

THE FEDERAL CIRCUIT BAR ASSOCIATION

MODEL PATENT JURY INSTRUCTIONS

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B.3 Infringement

3.2 INDIRECT INFRINGEMENT—ACTIVE INDUCEMENT

[Patent holder] alleges that [alleged infringer] is liable for infringement by actively inducing [someone else] [some other company] to directly infringe the [] patent literally or under the doctrine of equivalents. As with direct infringement, you must determine whether there has been active inducement on a claim-by-claim basis.

[Alleged infringer] is liable for active inducement of a claim only if [patent holder] proves by a preponderance of the evidence that:

- (1) [alleged infringer] took action during the time the [] patent was in force intending to cause acts by [insert name or other description of alleged direct infringer];
- (2) [alleged infringer] was aware of the [] patent and knew or should have known that the acts, if taken, would constitute infringement of that patent; and
- (3) the acts are actually carried out by the [insert name or other description of alleged direct infringer] and directly infringe that claim.

In order to establish active inducement of infringement, it is not sufficient that [insert name or other description of alleged direct infringer] itself directly infringes the claim. Nor is it sufficient that [alleged infringer] was aware of the act(s) by [insert name or other description of alleged direct infringer] that allegedly constitute the direct infringement. Rather, you must find that [accused infringer] specifically intended [insert name or other description of alleged direct infringer] to infringe the [] patent or took deliberate steps to avoid knowing that fact, in order to find inducement of infringement.

Authorities

35 U.S.C. § 271(b); On November 18, 2011, in *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, Fed. Cir. No. 2009-1372 and *McKesson Technologies, Inc. v. Epic Systems Corp.*, Fed. Cir. No. 2010-

1291. the Federal Circuit will hear argument on the nature of proof of induced infringement of method claims where separate entities perform separate steps; *Muniauction Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329-30 (Fed. Cir. 2008); *Lucent Technologies, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009); *Global-Tech Appliances, Inc. v. SEB*, 131 S.Ct. 2060 U.S. (2011); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006) (“[I]nducement requires that the alleged infringer knowingly induced infringement and possessed specific intent to encourage another’s infringement.”) (citation and internal quotation marks omitted); *MGM Studios Inc. v. Grokster*, 419 F.3d 1005 (Fed. Cir. 2005); *Insituform Techs., Inc. v. CAT Contracting, Inc.*, 385 F.3d 1360, 1377-78 (Fed. Cir. 2004) (inducer must have actual or constructive knowledge of the patent); *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys., LLC*, 350 F.3d 1327, 1342 (Fed. Cir. 2003) (no inducement where evidence did not show defendant knew or should have known that his actions were encouraging infringement); *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1363-66 (Fed. Cir. 2003) (no infringement where lack of intent to induce).

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B.3 Infringement

3.7 DIRECT INFRINGEMENT: MULTIPLE ALLEGED INFRINGERS OR SOME ACTIONS CONDUCTED OUTSIDE THE UNITED STATES

[This instruction should only be given where there are multiple alleged infringers or some of the allegedly infringing conduct occurred outside of the United States.]

You must make a determination of infringement separately for each of the alleged infringers. Therefore, if you find that a claim is not infringed by any one alleged infringer, you must go on to consider whether that claim is infringed by the others.

Direct infringement requires that a party perform or use every step of a claimed method. Where no single party performs all of the steps of a claimed method but more than one party performs every step of the method, the claim is directly infringed if one party has control over the entire method so that the steps are attributable to the controlling party. Mere arms-length cooperation between parties is insufficient to prove direct infringement. It is not necessary for the acts that constitute infringement to be performed by one person or entity. When infringement results from the participation and combined action(s) of more than one person or entity, they are all joint infringers and jointly liable for patent infringement.—An alleged infringer cannot avoid infringement of a patented process or method by having another [person] [company] perform one step of the process or method. Where the infringement is the result of the participation and combined action(s) of one or more persons or entities proved as described above, they are joint infringers and are jointly liable for the infringement.

[Patent holder] alleges that [alleged infringer A] and [alleged infringer B, etc.] have each separately infringed [or that each has acted with the other to collectively infringe] a claim of the [] patent.

For infringement to be proved, [patent holder] must prove that the elements of a claimed product were combined, made, used, sold, offered for sale, or imported [or all of the steps of a claimed process performed] in the United States by a preponderance of the evidence.

Where geographically disparate infringement of a system claim is alleged, add:

[Patent holder] claims infringement even though some of the elements of the claim were located outside of the United States. For infringement, [patent holder] must prove by a preponderance of the evidence that either all of the elements of a claimed product were combined, made, used, sold, offered for sale, or imported in the United States, or that the benefit or control of the system was enjoyed by a person using the system in the United States.

Authorities

35 U.S.C. § 271(a); On November 18, 2011, in *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, Fed. Cir. No. 2009-1372 and *McKesson Technologies, Inc. v. Epic Systems Corp.*, Fed. Cir. No. 2010-1291, the Federal Circuit will hear argument on the nature of proof of induced infringement of method claims where separate entities perform separate steps;*Muniauction Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329-30 (Fed. Cir. 2008);*Muniauction Inc. v. Thomson Corp.*, 532 F.3d 1318, 1329-30 (Fed. Cir. 2008);*BMC Resources Inc. v. Paymentech LP*, 498 F.3d 1373, 1378-81 (Fed. Cir. 2007);*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);*NTP, Inc. v. Research in Motion Ltd.*, 418 F.3d 1282, 1313-21 (Fed. Cir. 2005).

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4.1 INVALIDITY—BURDEN OF PROOF

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

Authorities

35 U.S.C. § 282 (patents presumed valid); [*Microsoft Corp. v. i4i Limited Partnership*, 131 S.Ct. 2238 \(2011\)](#). Invalidity may be asserted for failure to comply with any requirement of 35 U.S.C. § 101, 102, 103, 112, or 251, as a defense to alleged infringement. *Schumer v. Lab. Computer Sys., Inc.*, 308 F.3d 1304, 1315 (Fed. Cir. 2002) (to overcome presumption of validity, challenging party must present clear and convincing evidence of invalidity); *Buildex, Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463 (Fed. Cir. 1988) (clear and convincing evidence is that “which produces in the mind of the trier of fact an abiding conviction that the truth of [the] factual contentions are highly probable”) (alteration in original) (citation and internal quotation marks omitted); *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir. 1986) (“Notwithstanding that the introduction of prior art not before the examiner may facilitate the challenger’s meeting the burden of proof on invalidity, the presumption remains intact and on the challenger throughout the litigation, and the clear and convincing standard does not change.”).

B.4.2 Validity—Adequacy of Patent Specification

4.2a WRITTEN DESCRIPTION REQUIREMENT¹

The patent law contains certain requirements for the part of the patent called the specification. [Alleged infringer] contends that claim(s) [] of [patent holder]'s [] patent [is/are] invalid because the specification of the [] patent does not contain an adequate written description of the invention. To succeed, [alleged infringer] must show by clear and convincing evidence that the specification fails to meet the law's requirements for written description of the invention. In the patent application process, the applicant may keep the originally filed claims, or change the claims between the time the patent application is first filed and the time a patent is issued. An applicant may amend the claims or add new claims. These changes may narrow or broaden the scope of the claims. The written description requirement ensures that the issued claims correspond to the scope of the written description that was provided in the original application.

In deciding whether the patent satisfies this written description requirement, you must consider the description from the viewpoint of a person having ordinary skill in the field of technology of the patent when the application was filed. The written description requirement is satisfied if a person having ordinary skill reading the original patent application would have recognized that it describes the full scope of the claimed invention as it is finally claimed in the issued patent and that the inventor actually possessed that full scope by the filing date of the original application.

The written description requirement may be satisfied by any combination of the words, structures, figures, diagrams, formulas, etc., contained in the patent application. The full scope of a claim or any particular requirement in a claim need not be expressly disclosed in the original patent application if a person having ordinary skill in the field of technology of the patent at the time of filing would have

¹ ~~Under review in *Ariad v. Lilly*, Appeal No. 2008-1248 (Fed. Cir. appeal reinstated Aug. 21, 2009) (en banc).~~

understood that the full scope or missing requirement is in the written description in the patent application.

Authorities

35 U.S.C. § 112, ¶¶ 1, 2; [*Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*, 598 F.3d 1336 \(Fed. Cir. 2010\) \(en banc\)](#); [*Lizard Tech., Inc. v. Earth Res. Mapping Inc.*](#), 424 F.3d 1336, 1344-45 (Fed. Cir. 2005); [*Univ. of Rochester v. G.D. Searle & Co.*](#), 358 F.3d 916, 929 (Fed. Cir. 2004); [*Chiron Corp. v. Genentech, Inc.*](#), 363 F.3d 1247, 1253-55 (Fed. Cir. 2004); [*Purdue Pharma L.P. v. Faulding, Inc.*](#), 230 F.3d 1320, 1323 (Fed. Cir. 2000) (patent’s specification must include an adequate written description; however, it need not include the exact words of the claim); [*Lampi Corp. v. Am. Power Prods., Inc.*](#), 228 F.3d 1365, 1377-78 (Fed. Cir. 2000); [*Gentry Gallery, Inc. v. Berkline Corp.*](#), 134 F.3d 1473, 1478-80 (Fed. Cir. 1998); [*Regents of the Univ. of Cal. v. Eli Lilly & Co.*](#), 119 F.3d 1559, 1568 (Fed. Cir. 1997); [*In re Alton*](#), 76 F.3d 1168, 1172 (Fed. Cir. 1996).

B.4.2 Validity—Adequacy of Patent Specification

4.2c BEST MODE²

The patent law contains certain requirements for the part of the patent called the specification. [Alleged infringer] contends that claim(s) [] of [patent holder]’s [] patent [is/are] invalid because the specification does not describe the best way to [make/use/carry out] the claimed invention. To succeed, [alleged infringer] must show by clear and convincing evidence that the [] patent does not disclose what [the inventor/any of the inventors] believed to be the best way to [make/use/carry out] the claimed invention at the time the patent application was filed. This is known as the “best mode” requirement. It ensures that the public obtains a full disclosure of the best way to [make/use/carry out] the claimed invention that was known to [the inventor/inventors] at the time the [original] patent application was first filed. The best mode requirement is designed to prohibit [the inventor/any of the inventors] from concealing a better mode of practicing the invention than the mode [he/she/they] disclosed in the patent application. The best mode requirement must be determined on a claim-by-claim basis.

The best mode requirement focuses on what [the inventor/the inventors] believed at the time the [original] patent application was filed. It does not matter whether the best mode contemplated by [the

² [Under section 15 of the America Invents Act, enacted on September 16, 2011, failure to disclose the best mode is no longer a basis for invalidity or unenforceability.](#)

inventor/any of the inventors] was considered by others to have been the best way to carry out the claimed invention. Nor does it matter that the [inventor/inventors] failed to disclose a better way to carry out the claimed invention if the [inventor/inventors] did not believe it to be better at the time they filed the original application.

If [the inventor/any of the inventors] believed there was a best way to carry out any claim of the invention and the [] patent does not adequately disclose it, the claim is invalid. In deciding whether or not the best mode has been included in the [] patent, you must consider two questions.

First, you must decide whether or not [the inventor/any of the inventors] believed there to be a best way to practice the claimed invention at the time that application was filed. If [the inventor did not believe/none of the inventors believed] there to be a best way to carry out the claimed invention, there is no requirement that the [] patent describe a best mode.

Second, you must decide whether or not the [] patent describes what [the inventor/any of the inventors] believed to be the best mode at the time the [original] patent application was filed for [each claim at issue]. The disclosure of the best mode must be detailed enough to enable a person having ordinary skill in the field of technology of the patent to [make/use/carry out] that best mode without undue experimentation. The patent specification need not disclose routine details concerning the quality and nature of the best mode if such details would be readily apparent to a person of ordinary skill in the field. Although a patent specification must disclose at least the best mode for each claim, it may also disclose other modes as well, and it need not state which of the modes disclosed is considered by the [inventor/inventors] to be the best.

Authorities

35 U.S.C. § 112, ¶ 1; *Pfizer, Inc. v. Teva Pharms. USA, Inc.*, 518 F.3d 1353, 1364-65 (Fed. Cir. 2008); *Bayer AG v. Schein Pharms., Inc.*, 301 F.3d 1306, 1320 (Fed. Cir. 2002); *Bruning v. Hirose*, 161 F.3d 681, 686-87 (Fed. Cir. 1998) (if inventor does not have a subjective awareness of a best mode for practicing the claimed invention at the time of filing of the patent application, no best mode violation can occur); *Glaxo Inc. v. Novopharm Ltd.*, 52 F.3d 1043, 1049-52 (Fed. Cir. 1995); *Transco Prods. Inc. v.*

Performance Contracting, Inc., 38 F.3d 551, 557-62 (Fed. Cir. 1994); *Wahl Instruments, Inc. v. Acvious, Inc.*, 950 F.2d 1575, 1579-84 (Fed. Cir. 1991); *Chemcast Corp. v. Arco Indus. Corp.*, 913 F.2d 923, 926-28 (Fed. Cir. 1990); *Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1535-37 (Fed. Cir. 1987).

B.6 Patent Damages

6.6 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.

Authorities

Uniloc USA, Inc. v. Microsoft Corp., 632 F.3d 1292 (Fed. Cir. 2011) (25% “rule of thumb” inadmissible); *ResONet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 (Fed. Cir. 2010) (per curiam) (licenses must be related to patent at issue to be relevant to a reasonable royalty); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 (Fed. Cir. 2009), cert. denied, 130 S. Ct. 3324 (2010) (vacating and rewarding jury award as excessive); *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1338 (Fed. Cir. 2004); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-10 (Fed. Cir. 1996); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-81 (Fed. Cir. 1996); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 (Fed. Cir. 1995) (en banc); *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970); United States Court of Appeals Fifth Judicial Circuit Pattern Jury Instructions, Instructions 9.8 (1999); *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371 (Fed. Cir. 2001); *Trans-World Mfg. Corp. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552 (Fed. Cir. 1984).

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B.6 Patent Damages

6.7 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.

Committee Comments and Authorities

These are the so-called “*Georgia-Pacific*” factors, which can be considered in evaluating the hypothetical negotiations. Although lengthy, the Committee believes it is necessary for all factors to be shared with the jury, so as to not unfairly emphasize any one factor. [*Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 \(Fed. Cir. 2011\) \(25% “rule of thumb” inadmissible\); *ResONet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860 \(Fed. Cir. 2010\) \(per curiam\) \(licenses must be related to patent at issue to be relevant to a reasonable royalty\); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1340 \(Fed. Cir. 2009\), cert. denied, 130 S. Ct. 3324 \(2010\) \(vacating and rewarding jury award as excessive\); *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327, 1338 \(Fed. Cir. 2004\); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108-10 \(Fed. Cir. 1996\); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1579-81 \(Fed. Cir. 1996\); *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1554 \(Fed. Cir. 1995\) \(en banc\); *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 \(S.D.N.Y. 1970\); Fifth Circuit Pattern Jury Instructions, Instructions 9.8 \(2006\), \[www.1b5.uscourts.gov/juryinstructions\]\(http://www.1b5.uscourts.gov/juryinstructions\).](#)