

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

GENBAND US LLC,

Plaintiff,

v.

METASWITCH NETWORKS LTD,
METASWITCH NETWORKS CORP.,

Defendant.

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**Civil Action No. 2:14-cv-33
JURY TRIAL DEMANDED**

AMENDED JOINT PROPOSED FINAL JURY INSTRUCTIONS

JOINT PROPOSED JURY INSTRUCTIONS

Plaintiff Genband US LLC (“Genband”) and defendants Metaswitch Networks Ltd and Metaswitch Networks Corp. (collectively, “Metaswitch”) hereby submit the following jointly proposed final jury instructions. This filing replaces the final jury instructions filed at Dkt. 348.

These instructions are agreed, except as noted: (1) Where one party objects to an instruction in its entirety, the objection is noted in a footnote to the title of the instruction, and (2) where the parties disagree about parts of an instruction, the parties have either bracketed and underlined the language on which they do not agree, or set forth competing proposals. Where appropriate, the parties have offered separate proposals for specific instructions. The parties reserve the right to object to submission of any instruction and to offer additional or modified instructions before the Court submits its charge to the jury.

Dated January 14, 2016

Respectfully submitted,

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FINAL INSTRUCTIONS AT THE CLOSE OF EVIDENCE

GENERAL INSTRUCTIONS FOR CHARGE¹

You have heard the evidence in this case. I will now instruct you on the law that you must apply. It is your duty to follow the law as I give it to you, regardless of any opinion that you might have as to what the law ought to be. On the other hand, you the jury are the judges of the facts. Do not consider any statement that I have made in the course of trial or make in these instructions as an indication that I have any opinion about the facts of this case. If I have given you the impression during trial that I favor either side, you must disregard that impression.

After I instruct you on the law, the attorneys will have an opportunity to make their closing arguments. Statements and arguments of the attorneys are not evidence and are not instructions on the law. They are intended only to assist the jury in understanding the evidence and the parties' contentions. The testimony of the witnesses and other exhibits introduced by the parties constitute the evidence. It is important for you to distinguish between the arguments of counsel and the evidence on which those arguments rest. You may consider the attorneys' arguments in light of the evidence that has been admitted and determine whether the evidence admitted in this trial supports those arguments.

The law contained in these instructions is the only law you may follow. You are required by law to decide the case in a fair, impartial, and unbiased manner, based entirely on the law and on the evidence presented to you in the courtroom.

There are two standards of proof that you will apply in this case.

To establish a claim by a preponderance of the evidence means to prove something is more likely so than not.

¹ Fifth Circuit Pattern Instructions, 3.1, 3.2, 3.3, 3.4, 3.5.

Clear and convincing evidence means evidence that produces in your mind a firm belief or conviction as to the truth of the matter sought to be established. When a party has the burden of proving any claim or defense by clear and convincing evidence, it means the evidence must have persuaded you that the claim or defense is 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.

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 testimony of all witnesses, regardless of who may have called them, and all exhibits received in evidence, regardless of who may have produced them.²

The evidence you are to consider consists of the testimony of the witnesses, the documents and other exhibits admitted into evidence, and any fair inferences and reasonable conclusions you can draw from the facts and circumstances that have been proven.

You alone are to determine the questions of credibility or truthfulness of the witnesses. In weighing the testimony of the witnesses, you may consider the witness's manner and demeanor on the witness stand, any feelings or interest in the case, or any prejudice or bias about the case, that he or she may have, and the consistency or inconsistency of his or her testimony considered in the light of the circumstances. Has the witness been contradicted by other credible evidence? Has he or she made statements at other times and places contrary to those made here on the witness stand? You must give the testimony of each witness the credibility that you think it deserves.

² See *Ericsson, Inc. v. D-Link Corp.*, Case No. 6:10-CV-473, 6/12 a.m. Tr. at 9.

Even though a witness may be a party to the action and therefore interested in its outcome, the testimony may be accepted if it is not contradicted by direct evidence or by any inference that may be drawn from the evidence, if you believe the testimony.

You are not to decide this case by counting the number of witnesses who have testified on the opposing sides. Witness testimony is weighed; witnesses are not counted. The test is not the relative number of witnesses, but the relative convincing force of the evidence. The testimony of a single witness is sufficient to prove any fact, even if a greater number of witnesses testified to the contrary, if after considering all of the other evidence, you believe that witness.

There are two types of evidence that you may consider in properly finding the truth as to the facts in the case. One is direct evidence—such as testimony of an eyewitness. The other is indirect or circumstantial evidence. Circumstantial evidence is evidence that proves a fact from which you can logically conclude another fact exists. As a general rule, the law makes no distinction between direct and circumstantial evidence, but simply requires that you find the facts from a preponderance of all the evidence, both direct and circumstantial.

When knowledge of technical subject matter 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 an opinion on those technical matters. However, you are not required to accept that opinion. As with any other witness, it is up to you to decide whether to rely upon it.

Any notes that you have taken during this trial are only aids to memory. If your memory should differ from your notes, then you should rely on your memory and not on the notes. The notes are not evidence. A juror who has not taken notes should rely on his or her independent recollection of the evidence and should not be unduly influenced by the notes of other jurors.

Notes are not entitled to any greater weight than the recollection or impression of each juror about the testimony.

NO INFERENCE FROM FILING SUIT³

The fact that a company brought a lawsuit and is in court seeking damages creates no inference that the company is entitled to a judgment. Anyone may make a claim and file a lawsuit. The act of making a claim in a lawsuit, by itself, does not in any way tend to establish that claim and is not evidence.

DEPOSITION TESTIMONY⁴

Certain testimony was presented to you through a deposition. A deposition is the sworn, recorded answers to questions asked a witness in advance of trial. Deposition testimony is entitled to the same consideration and is to be judged by you as to credibility and weighed and otherwise considered by you insofar as possible in the same way as if the witness had been present and had testified from the witness stand in court.

LIMITING INSTRUCTION

You will recall that during the course of this trial I instructed you that I admitted certain testimony and certain exhibits for a limited purpose. You may consider such evidence only for that specific limited purpose and for no other.⁵

DEMONSTRATIVE EVIDENCE⁶

Certain charts and summaries have been shown to you solely to help explain or summarize the facts disclosed by other documents that are in evidence. These charts and

³ Fifth Circuit Pattern Instructions (2014), 3.6.

⁴ Fifth Circuit Pattern Instructions, 2.13.

⁵ Fifth Circuit Pattern Instructions (2014), 2.6 (modified).

⁶ Fifth Circuit Pattern Jury Instructions 2.7, 2.8 (modified).

summaries are not evidence or proof of any facts. The parties have also used demonstratives as an illustration to describe something involved in this trial. These demonstratives are not evidence. You should determine the facts solely from the evidence that has been admitted. If your recollection of the evidence differs from any charts, summaries, or demonstrative exhibits, rely on your recollection.

IMPEACHMENT BY WITNESSES' INCONSISTENT STATEMENTS

In determining the weight to give to the testimony of a witness, you should consider whether there was evidence that at some other time the witness said or did something, or failed to say or do something, that was different from the testimony given at the trial.

A simple mistake by a witness does not necessarily mean that the witness did not tell the truth as he or she remembers it. People may forget some things or remember other things inaccurately. If a witness made a misstatement, consider whether that misstatement was an intentional falsehood or simply an innocent mistake. The significance of that may depend on whether it has to do with an important fact or with only an important detail.

CONTENTIONS OF THE PARTIES⁷

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

As I previously told you, Genband filed suit in this court seeking money damages from Metaswitch for allegedly infringing the patents at issue by making, using, importing, offering to sell, and/or selling in the United States products that Genband argues are covered by the asserted claims of the patents at issue. [Genband also argues that Metaswitch has actively induced

⁷ Federal Circuit Bar Association Model Patent Jury Instructions, B1.

infringement of patents by others.^{8]} I have provided a chart for each patent detailing which claims of each patent were allegedly infringed and the accused Metaswitch products that allegedly infringe those claims.

Asserted Claims	Accused Metaswitch Products
Claims 70, 80, and 92 of the '971 patent	Service Broker, Metasphere Call Feature Server, Integrated Softswitches (VP2510, VP3500, VP3510, VP6010, VP6050)
Claims 1 and 11 of the '658 patent	Metasphere Call Feature Server, Integrated Softswitches (VP2510, VP3500, VP3510, VP6010, VP6050) Universal Media Gateways (MG2510, MG3510, MG6010, MG6050)
Claim 25 of the '279 patent	Metasphere Multiservice Telephony Application Server, Accession and CommPortal
Claims 6, 17, and 20 of the '561 patent	Perimeta SBCs
Claim 1 of the '427 patent	Integrated Softswitches (VP2510, VP3500, VP3510, VP6010, VP6050), Universal Media Gateways (MG2510, MG3510, MG6010, MG6050)
Claim 1 of the '984 patent.	Integrated Softswitches (VP2510, VP3500, VP3510, VP6010, VP6050), Universal Media Gateways (MG2510, MG3510, MG6010, MG6050)
Claim 15 of the '589 patent	Metasphere Multiservice Telephony Application Server, Accession and CommPortal

⁸ Metaswitch's Position: Although these motions have been denied, Metaswitch objects to the inclusion of instructions on indirect infringement for the reasons set forth in Metaswitch's Motion for Summary Judgment of No Willful and No Indirect Infringement (Dkt. 254), and its Motion to Strike the Expert Report of William H. Beckmann (Dkt. 256).

Genband's Position: Metaswitch's motion has been denied. The instruction is proper.

Metaswitch denies that it has infringed the asserted claims and denies that Genband is entitled to any damages or other relief. Metaswitch also contends that the asserted claims are invalid. In general, a patent is invalid if it is not new or is obvious in view of the state of the art at the relevant time, or if the description in the patent does not meet certain requirements.

In addition to its non-infringement and invalidity defenses, Metaswitch also has certain claims and affirmative defenses. As I mentioned, Metaswitch denies that it infringed Genband's patents and therefore seeks declarations of non-infringement and invalidity for all of the asserted patents. [In the alternative, Metaswitch contends that various agreements provide Metaswitch a license to some of the asserted patents.⁹]

Your job is to decide whether Metaswitch has infringed the asserted claims of the asserted patents and whether any of those claims are invalid. If you decide that any claim of the asserted patents has been infringed and is not invalid, you will then need to decide any money damages to be awarded to Genband. The money damages will be awarded to compensate Genband for the infringement.

⁹ Genband's Position: Genband objects to the inclusion of instructions on Metaswitch's license defenses to the jury. The evidence does not support such instructions. There is no evidence of essentiality and no evidence that under the governing documents, Metaswitch has a right to a license for its accused activities. This objection applies throughout these proposed instructions. But if the Court includes this sentence over Genband's objections, Genband asks that the last word be changed from "patents" to "claims." As discussed in the sections below, the governing documents show that the essentiality/license inquiry is by claim, not by patent.

Metaswitch's position: The instruction is appropriate to reflect Metaswitch's asserted defenses. Genband did not move for obtain summary judgment on these defenses, and they are supported by the evidence.

THE ROLE OF THE CLAIMS OF A PATENT¹⁰

Before you can decide many of the issues in this case, you will need to understand the role of patent “claims.” The patent claims are the numbered sentences at the end of each patent. The claims are important because it is the words of the claims that define what a patent covers. The figures and 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 another claim. Therefore, what a patent covers depends, in turn, on what each of its claims covers.

You will first need to understand what each claim covers in order to decide whether or not there is infringement of the claim and to decide whether or not the claim is invalid. The law says that it is my role to define the terms of the claims and it is your role 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 the claims and I will provide to you my definitions of certain claim terms. You must accept my definitions of these words in the claims as being correct. It is your job to take these definitions and apply them to the issues that you are deciding, including the issues of infringement and validity.

HOW A CLAIM DEFINES WHAT IT COVERS¹¹

I will now explain how a claim defines what it covers.

¹⁰ Federal Circuit Bar Association Model Patent Jury Instructions, B.2., 2.1.

¹¹ *Id.* at 2.2.

A claim sets forth, in words, a set of requirements. Each claim sets forth its requirements in a single sentence. If a device or a method satisfies each of these requirements, then it is covered by the claim.

There can be several claims in a patent. Each claim may be narrower or broader than another claim by setting forth more or fewer requirements. The coverage of a patent is assessed claim-by-claim. In patent law, the requirements of a claim are often referred to as “claim elements” or “claim limitations.” When a thing (such as a product or a process) meets all of the requirements of a claim, the claim is said to “cover” that thing, and that thing is said to “fall” within the scope of that claim. In other words, a claim covers a product or process where each of the claim elements or limitations is present in that product or process.

Sometimes the words in a patent claim are difficult to understand, and therefore it is difficult to understand what requirements these words impose. It is my job to explain to you the meaning of the words in the claims and the requirements these words impose.

As I just instructed you, there are certain specific terms that I have defined and you are to apply the definitions that I provide to you.

By understanding the meaning of the words in a claim and by understanding that the words in a claim set forth the requirements that a product or process must meet in order to be covered by that claim, you will be able to understand the scope of coverage for each claim. Once you understand what each claim covers, then you are prepared to decide the issues that you will be asked to decide, such as infringement and invalidity.

INDEPENDENT AND DEPENDENT CLAIMS¹²

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

¹² Federal Circuit Bar Association Model Patent Jury Instructions, B.2, 2.2a

An “independent claim” sets forth all of the requirements that must be met in order to be covered by that claim. Thus, it is not necessary to look at any other claim to determine what an independent claim covers. 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. A dependent claim incorporates all of the requirements of the claim(s) to which it refers. The dependent claim then adds its own additional requirements. To determine what a dependent claim covers, it is necessary to look at both the dependent claim and any other claim(s) to which it refers. A product or process that meets all of the requirements of both the dependent claim and the claim(s) to which it refers is covered by that dependent claim.

CLAIM INTERPRETATION¹³

I will now explain to you the meaning of some of the words of the claims in this case. In doing so, I will explain some of the requirements of the claims. As I have previously instructed you, you must accept my definition of these words in the claims as correct. For any words in the claim for which I have not provided you with a definition, you should apply their common meaning. You should not take my definition of the language of the claims as an indication that I have a view regarding how you should decide the issues that you are being asked to decide, such as infringement and invalidity. These issues are yours to decide. Below is a chart detailing the Court’s claim construction:

¹³ Federal Circuit Bar Association Model Patent Jury Instructions, B.2, 2.3.

'971 Patent

Claim Term	Court's Definition
Internet Protocol (IP) Service Switching Function (SSF-IP) ['971 Patent, Claims 70 and 92]	a Service Switching Function capable of directly communicating with a device on an IP network
Service Control Function (SCF) ['971 Patent, Claims 70, 80, and 92]	the application of service logic to control functional entities in providing intelligent network services
Service Switching Function (SSF) ['971 Patent, Claims 70 and 92]	the set of processes that provide the communication path for interaction between a call control function and a service control function

'658 Patent

Claim Term	Court's Definition
adapted to determine that a first parameter associated with the first IP telephony protocol does not map to the second IP telephony protocol ['658 Patent, Claim 1]	adapted to determine that a first parameter associated with the first IP telephony protocol does not have a corresponding parameter in the second IP telephony protocol
protocol ['658 Patent, Claims 1 and 11]	a set of rules, procedures, or conventions relating to data handling
a superset of functions provided by the first and second IP telephony protocols ['658 Patent, Claim 1]	a set that includes one or more functions provided by both the first and second IP telephony protocols

'561 Patent

Claim Term	Court's Definition
application proxy ['561 Patent, Claims 6 and 17]	a hardware and/or software component configured to operate at an upper level of the protocol stack and communicate with external services on behalf of a client
applying the Internet protocol packets associated with the bearer channel to a packet filter ['561 Patent, Claims 6 [Claim 1], 17]	applying, for the setup, duration, and take down of the real-time Internet application, all IP packets associated with the bearer channel to the packet filter
applying the Internet protocol packets associated with the signaling channel and control channel to an application proxy ['561 Patent, Claims 6 [Claim 1], 17]	applying, for the setup, duration, and take down of the real-time Internet application, all IP packets associated with the signaling channel and control channel to the application proxy
channel ['561 Patent, Claims 6, 17, and 20]	stream of packets
NAT ['561 Patent, Claim 20]	Network Address Translation
packet filter ['561 Patent, Claims 6, and 17]	a hardware and/or software component configured to examine incoming and/or outgoing packets and, based on pre-defined filtering rules, determine which packets to allow or block

'427 and '984 Patents

Claim Term	Court's Definition
first broadband network ['427 Patent, Claim 1 and '984 Patent, Claim 1]	broadband network of a first type

Claim Term	Court's Definition
second broadband network ['427 Patent, Claim 1 and '984 Patent, Claim 1]	broadband network of a second type
first data communication protocol ['427 Patent, Claim 1 and '984 Patent, Claim 1]	data communication protocol of a first type
second data communication protocol ['427 Patent, Claim 1 and '984 Patent, Claim 1]	data communication protocol of a second type
first telecommunication interface format ['427 Patent, Claim 1]	telecommunication interface of a first type
second telecommunication interface format ['427 Patent, Claim 1]	telecommunication interface of a second type
packetization module[s] operable to . . . ['427 Patent, Claim 1 and '984 Patent, Claim 1]	Function: receiving first/second data packets from a first/second broadband network using a first/second data communications protocol and extracting first/second telecommunication information associated with a first/second subscriber from the first/second data packets Structure: packetization modules 110 implemented on a separate printed circuit board; and equivalents thereof

SECTION 112, PARAGRAPH 6¹⁴

Claim 1 of the '984 Patent and Claim 1 of the '427 Patent use the phrase “packetization modules operable to receive first data packets from a first broadband network using a first data communications protocol and to extract first telecommunication information associated with a

¹⁴ Federal Circuit Bar Association Model Patent Jury Instructions, B.2 (2.3a).

first subscriber from the first data packets, the packetization modules further operable to receive second data packets from a second broadband network using a second data communication protocol and to extract second telecommunication information associated with a second subscriber from the second data packets.” This “means for” phrase has a special meaning in patent law. It is called a “means-plus-function” requirement. It does not cover all of the structures that could perform the function set forth in the claim, namely, “receiving first/second data packets from a first/second broadband network using a first/second data communications protocol and extracting first/second telecommunication information associated with a first/second subscriber from the first/second data packets.” Instead, it covers a structure or a set of structures that performs that function and that is either identical or “equivalent” to at least one of the sets of structures described in the asserted patents for performing that function, namely “packetization modules 110 implemented on a separate printed circuit board; and equivalents thereof”. The issue of whether two structures are identical or equivalent is for you to decide. I will explain to you later how to determine whether two structures or two sets of structures are “equivalent” to one another. For purposes of this case, I have identified the sets of structures described in the asserted patents that perform the function of “receiving first/second data packets from a first/second broadband network using a first/second data communications protocol and extracting first/second telecommunication information associated with a first/second subscriber from the first/second data packets.” When I read your definitions for certain claim terms a few moments ago, I identified the structures described in the asserted patent for performing the relevant functions. You should apply my definition of the function and the structures described in the asserted patent for performing it as you would apply my definition of any other claim term.

INFRINGEMENT GENERALLY^{15, 16}

I will now instruct you how to decide whether or not Metaswitch has infringed the asserted patents. Infringement is assessed on a claim-by-claim basis. Therefore, there may be infringement as to one claim but no infringement as to another.

[In this case, there are two possible ways that a claim may be infringed: (1) direct infringement; and (2) active inducement. Active inducement is referred to as indirect infringement. There cannot be indirect infringement without someone else engaging in direct infringement. To prove indirect infringement, Genband must also prove that Metaswitch's indirect infringement caused direct infringement.] In this case, Genband has alleged that Metaswitch directly infringes the asserted patents. [In addition, Genband has alleged that Metaswitch's customers directly infringe the asserted patents, and Metaswitch is liable for actively inducing that direct infringement by its customers.]

In order to prove infringement, Genband must prove that the requirements for [one or more of these types of] infringement are met by a preponderance of the evidence, i.e., that it is more likely than not that all of the requirements of [one or more of each of these types of] infringement have been proved.

I will now explain [each of these types of] infringement in more detail.

¹⁵ Federal Circuit Bar Association Model Patent Jury Instructions, B.3 (3.1).

¹⁶ Metaswitch's Position: Although these motions have been denied, Metaswitch objects to the inclusion of instructions on indirect infringement for the reasons set forth in Metaswitch's Motion for Summary Judgment of No Willful and No Indirect Infringement (Dkt. 254), and its Motion to Strike the Expert Report of William H. Beckmann (Dkt. 256).

Genband's Position: Metaswitch's motion has been denied. The bracketed instructions are proper.

DIRECT INFRINGEMENT¹⁷

In order to prove direct infringement, Genband must prove by a preponderance of the evidence, i.e., that it is more likely than not, that Metaswitch made, used, sold, offered for sale within, or imported into the United States a product that meets all of the requirements of a claim and did so without the permission of Genband during the time that any of the asserted patents were in force. You must compare the product with each and every one of the requirements of a claim to determine whether all of the requirements of that claim are met.

You must determine, separately for each asserted claim, whether or not there is infringement. There is one exception to this rule. If you find that a claim on which other claims depend is not infringed, there cannot be infringement of any dependent claim that refers directly or indirectly to that independent claim. On the other hand, if you find that an independent claim has been infringed, you must still decide, separately, whether the product meets additional requirements of any claims that depend from the independent claim, thus, whether those claims have also been infringed. A dependent claim includes all the requirements of any of the claims to which it refers plus additional requirements of its own.

DIRECT INFRINGEMENT BY “LITERAL INFRINGEMENT” OF SECTION 112, PARAGRAPH 6 CLAIM REQUIREMENTS¹⁸

As I have previously explained, Claim 1 of the '984 Patent and Claim 1 of the '427 Patent include requirements that are in means-plus-function form.

A product meets a means-plus-function requirement of a claim if: (1) it has a structure or a set of structures that performs the identical function recited in the claim, and (2) that

¹⁷ *Id.* at B.3 (3.1)

¹⁸ *Id.* at B.3 (3.1b). Note: Unless otherwise stated, all subsequent instructions are based on the Federal Circuit Bar Association Model Patent Jury Instructions.

structure or set of structures is either identical or “equivalent” to one or more of the described sets of structures that I defined earlier as performing the function recited in the claim.¹⁹ If the product does not perform the specific function recited in the claim, the “means-plus-function” requirement is not met, and the product does not literally infringe the claim. Alternatively, even if the product has a structure or a set of structures that performs the function recited in the claim but the structure or set of structures is not either identical or “equivalent” to one or more of the sets of structures that I defined to you as being described in the asserted patent and performing this function, the product does not literally infringe the asserted claim.

A structure or a set of structures may be found to be “equivalent” to one of the sets of structures I have defined as being described in the asserted patent if a person having ordinary skill in the field of the relevant technology either would have considered the differences between them to be insubstantial at the time the asserted patent issued or if that person would have found the structures performed the function in substantially the same way to accomplish substantially the same result. In deciding whether the differences would be “insubstantial,” you may consider whether a person having an ordinary level of skill in the field of IP telephony would have known of the interchangeability of the two structures or sets of structures. Interchangeability itself is not sufficient; in order for the structures to be considered to be interchangeable, the interchangeability of the two structures must have been known to persons of ordinary skill in that art at the time the patent issued. The fact that a structure or a set of structures is known now and is “equivalent” is not enough. The structure or set of structures must also have been available at the time the asserted patent issued.

¹⁹ The parties deleted "of [functional limitation] from the Federal Circuit Bar Association Model Patent Jury Instructions here and replaced it with "recited in the claim."

In this case, you will have to decide issues regarding the level of ordinary skill in the art for each patent. I will instruct you later how to decide this.

In order to prove direct infringement by literal infringement of a means-plus function limitation, Genband must prove the above requirements are met by a preponderance of the evidence.

INDIRECT INFRINGEMENT—ACTIVE INDUCEMENT²⁰

Genband alleges that Metaswitch is liable for infringement by actively inducing someone else to directly infringe the asserted patents. As with direct infringement, you must determine whether there has been active inducement on a claim-by-claim basis.

Metaswitch is liable for active inducement of a claim only if Genband proves by a preponderance of the evidence:

- (1) that the acts are actually carried out by Metaswitch's customers and directly infringe that claim;
- (2) that Metaswitch took action during the time the asserted patents were in force intending to cause the infringing acts by its customers; and
- (3) that Metaswitch was aware of the asserted patents and knew that the acts, if taken, would constitute infringement of those patents or that Metaswitch believed there was a high probability that the acts, by their customers would infringe a patent by Genband and Metaswitch took deliberate steps to avoid learning of that infringement.

If you find that Metaswitch was aware of the patent, but believed that the acts it encouraged did not infringe the patent, Metaswitch cannot be liable for inducement.

²⁰ Metaswitch's Position: Although these motions have been denied, Metaswitch objects to the inclusion of instructions on indirect infringement for the reasons set forth in Metaswitch's Motion for Summary Judgment of No Willful and No Indirect Infringement (Dkt. 254), and its Motion to Strike the Expert Report of William H. Beckmann (Dkt. 256).

Genband's Position: Metaswitch's motion has been denied. The instruction is proper.

In order to establish active inducement of infringement, it is not sufficient that Metaswitch's customer itself directly infringes the claim. Nor is it sufficient that Metaswitch was aware of the acts of its customers that allegedly constitute the direct infringement. Rather, in order to find active inducement of infringement, you must find either that Metaswitch specifically intended its customer or customers to infringe the asserted patent or that Metaswitch believed there was a high probability that its customer or customers would infringe the asserted patent, but deliberately avoided learning the infringing nature of the customers' acts. The mere fact, if true, that Metaswitch knew or should have known that there was a substantial risk that its customers' acts would infringe the asserted patent would not be sufficient for active inducement of infringement.

INVALIDITY—BURDEN OF PROOF

I will now instruct you on the rules you must follow in deciding whether or not Metaswitch has proven that asserted claims of the asserted patents are invalid. To prove that any claim of a patent is invalid, Metaswitch must persuade you by clear and convincing evidence, i.e., you must be left with a clear conviction that the claim is invalid.

PRIOR ART

Prior art may include items that were publicly known or that have been used or offered for sale, or references, such as publications, or patents that disclose the claimed invention or elements of the claimed invention. To be prior art, the item or reference must have been made, known, used, published, or patented either before the invention was made or more than one year before the filing date of the patent application. However, prior art does not include a publication that describes the inventor's own work and was published less than one year before the date of invention.

For the claim to be invalid because it is not new, Metaswitch must show by clear and convincing evidence that all of the requirements of that claim were present in a single previous device or method that was known of, used, or described in a single previous printed publication or patent. We call these things “anticipating prior art.” To anticipate the invention, the prior art does not have to use the same words as the claim, but all of the requirements of the claim must have been disclosed, either stated expressly or implied to a person having ordinary skill in the art in the technology of the invention, so that looking at that one reference, that person could make and use the claimed invention.

In this case, you must determine the date of invention for the claimed invention. The date of invention is either when the invention was reduced to practice or when conceived, provided the inventors were diligent in reducing the invention to practice. Diligence means working continuously, though not necessarily every day. Conception is the mental part of an inventive act, i.e., the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice, even if the inventor did not know at the time that the invention would work. Conception of an invention is complete when the idea is so clearly defined in the inventor’s mind that, if the idea were communicated to a person having ordinary skill in the field of IP telephony, he or she would be able to reduce the invention to practice without undue research or experimentation. This requirement does not mean that the inventor has to have a prototype built, or actually explained her or his invention to another person. But, there must be some evidence beyond the inventor’s own testimony that confirms the date on which the inventor had the complete idea. Conception may be proven when the invention is shown in its complete form by drawings, disclosure to another person, or other forms of evidence presented at trial.

A claimed invention is “reduced to practice” when it has been constructed/used/tested sufficiently to show that it will work for its intended purpose or when the inventor files a patent application. An invention may also be reduced to practice even if the inventor has not made or tested a prototype of the invention if it has been fully described in a filed patent application.

ANTICIPATION

In order for someone to be entitled to a patent, the invention must actually be “new” and the inventor must not have lost her or his rights by delaying the filing of an application claiming the invention. In general, inventions are new when the identical product or process has not been made, used, or disclosed before. Anticipation must be determined on a claim-by-claim basis.

Metaswitch contends that the asserted claims of the asserted patents are invalid because the claimed inventions are anticipated. Metaswitch must convince you of this by clear and convincing evidence, i.e., that the evidence highly probably demonstrates that the claims are invalid.

Here is a list of ways that Metaswitch can show that a patent claim was not new or that the patentee lost the right to patent the claims:

- (1) An invention is not new if it was known to or used by others in the United States before the date of invention. An invention is known when the information about it was reasonably accessible to the public on that date.
- (2) An invention is not new if it was already patented or described in a printed publication, anywhere in the world before the date of invention. A description is a “printed publication” only if it was publicly accessible.
- (3) Genband has lost its rights if the claimed invention was already patented or described

in a printed publication, anywhere in the world by Genband or anyone else, more than a year before the date of invention, which is the effective filing date of the application for the asserted patents. An invention was patented by another if the other patent describes the same invention claimed by Genband to a person having ordinary skill in the technology.

(4) Genband has lost its rights if the claimed invention was publicly used, sold, or offered for sale in the United States more than one year before the date of invention, which is the effective filing date of the application for the asserted patents. An invention was publicly used when it was either accessible to the public or commercially exploited. An invention was sold or offered for sale when it was offered commercially and what was offered was ready to be patented, i.e., a description to one having ordinary skill in the field of IP telephony could have made and used the claimed invention, even if it was not yet reduced to practice.

(5) An invention is not new if the claimed invention was described in a patent granted on an application for patent by another filed in the United States and the application was filed before the filing date of the patent.

(6) An invention is not new if the invention was made by someone else in the United States before the invention was made by Genband and the other person did not abandon, suppress, or conceal the invention.

OBVIOUSNESS

Even though an invention may not have been identically disclosed or described before it was made by an inventor, in order to be patentable, the invention must also not have been obvious to a person of ordinary skill in the field of IP telephony at the time the invention was made.

Metaswitch may establish that a patent claim is invalid by showing, by clear and convincing evidence, that the claimed invention would have been obvious to persons having ordinary skill in the art at the time the invention was made in the field of IP telephony.

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

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 may but are not required to find obviousness if you find that at the time of the claimed invention there was a reason that would have prompted a person having ordinary skill in the field of IP telephony to combine the known elements in a way the claimed invention does, taking into account such factors as (1) whether the claimed invention was merely the predictable result of using prior art elements according to their known function(s); (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 claimed in the invention; (4) whether the prior art teaches away from combining elements in the claimed invention; (5) whether it would have been obvious to try the combinations 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. To find it rendered the invention obvious, you must

find that the prior art provided a reasonable expectation of success. Obvious to try is not sufficient in unpredictable technologies.

In determining whether the claimed invention was obvious, consider each claim separately. Do not use hindsight, i.e., consider only what was known at the time of the invention.

In making these assessments, you should take into account any objective evidence, sometimes called “secondary considerations” that may shed light on the obviousness or not of the claimed invention, such as:

- a. [Whether the invention was commercially successful as a result of the merits of the claimed invention (rather than the result of design needs or market-pressure advertising or similar activities)];²¹
- b. Whether the invention satisfied a long-felt need;
- c. Whether others had tried and failed to make the invention;
- d. Whether others invented the invention at roughly the same time;
- e. [Whether others copied the invention];²²

²¹ Metaswitch’s Position: As set forth more fully in Metaswitch’s Motion to Strike the Expert Report of Mark Lanning (Dkt. 258), Metaswitch objects to the inclusion of any instructions on commercial success. Genband has not introduced substantial evidence that the allegedly commercially successful Genband products practice the asserted claims or that any commercial success is attributed to the invention or its novel aspects, as opposed to non-patented or prior art features.

Genband’s Position: The Court denied Metaswitch’s motion. This instruction accurately sets forth the law on secondary considerations. Moreover, the evidence supports this instruction.

²² Metaswitch’s Position: An instruction on copying is inappropriate because Genband has not presented substantial evidence that any allegedly copied product practiced any asserted claim or that the allegedly copied aspect of the product related to the patented inventions or their novel aspects.

Genband’s Position: This instruction accurately sets forth the law on secondary considerations. Moreover, the evidence supports this instruction.

- f. Whether there were changes or related technologies or market needs contemporaneous with the invention;
- g. Whether the invention achieved unexpected results;
- h. [Whether others in the field praised the invention],²³
- i. Whether persons having ordinary skill in the art of the invention expressed surprise or disbelief regarding the invention;
- j. Whether others sought or obtained rights to the patent from the patent holder; and
- k. Whether the inventor proceeded contrary to accepted wisdom in the field.

LEVEL OF ORDINARY SKILL

In deciding what the level of ordinary skill in the field of IP telephony is, you should consider all the evidence introduced at trial, including but not limited to: (1) the levels of education and experience of the inventor and other persons actively working in the field; (2) the types of problems encountered in the field; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; and (5) the sophistication of the technology.

SCOPE AND CONTENT OF THE PRIOR ART

In considering whether the claimed invention was obvious, you must first determine the scope and content of the prior art.

The scope and content of prior art for deciding whether the invention was obvious includes prior art in the same field as the claimed invention, regardless of the problem addressed by the item or reference, and prior art from different fields that a person of ordinary

²³ Metaswitch's Position: An instruction on copying is inappropriate because Genband has not presented substantial evidence of any praise of the patented inventions or their novel features. To the extent there is evidence of praise of products that practice those patents, Genband has not introduced evidence that the praise was for the patented feature or its novel aspects.

Genband's Position: This instruction accurately sets forth the law on secondary considerations. Moreover, the evidence supports this instruction.

skill in the art using common sense might combine if familiar so as to solve the problem, like fitting together the pieces of a puzzle. When a party attacking the validity of a patent relies on prior art which was specifically considered by the Examiner during the prosecution of the application leading to the issuance of the patent, that party bears the burden of overcoming the deference due a qualified government agency official presumed to have performed his or her job.

GENBAND'S PROPOSED CABLELABS INSTRUCTION²⁴

This instruction applies only to claims 70 and 92 of the '971 patent, [and the asserted claims of the '561 patent.]²⁵ Metaswitch alleges that a written agreement between Nortel

²⁴ Source: PX272, PX274.

Metaswitch's Position: Metaswitch objects to Genband's proposed instruction because it improperly characterizes the evidence and it confuses the issues, and is purportedly based (at least in part) on exhibits to which Metaswitch objects.. Moreover, this instruction only addresses two claims of the '971 Patent, whereas Metaswitch contends all the asserted claims of the '561, '971, '279, and '589 Patents are subject to the CableLabs royalty-free license. This instruction also references certain "side letters" and other correspondence between NNCSI and CableLabs in violation of the parol evidence rule. None of the four elements listed are required under the express terms of the IPR Agreement. Rather, only incorporation of the subject matter of the claims into any version of a published specification is required. The agreement also states that all intellectual property rights (IPR) are subject to a royalty-free license so long as the IPR was included in a PacketCable specification and a written notice of withdrawal was not received within sixty days. PX0272 at § 6(b). IPR includes all intellectual property rights, including without limitation, copyrights, trade secrets, trademarks, and patent claims. PX0272 at § 1(d). Moreover, the main grant provision (PX0272 at § 4(a)) contains a separate royalty-free license to all Licensed Technology, which includes Licensed Claims (patents with priority dates before December 31, 1999) and Licensed Know-how (all patents going forward) included in any version of a published specification. (PX0272 at § 4(a)).

Genband's Position: Genband objects to the inclusion of any instructions on Metaswitch's license defenses to the jury, including this instruction on CableLabs. The evidence does not support such instructions. There is no evidence of essentiality and no evidence that under the governing documents, Metaswitch has a right to a license for its accused activities. If, however, the Court does submit instructions on these defenses over Genband's objections, then Genband contends this instruction is required to properly instruct the jury about the meaning of the agreement. The agreement is governed by New York law. *See* PX0272_0007 (Agreement) § 10(d). Under New York law, "[t]he threshold question of whether a contract is unambiguous, and the subsequent construction and interpretation of an unambiguous contract, are issues of law within the province of the court." *NRT New York, LLC v. Harding*, 16 N.Y.S.3d 255, 258 (N.Y. App. Div. 2015). This contract is not susceptible of more than one reasonable interpretation; Metaswitch's interpretations are unreasonable.

Metaswitch's position ignores a fundamental aspect of the parties' agreement. NNCSI could only grant a license to the intellectual property that it owned. It is undisputed that NNCSI did not own the asserted patents.

Furthermore, it is unreasonable to read "Licensed Know-how" to include patents, when that word appears nowhere in that section, nor does the definition suggest that patents could be included. *See* PX0272_0002 at § 1(f). Rather, the patent license grant is handled in a separate section. *Id.* at § 1(e).

Networks Cable Solutions, Inc. (“NNCSI”) and Cable Television Laboratories, Inc. (“CableLabs”) entitles Metaswitch to a royalty-free license to these asserted claims. It is Metaswitch’s burden to prove by a preponderance of the evidence that its accused products are licensed.²⁶

The agreement states that the patent claims that are subject to a license are those that (1) are entitled to an earliest priority date prior to December 31, 1999, (2) as to which NNCSI has the right to grant licenses, and (3) are necessarily infringed by an implementation of any version

²⁵ Genband’s Position: While Metaswitch has also asserted a Cable-Labs related defense against the asserted claims of the ’561 patent, Genband contends that in addition to the other reasons these defenses fail, the asserted claims of the ’561 patent do not meet the definition of Licensed Claims because the priority date is later than December 31, 1999. *See* PX0272_0002 at § 1(e). Similarly, Metaswitch asserts essentiality of only non-asserted claims for the ’279 and ’589 patents, which means there is no evidence of essentiality for the asserted claims of those patents, which is a requirement of the definition of Licensed Claim. *See* PX0272_0002 at § 1(e) (defining Licensed Claims). Each patented claim is a separate invention. *See Donnelly Corp. v. Gentex Corp.*, 95 F.3d 1168, 1996 WL 468452, at *3 (Fed. Cir. 1996) (unpublished) (“Each claim of a patent is distinct, and infringement of any one of the claims is still infringement of the patent”); *Hall v. Keller*, 180 F.2d 753, 756 (5th Cir. 1950) (“[C]laims of a patent are separable and distinct, each defining a separate invention and each treated in law as a separate grant.”); see 35 U.S.C. § 282(a) (each claim of patent shall be presumed valid, independently of the validity of other claims). It is undisputed that no expert has opined that the asserted claims of the ’279 and ’589 patents are essential to any PacketCable standard.

²⁶ Genband’s Position: *See, e.g., Stockton E. Water Dist. v. United States*, 583 F.3d 1344, 1360 (Fed. Cir. 2009) (“The proponent of the affirmative defense must prove all elements of the defense.”), *modified in part*, 638 F.3d 781 (Fed. Cir. 2011); *In re Innovatio IP Ventures, LLC Patent Litig.*, 956 F. Supp. 2d 925, 936 (N.D. Ill. 2013) (concluding that the accused infringers bore the burden of demonstrating the existence of a RAND obligation that limits their damages if they are found to infringe).

of the Published Specification.²⁷ The agreement provides that the Published Specification cannot be a draft specification.²⁸

If CableLabs circulated a draft specification containing any intellectual property of NNCSI to NNCSI and provided formal notice of a review period, and NNCSI did not withdraw its intellectual property within that review period, then those intellectual property rights would also be subject to a license,²⁹ provided that those rights were necessarily infringed by an implementation of any version of the Published Specification.³⁰ Any license under this agreement covers only the interface portions of products designed to operate on cable networks, the interface for which fully complies with any version of the Published Specification.^{31 32}

²⁷ PX0272_0002 at § 1(e) (defining Licensed Claims).

²⁸ PX0272_0002 at § 1(i) (defining Published Specification).

²⁹ PX0272_0005 at § 6(b).

³⁰ PX0272_00003-04 at § 4(a).

³¹ PX0272_00003-04 at § 4(a) (describing the grant of the license), PX0272_0002 § 1(e) defining Licensed Products.

³² Genband does not contend there is any evidence to support an alter ego / piercing the corporate veil instruction. If, however, Metaswitch is allowed to argue to the jury that it should disregard the NNCSI corporate form and instead conclude that the intellectual property of Nortel Networks Ltd. is subject to the CableLabs/NNCSI agreement (despite the repeated, express agreements between the two parties to the contrary), then Genband contends that the jury should be instructed that: “Because the asserted patents were owned by Nortel Networks, Ltd., which is not a party to the NNCSI CableLabs agreement, to prove entitlement to a license under the CableLabs agreement, Metaswitch must show either that (1) Nortel Networks Ltd. exercised complete domination of NNCSI, and such domination was used to commit a fraud or wrong which caused an injury to Metaswitch,” *see Feitshans v. Kahn*, No. 06 Civ. 2125, 2007 WL 2438411, *4 (S.D. N.Y. Aug. 22, 2007) (denying summary judgment where record devoid of evidence Defendant’s wrong caused Plaintiff’s injury); “or (2) a submission made by an NNCSI employee contained the asserted claims.” PX0274, March 2, 2000 Letter Agreement between NNCSI and CableLabs.

METASWITCH'S PROPOSED CABLELABS INSTRUCTION³³

Metaswitch alleges that a written agreement between Nortel Networks Cable Solutions, Inc. ("NNCSI") and Cable Television Laboratories, Inc. ("CableLabs") entitle Metaswitch to a royalty-free license to particular asserted patents.³⁴

One who owns a patent as a patentee or assignee has the right to exclude others from making, using, or selling the patented invention. A patent owner may contractually waive that right by granting an express license to another party to make, use, or sell the patented invention.

No formal granting of a license is necessary in order to give it effect. Any language used by Genband and/or Nortel, or any conduct on Genband's or Nortel's part exhibited to Metaswitch from which Metaswitch may properly infer that Genband and/or Nortel consented to Metaswitch's use of the '561, '971, '279, and '589 patents in making or selling products, upon

³³ Metaswitch's Position: The agreement states that all intellectual property rights (IPR) are subject to a royalty-free license so long as the IPR was included in a PacketCable specification and a written notice of withdrawal was not received within sixty days. PX0272 at § 6(b). IPR includes all intellectual property rights, including without limitation, copyrights, trade secrets, trademarks, and patent claims. PX0272 at § 1(d). Moreover, the main grant provision (PX0272 at § 4(a)) contains a separate royalty-free license to all Licensed Technology, which includes Licensed Claims (patents with priority dates before December 31, 1999) and Licensed Know-how (all patents going forward) included in any version of a published specification. (PX0272 at § 4(a)).

Genband's Position: Metaswitch's position ignores a fundamental aspect of the parties' agreement. NNCSI could only grant a license to the intellectual property that it owned. It is undisputed that NNCSI did not own the asserted patents. It is unreasonable to read "Licensed Know-how" to include patents, when that word appears nowhere in that section, nor does the definition suggest that patents could be included. See PX0272_0002 at § 1(f). Rather, the patent license grant is handled in a separate section. *Id.* at § 1(e).

³⁴ Genband's Position: While Genband objects to the inclusion of any instructions on Metaswitch's license defenses to the jury, any instruction that is given to the jury on CableLabs should identify which claims are at issue.

which Metaswitch acts, constitutes a license.³⁵ When a patent is assigned to a new owner, the assignee of that patent becomes vested with the rights of the prior owner, but also takes the patent subject to legal consequences of the prior owner's previous acts, and subject to the licenses previously granted by the prior owner.

If you determine that an express license has been granted, you must further look to the circumstances to determine the scope of the license. If an express license has been granted under the CableLabs PacketCable agreement, the scope must be based on the terms of that agreement.

The written agreement that Metaswitch claims provides a license is the written agreement between NNCSI and CableLabs is the Contribution and License Agreement For Intellectual Property, dated February 29, 2000. To show that these agreements entitle Metaswitch a royalty-free license to those claims, Metaswitch must show, by a preponderance of the evidence, all of the following

- (1) the claims are included in a PacketCable specification; and
- (2) that Metaswitch's accused products comply with the specification;³⁶

³⁵ Genband's Position: These first two sentences are inaccurate statements of law. Notably, Metaswitch does not cite a single supporting case. This is an improper statement of what constitutes an implied license, which in turn is an equitable issue to be decided by the Court. *See Oracle Am., Inc. v. Google Inc.*, 2012 WL 1965778, at *1 (N.D. Cal. May 31, 2012) at *1 (discussing the equitable defense of an implied license). In addition, the evidence does not support this defense. *See id.* ("An implied license requires a finding of an affirmative grant of consent or permission. Though rare, consent can be inferred from a course of conduct between parties. As with the other equitable defenses, there must be a nexus between the alleged conduct giving rise to the implied license and the infringing action. In the context of both copyrights and patents, circumstances giving rise to an implied license are exceedingly narrow." (internal citations omitted)). Indeed, this instruction makes no sense in a section in which Metaswitch claims to rely on the written NNCSI/CableLabs agreement.

³⁶ Genband's Position: Metaswitch's instruction is improper. It does not cite any supporting provisions, and ignores the definitions of Licensed Claims (1(e)), Licensed Products (1(g)), and Grant of License (4(a)), and fundamentally, the identity of the parties to the contract. NNCSI (continued...)

The versions of the PacketCable Specifications at issue are 1.0, 1.1, 1.2, 1.3, 1.5, and 2.0.

GENBAND’S PROPOSED IETF INSTRUCTION³⁷

Metaswitch alleges that the May 12, 2000 statement on patent licensing made by Nortel Networks Limited to the Internet Engineering Task Force entitles Metaswitch to a license to the asserted claims of the ’561 patent on fair, reasonable, and non-discriminatory (“FRAND”) terms.

had no intellectual property rights to license, and undisputedly never owned the asserted patents. Genband’s instruction accurately reflects the terms of the agreement,

³⁷ Source: DX-417.

Metaswitch’s Position: Metaswitch contends that if one claim is essential to an IETF standard, then the entire patent is subject to a FRAND license pursuant to the IETF licensing declaration. The IETF obligations therefore extend to the asserted claims of the ’279, ’589, ’971, and ’561 patents. Genband’s contention that the licensing obligation is claim specific and does not extend to the essential patent is contrary to the language of the licensing statement, which extends to “essential patents” not “essential claims.”

Genband’s Position: Genband objects to the inclusion of any instructions on Metaswitch’s license defenses to the jury, including this instruction on the IETF. The evidence does not support such instructions. There is no evidence of essentiality and no evidence that under the governing documents, Metaswitch has a right to a license for its accused activities. If, however, the Court does submit instructions on these defenses over Genband’s objections, then Genband contends this instruction is required to properly instruct the jury about the meaning of the Nortel declaration.

In addition, there is no basis to include the asserted claims of the ’279 patent and ’589 patent in this instruction. Metaswitch does not allege that the asserted claims of the ’279 patent or the ’589 patent are essential to any IETF standards. The licensing statement applies only to “essential patent(s)” or “patented technology that is essential for the implementation of, use, and distribution of an IETF standard,” but “solely to the extent such technology is essential to comply with such IETF standard. DX-417. Each patented claim is a separate invention, *Donnelly Corp. v. Gentex Corp.*, 95 F.3d 1168, 1996 WL 468452, at *3 (Fed. Cir. 1996) (unpublished) (“Each claim of a patent is distinct, and infringement of any one of the claims is still infringement of the patent”); *Hall v. Keller*, 180 F.2d 753, 756 (5th Cir. 1950) (“[C]laims of a patent are separable and distinct, each defining a separate invention and each treated in law as a separate grant.”); see 35 U.S.C. § 282(a) (each claim of patent shall be presumed valid, independently of the validity of other claims). Metaswitch must prove that the asserted *claims* are essential, or that the entire patent is essential, to establish a right to a license. It is undisputed that no expert has opined that the asserted claims of the 279 and 589 patents are essential to any IETF standard. Metaswitch does not cite any documents in support of its argument that non-essential claims are subject to a FRAND commitment.

To show that the May 12, 2000 statement entitles Metaswitch to a license on FRAND terms to a particular asserted claim, Metaswitch must show, by a preponderance of the evidence, that:

- (1) Nortel Networks contributed a document for use in IETF standards discussion or standards track specifications describing technology for which Nortel had or later obtained patent rights³⁸
- (2) the asserted claim is essential for the implementation, use, and distribution of the same IETF standard; and
- (3) Metaswitch's accused products practice the same IETF standard.

This license grant is solely to the extent the technology is essential to comply with the IETF standard.³⁹

METASWITCH'S PROPOSED IETF INSTRUCTION

Metaswitch alleges that the May 12, 2000 statement on patent licensing made by Nortel Networks Limited to the Internet Engineering Task Force entitles Metaswitch to a license to particular asserted patents on fair, reasonable, and non-discriminatory ("FRAND") terms. To show that the May 12, 2000 statement entitles Metaswitch to a license on FRAND terms to a particular asserted patent, Metaswitch must show, by a preponderance of the evidence, that:

- (1) at least one asserted claim is essential for the implementation, use, and distribution of the same IETF standard; and
- (2) Metaswitch's accused products practice the same IETF standard.⁴⁰

³⁸ DX-417.002.

³⁹ DX-417.002.

⁴⁰ Metaswitch's Position: The IETF licensing declaration states: "to the extent that an essential patent(s) is subsequently identified, Nortel Networks is willing to make available a nonexclusive license under such patents, on fair, reasonable, and non-discriminatory terms and conditions. Similarly, when and if patent applications are subsequently issued, and determined essential to the practice of an IETF standard, Nortel Networks is willing to make available nonexclusive licenses under such patents, on fair, reasonable, and non-discriminatory terms and conditions." DX-417.002. These requirements are reflected in Metaswitch's proposed instruction. There is no requirement for Nortel to contribute a document "for use in IETF discussion."

(continued...)

GENBAND'S ITU INSTRUCTION⁴¹

Metaswitch alleges that the November 19, 1999 General Patent Statement and Licensing Declaration made by Nortel Networks Corporation and the October 18, 2007 General Patent Statement and Licensing Declaration made by Nortel Networks Limited to the International Telecommunication Union entitles Metaswitch to a license to claims 70 and 92 of the '971 patent on FRAND terms. To show that the declarations entitle Metaswitch to a license of FRAND terms to a particular asserted claim, Metaswitch must show, by a preponderance of the evidence, that:

- (1) part or all of any proposal contained in a contribution submitted by Nortel Networks Corp. was included in an ITU-T Recommendation;⁴²

Genband's Position: Genband objects to the inclusion of any instructions on Metaswitch's license defenses to the jury, including this instruction on the IETF. The evidence does not support such instructions. There is no evidence of essentiality and no evidence that under the governing documents, Metaswitch has a right to a license for its accused activities. In addition, this interpretation ignores the full context of the agreement, which concerned contributions by Nortel. The first section concerns contributions on which Nortel seeks patent rights. The second section concerns contributions are later identified as essential patents. *See* DX-417. Under Metaswitch's interpretation, others could simply insert Nortel's patents into the standard, with no input or permission from Nortel, and then claim a right to a FRAND license. This is not a reasonable interpretation.

⁴¹ Source: DX-423 and DX-424

Metaswitch's Position: Metaswitch objects to Genband's proposed instruction because element (3) is redundant to (4), element (5) is not required, and element (6) does not apply because there has been no evidence Metaswitch has any essential patents for this same Recommendation.

Genband objects to the inclusion of any instructions on Metaswitch's license defenses to the jury, including this instruction on the ITU-T. The evidence does not support such instructions. There is no evidence of essentiality and no evidence that under the governing documents, Metaswitch has a right to a license for its accused activities. If, however, the Court does submit instructions on these defenses over Genband's objections, then Genband contends this instruction is required to properly instruct the jury about the meaning of the Nortel declaration

- (2) the included part contains the asserted claim;
- (3) the asserted claim's use would be required to implement the ITU-T Recommendation;
- (4) Metaswitch's accused products practice the same ITU standard or Recommendation; and
- (5) Metaswitch committed to license any essential patents or essential patent claims of its own for implementation of the same ITU Recommendation under reasonable terms and conditions.⁴³

METASWITCH'S ITU INSTRUCTION⁴⁴

Metaswitch alleges that the November 19, 1999 General Patent Statement and Licensing Declaration made by Nortel Networks Corporation and the October 18, 2007 General Patent Statement and Licensing Declaration made by Nortel Networks Limited to the International Telecommunication Union entitle Metaswitch to a license to particular asserted patents on FRAND terms. To show that the declarations entitle Metaswitch to a license of FRAND terms to a particular asserted patent, Metaswitch must show, by a preponderance of the evidence, that:

- (1) at least one asserted claim is essential for the implementation, use, and distribution of the same ITU standard or Recommendation; and
- (2) Metaswitch's accused products practice the same ITU standard or Recommendation.

⁴³ See DX-424 (defining reciprocity).

⁴⁴ Metaswitch's Position: Nortel declared that it was "prepared to grant on the basis of reciprocity for the relevant ITU-T Recommendation(s) a license to an unrestricted number of applicants on a worldwide, non-discriminatory basis and on reasonable terms and conditions." DX-423 and DX-424. Like the IETF instruction above, the only requirements are at least one claim being essential to the practice of an ITU-T Recommendation and a Metaswitch product practicing that Recommendation.

Genband's Position: On top of Genband's general objections to an ITU instruction discussed above, Metaswitch's interpretation of the declaration would mean that others could take Nortel's patents, put them into the standard, and then claim a FRAND license. It ignores the language of the declaration, which is accurately captured by Genband's instruction.

DAMAGES—INTRODUCTION

If you find that Metaswitch infringed any valid claim of any of the asserted patents, you must then consider what amount of damages to award to Genband. I will now instruct you about the measure of damages. By instructing you on damages, I am not suggesting which party should win this case, on any issue.

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

Genband 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 Genband establishes that it more likely than not suffered.

Genband seeks a reasonable royalty. A reasonable royalty is defined as the amount of money Genband and Metaswitch would have agreed upon as a fee for use of the invention at the time prior to when infringement began.

I will give more detailed instructions regarding damages shortly. Note, however, that Genband is entitled to recover no less than a reasonable royalty for each infringing sale or other infringing act.

REASONABLE ROYALTY—ENTITLEMENT

If you find that Genband has established infringement, Genband is entitled to at least a reasonable royalty to compensate it for that infringement.

REASONABLE ROYALTY—DEFINITION

A royalty is a payment made to a patent holder in exchange for the right to make, use, or sell the claimed invention. A reasonable royalty is the amount of royalty payment that a patent holder and the infringer would have agreed to in a hypothetical negotiation taking place at a time prior to when the infringement first began. 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 the hypothetical negotiation, and not simply a royalty either party would have preferred. Evidence of things that happened after the infringement first began can 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. Although evidence of the actual profits an alleged infringer made may be used to determine the anticipated profits at the time of the hypothetical negotiation, the royalty may not be limited or increased based on the actual profits the alleged infringer made.

REASONABLE ROYALTY—RELEVANT FACTORS

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 may consider in making your determination are:

- (1) The royalties received by the patentee for the licensing of the patent-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 patent-in-suit.

- (3) The nature and scope of the license, as exclusive or nonexclusive, or as restricted or nonrestricted in terms of territory or with respect to whom the manufactured product may be sold.
- (4) The licensor's established policy and marketing program to maintain his or her patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly.
- (5) The commercial relationship between the licensor and licensee, such as whether they are competitors in the same territory in the same line of business, or whether they are inventor and 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 nonpatented items, and the extent of such derivative or convoyed sales.
- (7) The duration of the patent and the term of the license.
- (8) The established profitability of the product made under the patents, its commercial success, and its current popularity.
- (9) The utility and advantages of the patented property over the old modes or devices, if any, that had been used for working out 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 business 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 nonpatented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer.
- (14) The opinion and testimony of qualified experts.
- (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 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 by a prudent patentee who was willing to grant a license.

No one factor is dispositive and you can and should consider the evidence that has been presented to you in this case on each of these factors. You may also consider any other factors which in your mind would have increased or decreased the royalty the infringer would have been willing to pay and the patent holder would have been willing to accept, acting as normally prudent business people. The final factor establishes the framework which you should use in determining a reasonable royalty, that is, the payment that would have resulted from a negotiation between the patent holder and the infringer taking place at a time prior to when the infringement began.

FRAND ROYALTY⁴⁵

If you determine that Metaswitch is entitled to a license on FRAND terms for claims 70, [80], and 92 of the '971 patent, the asserted claims of the '561 patent, [or the asserted claims of the '279 and '589 patents⁴⁶], you should take that into account in determining the reasonable royalty for infringement of those claims. I will provide you with additional instructions on how the

⁴⁵ Metaswitch's Position: Metaswitch believes it is important to instruct the jury on how to determine a FRAND royalty and therefore has proposed an additional instruction based on *Ericsson, Inc. v. D-Link Systems, Inc.*, 773 F.3d 1201, 1229-1235 (Fed. Cir. 2014).

Genband's Position: Genband objects to the inclusion of instructions on Metaswitch's license defenses to the jury. The evidence does not support such instructions. There is no evidence of essentiality and no evidence that under the governing documents, Metaswitch has a right to a license for its accused activities.

⁴⁶ As noted above, on top of Genband's general objections, Genband objects to the inclusion of the '279 patent and the '589 patent and claim 80 of the '971 patent in this section, since there is no essentiality opinion for the asserted claims.

existence of a FRAND commitment affects your determination of a reasonable royalty. If you determine that Metaswitch is entitled to a license on FRAND terms for claims 70 and 92 of the '971 patent, the asserted claims of the '561 patent, [or the asserted claims of the '279 and '589 patents⁴⁷], then the following considerations apply to your determination of a reasonable royalty for those claims.

First, the reasonable royalty for those claims must be apportioned to the value of the patented invention, not the value of the standard as a whole. This means that the patented feature must be apportioned from all of the unpatented features reflected in the standard.

Second, the reasonable royalty for those claims must be based on the value of the invention, not any value added by the standardization of that invention. This means that the reasonable royalty must be premised on the value of the patented feature, not any value added by the standard's adoption of the patented technology.

Third, the following factors would not be relevant and you should not consider them in determining a reasonable royalty for those claims:

Factor 4: "The licensor's established policy and marketing program to maintain his or her patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly." This factor is not relevant for determining a FRAND royalty because if the licensor has a FRAND commitment, it cannot have that kind of policy for maintaining a patent monopoly.

Factor 5: "The commercial relationship between the licensor and licensee, such as whether they are competitors in the same territory in the same line of business, or whether they

⁴⁷ As noted above, on top of Genband's general objections, Genband objects to the inclusion of the '279 patent and the '589 patent in this section, since there is no essentiality opinion for the asserted claims.

are inventor and promoter.” This factor is not relevant for determining a FRAND royalty because if the licensor has a FRAND commitment, it must offer licenses at a non-discriminatory rate.

Factor 8: “The established profitability of the product made under the patents, its commercial success, and its current popularity.” This factor should be given less weight in determining a FRAND royalty, because the “current popularity” of the invention is likely to be inflated if a standard requires the use of the technology.

Factor 9: “The utility and advantages of the patented property over the old modes or devices, if any, that had been used for working out similar results.” This factor should be given less weight in determining a FRAND royalty, because the technology is being used because it is essential, not necessarily because it is an improvement over prior art.

Factor 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.” This factor is not relevant for determining a FRAND royalty because the commercial embodiment of the licensor is irrelevant if the standard requires the use of the technology.

DATE OF COMMENCEMENT OF DAMAGES – PRODUCTS⁴⁸

If you find that Genband sells a product that includes the claimed invention, [you must determine whether Genband 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. Genband has the burden of establishing that it substantially complied with the marking requirement. This means Genband

⁴⁸ Source: 2012 Federal Circuit Bar Association Model Instruction B.6, 6.8.

must show that it marked substantially all of the products it made, offered for sale, or sold under the patent, and that Genband made reasonable efforts to ensure that its licensees who made, offered for sale, or sold products under the patent marked the products.

If Genband has not marked that product with the patent number,]⁴⁹ you must determine the date that Metaswitch received actual notice of the patent and the specific product alleged to infringe. Actual notice means that Genband communicated to Metaswitch a specific charge of infringement of the patent by a specific accused product or device. The filing of the complaint in this case qualified as actual notice, so the damages period begins no later than the date the complaint was filed.

If you find that Genband does not sell a product covered by the patent, damages for that patent begin without the requirement for actual notice.

INSTRUCTIONS ON DELIBERATION⁵⁰

It is now your duty to deliberate and to consult with one another in an effort to reach a verdict. Each of you must decide the case for yourself, but only after an impartial consideration of the evidence with your fellow jurors. During your deliberations, do not hesitate to re-examine

⁴⁹ Genband's Position: An instruction on marking is unnecessary. It is undisputed that Genband did not mark its products, and there is no evidence of licensees making practicing products.

Metaswitch's Position: Metaswitch proposes the inclusion of Federal Circuit Bar Association Model Instruction No. B.6.8 "Date of commencement of Damages – Products." Metaswitch objects to Genband's modification of this instruction. It omits the instruction that Genband bears the burden on marking, including demonstrating that any licensees, such as Avaya, either do not practice the patents or substantially complied marked their products.

⁵⁰ Fifth Circuit Pattern Instructions 2.12, 3.7.

your own opinions and change your mind if you are convinced that you were wrong. But do not give up on your honest beliefs because the other jurors think differently, or just to finish the case.

Remember at all times, you are the judges of the facts. You have been allowed to take notes during this trial. Any notes that you took during this trial are only aids to memory. If your memory differs from your notes, you should rely on your memory and not on the notes. The notes are not evidence. If you did not take notes, rely on your independent recollection of the evidence and do not be unduly influenced by the notes of other jurors. Notes are not entitled to greater weight than the recollection or impression of each juror about the testimony.

When you go into to the jury room to deliberate, you may take with you a copy of this charge, the exhibits that the Court has admitted into evidence, and your notes. You must select your Foreperson to guide you in your deliberations and to speak for you here in the courtroom. If you recess during your deliberations, follow all of the instructions that I have given you concerning your conduct during the trial.

Your verdict must be unanimous. After you have reached your unanimous verdict, your Foreperson must fill in your answers to the written questions on the verdict form and sign and date the verdict form. Return this charge together with your written answers to the verdict form. After you have concluded your service and I have discharged the jury, you are not required to talk with anyone about the case.

If you need to communicate with me at any time during your deliberations, the Foreperson should write the inquiry and give it to the Court security officer. After consulting with the attorneys, I will then respond as promptly as possible either in writing or by meeting with you in the courtroom. I will always first show the attorneys your question and my response

before I answer your question. Keep in mind that you must never disclose to anyone, not even to me, your numerical division on any question.

You may now retire to the jury room to conduct your deliberations.