

1 Apple's motion for judgment as a matter of law in all other respects; and DENIES Apple's motion
2 for a new trial.¹

3 **I. LEGAL STANDARD.**

4 Rule 50 permits a district court to grant judgment as a matter of law "when the evidence
5 permits only one reasonable conclusion and the conclusion is contrary to that reached by the jury."
6 *Ostad v. Oregon Health Sciences Univ.*, 327 F.3d 876, 881 (9th Cir. 2003). A party seeking
7 judgment as a matter of law after a jury verdict must show that the verdict is not supported by
8 "substantial evidence," meaning "relevant evidence that a reasonable mind would accept as
9 adequate to support a conclusion." *Callicrate v. Wadsworth Mfg.*, 427 F.3d 1361, 1366 (Fed. Cir.
10 2005) (citing *Gillette v. Delmore*, 979 F.2d 1342, 1346 (9th Cir.1992)).

11 A new trial is appropriate under Rule 59 "only if the jury verdict is contrary to the clear
12 weight of the evidence." *DSPT Int'l, Inc. v. Nahum*, 624 F.3d 1213, 1218 (9th Cir. 2010). A court
13 should grant a new trial where necessary "to prevent a miscarriage of justice." *Molski v. M.J.*
14 *Cable, Inc.*, 481 F.3d 724, 729 (9th Cir. 2007).

15 **II. DISCUSSION**

16 **A. The Unregistered iPad/iPad2 Trade Dress**

17 Apple moves for judgment as a matter of law that the unregistered iPad/iPad 2 Trade Dress
18 is (1) protectable; (2) infringed; and (3) famous and diluted. In the alternative, Apple moves for a
19 new trial on the unregistered iPad/iPad 2 Trade Dress. The jury found that the unregistered
20 iPad/iPad 2 Trade Dress was not protectable and not famous. Therefore, the jury did not reach the
21 questions of whether Samsung infringed or diluted Apple's unregistered iPad/iPad2 Trade Dress.

22 1. Protectability

23 At trial, Apple had the burden of proving protectability by a preponderance of the evidence.
24 See 15 U.S.C.A. § 1125; Final Jury Instruction No. 63. "The physical details and design of a
25 product may be protected under the trademark laws only if they are nonfunctional and have
26 acquired a secondary meaning." *Clamp Mfg. Co., Inc. v. Enco Mfg. Co., Inc.*, 870 F.2d 512, 515

27 ¹ Apple has also moved for an amended judgment to award additional damages, and for
28 prejudgment interest. These claims will be addressed in a separate order.

1 (9th Cir. 1989). In finding the trade dress not protectable, the jury might have found that either
2 requirement was not met, or that neither was met. Thus, to establish that its unregistered trade
3 dresses are protectable as a matter of law despite the jury's contrary verdict, Apple would have to
4 show that a reasonable jury would necessarily have found both non-functionality and secondary
5 meaning.

6 There are two types of functionality: utilitarian functionality and aesthetic functionality.
7 *See TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001). Under the traditional,
8 utilitarian functionality test, a trade dress is functional "when it is essential to the use or purpose of
9 the device or when it affects the cost or quality of the device." *Id.* In applying this test, the Ninth
10 Circuit assesses four factors: "(1) whether advertising touts the utilitarian advantages of the design,
11 (2) whether the particular design results from a comparatively simple or inexpensive method of
12 manufacture, (3) whether the design yields a utilitarian advantage and (4) whether alternative
13 designs are available." *Talking Rain Beverage Co. v. South Beach Beverage Co.*, 349 F.3d 601,
14 603 (9th Cir. 2003) (citing *Disc Golf Ass'n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th
15 Cir. 1998)); *see also Au-Tomotive Gold, Inc., v. Volkswagen of America, Inc.*, 457 F.3d 1062, 1072
16 n.8 (9th Cir. 2006) (acknowledging the four factor test applied by the Ninth Circuit). Apple argues
17 that the evidence of non-functionality and secondary meaning presented at trial established
18 protectability as a matter of law.

19 Apple cites evidence attempting to establish utilitarian functionality under all four *Disc*
20 *Golf* factors. As to the first factor, "whether advertising touts the utilitarian advantages of the
21 design," Apple points to iPad advertising that presents the iPad design without touting any
22 utilitarian design advantages. *See Mot.* at 3 (citing PX11; PX128). As to the second factor,
23 "whether design results from a comparatively simple or inexpensive method of manufacture,"
24 Apple cites the testimony of Apple design executive Christopher Stringer that the iPad was not
25 designed to make manufacture cheaper or easier. *See Mot.* at 3 (citing Tr. 505:18-21). As to the
26 third factor, whether the design yields utilitarian advantage, Apple cites Mr. Stringer's testimony
27 that the iPad design was chosen for beauty rather than function. *See Mot.* at 3 (citing Tr. 499:5-6;
28 504:1-3). As to the fourth factor, Apple cites expert testimony of Apple's experts Peter Bressler

1 and Susan Kare that competitor products with alternative designs can perform the same functions
2 as the iPad. *See* Mot. at 3 (citing Tr. 1095:10-1096:22 (Bressler); Tr. 1399:24-1401:1 (Kare); Tr.
3 1403:16-1405:12 (Kare). *See also* PX10 (depicting alternative designs).

4 Although Apple has presented some favorable evidence on each factor, judgment as a
5 matter of law overturning the jury's verdict of nonprotectability is not appropriate here. It was
6 Apple's burden to prove protectibility of the unregistered iPad trade dress, and Apple has not
7 established that protectability was the only reasonable conclusion. *See Ostad*, 327 F.3d at 881.
8 Indeed, in its opposition, Samsung cites substantial evidence in the record supporting the jury's
9 finding. *See* Samsung's Opposition to Apple's Motion for Judgment as a Matter of Law
10 ("Opp'n"), ECF No. 2053, at 1-3. As to evidence suggesting functionality, Samsung first cites
11 testimony of Samsung's design expert Dr. Itay Sherman that the iPad trade dress is functional.
12 Specifically, Samsung cites Dr. Sherman's testimony that the rectangular shape, rounded corners,
13 and flat front face had "significant benefits" for "usability and economics." Opp'n at 1 (citing Tr.
14 2603:11-2609:9). Samsung also cites the testimony of Apple witnesses Dr. Bressler and Dr. Kare
15 that the iPad's clear surface covering the display and familiar icon images served utilitarian
16 functions. *See id.* (citing Tr. 1199:25-1200:16 (Bressler); 1451:13-1455:25 (Kare)). Samsung also
17 points to Apple advertisements that tout the iPad's functionality. *See id.* (citing PX11 ("Thinner.
18 Lighter. . .")). Finally, Samsung argues that Apple's experts admitted that they failed to seriously
19 consider functionality and offered only conclusory testimony that alternative designs could perform
20 the same functions as the iPad. *See id.* at 2 (citing Tr. 1469:24-1470:16 (Kare admitting that she
21 did not consider trade dress functionality); Tr. 1206:18-1208:6 (Bressler testifying that his analysis
22 of trade dress functionality was based upon "looking at the packaging and turning the phones on to
23 see their operating system")); Opp'n at 1 (citing Tr. 1079:2-18; Tr. 1094:19-1096:2 (Bressler
24 testimony that alternatives "would provide the same functions")). A reasonable jury could have
25 weighed this substantial evidence of functionality against the evidence of non-functionality cited
26 by Apple, and concluded that Apple did not carry its burden of showing a lack of utilitarian
27 functionality.
28

1 Furthermore, there is substantial evidence to support the jury’s finding of non-protectability
2 on the theory that the iPad trade dress has “aesthetic” functionality.” *See Au-Tomotive Gold*, 457
3 F.3d at 1072. The asserted iPad Trade Dress has aesthetic functionality if limiting Samsung’s use
4 of the iPad Trade Dress would impose “significant non-reputation-related competitive
5 disadvantage” on Samsung. *See id.* (citing *TrafFix*, 532 U.S. at 33). The Supreme Court in
6 *TrafFix* explained that such significant disadvantage arises where there is a “competitive necessity”
7 to infringe or dilute. 532 U.S. at 32-33.

8 The testimony of Apple’s own witnesses supports a finding of aesthetic functionality.
9 Apple industrial designer Christopher Stringer testified that the iPad was designed to be beautiful
10 (Tr. 499:3-8), and Apple executive Philip Schiller also testified that Apple intended the iPad to be
11 “something beautiful.” Tr. 617:22-618:1. Mr. Schiller further testified that a primary reason for
12 the iPad’s “success” is that the iPad is “absolutely beautiful” (Tr. 626:5-19) and that “customers
13 value beautiful products.” Tr. 629:2-9. If the jury accepted Apple’s own evidence that Apple had
14 designed an objectively beautiful product desired by consumers for its beauty, the jury could
15 reasonably conclude that excluding Samsung from selling products with this claimed trade dress
16 would impose a “significant non-reputation-related competitive disadvantage.” *Au-Tomotive Gold*,
17 457 F.3d at 1072. Thus, again, substantial evidence in the record supports the jury’s finding of
18 non-protectability on a theory of functionality.

19 Trade dress protectability requires not only non-functionality, but also secondary meaning.
20 A trade dress has secondary meaning if “the purchasing public associates the dress with a particular
21 source.” *Clamp*, 870 F. 2d at 517 (citing *Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.*, 826 F.2d
22 837, 843 (9th Cir. 1987)). “[F]actors to be assessed in determining secondary meaning include: [1]
23 whether actual purchasers associate [the trade dress] with [the plaintiff]; [2] the degree and manner
24 of [the plaintiff’s] advertising; [3] the length and manner of [the plaintiff’s] use of the [trade dress];
25 and [4] whether [the plaintiff’s] use of the [trade dress] has been exclusive.” *Id.*

26 As to the first *Clamp* factor, whether actual purchasers associate the trade dress with Apple,
27 Apple cites Apple expert Dr. Hal Poret’s survey evidence that 40-65% of respondents associated
28 iPad Trade Dress with Apple. *See Mot.* at 4 (citing Tr. 1585:22-1589:16 (Poret testifying on his

1 survey results)). As to the second *Clamp* factor, the degree and manner of Apple’s advertising,
2 Apple points to its extensive advertising. *See Mot.* at 4 (citing Tr. 639:13-22 and 649:2-650:19
3 (Schiller testifying on Apple’s advertising strategy, including the “product as hero” approach and
4 the various media used by Apple); Tr. 656:4-15 and PX16 (Schiller testimony and supporting
5 documentation that Apple spent \$379.5 million on U.S. iPad advertising through June, 2011)).
6 Apple also argues that trade dress recognition may be inferred from the high volume of iPad sales.
7 *See Mot.* at 4. This argument may have some relevance to the third *Clamp* factor, the length and
8 manner of use.

9 Samsung argues that the jury could reasonably have found non-protectability based upon
10 lack of secondary meaning. As to the first *Clamp* factor, Samsung argues that Apple did not show
11 that actual purchasers associate the unregistered iPad/iPad2 Trade Dress with Apple. Instead,
12 Samsung argues that Dr. Poret’s survey was deficient because the survey asked whether consumers
13 associated Apple with product images that included features that are not part of the claimed iPad
14 trade dress. *See Opp’n* at 2 (citing Tr. 1680:19-1682:11). Furthermore, Samsung argues that the
15 survey was conducted after Samsung began selling the accused tablets, and therefore has no
16 relevance to the question of whether the iPad/iPad 2 Trade Dress had acquired secondary meaning
17 *before* the accused Samsung tablets were released. *See Opp’n* at 2 (citing Tr. 1601:5-1602:12).
18 Samsung also argues that Dr. Poret’s survey evidence lacks credibility and scientific objectivity
19 because Dr. Poret changed his survey methodology at Apple’s request. *See Opp’n* at 3 (citing Tr.
20 1679:15-1680:18). As to the second *Clamp* factor, the degree and manner of Apple’s iPad
21 advertising, Samsung argues that Apple’s advertisements are not limited to showing the claimed
22 trade dress. *See Opp’n* at 3 (citing PX11; PX128 (Apple advertisements)). Therefore, Samsung
23 reasons, the degree and manner of Apple’s advertising do not support a strong inference that
24 Apple’s advertising caused the unregistered iPad/iPad 2 Trade Dress to acquire secondary
25 meaning. Finally, as to the fourth *Clamp* factor, whether Apple had exclusive use of the iPad/iPad
26 2 Trade Dress, Samsung argues that numerous third party products use iPad-like designs. *Opp’n* at
27 2 (citing DX687). Samsung also argues that the iPad’s popularity is not necessarily either a cause
28

1 or a result of trade dress recognition by consumers, and thus is not evidence of secondary meaning.
2 *See* Opp'n at 3 (citing 4 *McCarthy on Trademarks and Unfair Competition* 15:47 (4th ed. 1996)).

3 Samsung has demonstrated that substantial evidence in the record supports the jury's
4 finding of no secondary meaning. Specifically, Samsung presented substantial rebuttal evidence to
5 Dr. Poret's survey, along with some evidence on the other relevant factors. Though there is
6 evidence pointing each way, there was substantial evidence to support a conclusion that on balance,
7 Apple failed to establish protectability.

8 In sum, there is substantial evidence in the record to support the jury's finding that Apple's
9 unregistered iPad/iPad 2 Trade Dress is not protectable on any of three independent grounds: (1)
10 utilitarian functionality; (2) aesthetic functionality; and (3) lack of secondary meaning. In light of
11 this finding, the Court also finds that the jury's conclusion was not against the clear weight of the
12 evidence. Accordingly, the Court DENIES Apple's motion for judgment as a matter of law that the
13 unregistered iPad/iPad 2 Trade Dress is protectable, and DENIES Apple's alternative motion for a
14 new trial on the issue of iPad/iPad 2 Trade Dress protectability.

15 2. Infringement and Dilution

16 Apple also moves for judgment as a matter of law that the unregistered iPad/iPad 2 Trade
17 Dress is infringed and diluted. In the alternative, Apple moves for a new trial on the questions of
18 iPad/iPad 2 Trade Dress infringement and dilution. The jury did not reach the question of
19 infringement because it found the iPad/iPad 2 Trade Dress non-protectable. For the reasons
20 discussed above, the Court does not overturn the jury's finding of non-protectability. A non-
21 protectable trade dress cannot be infringed or diluted. Accordingly, the Court does not reach
22 Apple's motion for judgment as a matter of law or a new trial on infringement and dilution.

23 B. D'889 Infringement

24 Apple moves for judgment as a matter of law that the Samsung Galaxy Tab 10.1 infringes
25 U.S. Patent No. D504,889 ("the D'889 Patent"), or, in the alternative, a new trial on the question of
26 D'889 infringement. *See* Mot. at 7-13. A product infringes a design patent if the product's design
27 appears "substantially the same" as the patented design to an "ordinary observer." *Egyptian*
28 *Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 678 (Fed. Cir. 2008) (en banc). Comparison of the

1 claimed design to the prior art serves to focus this infringement analysis “on those aspects of [the
2 claimed] design which render [the claimed] design different from prior art designs.” *Id.* at 677
3 (internal punctuation omitted).

4 Apple argues that the Galaxy Tab 10.1 infringes the D’889 Patent because the designs
5 would appear substantially the same to an ordinary observer. Apple first cites this Court’s and the
6 Federal Circuit’s rulings on the preliminary injunction in this case in which the Federal Circuit
7 implicitly affirmed this Court’s finding of a substantial likelihood of success on the merits as to
8 D’889 infringement. *See* Mot. at 8 (citing *Apple, Inc. v. Samsung Electronics Co., Ltd.*, 678 F.3d
9 1314, 1329 (Fed. Cir. 2012)). However, the Federal Circuit’s ruling was not a finding of actual
10 infringement, and the preliminary injunction order was not binding on the jury. Indeed, the jury
11 was presented with significant evidence not presented at the preliminary injunction stage, including
12 Apple’s admission that the original iPad did not embody the D’889 Patent. Thus, the prior ruling
13 on the preliminary injunction does not justify judgment as a matter of law or a new trial on
14 infringement.

15 Apple also argues that the evidence at trial established infringement as a matter of law. The
16 Court does not agree. Though Apple did present testimony about the similarity of the accused
17 Galaxy Tab 10.1 to the D’889 Patent, Samsung noted a variety of differences. *See* Opp’n at 6-7.
18 One difference is that the Galaxy Tab 10.1 has a matte back surface rather than a shiny back
19 surface. Other differences include the Galaxy Tab 10.1’s thinner profile than the D’889, the
20 Galaxy Tab 10.1’s curved junction between the front surface and the sides in contrast to the
21 D’889’s right angle (*see* D’889 at Fig. 5), and the Galaxy Tab 10.1’s back surface design with a
22 seam in contrast to the seamless D’889. Although the Court presumes that the jury followed the
23 Court’s instruction to take a gestalt approach to analyzing design patent infringement, these
24 specific differences and others cited by Samsung are sufficient such that their cumulative effect
25 could reasonably render the overall design of the Galaxy Tab 10.1 non-infringing. The Court thus
26 finds that there was substantial evidence in the record to support the jury’s overall conclusion of
27 noninfringement, and that the jury’s finding of noninfringement was not against the clear weight of
28 the evidence.

1 Apple also argues that the Court’s claim construction of the D’889 Patent was erroneous,
2 and that under a correct claim construction, judgment as a matter of law would be warranted.
3 Apple further argues that the claim construction is grounds for a new trial. Specifically, Apple
4 argues that, contrary to this Court’s construction, the D’889 Patent does not require a shiny back
5 surface, and thus, the Galaxy Tab 10.1, with its matte surface, infringes. However, this Court
6 explicitly ruled, and subsequently instructed the jury, that the oblique lines used to shade the back
7 surface in Figure 2 depict “a transparent, translucent, or highly polished or reflective surface.”
8 ECF No. 1425 at 10-11; *see also* Final Jury Instruction No. 43. These lines are highly similar to
9 those in Figures 1 and 3, which Apple admits show transparent, translucent, or highly polished or
10 reflective surfaces.² Apple argues that although oblique lines “must” be used to indicate any shiny
11 surface, they may also be used for other purposes, such as indicating flatness or curvature, and
12 thus, the presence of oblique lines does not necessarily imply a shiny surface. *See* MPEP 1503.02.
13 Therefore, Apple argues, the Court should not have construed the oblique lines as representing a
14 shiny surface. However, flatness or curvature may be indicated by any appropriate surface shading
15 – oblique lines are not required. *See id.* As this Court has previously ruled, by using oblique lines
16 in Figure 2 that are highly similar or even indistinguishable from those used in Figures 1 and 3,
17 Apple claimed a transparent, translucent, or highly polished or reflective back surface. ECF No.
18 1425 at 10-11. Accordingly, Apple’s arguments that judgment as a matter of law would be
19 warranted under a different construction and that a new trial is warranted on the basis of an
20 incorrect construction cannot succeed.

21 Finally, Apple argues that a new trial is warranted on infringement of the D’889 Patent
22 because the jury was incorrectly instructed. Specifically, Apple argues that the Court erroneously
23 instructed the jury that consumer purchasing confusion was required for design patent
24 infringement. Although the Court did refer to the concept of confusion in illustrating the test for
25 infringement, the Court also explicitly instructed the jury that “[y]ou do not need . . . to find that
26 any purchasers were actually deceived or confused . . .” Final Jury Instruction No. 46. Thus,

27 ² Samsung argues that the admitted model for the D’889 Patent has a shiny back, but this fact did
28 not obligate Apple to claim that shiny back as an element of the D’889 design patent.

1 Apple's characterization of the jury instruction as requiring the jury to find actual confusion is
2 incorrect. The Court's instructions provided an accurate description of the test for design patent
3 infringement, and no new trial is warranted on the basis of this instruction.

4 Accordingly, the Court DENIES Apple's motion for judgment as a matter law that
5 Samsung Galaxy Tab 10.1 does not infringe the D'889 Patent, and DENIES Apple's alternative
6 motion for a new trial on the issue of D'889 infringement.

7 **C. Apple's Remaining Claims**

8 **1. Non-Infringement of the D'677 Patent and the D'807 Patent**

9 The jury found that the Galaxy Ace phone did not infringe U.S. Patent No. D618,677 (the
10 "D'677 Patent") and that the Galaxy S II and Infuse 4G phones did not infringe U.S. Patent No.
11 D593,087 (the "D'087 Patent"). Apple argues that these findings should be reversed by a grant of
12 judgment as a matter of law. *See* Mot. at 13-14. However, the Court finds that there is substantial
13 evidence in the record to support the jury's findings of non-infringement. Specifically, the Court
14 finds that the phones themselves provide substantial evidence to support the jury's finding of non-
15 infringement.

16 Although specific individual differences or similarities do not themselves determine non-
17 infringement of design patents, individual differences may contribute to the gestalt impression that
18 the jury found non-infringing. *See Egyptian Goddess*, 543 F.3d at 678-79. For example, among
19 other differences from the D'677 Patent, the Galaxy Ace phone has a rectangular center button,
20 prominent ornamentation, and wide lateral borders. *See* JX1030 (the Galaxy Ace). *See also* Tr.
21 1119:19-22 (Bressler testimony that the D'677 Patent was distinguished from the prior art based
22 upon button size). The Galaxy S II phones and the Infuse phone have either bezels distinct from
23 the D'087 Patent's bezel, or no bezel, as well as front-face icons, writing, and logos, and different
24 corner shapes. *See* JX1027 (Infuse 4G); JX1031 (Galaxy S II – AT&T); JX1032 (Galaxy S II –
25 i9100); JX1034 (Galaxy S II – Epic 4G Touch); JX1035 (Galaxy S II – Skyrocket). *See also* Tr.
26 1121:7-10 (Bressler testimony that "the absence of a bezel takes you out of substantial similarity");
27 Tr. 1126:22-1127:1 (Bressler testimony that the Infuse 4G lacks a bezel). The jury could
28 reasonably have concluded that the designs of these phones were not substantially the same as the

1 D'677 and D'087 Patents based on these phones and the testimony about them, and this conclusion
2 was not against the clear weight of the evidence. Accordingly, the Court DENIES Apple's motion
3 for judgment as a matter of law that the Galaxy Ace does not infringe the D'677, and that the
4 Galaxy S II and the Infuse 4G phones do not infringe the D'807, and DENIES Apple's request for
5 a new trial including these issues.

6 **2. Non-Dilution Findings as to the Registered iPhone Trade Dress and**
7 **Unregistered iPhone 3G Trade Dresses**

8 Apple moves for judgment as a matter of law that all the accused products dilute Apple's
9 registered iPhone and unregistered iPhone 3G Trade Dresses. The jury found these trade dresses
10 protectable and famous, and found dilution as to some devices, but did not find dilution as to every
11 accused device.

12 Apple cites the testimony of its expert Dr. Russell Winer that "the sale of Samsung's
13 Galaxy S phones is likely to dilute the distinctiveness of Apple's iPhone trade dresses" (Tr.
14 1528:17-21), and the testimony of its expert Dr. Kent Van Liere that the results of his survey using
15 the Samsung Galaxy Fascinate and the Samsung Galaxy S II Epic 4G show "that it is likely that
16 consumers will associate the look and design of the Samsung Galaxy phones with Apple or with
17 the iPhone, and that would be evidence suggestive of dilution." Tr. 1695:23-1696:2. Apple argues
18 that likelihood of dilution was the only reasonable conclusion for the jury to draw upon hearing this
19 evidence.

20 However, the jury was instructed that the degree of similarity between the accused
21 Samsung phones and Apple's trade dresses was relevant in determining dilution. *See* Final Jury
22 Instruction No. 67. The fact that Dr. Winer and Dr. Van Liere testified that all the accused
23 Samsung phones were likely to dilute Apple's phone trade dresses would not preclude the jury
24 from examining the accused phones, which were in evidence, and reaching its own conclusions as
25 to the likelihood of dilution. Indeed, the accused phones vary in appearance, and Samsung argues
26 that features of these iPhone 3G trade dresses, including a "metallic bezel" and "rounded silver
27 edges," are missing from the accused devices. *See* Opp'n at 13 (citing JX1011-12, 1016, 1022,
28 1025, 1027, 1031-35). Evidence on which to determine that the accused phones were not

1 sufficiently similar to Apple's trade dresses to give rise to a likelihood of dilution was before the
2 jury. Accordingly, the jury's findings of non-dilution are consistent with substantial evidence in
3 the record, and the jury's finding of non-dilution was not against the clear weight of the evidence.
4 Apple's motion for judgment as a matter of law or a new trial on dilution of the registered iPhone
5 trade dress and unregistered iPhone 3G trade dresses is DENIED.

6 **3. Dilution of Apple's Unregistered Combination iPhone Trade Dress**

7 Apple moves for judgment as a matter of law that Apple phones dilute the unregistered
8 Combination iPhone Trade Dress, or in the alternative, for a new trial on this basis. *See Mot.* at 15-
9 16. Trade dress dilution requires predicate findings that the asserted trade dress is protectable and
10 famous. The jury found that the unregistered Combination iPhone Trade Dress was not protectable
11 and not famous. As discussed previously in the context of the iPad/iPad 2 Trade Dress, a trade
12 dress is protectable if it is: (1) non-functional; and (2) has acquired secondary meaning.

13 The evidence cited by Apple in support of its motion for judgment as a matter of law is
14 insufficient to overturn the jury verdict. As discussed above, Apple bore the burden of establishing
15 protectability of its unregistered trade dress at trial. In support of non-functionality, Apple cites
16 only Mr. Bressler's testimony that: "It's my opinion that [all] aspects of the iPhone trade dress are
17 not functional." *See Mot.* at 15 (citing Tr 1094:14-18). In support of secondary meaning, Apple
18 cites only Dr. Winer's testimony that "Apple trade dresses are among the most distinctive in the
19 world, and particularly in the U.S., and have a very high degree of recognition." *See Mot.* at 15
20 (citing Tr. 1507:4-9). A reasonable jury considering this brief and conclusory testimony could find
21 that Apple had not carried its burden of proof on the issue of the Combination iPhone Trade
22 Dress's protectability. Indeed, the cited testimony regarding secondary meaning was not even
23 specifically about the Combination iPhone Trade Dress, but rather concerned general attributes of
24 "Apple trade dresses." Tr. 1507:7. The jury would have been reasonable to conclude that Apple
25 had not established the required non-functionality on the basis of this testimony, and such a finding
26 was not against the clear weight of the evidence. Accordingly, the Court DENIES Apple's motion
27 for judgment as a matter of law that the unregistered Combination iPhone Trade Dress is
28 protectable, and DENIES Apple's request for a new trial on this basis. Because a trade dress that is

1 not protectable cannot be famous or diluted, the Court need not reach Apple's motion on these
2 issues.

3 **4. Infringement of the '163 and '915 Patents**

4 The jury found that 21 of 24 accused Samsung products infringed U.S. Patent No.
5 7,844,915 ("the '915 Patent"), and that 16 of 24 accused Samsung products infringed U.S. Patent
6 No. 7,864,163 ("the '163 Patent"). Apple now argues that *all* of the accused Samsung devices
7 actually infringe these patents, and that judgment as a matter of law should be granted for the
8 products the jury found not to infringe.

9 Apple's one-paragraph motion cites only Apple expert Dr. Karan Singh's testimony at trial
10 that all of the Samsung devices accused of infringement actually infringe. Apple's broad citations
11 to large blocks of transcript with minimal analysis skirts the limits of the Court's order that parties
12 make all relevant arguments in the body of their motion, and specifically cite and quote the
13 supporting evidence. *See* ECF No. 1945. Even if Apple's argument were properly presented, the
14 jury was not obligated to credit Dr. Singh's testimony that all of the accused devices infringed.
15 Instead, the jury was entitled to examine the accused devices, all of which were in evidence, and
16 reach its own conclusions. Additionally, Samsung points to testimony from Samsung's expert
17 Stephen Gray, which also could have provided a basis for the jury's finding of noninfringement.
18 Based on all the evidence presented at trial, the Court finds that there is substantial evidence in the
19 record to support the jury's finding, and the jury's finding was not against the clear weight of the
20 evidence. Accordingly, the Court DENIES Apple's motion for judgment as a matter of law that all
21 the accused phones infringe the '163 and '915 Patents, and DENIES Apple's request for a new trial
22 on this basis.

23 **D. Willfulness and Inducement**

24 Apple next moves for judgment as a matter of law that Samsung willfully infringed the
25 D'087 Patent. *See* Mot. at 17. The Federal Circuit has laid out the relevant standard for the
26 willfulness inquiry for patent infringement: "a patentee must show by clear and convincing
27 evidence that the infringer acted despite an objectively high likelihood that its actions constituted
28 infringement of a valid patent. The state of mind of the accused infringer is not relevant to this

1 objective inquiry. If this threshold objective standard is satisfied, the patentee must also
2 demonstrate that this objectively-defined risk. . . was either known or so obvious that it should
3 have been known to the accused infringer.” *In re Seagate Technology, LLC*, 497 F.3d 1360, 1371
4 (Fed. Cir. 2007) (internal citation omitted). Thus, the willfulness inquiry is a two-prong analysis,
5 requiring an objective inquiry and a subjective inquiry. The objective inquiry is a question for the
6 Court, and the subjective inquiry is a question for the jury. *Bard Peripheral Vascular, Inc. v. W.L.*
7 *Gore & Associates, Inc.*, 682 F.3d 1003, 1007 (Fed. Cir. 2012).

8 In this case, the jury found that, as a subjective matter, Samsung did not willfully infringe
9 the D’087 Patent. In other words, the jury considered whether the “objectively-defined risk
10 (determined by the record developed in the infringement proceeding) was either known or so
11 obvious that it should have been known to the accused infringer,” *Seagate*, 497 F.3d at 1371, and
12 determined that it was not. This finding was supported by substantial evidence. In particular,
13 Samsung cites evidence that the differences between the D’087 Patent and the D’087 prior art were
14 similar in type and scope to the differences between the D’087 Patent and the accused devices. *See*
15 *Tr. 1121:7-1178:25* (discussing varying speaker location, bezel shape, key locations, and number
16 of keys). This evidence could reasonably have supported the jury’s finding that the D’087 Patent
17 was limited in scope, rendering it reasonable for Samsung to believe that its products, while
18 perhaps in some ways similar to the D’087 Patent, did not infringe. Indeed, the jury’s
19 understanding that the D’087 Patent has limited scope is consistent with the jury’s finding that 5 of
20 the 8 devices accused of infringing the D’087 Patent were in fact non-infringing. This evidence of
21 the limited scope of the D’087 Patent is sufficient to support the jury’s conclusion that the
22 infringement was not so obvious that Samsung “should have known” that there was a high
23 likelihood of infringement.

24 Moreover, Apple has failed to cite any evidence of actual knowledge of infringement on
25 Samsung’s part. Instead, Apple relies on evidence that Samsung purposely imitated Apple’s
26 designs. *See Opp’n at 10*. Evidence of copying, however, is not evidence of infringement or
27 knowledge thereof. *See Allen Engineering Corp. v. Bartell Industries, Inc.*, 299 F. 3d 1336, 1351
28 (Fed. Cir. 2002) (“While copying may be relevant to obviousness, it is of no import on the question

1 of whether the claims of an issued patent are infringed.”). Given that, as explained above, it would
2 have been reasonable for Samsung to believe that the D’087 Patent was limited in scope, Apple’s
3 evidence that Samsung engaged in some copying of Apple’s designs does not establish that
4 Samsung knew or should have known it was infringing. Rather, Samsung may have believed that
5 any elements of Apple’s designs that it was copying were not protected by the limited scope of the
6 D’087 Patent. Apple’s evidence thus does little to establish that Samsung knew or should have
7 known it was infringing. Accordingly, the Court finds that the jury’s determination that Samsung’s
8 infringement was not willful as a subjective matter is supported by substantial evidence in the
9 record.

10 As explained above, a finding of willfulness requires both that the jury find subjective
11 willfulness and that the court find objective willfulness. Here, the jury found that there was no
12 subjective willfulness, and the Court agrees that this finding was supported by substantial evidence
13 in the record. Therefore, even if the Court were to find the objective prong satisfied, there can be
14 no ultimate willfulness determination. Accordingly, the Court need not reach the objective
15 analysis.

16 Apple also moves for judgment as a matter of law that Samsung willfully infringed the
17 D’889 Patent, willfully diluted the unregistered Combination iPhone Trade Dress, and willfully
18 infringed and diluted the unregistered iPad/iPad 2 Trade Dress. *See Mot.* at 17. The jury did not
19 find infringement or dilution of any of this intellectual property, and the Court has denied Apple’s
20 motion for judgment as a matter law as to infringement and dilution for the reasons explained
21 above. Accordingly, the Court does not reach Apple’s motion for judgment as a matter of law that
22 these alleged acts of infringement and dilution were willful.

23 Finally, Apple moves for judgment as a matter of law that Samsung Electronics Corp.
24 (SEC) induced infringement of Apple’s patents with respect to the products and patents for which
25 the jury found no infringement.³ *See Mot.* at 17-18. However, the jury found no infringement, and

26 ³ For the products and patents on which the jury did find infringement, the jury also uniformly
27 found inducement. Regarding the ’915 Patent, Apple’s present motion concerns the Intercept and
28 Replenish phones. Regarding the ’163 patent, Apple’s present motion concerns the Captivate
Continuum, Gem, Indulge, Intercept, Nexus S 4G, Transform, and Vibrant phones.

1 the Court has denied Apple’s motion for judgment as a matter of law on infringement for these
2 products and patents for the reasons explained above. Without infringement, there can be no
3 inducement. Accordingly, Apple’s motion for judgment as a matter of law that SEC induced these
4 nonexistent acts of infringement is DENIED.

5 **E. Validity of Samsung’s Patents**

6 Apple seeks judgment as a matter of law that all five of Samsung’s asserted patents are
7 invalid on grounds of anticipation, obviousness, or both. A patent claim is invalid by reason of
8 anticipation under 35 U.S.C. § 102 “if each and every limitation is found either expressly or
9 inherently in a single prior art reference.” *Bristol-Myers Squibb Co. v Ben Venue Laboratories,*
10 *Inc.*, 246 F.3d 1368, 1374 (Fed. Cir. 2001). Whether a patent is anticipated is a question of fact.
11 *Green Edge Enterprises, LLC v. Rubber Mulch Etc., LLC*, 620 F.3d 1287, 1297 (Fed. Cir. 2010).
12 Anticipation must be shown by clear and convincing evidence. *Id.* at 1292.

13 A patent is invalid for obviousness “if the differences between the subject matter sought to
14 be patented and the prior art are such that the subject matter as a whole would have been obvious at
15 the time the invention was made to a person having ordinary skill in the art to which said subject
16 matter pertains.” 35 U.S.C. § 103(a). “Obviousness is a question of law based on underlying
17 findings of fact.” *In re Kubin*, 561 F.3d 1351, 1355 (Fed. Cir. 2009). The underlying factual
18 inquiries are: (1) the scope and content of the prior art; (2) the differences between the prior art and
19 the claims at issue; (3) the level of ordinary skill in the art; and (4) any relevant secondary
20 considerations, such as commercial success, long felt but unsolved needs, and the failure of others.
21 *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 406 (2007) (citing *Graham v. John Deere Co.*, 383
22 U.S. 1, 17-18 (1966)); *Aventis Pharma S.A. v. Hospira, Inc.*, 675 F.3d 1324, 1332 (Fed. Cir. 2012).
23 Though obviousness is ultimately a question of law for the Court to decide de novo, in evaluating a
24 jury verdict of obviousness, the Court treats with deference the implied findings of fact made by
25 the jury. *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1356-57 (Fed. Cir. 2012).
26 “A party seeking to invalidate a patent on the basis of obviousness must demonstrate by clear and
27 convincing evidence that a skilled artisan would have been motivated to combine the teachings of
28

1 the prior art references to achieve the claimed invention, and that the skilled artisan would have
2 had a reasonable expectation of success in doing so.” *Id.* at 1360.

3 **1. Claim 10 of U.S. Patent No. 7,456,893 (“the ’893 Patent”)**

4 Apple moves for judgment as a matter of law that claim 10 of the ’893 Patent is invalid.
5 *See* Mot. at 19-20. Claim 10 claims switching between camera mode and a file displaying mode,
6 such that after switching to the camera mode and back to the file displaying mode, the same image
7 will appear in the file displaying mode that appeared before switching to camera mode.

8 Specifically, claim 10 recites:

9 a digital image processing apparatus comprising:
10 an optical system for receiving a light reflected from a subject;
11 a photoelectric conversion module in optical communication with the optical
12 system for converting the light to image data;
13 a recording medium for storing the image data in an image file;
14 a display screen for displaying the image data; and
15 a controller connected with the photoelectric conversion module, the
16 recording medium and the display screen, the controller being operative in a
17 photographing mode to process the image data for storage in the recording medium
18 and, a stored-image display mode, being operative to control the display screen for
19 displaying a single image relative to the image data,
20 wherein upon a user performing a mode-switching operation defined by
21 switching from the stored-image display mode to the photographing mode and back
22 to the stored-image display mode the controller causes the display screen to first
23 display a single image file that was most recently displayed before the mode-
24 switching operation, the single image file being different from a most-recently
25 stored image file, and the single image file being first displayed irrespective of a
26 duration that the camera was used in the photographing mode during the mode-
27 switching operation.

’893 Patent, 10:20-47.

28 The prior art Korean Patent No. 10-2004-0013792 (PX112) discloses switching between
two display modes, according to the testimony of Apple expert Dr. Paul Dourish -- an image-
display mode, and a file-display mode. Tr. 3206:5-3216:25. After showing an image in the image-
display mode, the prior art can switch back to the file-display mode to show either the earliest file,
the oldest file, or the most recently displayed file (“bookmarking”), but does not specifically
identify which file should be displayed upon switching back to file-display mode.

Regarding anticipation, Apple argues that the Korean Patent discloses every limitation of
Claim 10, thus rendering Claim 10 invalid for anticipation. Mot. at 17. However, Claim 10 has at

1 least two limitations that are not disclosed in the Korean Patent: a photographing mode, and the
2 requirement of bookmarking specifically to the most recently displayed image. Accordingly, the
3 Court finds that Apple has not shown anticipation by clear and convincing evidence.

4 Regarding obviousness, the parties dispute: (1) whether the prior art switching between
5 image-display and file-display modes renders it obvious to switch between photographing and
6 stored-image display modes; and (2) whether it would have been obvious to switch back to the last-
7 displayed image, rather than to some other image, after being in photograph mode. Apple argues
8 that the evidence presented renders the patent obvious as a matter of law.

9 At trial, Apple's expert, Dr. Dourish, testified that it would have been obvious to switch
10 back specifically to the last-displayed image, because the combination of bookmarking and mode-
11 switching was already developed in the prior art Korean patent. Tr. 3217:1-3219:1. However,
12 Samsung's expert Dr. Woodward Yang testified that the Korean prior art patent did not disclose
13 mode-switching and bookmarking in the context of photography (Tr. 3666:4-19). Dr. Dourish did
14 not explain why it would be obvious to apply the mode switching and book-marking in the context
15 of photography. Considering this conflicting testimony, the Court finds that Apple has not
16 presented clear and convincing evidence that it would have been obvious to switch between a
17 photographing mode and a stored-image display mode. Furthermore, given that camera users may
18 generally be interested in their most recent photographs, it is not at all obvious that bookmarking
19 specifically to the image file last viewed, rather than the most recently recorded photograph or
20 some other file, would necessarily be a desirable user interface feature in the context of an actual
21 photography mode as claimed by the '893 Patent. Thus, the Court finds that as a matter of law,
22 Apple has not produced clear and convincing evidence that the claimed invention was obvious in
23 light of the prior art. Accordingly, the Court DENIES Apple's motion for judgment as a matter of
24 law that Apple proved invalidity of the '893 Patent by clear and convincing evidence, and DENIES
25 Apple's motion for a new trial on this basis.

26 **2. Claim 9 of U.S. Patent No. 7,698,711 ("the '711 Patent")**

27

28

1 Next, Apple moves for judgment as a matter of law that claim 9 of the '711 Patent is
2 invalid. *See* Mot. at 20. Claim 9 of the '711 Patent claims using applets to play music on a mobile
3 device. Specifically, claim 9 recites:

4 A multi-tasking apparatus in a pocket-sized mobile communication device including
5 an MP3 playing capability, the multi-tasking apparatus comprising:
6 a controller for generating a music background play object, wherein the music
7 background play object includes an application module including at least one
8 applet, for providing an interface for music play by the music background
9 play object, for selecting an MP3 mode in the pocket-sized mobile
10 communication device using the interface, for selecting and playing a music
11 file in the pocket-sized mobile communication device in the MP3 mode, for
12 switching from the MP3 mode to a standby mode while the playing of the
13 music file continues and for selecting and performing at least one function of
14 the pocket-sized mobile communication device from the standby mode while
15 the playing of the music file continues; and
16 a display unit for displaying an indication that the music file is being played in the
17 standby mode and for continuing to display the indication that the music file
18 is being played while performing the selected function.

19 '711 Patent, 7:43-8:10.

20 Apple argues that claim 9 is rendered obvious by: (1) the K700i device (PX125),
21 introduced in 2004, which allegedly discloses all elements except the applet element; and (2) U.S.
22 Patent No. 6,928,948, issued to Wong et al. in 2001 (PX91) (the "Wong Patent"), which discloses
23 using applets with a mobile device. *See* Mot. at 20. At trial, Apple's expert Dr. Tony Givargis
24 testified that it would have been obvious to combine the Wong Patent's use of applets with the
25 K700i, because the advantages of applets in mobile devices as described in the Wong Patent were
26 substantial and well known. Tr. 3244:20-3248:14. Thus, Apple argues, it would have been
27 obvious to one of skill in the art to combine the well-known applet technology from the Wong
28 Patent with the remaining elements disclosed in the K700i device.

The Court does not agree that Apple presented clear and convincing evidence of
obviousness for three reasons. First, there was conflicting expert testimony on the question of
whether the combination would in fact have been obvious. Samsung's expert, Dr. Yang, testified
that contrary to what Dr. Givargis said, the Wong Patent would not lead an inventor to include an
applet in technology like the K700i. Tr. 3667:10-15. The jury could have credited Dr. Yang's
testimony over Dr. Givargis's. Second, Dr. Givargis did not explain why the K700i did not also

1 use the applet technology. The applet technology disclosed by the Wong Patent had been available
2 for three years at the time the K700i was released. If its advantages were as obvious as Dr.
3 Givargis claimed, one might have expected the applet technology to be included in the K700i. The
4 omission of the applet technology from the K700i device thus suggests that the combination was
5 not as obvious as Dr. Givargis claimed. Third, Dr. Givargis's testimony that there were no
6 secondary indicia of non-obviousness was brief and conclusory: "I did not find anything that would
7 have been, that would have suggested that the claim 9 of the '711 Patent would have been a
8 commercial success." See Mot. at 20 (citing Dr. Givargis's testimony on "secondary
9 considerations" at Tr. 3248:5-14). Moreover, the jury found the '711 Patent valid, and so
10 implicitly rejected Apple's claim that there were no secondary indicia of non-obviousness. The
11 Court must defer to this implicit factual finding. See *Kinetic Concepts*, 688 F.3d at 1356-57.

12 In sum, when viewed in the context of the record as a whole, Apple's evidence that claim 9
13 was obvious is of limited weight. The evidence thus does not rise to the level of clear and
14 convincing evidence. Accordingly, the Court DENIES Apple's motion for judgment as a matter of
15 law that claim 9 of the '711 Patent is invalid as obvious, and DENIES Apple's motion for a new
16 trial on this basis.

17 **3. Claim 1 of U.S. Patent No. 7,577,460 ("the '460 Patent")**

18 Next, Apple moves for judgment as a matter of law that claim 1 of the '460 Patent is
19 invalid. See Mot. at 20. Claim 1, the only claim of the '460 Patent, claims:

20 A data transmitting method for a portable composite communication terminal which
21 functions as both a portable phone and a camera, comprising the steps of:

22 entering a first E-mail transmission sub-mode upon user request for E-mail
23 transmission while operating in a portable phone mode, the first E-mail
24 transmission sub-mode performing a portable phone function;

25 entering a second E-mail transmission sub-mode upon user request for E-mail
26 transmission while operating in a display sub-mode, the second E-mail
27 transmission sub-mode displaying an image most recently captured in a
28 camera mode;

sequentially displaying other images stored in a memory through the use of scroll
keys;

transmitting the address of the other party and a message received through a user
interface in the first E-mail transmission sub-mode; and

1 transmitting the address of the other party and the message received through the
2 user interface and the image displayed on the display as an E-mail in the
3 second E-mail transmission sub-mode.

4 '460 Patent, 14:24-44. Apple argues that this claim is invalid as obvious in view of three patents in
5 the prior art: U.S. Patent No. 6,069,648, issued to Suso et al. in 2000 (PX119) (the "Suso Patent"),
6 U.S. Patent No. 6,009,336, issued to Harris et al. in 1999 (PX118) (the "Harris Patent"), and U.S.
7 Patent No. 6,690,417, issued to Yoshida et al. in 2004 (PX120) ("the Yoshida Patent").

8 Samsung asserts that one key element was never identified in any of the prior art: the
9 element of "displaying an image" in the body of an email. Apple argues that the Yoshida Patent
10 does disclose this element. *See* Mot. at 20. However, the passages from the Yoshida Patent cited
11 by Apple merely disclose displaying an image and easily attaching that image file to an email. The
12 Yoshida Patent does *not* disclose displaying the image in the email. *See, e.g.*, PX120 at 20:35
13 ("attach an image file"); 17:63-64 ("transfer of image information by use of electronic mail");
14 6:38-44 ("send [the image] to a desired party as the electronic mail"). Apple has not presented any
15 evidence that the key element of displaying an image in the body of an email was disclosed
16 anywhere in the prior art. Without prior disclosure of all of the elements in the prior art, the patent
17 cannot be obvious. Thus, the evidence in the record supports the jury's finding that Apple has not
18 proven invalidity by clear and convincing evidence. Accordingly, the Court DENIES Apple's
19 motion for judgment as a matter of law that claim 1 of the '460 Patent is invalid, and DENIES
20 Apple's motion for a new trial on this basis.

21 **4. U.S. Patent No. 7,447,516 ("the '516 Patent")**

22 Apple also moves for judgment as a matter of law that claims 15 and 16 of the '516 Patent
23 are invalid. Claims 15 and 16 claim an apparatus for data transmission that can reduce power flow
24 through a low-priority data transmission channel (the HARQ channel) without reducing power
25 flow through other higher-priority channels. Claim 15 recites:

26 An apparatus for transmitting data of a first channel not supporting Hybrid
27 Automatic Repeat reQuest (HARQ) and a second channel supporting the
28 HARQ in a mobile telecommunication system which supports an enhanced
uplink service, the apparatus comprising:

a controller for determining transmit power factors for the channels, determining if
total transmit power required for transmission of the channels exceeds the

1 maximum allowed power, and scaling down the transmit power factor for
2 the second channel if the total transmit power exceeds the maximum allowed
power;

3 first and second channel generators for generating first and second data frames by
4 performing channel-coding and modulation of the first and second channel
data; and

5 a gain scaling unit for adjusting the transmit powers of the first and second
6 channels, with which the data frames of the first and second channels is
7 transmitted, using the scaled transit power factor for the second channel and
the transmit power factor for the first channel.

8 Claim 16 recites:

9 The apparatus as claimed in claim 15, wherein the controller scales the transmit
10 power factor for the second channel from slot to slot when the total transmit
power exceeds the maximum allowed power.

11 '516 Patent, 21:11-34.

12 Apple argues that these two claims are invalid as obvious in view of the prior art.

13 Specifically, the prior art listed in the '516 Patent itself discloses HARQ channels in which power
14 is scaled equally with the power on non-HARQ channels. Tr. 3423:6-3424:19; '516 Patent at Figs.
15 4-5. Separately, the Hatta Reference (PX100), a Japanese patent application, discloses unequal
16 channel scaling, but not in the context of HARQ channels. Indeed, the Hatta Reference shows
17 scaling of multiple channels, while the '516 Patent limits scaling to the single HARQ channel. *See*
18 PX100, Fig. 5; '516 Pat., Fig. 6. The question, then, is whether it would have been obvious to
19 combine these two. Apple has not presented clear and convincing evidence that such a
combination would have been obvious.

20 Although Apple's expert Dr. Hyong Kim testified that applying scaling of some but not all
21 channels to solve the problem solved by the '516 Patent – the desire to prioritize data transmitted
22 over non-HARQ channels – would be obvious (Tr. 3427:8-20), Samsung's expert Dr. Tim
23 Williams testified to the contrary (Tr. 3657:3-3658:17). Furthermore, Dr. Kim failed to explain
24 *why* it would have been obvious to treat the HARQ channel as a separate and lower priority
25 category. Instead, Dr. Kim testified only that:

26 if you look at the prior art, Figure 5 [of the '516 Patent], and then the Hatta Patent
27 application, it's quite obvious. If you think about channels that you have in the
28 3GPP standard [that allegedly infringes the '516 Patent], multiple channels you
have, you could easily classify the channel with a HARQ and a channel without the

1 HARQ. So Hatta teaches us that if you classify differently, you would scale power
of those channels differently.

2 Tr. 3427:11-20. Dr. Kim's testimony that a HARQ channel *could* be classified differently does not
3 indicate that it would be obvious to do so, or that it would be obvious to prioritize data transmitted
4 over non-HARQ channels. Dr. Kim also briefly testified that he had not identified any evidence of
5 secondary indicia of non-obviousness, specifically, copying ("No."); commercial success ("No.");
6 failed attempts by others to make the invention ("No."); and praise in the industry ("No."). Tr.
7 3430:19-3431:6. Dr. Kim did not describe his investigation methods as to these secondary indicia
8 of non-obviousness. Moreover, the Court, pursuant to *Kinetic Concepts*, infers from the jury's
9 ultimate finding of validity that the jury implicitly found this testimony of lack of secondary indicia
10 of non-obviousness unpersuasive. Accordingly, in light of Apple's failure to present evidence as to
11 why it would be obvious to treat the HARQ channel as low-priority, and the jury's rejection of
12 Apple's claim that there were no secondary indicia of non-obviousness, the Court finds that Apple
13 has not established obviousness by clear and convincing evidence. Accordingly, the Court
14 DENIES Apple's motion for judgment as a matter of law that claims 15 and 16 of the '516 Patent
15 are invalid, and DENIES Apple's motion for a new trial on this basis.

16 **5. Claims 10 and 15 of U.S. Patent No. 7,675,941 ("the '941 Patent")**

17 Claims 10 and 15 of the '941 Patent claim a system for data transmission over wireless
18 systems by chopping up data in discrete packets, with headers containing information needed for
19 data reassembly after transmission. Specifically, claim 10 recites:

20 An apparatus for transmitting data in a mobile communication system, comprising:
21 a transmission buffer for receiving a service data unit (SDU) from a higher layer,
determining whether the SDU can be comprised in one protocol data unit
22 (PDU) segmenting the SDU into a plurality of segments according to a
transmittable PDU size if the SDU does not be comprised in one PDU, and
23 constructing one or more PDUs;
a header inserter for constructing a header of each PDU, wherein the header
24 comprises a serial number (SN) field, a one-bit field, at least one Length
Indicator (LI) field;
25 a one-bit field setter for setting the one-bit field of the at least one PDU to indicate
whether the PDU contains an entire SDU in the data field;
26 an LI inserter for inserting an LI field after the one-bit field in the at least one PDU
if the SDU is not comprised in one PDU, and setting an LI field to a
27 predefined value indicating that the PDU contains neither a first segment nor
28

a last segment of the SDU to contain the intermediate segment of the SDU;
and

a transmitter for sending the PDUs to a receiver.

'941 Patent, 12:62-13:16. Claim 15 recites:

An apparatus for receiving data in a mobile communication system, comprising:
a reception buffer for receiving a protocol data unit (PDU) from a transmitter and
storing the PDU;
a reassembly controller for detecting a sequence number (SN) field and a one-bit
field indicating whether the PDU contains an entire service data unit (SDU)
in its data field from the header, detecting the following length indicator (LI)
field from the header of the PDU and determining whether the LI field is set
to a predefined value indicating that the PDU contains an intermediate
segment that is neither a first segment nor a last segment of the SDU if the
one-bit field indicates that the PDU does not contain an entire SDU in its
data field;
a header and LI remover for eliminating the SN field, the one-bit field, and the LI
field if the one-bit field indicates that the PDU does not contain the entire
SDU in its data field,; and
a reassembler for receiving the intermediate segment from the header and LI
remover and constructing the SDU by combining the intermediate segment
with at least one previous segment extracted from a data field of at least one
previous PDU and at least one following segment extracted from a data field
of at least one following PDU.

'941 Patent, 13:37-14:22.

Apple argues that these claims are invalid because they are anticipated by a single prior art
reference: U.S. Patent No. 6,819,658 (“the Agarwal Patent”). *See* PX97. Samsung attempts to
distinguish the Agarwal Patent based solely upon Dr. Williams’ testimony that the Agarwal Patent
occurs in a different context than the ’941 Patent (satellites rather than mobile networks), and that
several elements of claims 10 and 15 are missing from the Agarwal Patent “if you look.” *Opp’n* at
21 (citing Tr. 3658:18-3659:17). The three allegedly missing elements that Dr. Williams identified
are: (1) “no one bit field”; (2) “no serial number”; and (3) “no length indicator.” *Id.*

However, Apple has presented evidence addressing each of these alleged differences. First,
as to the satellite versus mobile network context issue, the Agarwal Patent is explicitly addressed to
“satellite *and wireless*” networks. PX97 at [57] (Agarwal abstract). Thus, the plain text of the
Agarwal Patent is inconsistent with Samsung’s suggestion that the Agarwal Patent is limited to the
satellite context. The Court thus finds that there is no significant difference in contexts.

1 As to the three supposedly missing elements, Apple's expert Dr. Edward Knightly walked
2 the jury through the Agarwal Patent's Figure 7(B), which accounts for all three missing elements
3 asserted by Dr. Williams. First, Dr. Knightly explained that the Agarwal Patent discloses a "one
4 bit field." *See* Tr. 3455:23-3456:3; 3456:22-3457:15; 3458:18-3459:2. The '941 invention
5 includes the limitation that each packet-header contains a 1-bit field (0 or 1) that indicates whether
6 the packet is a serviceable data unit (SDU) containing a segment of the transmitted data. In the
7 Agarwal Patent, this feature takes the form of the "V" bit – V for "valid," which indicates whether
8 there is a segment of transmitted data in the packet, and is similarly a one bit field. *See* PX97,
9 10:25-32 (explaining the V bit in Fig. 7B). Thus, the Court finds that the "one bit field" limitation
10 of the '941 Patent allegedly missing from the Agarwal Patent is, in fact, disclosed in the Agarwal
11 Patent.

12 Second, Dr. Knightly explained that the Agarwal Patent discloses a sequence number. *See*
13 Tr. 3456:17-21; 3458:18-22. The '941 Patent includes the limitation that packet headers include a
14 sequence number for each packet. In Figure 7(B) of the Agarwal Patent, this is disclosed as the
15 "PKTSEQNO" – the PacKeT SEQuence NO. (packet sequence number) – i.e. the sequence number
16 for each specific packet of data. *See* PX97, 10:12-14; 10:33-37 (explaining the packet sequence
17 number in Fig. 7B). Thus, contrary to Dr. Williams's suggestion, the Agarwal Patent does disclose
18 the sequence number limitation in the '941 Patent.

19 Third, Dr. Knightly explained that the Agarwal Patent includes a length indicator. *See* Tr.
20 3456:4-16; 3459:3-6. The '941 Patent includes the limitation of a length indicator that shows
21 whether the segment is the first data segment, the last data segment, or an intermediate segment.
22 The packet header in Figure 7(B) of the Agarwal Patent discloses this limitation as the adjacent F/L
23 fields – first / last, in which 1 0 would indicate the first segment, 0 0 an intermediate segment, and
24 0 1 would indicate the last segment. *See* PX97, 10:15; 10:18-20 (explaining the F and L fields in
25 Fig. 7B). The adjacent F/L fields are thus exactly the type of length indicator included in the '941
26 Patent. Therefore, Dr. Williams's statement to the contrary notwithstanding, the Agarwal Patent
27 discloses the length indicator limitation of the '941 Patent. There is no dispute that the remaining
28 elements of these claims are disclosed by the Agarwal Patent.

1 “To anticipate, a single reference must teach every limitation of the claimed invention.”
 2 *MEHL/Biophile Int'l Corp. v. Milgraum*, 192 F.3d 1362, 1365 (Fed. Cir. 1999). Each of the three
 3 allegedly missing elements identified by Dr. Williams is in fact disclosed by Figure 7B of the
 4 Agarwal Patent. Moreover, at the hearing on December 6, 2012, Samsung conceded that it had no
 5 evidence other than Dr. Williams’s testimony that the Agarwal Patent did not anticipate the ’941
 6 Patent, and did not argue that any additional limitations were missing from the Agarwal Patent.
 7 *See* Dec. 6 Tr. 66:18-67:6. Dr. Williams’s trial testimony, on which Samsung relies, was brief and
 8 conclusory, covering just over one page of transcript, and did not offer any response to any of
 9 Apple’s arguments. Tr. at 3658:18-3659:21. In short, Apple has clearly identified where each of
 10 the allegedly missing elements is disclosed in a single prior art reference, as is required for
 11 anticipation, and Samsung has failed to respond to these arguments. The Court finds that Apple
 12 has established anticipation by clear and convincing evidence. Accordingly, the Court GRANTS
 13 Apple’s motion for judgment as a matter of law that claims 10 and 15 of the ’941 Patent are
 14 invalid.⁴

15 **F. Breach of Contract and Antitrust**

16 Finally, Apple argues that Apple is entitled to judgment as a matter of law that Samsung
 17 breached the European Telecommunications Standards Institute’s (“ETSI’s”) Intellectual Property
 18 Rights (“IPR”) Policy, and that in so doing, Samsung violated section 2 of the Sherman Act.

19 Electronics companies often work together to create and adopt technical standards in order
 20 to make products that will be able to work together, despite being made by different manufacturers.
 21 The Universal Mobile Telecommunications System (“UMTS”) is a technical standard pertaining to
 22 cellular phone technology. Several organizations participated in the development of the UMTS,
 23 including ETSI. Apple and Samsung are both members of ETSI. ETSI has a set of policies
 24 concerning the IPRs of its members, including when and how they must be disclosed during the
 25 standard-setting process, and what sorts of terms ETSI members must offer for licenses of their
 26

27 ⁴ As the jury found that these claims were not infringed, this ruling does not affect the overall
 28 outcome of this case.

1 IPRs that are necessarily infringed by practicing the standards (so-called “essential IPRs”). IPRs
2 include patents and patent applications.

3 In 2005, during the process of designing and finalizing specifications for inclusion in the
4 UMTS, Samsung submitted two technical proposals to ETSI, seeking specific changes to draft
5 specifications that would become part of the standard. *See* PX72 (report of working group
6 discussing a Samsung proposal); PX70 (same); PX84 (ETSI document showing formal adoption
7 of specifications including Samsung’s proposals). These two proposals involved the incorporation
8 of new technologies: one corresponding to what became the ’941 Patent, and the other
9 corresponding to what became the ’516 Patent. After components of the UMTS incorporating
10 Samsung’s two proposals were formally adopted, Samsung declared several patents, including the
11 ’941 and ’516 Patents, “essential” to the UMTS, meaning that Samsung believed it would be
12 impossible to comply with the standard without infringing the patents. *See* PX122 (ETSI database
13 showing Samsung’s declarations). Samsung also made both general and patent-specific
14 declarations that it was prepared to license these and other standards-essential patents on fair,
15 reasonable, and non-discriminatory (“FRAND”) terms. *See* PX122.1 (December 14, 1998 general
16 declaration); PX122.41 (August 9, 2007 ’941 declaration); PX122.24 (May 19, 2006 ’516
17 declaration).

18 The parties do not dispute that the ’941 Patent claims priority to a Korean patent application
19 which was filed shortly before Samsung’s submission of the proposal incorporating that
20 technology, and that the ’516 Patent claims priority to several Korean patent applications, one of
21 which was filed shortly before Samsung’s submission of a proposal incorporating the ’516
22 technology. In other words, Samsung had filed patent applications in Korea, which correspond to
23 the two U.S. patents at issue here, covering the technology it sought to work into the standard
24 *before* submitting its proposals to ETSI.

25 On June 30, 2011, Samsung filed its counterclaims against Apple in this case, alleging
26 violation of a range of Samsung patents. ECF No. 80. Samsung’s primary argument for
27 infringement of the two patents at issue here was that Apple’s products that comply with the
28 UMTS necessarily infringe the ’516 and ’941 Patents. *See* Tr. 437:19-438:9 (Samsung’s opening

1 statement regarding the '516 Patent); *id.* at 440:14-19 (same regarding '941 Patent). In July of
2 2011, Samsung offered Apple a license to its portfolio of declared-essential patents, consisting of
3 some 86 patents including the two at issue here, seeking a royalty of 2.4% of the selling price of
4 each Apple product. *See* Tr. 3145:1-16; PX80 (license offer).

5 **1. Breach of Contract**

6 The jury found that Samsung was not liable to Apple for breach of the ETSI IPR policy.
7 Apple now moves for judgment as a matter of law that Samsung is liable for breach of contract for
8 two reasons: (1) Samsung's violations of the ETSI IPR Policy's disclosure requirement; and (2)
9 Samsung's violations of the ETSI FRAND licensing requirement. Apple also moves in the
10 alternative for a new trial on these bases.

11 Regarding the disclosure requirement, the ETSI IPR Policy requires ETSI members such as
12 Samsung to timely disclose potentially essential IPRs on a good faith ("bona fide") basis. PX74,
13 Annex 6, Article 4. There are serious questions about whether Samsung fulfilled its good faith
14 disclosure obligations under the ETSI IPR Policy when Samsung failed to disclose Samsung's
15 Korean patent applications before the inventions were incorporated into the UMTS standard.
16 However, the Court need not decide whether Samsung actually breached a contractual obligation.
17 As this Court instructed the jury, to recover for breach of contract, there must be not only a breach,
18 but also a causal link between the breach and the alleged harm. *See* Final Jury Instruction No. 75.
19 Apple has not provided sufficient evidence of this required causal link to disturb the jury's finding
20 of no liability for breach of contract.

21 Apple alleges that the causal link between Samsung's conduct and harm to Apple is that
22 ETSI "may not have" adopted the standard it chose if Samsung had disclosed the disputed IPR
23 (Korean Patent applications), but instead may have adopted some other standard. *See* Tr. 3579:2-6
24 (testimony of Apple's expert Janusz Ordover). The hypothetical alternative standard would not
25 have required standard-users to infringe Samsung's IPR, and thus there would have been no risk of
26 infringement, and Apple would not have been forced to defend this infringement action.

27 However, Apple's evidence of causation consists of the testimony of three experts, Dr.
28 Ordover, Dr. Kim, and Dr. Knightly, and is not strong. Dr. Ordover said only that Samsung's non-

1 disclosure “led to a choice of technology that may not have been chosen but for [Samsung’s]
2 conduct.” Tr. at 3579:4-6. Dr. Ordover’s conclusory testimony relied on Dr. Kim’s testimony that
3 alternatives to the ’516 technology were considered, and Dr. Knightly’s testimony that alternatives
4 to the ’941 technology existed at the time the UMTS was adopted. Tr. 3432:2-15 (Kim); Tr.
5 3460:20-23 (Knightly). However, Dr. Kim failed to address the advantages or disadvantages of the
6 alternative technologies. Thus, Dr. Kim’s testimony does not show that these alternative
7 technologies would likely have been chosen but for Samsung’s non-disclosure – only that there
8 was an abstract possibility that ETSI could have chosen something different.

9 Dr. Knightly similarly failed to establish causation. He first testified that the Agarwal
10 Patent provides an alternative to the ’941 technology. See Tr. 3460:20-23. However, Dr. Knightly
11 did not testify as to what alternative technology the Agarwal Patent discloses. See *id.* Indeed, the
12 Agarwal Patent is the reference that Dr. Knightly argued, and this Court has ruled, anticipates the
13 ’941 Patent, meaning that it discloses the *same* technology as the ’941 Patent, rather than some
14 alternative technology. Though some other part of the Agarwal Patent could theoretically disclose
15 an alternative technology in addition to the technology that anticipates the ’941 Patent, Dr.
16 Knightly did not identify any such alternative in the Agarwal Patent. His reliance on the Agarwal
17 Patent thus fails to establish that there was an available alternative. Dr. Knightly also testified that
18 one alternative available at the time of standard-setting – “the original e-bit” – existed in the market
19 at the time of standard-setting. Tr. 3460:24-3461:17. But this testimony, like Dr. Kim’s testimony,
20 fails to address whether there are any advantages to one alternative or the other, and thus whether
21 there was a realistic possibility of the adoption of the alternative over the ’941 technology.

22 In sum, Apple’s evidence in support of its argument that ETSI would likely have adopted
23 an alternative standard had ETSI known of Samsung’s IPR is sufficiently equivocal that the jury
24 could reasonably have found that the causation element was not satisfied. This conclusion was not
25 against the clear weight of the evidence. Accordingly, the record is consistent with the jury’s
26 finding that there was no breach of contract due to the ETSI disclosure provisions.

27 Apple has also failed to establish that the jury was wrong as a matter of law to find that
28 Samsung did not breach the ETSI policy by its conduct relating to FRAND obligations. Whether

1 Samsung violated its FRAND licensing obligations is a question of fact. The jury heard conflicting
 2 expert testimony as to whether Samsung's offer to license Apple Samsung's entire declared-
 3 essential patent portfolio at a 2.4% royalty rate met Samsung's FRAND licensing obligations.
 4 *Compare* testimony of Samsung's expert David Teece, Tr. 3145:1-3146:23 (FRAND) *with*
 5 testimony of Apple's expert Richard Donaldson, Tr. 3537:12-3538:6; 3539:6-20 (not FRAND).
 6 Dr. Teece's testimony represents substantial evidence in the record in support of the jury's finding
 7 that Samsung did not violate its FRAND licensing obligation under the ETSI IPR Policy. Further,
 8 given the conflicting nature of the testimony, the jury's finding was not against the clear weight of
 9 the evidence. Thus, the Court DENIES Apple's motion for judgment as a matter of law that Samsung
 10 is liable to Apple for breach of contract, and DENIES Apple's motion for a new trial on this basis.

11 **2. Antitrust**

12 The jury found that Samsung did not violate section 2 of the Sherman Act. The jury was
 13 instructed that the elements of the violation are: (1) that the alleged market is a relevant antitrust
 14 market; (2) that Samsung possessed monopoly power in that market; (3) that Samsung "willfully"
 15 acquired its monopoly power in that market by engaging in anticompetitive conduct; (4) that
 16 Samsung's conduct occurred in or affected interstate commerce; and (5) that Apple was injured in
 17 its business or property because of Samsung's anticompetitive conduct. *See* Final Jury Instruction
 18 No. 77. Apple has moved for judgment that Samsung violated the Sherman Act as a matter of law,
 19 meaning that the only reasonable conclusion the jury could have drawn from the evidence was that
 20 all five elements were met. Failure to establish any one of these five elements would justify the
 21 jury's finding of no liability.

22 Apple's allegations of anticompetitive conduct concern the same behavior that gave rise to
 23 the failed breach of contract claim: breach of the disclosure policy, and failure to comply with
 24 FRAND obligations. *See* Mot. at 25-26. Regarding the disclosure policy, Sherman Act liability,
 25 requires that Samsung's conduct have caused Apple harm. However, as explained above, Apple's
 26 evidence that any breach of the disclosure policy by Samsung caused any harm suffered by Apple
 27 is not sufficiently strong to require the jury to find for Apple. Thus, for the reasons explained
 28 above in the context of breach of contract, the Court will not upset the jury's determination that

1 there can be no Sherman Act liability for Samsung's alleged failure to abide by ETSI's IPR
2 disclosure policy.

3 Regarding FRAND obligations, Samsung's licensing behavior could only give rise to
4 Sherman Act liability if it constituted anticompetitive behavior. However, the jury, as discussed
5 above, implicitly found that the conflicting testimony had not established that Samsung had failed
6 to meet its FRAND obligations. In so finding, the jury could also reasonably have found that
7 Samsung's licensing behavior was not anticompetitive, and thus did not meet the third requirement
8 for Sherman Act liability. Accordingly, the Court DENIES Apple's motion for judgment as a
9 matter of law that Samsung violated section 2 of the Sherman Act, and DENIES Apple's motion in
10 the alternative for a new trial.

11 **3. CONCLUSION**

12 For the reasons discussed above, the Court:

- 13 (1) GRANTS Apple's motion for judgment as a matter of law that claims 10 and 15 of the '941
14 Patent are invalid;
- 15 (2) DENIES Apple's motion for judgment as a matter of law that Apple's unregistered
16 iPad/iPad 2 trade dress is protectable, infringed, and diluted;
- 17 (3) DENIES Apple's motion for judgment as a matter of law that the Galaxy Tab 10.1 infringes
18 the D'889 Patent;
- 19 (4) DENIES Apple's motion for judgment as a matter of law that all accused Samsung phones
20 infringe or dilute all Apple's intellectual property as asserted, and that all acts of
21 infringement or dilution by accused Samsung phones and tablets were willful and induced
22 by SEC;
- 23 (5) DENIES Apple's motion for judgment as a matter of law that the '893, '711, '460, and '516
24 Patents are invalid; and
- 25 (6) DENIES Apple's motion for judgment as a matter of law that Samsung is liable to Apple
26 for breach of contract and antitrust violations stemming from breach of the ETSI IPR
27 Policy.

28 **IT IS SO ORDERED.**

Lucy H. Koh
LUCY H. KOH
United States District Judge

Dated: January 29, 2013

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United States District Court
For the Northern District of California