Proof³⁷ (AGREED)

Where the parties dispute a matter concerning damages for infringement, it is Core Wireless’s burden to prove that it is more probable than not that Core Wireless’s version is

³⁵ Adapted from Jury Charge in *EON Corp. IP Holdings, LLC v. Silver Spring Networks, Inc.*, No. 6:11-CV-317-JDL, Dkt. No. 620 (E.D. Tex. June 10, 2014), Instruction No. 26 [“Damages May Not Be Punitive or Speculative”].

³⁶ Core Wireless objects to the inclusion of this language as it is unnecessary and duplicative, of the damages introduction section above.

³⁷ Adapted from Jury Charge in *EON Corp. IP Holdings, LLC v. Silver Spring Networks, Inc.*, No. 6:11-CV-317-JDL, Dkt. No. 620 (E.D. Tex. June 10, 2014), Instruction No. 23 [“Damages—Burden of Proof”]. See also *Ericsson Inc. v. D-Link Corp.*, Case No. 6:10-cv-473-LED-KFG (E.D. Tex.) (Dkt. No. 504).

correct. Core Wireless must prove the amount of damages with reasonable certainty, but need not prove the amount of damages with mathematical precision. However, Core Wireless is not entitled to damages that are remote or speculative.

D. When Patent Infringement Damages Begin (Disputed)

1. [Core Wireless's Proposal] When Patent Infringement Damages Begin³⁸

The amount of damages Core Wireless can recover is limited to those acts of infringement that occurred after Nokia gave Apple notice that it infringed the '850, '022, '664, and '143 patents. Actual notice means that Nokia communicated to Apple a specific charge of infringement of these patents by the Apple Accused Products. This notice is effective as of the date given.

Your job is to calculate damages from the date that Apple received actual notice in 2009. You should not award damages for Core Wireless against any infringement by Apple occurring before Apple first received actual notice.

In determining when damages begin with regard to method claims of patents, the law does not have a notice requirement.³⁹ Therefore, the calculation of damages for method claims of the '321 patent should begin as of the date the patent issued or the infringement began, whichever was first.⁴⁰ Your job then is to calculate damages from the date when Apple first made, used, offered to sell, sold in the United States or imports into the United States an Apple Accused Product that infringes the '321 patent, which was July 11, 2008.

³⁸ See *Ericsson Inc. v. D-Link Corp.*, Case No. 6:10-cv-473-LED-KFG (E.D. Tex.) (Dkt. No. 504) with additional language added for calculating the damages period for infringement of method claims.

³⁹ 35 U.S.C. § 287(c)(2)(F); see *Am. Med. Sys. V. Med. Eng'g. Corp.*, 6 F.3d 1523, 1538 (Fed. Cir. 1993).

⁴⁰ *Crystal Semiconductor Trittech Microelectronics Int'l, Inc.*, 246 F.3d 1336, 1353 (Fed. Cir. 2001).

2. [Apple's Proposal] When Patent Infringement Damages Begin⁴¹

In determining the amount of damages, you must determine when the damages began. Damages commence on the date that Apple has both infringed and been notified of the alleged infringement of any of the patents-in-suit you have found valid and infringed.

If you find that the any of the patents are valid and infringed, then you must determine whether those patents have been licensed to a licensee that sells a product that includes the claimed invention, and, if so, whether the licensee has “marked” that product with the patent number. “Marking” is placing either the word “patent” or the abbreviation “pat.” with the patent’s number on substantially all of the products that include the patented invention.

Core Wireless has the burden of establishing that Core Wireless and Nokia substantially complied with the marking requirement during the time that each owned the patents. This means that Core Wireless must show that it made reasonable efforts to ensure that any licensee(s) that made, offered for sale, or sold products under the asserted patents, including Nokia and Microsoft, also marked the products.

If you find that one or more licensees to any patents you have found to be valid and infringed have not marked relevant product with the patent numbers, you must determine the date that Apple received actual notice of the asserted patents and the specific product alleged to infringe.⁴² Actual notice means that Core Wireless communicated to Apple a specific charge of

⁴¹ Adapted from The Federal Circuit Bar Association, *Model Patent Jury Instructions* (May 2014), Instruction No. 6.8 [“Date of Commencement of Damages—Products”].

⁴² See, e.g., *Rite-Hite Corp. v. Kelley Co., Inc.*, 56 F.3d 1538, 1549 n.8 (Fed. Cir. 1995) (en banc) (“The marking statute provides that if a product is not marked, no damages shall be recovered by the patentee except on proof that the infringer was notified of the infringement”) (citing 35 U.S.C. § 287(a) (1988)).

infringement of the asserted patents by a specific accused product or device.⁴³ The filing of the complaint in this case qualified as actual notice, so the damages period for the patents listed in the complaint begins no later than the date the complaint was filed.⁴⁴ Core Wireless filed its complaint in this case on February 29, 2012.

In addition to these marking or actual notice requirements, for the method claims at issue in this case, any damages would be limited to any instances where all steps of the method have been performed in the United States by Apple or a person acting under Apple's direction or control.

E. FRAND Royalty: Generally (PARTIALLY AGREED) ⁴⁵⁴⁶

A reasonable royalty must reflect that Core Wireless declared the asserted patents to be essential to cellular standards and committed to the European Telecommunications Standards Institute ("ETSI") to license the patents on "fair, reasonable, and non-discriminatory" or FRAND terms. Because of this declaration of essentiality and FRAND commitment, I will refer at times in my instructions to "standard essential patents." By referring to standard essential patents, I am not instructing you that the asserted patents are actually essential to any standard—again, it is up

⁴³ See, e.g., *Amsted Industries Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 186 (Fed. Cir. 1994) (Under § 287(a) "actual notice requires the affirmative communication of a specific charge of infringement by a specific accused product or device" by the patentee, mere notice of the existence of the patent is not sufficient); *American Medical Systems, Inc. v. Medical Engineering Corp.*, 6 F.3d 1523, 1537 n.18 (Fed. Cir. 1993) ("[N]otice of infringement must ... come from the patentee, not the infringer").

⁴⁴ 35 U.S.C.A. § 287(a)(2000) ("Filing of an action for infringement shall constitute such notice.").

⁴⁵ *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1231 (Fed. Cir. 2014) ("Trial courts should [. . .] consider the patentee's actual [F]RAND commitment in crafting the jury instruction. . . . The court [. . .] must inform the jury what commitments have been made and of [the jury's] obligation (not just option) to take those commitments into account when determining a royalty award.").

⁴⁶ Core Wireless contends that this instruction should come after the charge on Georgia Pacific.

to you to decide whether Core Wireless has proven the patents are standard essential and infringed.

Core Wireless submitted a written commitment to ETSI covering each of the patents-in-suit, which read in part as follows:

IPR Licensing Declaration: To the extent that the IPRs [intellectual property rights] disclosed in the attached IPR Information Statement Annex are or become, and remain ESSENTIAL in respect of the ETSI Work Item, STANDARD and/or TECHNICAL SPECIFICATION identified in the attached IPR Information Statement Annex, [Core Wireless] and/or its AFFILIATES are (1) prepared to grant licenses under these IPRs on terms and conditions which are in accordance with Clause 6.1 of the ETSI IPR Policy (20 March 2013); and (2) will comply with Clause 6.1 of the ETSI IPR Policy.⁴⁷

If a patent owner gives a written undertaking under Clause 6.1 of the ETSI IPR Policy, as Core Wireless did for the asserted patents, it commits to “be prepared to grant irrevocable licenses on fair, reasonable and non-discriminatory terms and conditions.”

You must make sure that any reasonable royalty determination takes into account Core Wireless’s FRAND obligations, as I have just read them to you. [*In deciding what amount is a FRAND royalty, you should consider any evidence of patent hold-up and royalty stacking.*]⁴⁸ A reasonable royalty in this case cannot exceed the amounts permitted under Core Wireless’s FRAND obligations.

I will provide you with additional instructions on how the FRAND commitment for the asserted patents affects your determination of a reasonable royalty.

⁴⁷ See DX 193 [Core Wireless’s ETSI IPR Information Statement].

⁴⁸ Core Wireless objects to Apple’s attempt to include an instruction on hold-up and royalty stacking on grounds that Apple has not provided sufficient evidence on these concepts, and Apple made no more than a general argument that hold-up and staking were possibilities. In order to be instructed on these concepts, Apple was required to present actual evidence at trial; it did not.. *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201 (Fed. Cir. Dec. 4, 2014).

F. Georgia-Pacific Approach (DISPUTED)

1. [Core Wireless Proposal] Georgia Pacific Approach⁴⁹

In determining the reasonable royalty, you should consider all the facts known and available to the parties at the time the infringement began. Some of the kinds of factors that you should consider in making your determination are:

(1) The royalties received by the patentee for licensing of the patents-in-suit proving or tending to prove an established royalty;

(2) The rates paid by the licensee for the use of other patents comparable to the patents-in-suit;

(3) The nature and scope of the license as exclusive or non-exclusive or as restricted or non-restricted in terms of territory or with respect to the parties to whom the manufactured products may be sold;

(4) Whether the patent owner had an established policy of granting licenses or retaining the patented invention as its exclusive right or whether the patent owner had a policy of granting licenses under special conditions designed to preserve its monopoly;

(5) The nature of the commercial relationship between the patent owner and the licensee, such as whether they are competitors or whether their relationship was that of an inventor and a promoter;

(6) The effect of selling the patented specialty in promoting sales of other products of the licensee, the existing value of the invention to the licensor as a generator of sales of his non-patented items, and the extent of such derivative or convoyed sales;

⁴⁹ Unless indicated otherwise, these instructions are drawn from the *Smartflash v. Apple* instructions and are modified to reflect the current state of the law as indicated in *Ericsson v. D-Link*.

(7) The duration of the patent and the term of the license;

(8) The established profitability of the product made under patents, its commercial success, and its current popularity.

(9) The utility and advantages of the patented invention over the old modes or devices, if any, that had been used for achieving similar results;

(10) The nature of the patented invention, the character of the commercial embodiment of it as owned and produced by the licensor, and the benefits to those who have used the invention;

(11) The extent to which the infringer has made use of the invention and any evidence probative of the value of that use;

(12) The portion of the profit or of the selling price that may be customary in the particular business or in comparable businesses to allow for the use of the invention or analogous inventions;

(13) The portion of the realizable profits that should be credited to the invention as distinguished from non-patented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer;

(14) The opinion and testimony of qualified experts;

And (15) the amount that a licensor (such as the patentee) and a licensee (such as the infringer) would have agreed upon at the time the infringement began if both sides had been reasonably and voluntarily trying to reach an agreement; that is, the amount which a prudent licensee who desired, as a business proposition, to obtain a license to manufacture and sell a particular article embodying the patented invention would have been willing to pay as a royalty and yet be able to make a reasonable profit and which amount would have been acceptable to a prudent patentee who was willing to grant a license.

If you find that the patents are standard essential then factors 4, 5, 8, 9 and 10 are not relevant to determining the reasonable royalty.⁵⁰

No one factor is dispositive, Ladies and Gentlemen, and you can and you should consider the evidence that's been presented to you in this case on each of these factors.

You may also consider any other factors which in your minds would have increased or decreased the royalty the infringer would have been willing to pay and the patent owner would have been willing to accept, acting as normally prudent business people.

2. [Apple's Proposal] FRAND Reasonable Royalty: *Georgia-Pacific* Approach⁵¹

You have heard testimony about an approach to determining a reasonable royalty that involves weighing various factors known as the *Georgia-Pacific* factors. The *Georgia-Pacific* approach is not the only way to determine a reasonable royalty, and “in a case involving [F]RAND-encumbered patents, many of the *Georgia-Pacific* factors simply are not relevant; many are even contrary to [F]RAND principles.”⁵² The *Georgia-Pacific* factors you may consider in this case are as follows:

1. The royalties received, if any, by the patentee for the licensing of the asserted patents. [Corresponding to *Georgia-Pacific* Factor 1]
2. The rates paid by the licensee for the use of other patents comparable to the asserted patents. [Corresponding to *Georgia-Pacific* Factor 2]
3. The nature and scope of the license. [Corresponding to *Georgia-Pacific* Factor 3]

⁵⁰ *Ericsson, Inc. v. D-Link Sys.*, 773 F.3d 1201 (Fed. Cir. 2014).

4. The effect of the patented invention in promoting sales of other products of the licensee, taking into account only the value of the patented technology and not the value of its standardization. [Corresponding to *Georgia-Pacific* Factor 6]
5. The importance of the patents-in-suit to the standard as a whole, the technical contribution of the patents-in-suit compared to the technical contributions of other patents essential to the standard, and the technical contribution of the patents-in-suit to the licensee and the licensee's products, taking into account only the value of the patented technology and not the value of its standardization.
[Corresponding to *Georgia-Pacific* Factor 11]
6. The portion of the profit or of the selling price that may be customary in the particular business or in comparable businesses to allow for the use of the inventions or analogous inventions that are also covered by standard essential patents. [Corresponding to *Georgia-Pacific* Factor 12]
7. The portion of the realizable profit that should be credited to the invention as distinguished from non-patented elements, the manufacturing process, business risks, significant features or improvements added by the infringer, or the value of standardization of the patented technology. [Corresponding to *Georgia-Pacific* Factor 13]
8. The opinion testimony of qualified experts. [Corresponding to *Georgia-Pacific* Factor 14]
9. The amount that a licensor and a licensee, as normally-prudent business people, would have agreed upon (at the time the infringement began) if both were considering the FRAND commitment and its purposes, and had been reasonably

and voluntarily trying to reach an agreement. [Corresponding to *Georgia-Pacific* Factor 15]

If you decide to use the *Georgia-Pacific* approach, none of the factors I have just listed is dispositive.

G. APPORTIONMENT (DISPUTED)

1. [Core Wireless's Proposal] Apportionment

Damages should be apportioned to the value contributed by the invention; that is, Core Wireless must apportion the damages between the portion of the accused products that are the patented features or components and the unpatented features and components of the accused products. In determining the amount of a reasonable royalty you may consider not only the benefit to the patentee in licensing the technology, but also the value of the benefit conferred to the infringer by use of the patented technology.⁵³

Therefore, except as specifically provided in these instructions, when applying the 15 factors I've just discussed with you, you should only consider as the royalty base the portion of the value that is attributable to the patented features or components as compared to the portion of the value associated with other features or components, such as unpatented elements, features, components, or improvements developed by Apple. If you find that the patents are standard essential then damages should be apportioned from the value of the standard as a whole and should be based on the value of the invention, not any value added by the standardization of that invention.⁵⁴

⁵³ See *Powell v. Home Depot U.S.A., Inc.*, 663 F.3d 1221, 1240 (Fed. Cir. 2011); *Monsanto Co. v. McFarling*, 488 F.3d 973, 980 (Fed. Cir. 2007).

⁵⁴ *Ericsson*, 773 F.3d at 1233

2. [Apple’s Proposal] FRAND Reasonable Royalty: Apportionment⁵⁵

“When dealing with [standard essential patents], there are two special apportionment issues that arise. First, the patented feature must be apportioned from all of the unpatented features reflected in the standard. Second, the patentee’s royalty must be premised on the value of the patented feature, not any value added by the standard’s adoption of the patented technology. These steps are necessary to ensure that the royalty award is based on the incremental value that the patented *invention* adds to the product, not any value added by the standardization of that technology.”⁵⁶ “In other words, the patent holder should only be compensated for the approximate incremental benefit derived from his invention.”⁵⁷

“This is particularly true for [standard essential patents]. When a technology is incorporated into a standard, it is typically chosen from among different options. Once incorporated and widely adopted, that technology is not always used because it is the best or the only option; it is used because its use is necessary to comply with the standard. In other words, widespread adoption of a standard essential technology is not entirely indicative of the added usefulness of an innovation over the prior art.”⁵⁸

To ensure that a FRAND royalty rate reflects the incremental value of the patented technology, you must consider the following two factors in setting a FRAND royalty rate:

⁵⁵ *Ericsson*, 773 F.3d at 1233 (“Because SEP holders should only be compensated for the added benefit of their inventions, the jury must be told to differentiate the added benefit from any value the innovation gains because it has become standard essential.”).

⁵⁶ *Id.* at 1232 (emphasis in original).

⁵⁷ *Id.* at 1233.

⁵⁸ *Id.* at 1233.

(1) “[A]ny royalty for the patented technology must be apportioned from the value of the standard as a whole”;⁵⁹ and

(2) “[T]he [FRAND] royalty rate must be based on the value of the invention, not any value added by the standardization of that invention.”⁶⁰

H. [Apple’s Proposal] Smallest Salable Unit (DISPUTED)^{61, 62, 63}

“As with all patents, the royalty rate for [standard essential patents] must be apportioned to the value of the patented invention.”⁶⁴ In order to properly apportion the incremental value attributable to the patented technology, you must “select[] [. . .] the royalty base [that] reflect[s]

⁵⁹ *Id.* at 1235.

⁶⁰ *Id.* at 1235.

⁶¹ Core Wireless makes a specific objection to this instruction since it is inappropriate in this case. Neither party’s damages’ expert calculated damages based on smallest salable unit, and appropriate apportionment instructions are included elsewhere, and this is only one of many ways to ensure apportionment. *VirnetX, Inc. v. Cisco Sys.*, 767 F.3d 1308, 1328 (Fed. Cir. 2014); *Commonwealth Sci. & Indus. Research Organisation v. Cisco Sys.*, 2014 U.S. Dist. LEXIS 107612, 38-39 (E.D. Tex. July 23, 2014) (rejecting the use of chip prices as the royalty base).

⁶² *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1327-1328 (Fed. Cir. 2014) (“Where the smallest salable unit is, in fact, a multi-component product containing several non-infringing features with no relation to the patented feature [. . .], the patentee must do more to estimate what portion of the value of that product is attributable to the patented technology. To hold otherwise would permit the entire market value exception to swallow the rule of apportionment.”); *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 67-68 (Fed. Cir. 2012) (“We reaffirm that in any case involving multi-component products, patentees may not calculate damages based on sales of the entire product, as opposed to the smallest salable patent-practicing unit, without showing that the demand for the entire product is attributable to the patented feature.”); *WhitServe, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 27 (Fed. Cir. 2012) (“When a hypothetical negotiation would have yielded a running royalty, the classic way to determine the reason-able royalty amount is to multiply the royalty base, which represents the revenue generated by the infringement, by the royalty rate, which represents the percentage of revenue owed to the patentee.”); *Lucent Techs., Inc. v. Gateway, Inc.* 580 F.3d 1301, 1336 (Fed. Cir. 2009); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1549 (Fed. Cir. 1995); *In re Innovatio IP Ventures, LLC Patent Litig.*, MDL No. 2303, 2013 WL 5593609 at *38-43 (N.D. Ill. Oct. 3, 2013).

⁶³ See *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201 (Fed. Cir. Dec. 4, 2014)

⁶⁴ *Ericsson*, 773 F.3d at 1232.

the value added by the patented feature, where that differentiation is possible.”⁶⁵ In the case of multi-component products, like smartphones and tablet computers, where demand for the entire product is not attributable to the patented feature, you may not base the royalty on the price or revenues of the entire product, but instead “must [use] a more realistic starting point for the royalty calculation [. . .]—often, the smallest saleable unit and, at times, even less.”⁶⁶

I. [Apple’s Proposal] Lump Sum Royalty (DISPUTED)^{67, 68}

One way to calculate a royalty is to determine a one-time lump sum payment that the infringer would have paid at the time of the hypothetical negotiation for a license covering all sales of the licensed product both past and future. This differs from payment of an ongoing royalty where a royalty rate is applied against future sales as they occur. When a one-time lump sum is paid, the infringer pays a single price for a license covering both past and estimated future infringing sales. It is up to you, based on the evidence, to decide what type of royalty (if any) is appropriate in this case.

XVIII. BREACH OF CONTRACT (PARTIALLY AGREED)

A. Breach of Contract: Introduction (PARTIALLY AGREED)

In addition to the parties’ allegations related to infringement that I have just described to you, the parties have also asserted breach of contract claims against each other. The European Telecommunications Standards Institute (“ETSI”) is a standard setting organization made up of member companies. ETSI adopted the cellular communications standards that are at issue in this case.

⁶⁵ *Id.* at 1226.

⁶⁶ *Id.* at 1227.

⁶⁷ Excerpted from Model Patent Jury Instructions for the Northern District of California (2014), Instruction. No. 5.7 [“Reasonable Royalty—Definition”].

⁶⁸ Core Wireless objects to the inclusion of a Lump Sum Royalty instruction as neither party’s damages expert offered any opinion on a lump sum and it is thus not relevant to the case.

Core Wireless contends that Apple breached contractual obligations to Core Wireless and ETSI to negotiate with Core Wireless in good faith for a license to the Asserted Patents.

Apple disputes that it has any such contractual obligation or that it breached any obligation.⁶⁹

Apple contends that Core Wireless breached its contract with ETSI (as made to ETSI in its licensing declaration), to be “prepared to grant irrevocable licenses” on fair, reasonable and non-discriminatory (“FRAND”) terms.⁷⁰

Core Wireless disagrees with Apple’s interpretation of Core Wireless’s alleged obligations and disputes that it has breached a FRAND commitment.

I will now instruct you regarding the standards to apply for the parties’ breach of contract claims.

B. Breach of Contract Claims (PARTIALLY AGREED)

⁶⁹ Apple objects to the jury being instructed about Core Wireless’s contract claim which is not valid as a matter of law and for which it has presented no evidence.

⁷⁰ [See *DX193 [Core Wireless’s FRAND declaration to ETSI]*; see also *Realtek Semiconductor Corp. v. LSI Corp.*, 946 F. Supp. 2d 998, 1006 (N.D. Cal. 2013) (“[D]efendants’ [sic] are contractually obligated under their Letters of Assurance to the IEEE to license the ‘958 and ‘867 patents on RAND terms and Realtek is a third-party beneficiary to that contract.”); *Microsoft Corp. v. Motorola, Inc.*, 854 F. Supp. 2d 993, 999 (W.D. Wash. 2012) (“[T]hrough Motorola’s letters to both the IEEE and ITU, Motorola has entered into binding contractual commitments to license its essential patents on RAND terms.”); *Research in Motion Ltd. v. Motorola, Inc.*, 644 F. Supp. 2d 788, 797 (N.D. Tex. 2008) (denying motion to dismiss where plaintiff stated breach of contract claim based on defendant’s failure to offer reasonable and non-discriminatory terms as it had promised ETSI); *Expert Report of Vernon Palmer on French Contract Law* ¶ 46 (“[T]wo additional contracts arose between ETSI and Nokia and between ETSI and Core Wireless in which binding declarations and commitments to license the Asserted Patents were made to ETSI for the benefit of third parties, such as Apple. These contracts satisfied the . . . four conditions for a valid contract under French law (Article 1108), and more particularly they satisfied the conditions for valid third party beneficiary contracts.”); *id.* ¶ 47 (“The written promises to ETSI of Nokia and then Core Wireless, that each was prepared to fulfill the FRAND obligation in accordance with ETSI’s policies, thereby created separate bilateral contracts containing a stipulation pour autrui conveying enforceable rights in favor of third parties, such as Apple”).]

1. Elements of a Contract⁷¹

You must first determine whether Core Wireless and Apple have established that the other is bound by a valid contract. There are four elements required to create a valid contract:

1. The parties must have the capacity to contract, which means that the party is capable of legally binding itself.
2. The object of the contract must be determinable, which means there must be a thing which one party binds itself to do or not to do.
3. The contract must be for a lawful cause.
4. Finally, the parties must give meaningful and knowing consent to enter into the contract.

Only if you find all four elements present, can you conclude that there is a valid contract.

I further instruct you that a valid contract can be created for what is called a third-party beneficiary.

In that contract, parties A and B agree to a contract for the benefit of C. An example of a third-party beneficiary contract is a life insurance policy, where the insured and the insurance company enter an agreement that benefits a third party who will receive the proceeds of the insurance policy.

[Contractual obligations may also arise from licensing declarations submitted to ETSI. A licensing declaration constitutes an offer to grant beneficiaries of the licensing declaration a patent license. The users of the ETSI standards are the beneficiaries. The use of the ETSI

⁷¹ Expert Report of Prof. Vernon V. Palmer Regarding French Contract Law (Dkt. 372 Ex. K), ¶¶23-28, 30.

standards constitutes performance of such an agreement which is a valid form of acceptance of an offer, resulting in the formation of an irrevocable contract.⁷²

Finally, contractual obligations may also imposed upon members of an association such as ETSI from the statutes, bylaws and policies of the organization. These rules have the same force as the provisions of other contracts, and the contract of association entails the same duties imposed by law, including the duty to perform in good faith, that attach to contracts.⁷³

2. Breach of Contract^{74, 75}

If you find the existence of a valid contract, you must then determine whether it has been breached. To find a breach of a contract, you must conclude that the party bound by the contract did not fulfill its obligations under the contract. [The obligations under a contract include the obligation to act in good faith.^{76]}⁷⁷

⁷² Expert Report of Prof. Vernon V. Palmer, ¶¶ 36, 44; Apple’s Response to Interrogatories Nos. 17-18 (*Nokia v. Apple* (C.A. No. 09-791-GMS (D.Del.))) (APLCW_A0000015214); Expert Report of Nicolas Molfessis, ¶¶86-94 (APLCW_A0000017226-28).

⁷³ Apple does not dispute this statement as a matter of law but Core Wireless offered no evidence of what those obligations are, including failing to introduce into evidence the ETSI Intellectual Property Rights Policy or any other ETSI statutes or bylaws and therefore would confuse the jury.

⁷⁴ Expert Report of Prof. Vernon V. Palmer Regarding French Contract Law (Dkt. 372 Ex. K), ¶¶37-39.

⁷⁵ Core Wireless objects to inclusion of Apple’s contact claims based on the lack of any legal support for the contractual obligations.

⁷⁶ Expert Report of Prof. Vernon V. Palmer, ¶¶ 36, 44; Apple’s Response to Interrogatories Nos. 17-18 (*Nokia v. Apple* (C.A. No. 09-791-GMS (D.Del.))) (APLCW_A0000015214); Expert Report of Nicolas Molfessis, ¶¶86-94 (APLCW_A0000017226-28); *see also Ericsson, Inc. v. D-Link Systems, Inc.*, No. 6:10-CV-473, 2013 U.S. Dist. LEXIS 110585, at *87-88 (E.D. Tex. Aug. 6, 2013) (Davis, J.) (“RAND licensing also includes an obligation to negotiate in good faith. This obligation is a two-way street.”).

⁷⁷ Apple objects to this formulation, which is inconsistent with Prof. Palmer’s report. Apple would agree to the following language: “Obligations under a contract must be performed in good faith.”

XIX. [CORE WIRELESS PROPOSAL] CORE WIRELESS'S DEFENSES TO BREACH OF CONTRACT

A. Apple's Duty to Mitigate⁷⁸

A party that claims damages resulting from the breach of contract of another has a duty under the law to use reasonable diligence to mitigate its damages, that is, to avoid or to minimize those damages.

If you find Core Wireless is liable and Apple has suffered damages, Apple may not recover for any item of damage that it could have avoided through reasonable effort. If you find that Core Wireless has proved by a preponderance of the evidence that Apple unreasonably failed to take advantage of an opportunity to lessen its damages, you should deny its recovery for those damages that it would have avoided had it taken advantage of the opportunity.

You are the sole judge of whether Apple acted reasonably in avoiding or minimizing its damage. An injured party (Apple) may not sit idly by when presented with an opportunity to reduce its damages. However, it is not required to make unreasonable efforts or to incur unreasonable expenses in mitigating damages. Core Wireless has the burden of proving damages Apple could have mitigated. In deciding whether to reduce Apple's damages because of its failure to mitigate, you must weigh all the evidence in light of the circumstances of the case, using sound discretion in deciding whether Core Wireless has satisfied its burden of proving that Apple's conduct was not reasonable.

B. [Core Wireless's proposal] Core Wireless's Defense to Breach of Contract – Waiver⁷⁹ (DISPUTED)^{80, 81}

⁷⁸ Fifth Circuit Pattern Jury Instruction—Civil (2014), Instruction No. 15.5.

⁷⁹ Texas Pattern Jury Charges 2012 – Civil § 101.24.

⁸⁰ Apple objects to the inclusion of this instruction in the final jury instructions. Core Wireless has adduced no evidence or expert testimony that French law, which Core Wireless admits governs the parties' contract claims, recognizes this defense or that Core Wireless's instruction accurately states French law. Given this lack of evidence regarding French law, Apple does not believe that there will be a sufficient legal or factual basis to charge the jury with respect to Core

Core Wireless's alleged failure to comply with a FRAND obligation is excused if compliance is waived by Apple.

Waiver is an intentional surrender of a known right or intentional conduct inconsistent with claiming the right.

C. [Core Wireless's proposal] Core Wireless's Defense to Breach of Contract – Apple's Material Breach⁸² (DISPUTED)^{83, 84}

Core Wireless's alleged failure to comply with a FRAND obligation is excused if you find Apple previously failed to comply with a material obligation of the same agreement.

D. [Core Wireless's proposal] Core Wireless's Defense to Breach of Contract – Apple's Anticipatory Repudiation⁸⁵ (DISPUTED)^{86, 87}

Wireless's defense of waiver; and, as such, does not believe this is a necessary or appropriate instruction. Apple further objects that this is an equitable defense that should not go to the jury.

⁸¹ Apple objects to the inclusion of this instruction on the grounds that it presents Core Wireless's equitable defense as an issue to be tried by the jury. On Core Wireless's own motion, the Court ruled that equitable defenses will be heard by the Court outside the presence of the jury. (Tr. Hearing (Mar. 4, 2015) at 63.)

⁸² Texas Pattern Jury Charges 2012 – Civil § 101.22.

⁸³ Apple objects to the inclusion of this instruction in the final jury instructions. Core Wireless has adduced no evidence or expert testimony that French law, which Core Wireless admits governs the parties' contract claims, recognizes this defense or that Core Wireless's instruction accurately states French law. Given this lack of evidence regarding French law, Apple does not believe that there will be a sufficient legal or factual basis to charge the jury with respect to Core Wireless's defense of material breach; and, as such, does not believe this is a necessary or appropriate instruction.

⁸⁴ Apple objects to the inclusion of this instruction on the grounds that it presents Core Wireless's equitable defense as an issue to be tried by the jury. On Core Wireless's own motion, the Court ruled that equitable defenses will be heard by the Court outside the presence of the jury. (Tr. Hearing (Mar. 4, 2015) at 63.)

⁸⁵ Texas Pattern Jury Charges 2012 – Civil § 101.23.

⁸⁶ Apple objects to the inclusion of this instruction in the final jury instructions. Core Wireless has adduced no evidence or expert testimony that French law, which Core Wireless admits governs the parties' contract claims, recognizes this defense or that Core Wireless's instruction accurately states French law. Given this lack of evidence regarding French law, Apple does not believe that there will be a sufficient legal or factual basis to charge the jury with respect to Core Wireless's defense of anticipatory repudiation; and, as such, does not believe this is a necessary or appropriate instruction.

The alleged failure to comply with a FRAND obligation by Core Wireless is excused if you find Apple's conduct constituted prior repudiation of the same agreement.

A party repudiates an agreement when it indicates, by its words or actions, that it is not going to perform its obligations under the agreement in the future, showing a fixed intention to abandon, renounce, and refuse to perform the agreement.

E. [Core Wireless's proposal] Core Wireless's Defense to Breach of Contract – Apple's Unclean Hands⁸⁸ (DISPUTED)^{89, 90}

The doctrine of unclean hands provides that “a suitor in equity must come into court with clean hands and he must keep them clean after his entry and throughout the proceedings.”

The doctrine gives expression to the equitable principle that a court should not grant relief to one who is a wrongdoer with respect to the subject matter in suit.

If you find Apple is a wrongdoer with respect to the agreements involving FRAND obligation, you may not grant any relief to Apple.

XX. CONTRACT DAMAGES (PARTIALLY AGREED)⁹¹

⁸⁷ Apple objects to the inclusion of this instruction on the grounds that it presents Core Wireless's equitable defense as an issue to be tried by the jury. On Core Wireless's own motion, the Court ruled that equitable defenses will be heard by the Court outside the presence of the jury. (Tr. Hearing (Mar. 4, 2015) at 63.)

⁸⁸ *Chen v. Intoplast Group, Ltd.*, 2014 U.S. Dist. LEXIS 43079 at *64 (S.D. Tex. March 31, 2014).

⁸⁹ Apple objects to the inclusion of this instruction in the final jury instructions. Core Wireless has adduced no evidence or expert testimony that French law, which Core Wireless admits governs the parties' contract claims, recognizes this defense or that Core Wireless's instruction accurately states French law. Given this lack of evidence regarding French law, Apple does not believe that there will be a sufficient legal or factual basis to charge the jury with respect to Core Wireless's defense of unclean hands; and, as such, does not believe this is a necessary or appropriate instruction.

⁹⁰ Apple objects to the inclusion of this instruction on the grounds that it presents Core Wireless's equitable defense as an issue to be tried by the jury. On Core Wireless's own motion, the Court ruled that equitable defenses will be heard by the Court outside the presence of the jury. (Tr. Hearing (Mar. 4, 2015) at 63.)

⁹¹ Expert Report of Prof. Vernon V. Palmer Regarding French Contract Law (Dkt. 372 Ex. K), ¶40.

It is the duty of the court to instruct you as to the measure of damages. By instructing you on damages the court does not mean to suggest for which party your verdict should be rendered. In order to recover damages for a breach of contract, the party alleging the breach must show that it incurred damages as a result of the breach, and the amount of those damages.

If you find that one party breached its contractual obligations and the other party was harmed as a result, but you find that Apple or Core Wireless has failed to prove damages as defined in these instructions, you must award nominal damages. Nominal damages must be greater than zero and may not exceed \$1.00.

It is for you to determine what damages, if any, either party has proven. Your award must be based upon evidence and not upon speculation, guesswork or conjecture.

[In addition, if you determine that Apple has breached its obligation, you must also determine if Apple is an unwilling licensee.]⁹²

With those instructions, Ladies and Gentlemen, you will now hear closing arguments from counsel from each of the parties.

⁹² Apple objects to the inclusion of this instruction for the reasons set forth in Apple's Corrected Motion for Judgment as a Matter of Law (Dkt. 391) and its Proposed Findings of Fact and Conclusions of Law (Dkt. 306).

Dated: March 15, 2015

Respectfully Submitted,

By: /s/ Henry C. Bunsow
Henry Bunsow (California State Bar # 60707)
Denise M. De Mory (California State Bar #168076)
Brian A.E. Smith (California State Bar # 188147)
Craig Y. Allison (California State Bar # 161175)
BUNSOW, DE MORY, SMITH & ALLISON LLP
351 California Street, Suite 200
San Francisco, CA 94104
Telephone: (415) 426-4747
Facsimile: (415) 426-4744
Email: hbunsow@bdiplaw.com
Email: ddemory@bdiplaw.com
Email: bsmith@bdiplaw.com
Email: callison@bdiplaw.com

T. John Ward, Jr. (Texas Bar # 00794818)
Wesley Hill (Texas Bar # 24032294)
WARD & SMITH LAW FIRM
1127 Judson Road, Suite 220
Longview, Texas 75601
Telephone: (903) 757-6400
Facsimile: (903) 757-2323
Email: jw@wsfirm.com
Email: wh@wsfirm.com

**ATTORNEYS FOR PLAINTIFF
CORE WIRELESS LICENSING S.A.R.L.**

By: /s/ Kate Saxton
Joseph J. Mueller
Massachusetts Bar No. 647567
John J. Regan
Massachusetts Bar No. 415120
Cynthia D. Vreeland
Texas Bar No. 20625150
Massachusetts Bar No. 635143
Kate Saxton (*pro hac vice*)
WILMER CUTLER PICKERING HALE & DORR LLP
60 State Street
Boston, Massachusetts 02109 USA
Telephone: (617) 526-6000
Facsimile: (617) 526-5000
Email: joseph.mueller@wilmerhale.com
Email: John.Regan@wilmerhale.com

Eric M. Albritton
Texas State Bar No. 00790215
ALBRITTON LAW FIRM
P.O. Box 2649
Longview, Texas 75606
Telephone: (903) 757-8449
Facsimile: (903) 758-7397
Email: ema@emafirm.com

**COUNSEL FOR DEFENDANT
APPLE INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this motion was served on all counsel who are deemed to have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Fed. R. Civ. P. 5(d) and Local Rule CV-5(d) and (e), all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by electronic mail on this the 15th day of March 2015.

Dated: March 15, 2015

/s/ Joseph J. Mueller
Joseph J. Mueller