

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

i4i LIMITED PARTNERSHIP * Civil Docket No.
 * 6:07-CV-113 (LED)
VS. * Tyler, Texas
 *
 * May 19, 2009
MICROSOFT CORPORATION * 1:30 P.M.

TRANSCRIPT OF TRIAL
BEFORE THE HONORABLE LEONARD E. DAVIS
UNITED STATES DISTRICT JUDGE
AND A JURY

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(Proceedings recorded by mechanical stenography,
transcript produced on CAT system.)

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* * * * *

1 P R O C E E D I N G S

2 (Jury out.)

3 COURT SECURITY OFFICER: All rise.

4 THE COURT: Please be seated.

5 All right. Would Plaintiffs like to
6 present their motion for judgment as a matter of law?

7 MS. HARTING: Thank you, Your Honor.

8 May I proceed?

9 THE COURT: Yes, you may.

10 MS. HARTING: At this time, Your Honor,
11 i4i moves for --

12 THE COURT: You might want to get a
13 little closer to that microphone. I'm having a little
14 trouble hearing you.

15 MS. HARTING: Excuse me.

16 THE COURT: Thank you.

17 MS. HARTING: At this time, i4i moves for
18 a judgment as a matter of law under Federal Rules of
19 Civil Procedure 50(a) on a number of issues.

20 i4i has established direct infringement
21 as a matter of law of Claims 14, 18, and 20 of the '449
22 patent by use of the patented method in Microsoft's Word
23 2003 and Word 2007 products for processing an XML
24 document with custom XML elements. No reasonable jury
25 could find otherwise.

1 No. 2: i4i has established as a matter
2 of law that Microsoft is liable for inducing
3 infringement.

4 No. 3: i4i has established as a matter of
5 law that Microsoft is liable for contributory
6 infringement.

7 No. 4: i4i has established by clear and
8 convincing evidence as a matter of law that Microsoft
9 willfully infringed the '449 patent.

10 No. 5: Microsoft has failed to produce
11 legally sufficient clear and convincing evidence that
12 the '449 patent is invalid.

13 No. 6: i4i has established as a matter
14 of law that i4i is entitled to no less than a reasonable
15 royalty.

16 And, finally, No. 7: i4i has established
17 as a matter of law that i4i's damages are not limited by
18 the marking provisions of 35 U.S.C. 287 -- 287(a)
19 because either, one, the marking statute is inapplicable
20 in light of the Federal Circuit's holding in Crown
21 Packaging Technologies, Incorporated versus Rigsam --
22 Rexam Beverage Can Company. And that's at 559 F 3d
23 1308, Federal Circuit 2009.

24 Or if the Court finds the statute
25 applicable, it finds that i4i began marking its product

1 no later than May 6th, 2004.

2 THE COURT: Okay. Thank you.

3 Any response?

4 MR. POWERS: Yes, Your Honor. I guess my
5 question is, how much of a detailed response would you
6 like?

7 I can certainly give a response that was
8 detailed as the motion, because it wasn't very detailed.
9 I believe the evidence on all seven motions that's been
10 presented here at trial shows not only that i4i is not
11 entitled to judgment as a matter of law on those issues,
12 but, in fact, that Microsoft is entitled to judgment as
13 a matter of law.

14 And we've prepared actual detailed
15 written motions that we'd like to submit to the Court at
16 this time, specifically for them. And we can file it in
17 due course, if that's Your Honor's preference.

18 I would, just for the record, note that
19 one is Microsoft's motion for no indirect infringement;
20 Microsoft's motion for judgment as a matter of law and
21 invalidity; third is no willful infringement; and fourth
22 is no infringement at all.

23 And I would really just like Your Honor's
24 guidance as to how you would like us to proceed on that.
25 We can proceed at whatever level of specificity or

1 generality or timing you'd like.

2 THE COURT: All right. Thank you.

3 Plaintiffs' motion for judgment as a
4 matter of law is overruled.

5 Now, would you like to make a motion for
6 JMOL?

7 MR. POWERS: Yes, Your Honor. We do have
8 four written motions that we'd like to submit.

9 THE COURT: I would prefer to just have
10 them done orally.

11 MR. POWERS: In that case, Your Honor,
12 the four motions would be no indirect -- motion for no
13 indirect infringement as a matter of law, both under
14 contributory and inducement.

15 With respect to contributory, we believe
16 the evidence establishes, overwhelmingly, that there
17 were substantial non-infringing uses by the flip chart
18 that Dr. Rhyne admitted and the extensive use of the dot
19 doc format.

20 There's also inaccurate proof of
21 knowledge of the patent, both for contributory and
22 inducement.

23 And with regard to inducement, the same
24 knowledge issue applies, but also there's no information
25 and no evidence that any user was actually induced to

1 practice the accused method by Microsoft.

2 And for those two reasons, we believe --
3 in the absence of any specific intent, we believe that
4 there is no -- inadequate proof as a matter of law for
5 indirect infringement.

6 Also, with the additional evidence that
7 there is inadequate proof of any direct infringement as
8 to predicate act.

9 So that would be one motion, Your Honor.

10 THE COURT: All right. Motion is
11 overruled.

12 MR. POWERS: The second motion is for
13 invalidity based on the SEMI S4 system. We believe the
14 evidence presented here establishes conclusively that it
15 was sold more than a year before and that it embodied
16 the patented invention.

17 THE COURT: All right. That motion is
18 overruled.

19 MR. POWERS: Third is the motion for
20 willful infringement, and we believe that there is
21 inadequate proof, both on the objective prong and the
22 subjective prong, because, on objective, because of the
23 evidence presented; and on the subjective prong, because
24 of inadequate evidence of either knowledge of the patent
25 or subjective intent as well.

1 THE COURT: All right. Motion is
2 overruled.

3 MR. POWERS: And, finally, with regard to
4 infringement in general, both literally and under the
5 Doctrine of Equivalents, we believe that the evidence is
6 insufficient to find infringement under the metacode map
7 limitation.

8 And with regard to -- with either aspect
9 that it contained the metacodes and that it be a data
10 structure.

11 THE COURT: All right. Motion is
12 overruled.

13 All right. Does Plaintiff have any
14 objections to the Court's Charge?

15 MR. BURGESS: Thank you, Your Honor.

16 Just one small point.

17 On Page 11 in the second paragraph,
18 there's reference to --

19 THE COURT: Just a moment. Let me find
20 it, please.

21 All right. Which line?

22 MR. BURGESS: Just the second paragraph.

23 THE COURT: Uh-huh.

24 MR. BURGESS: There's reference to the
25 jury having heard about Microsoft's use of its own

1 patents.

2 THE COURT: All right.

3 MR. BURGESS: And pursuant to the motion
4 in limine, all evidence regarding Microsoft's use of its
5 own patents has been kept away from the jury. We'd just
6 like to suggest that this paragraph be stricken.

7 THE COURT: Any objection?

8 MR. POWERS: No objection, Your Honor.

9 THE COURT: All right.

10 MR. BURGESS: Your Honor, one more thing.
11 There's a -- there's a much shorter but similar
12 reference on Page 9. It's the bullet paragraph on the
13 page, just one sentence really.

14 THE COURT: Okay. The entire fourth
15 paragraph?

16 MR. BURGESS: Just for any --

17 THE COURT: Page 1 or Page 11 -- Page 10.

18 MR. BURGESS: I have it on Page 9 right
19 before Section 6.1 begins.

20 THE COURT: All right.

21 MR. BURGESS: It says for any claim of
22 infringement and accused infringer's ownership of its
23 own patent is not a defense.

24 THE COURT: That's on Page 9. Let's see,
25 do I have the right copy?

1 You're on Page 9 or Page --

2 MR. BURGESS: I am, sir. Page 9.

3 THE COURT: Yes. Okay. That's where I
4 am, too.

5 All right. That -- that's -- any
6 objection to that?

7 MR. POWERS: No objection, Your Honor.

8 THE COURT: All right. The fourth
9 paragraph on Page 9 right before the beginning of 6.1
10 will be deleted. And the second paragraph on Page 11
11 will be deleted.

12 MR. BURGESS: I guess there is one other
13 matter, Your Honor.

14 The parties have agreed, I believe -- and
15 I'm sure counsel will correct me if I'm wrong -- in
16 submitting the joint proposed Charge in Footnote 16 that
17 we were going to propose, of course, the Court's
18 constructions with the agreement that neither party was
19 waiving its rights on appeal to argue for the
20 constructions that we originally proposed to the Court
21 in the joint claim construction statement.

22 And if Your Honor would like, we're happy
23 to point out exactly what our objections are in terms of
24 the constructions that exist in the charge, but it's up
25 to Your Honor.

1 THE COURT: Okay. Say that again now.
2 Go ahead. I'm not quite understanding you.

3 MR. BURGESS: Okay. The parties -- the
4 parties have agreed in submitting the joint -- the joint
5 charge.

6 THE COURT: Uh-huh.

7 MR. BURGESS: That -- that
8 by submitting --

9 THE COURT: You're not waiving any of the
10 positions?

11 MR. BURGESS: We submitted -- we
12 submitted the Charge with Your Honor's constructions.
13 And the agreement is that neither party is waiving its
14 right --

15 THE COURT: Sure. Yeah, that's no
16 problem.

17 MR. BURGESS: Okay.

18 THE COURT: As long as -- is that
19 agreeable with Defendant?

20 MR. POWERS: Yes, Your Honor.

21 THE COURT: Okay. You're reserving any
22 points of error you may have raised earlier with regard
23 to the claim constructions?

24 MR. BURGESS: Yes, sir.

25 THE COURT: All right. What else?

1 MR. BURGESS: That's all from Plaintiffs.

2 THE COURT: All right. Does Defendant
3 have any objections to the Court's Charge?

4 MR. POWERS: Yes, Your Honor.

5 Your Honor, our first objection -- and
6 this occurs in many of the instructions -- Instructions
7 2A and B, 5, 6, 6.2, 6.3, 6.3A and B, there are many
8 places where the Court describes what the accused
9 infringing acts are, and --

10 THE COURT: Give me the first one for an
11 example, so I can --

12 MR. POWERS: An example, Your Honor,
13 would be in the Paragraph 2A.

14 THE COURT: 2A. 2A? I don't see a 2A.

15 MR. POWERS: If you will look at Page 4.

16 THE COURT: I see a 2, but I don't see a
17 2A.

18 MR. POWERS: Let's -- if you look at
19 Page 4 and 5, there's a description of the parties'
20 contentions.

21 THE COURT: Right. Summary of
22 contentions?

23 MR. POWERS: Yes. And if you look at the
24 very top of Page 5 -- and this is typical of the
25 description throughout -- it describes the accused

1 method as processing an XML document with custom XML
2 elements.

3 And our objection is that that is too
4 general a description of the accusation, because, as
5 Dr. Rhyne's testimony made clear, there are certainly
6 ways in Word that you can process an XML document with
7 custom XML elements which are not alleged to infringe.

8 So we think the jury should not be told
9 by the Court that that's what the charge of infringement
10 is, when it doesn't reflect what the Plaintiff is
11 alleging. And it might confuse the jury into thinking
12 that any processing of XML elements -- an XML document
13 with custom XML elements is accused to infringe, which
14 it's not. And so --

15 THE COURT: Did you object to that in the
16 proposed Charge as you submitted to the Court?

17 MR. POWERS: Yes, we did, Your Honor. We
18 proposed alternate language as well.

19 THE COURT: And remind me again what your
20 proposed alternate language is.

21 If Defendant would like to respond to
22 that one briefly, you can go to the other podium, if you
23 would like on.

24 I'm sorry -- Plaintiffs. If Plaintiffs
25 would like to respond. Why don't you just go to this

1 podium over here (indicates).

2 MR. BURGESS: Thank you, Your Honor.

3 THE COURT: Did you find the language,
4 Mr. Powers?

5 MR. POWERS: Your Honor, I found the
6 objection. It's at Section 3.

7 THE COURT: I don't have that in front of
8 me. What language are you proposing in lieu of what's
9 in the Charge?

10 MR. POWERS: That -- the language is that
11 it's only -- and I don't have it right in front of me,
12 but I'll be happy to get it for you -- because it's the
13 specific dot formats that are on the charts that we
14 talked about that are accused.

15 And I'll get you the exact language that
16 we would propose.

17 THE COURT: Would this be like a laundry
18 list of --

19 MR. POWERS: No, Your Honor. It's
20 that -- it's those three formats that are on --

21 THE COURT: Okay. The dot dot, doc
22 and --

23 MR. POWERS: The ones than aren't accused
24 are dot dot, for example, and dot doc. The ones that
25 are, are the ones that are on the right side of that

1 other chart, and I will get you the list.

2 THE COURT: All right. Response?

3 MR. BURGESS: Well, Your Honor, our view
4 is that that is an accurate statement of the
5 contentions.

6 And as far as I can tell from looking at
7 the language that Microsoft proposed, I don't see a
8 counter-description of -- of the accused act. Maybe --
9 maybe I'm missing it here, but...

10 THE COURT: Okay. Mr. Powers, have you
11 found it?

12 MR. POWERS: What we said in the document
13 is in a specific way, because we wanted to leave
14 it for -- what had actually been argued in front of the
15 jury.

16 If Your Honor wants to put in the
17 instructions the actual contentions the Plaintiff is
18 making, the three formats that are accused are dot XML,
19 dot docx, and dot docm. All of the others are not.

20 THE COURT: Response?

21 MR. BURGESS: Your Honor, I don't think
22 that's a -- I don't think that's an accurate description
23 of the scope of the contentions.

24 I think -- I think that what -- what Your
25 Honor has selected, while it may be true that there are

1 some uses that fall within that -- within that
2 description, it can be made clear, and I think it is
3 clear, that -- that what we're contending is using it in
4 this way is -- is -- is infringement. And I think it's
5 important to --

6 THE COURT: All right.

7 MR. BURGESS: I think it's important to
8 provide a description to the jury, and Microsoft just
9 doesn't have --

10 THE COURT: All right. I think that's
11 really more evidentiary. I think the jury will
12 understand the instruction and based upon the testimony
13 of both sides as to exactly what is being referred to
14 here. So that objection's overruled.

15 What's next?

16 MR. POWERS: Yes, Your Honor. The second
17 issue in this -- I'm not proposing obviously to argue,
18 but just noting for the record is we object on the
19 burden of proof issue for the reasons that we've stated
20 in earlier motions in limine regarding prior art not
21 considered by the Patent Office, that the burden of
22 proof should not be clear and convincing evidence.

23 THE COURT: All right. That objection is
24 overruled.

25 MR. POWERS: In Instruction No. 6.2,

1 under the Doctrine of Equivalents --

2 THE COURT: 6.2.

3 MR. POWERS: It's on Page 9 --

4 THE COURT: All right.

5 MR. POWERS: -- and spilling over into
6 Page 10, Your Honor.

7 THE COURT: I have it.

8 MR. POWERS: We believe that the jury
9 should be instructed regarding prosecution history
10 estoppel.

11 Your Honor will recall there was
12 testimony of Dr. Rhyne in cross-examination regarding
13 what happened in the file in the prosecution of the '449
14 patent relating to the result prong of the Doctrine of
15 Equivalents analysis.

16 And we believe the jury should be
17 instructed about the effect of that on any consideration
18 of the Doctrine of Equivalents.

19 THE COURT: All right. Response?

20 MR. BURGESS: Well, I think that the
21 Court's instruction in this regard is accurate. And I
22 don't recall -- I don't recall the testimony exactly,
23 but I don't recall there being a foundation for -- for a
24 prosecution history estoppel applying to the single
25 element to which the doctor opined the Doctrine of

1 Equivalents was applicable.

2 THE COURT: All right. The objection is
3 overruled.

4 MR. POWERS: The next, Your Honor, is
5 Paragraph 6.4, act of inducement on Pages 11 and 12.
6 The instruction omits the requirement that there be a
7 specific intent to encourage infringement, not just the
8 acts that are accused to cause infringement. And that's
9 the first objection.

10 The second is we object to the
11 instruction on the lack of advice of counsel. We think
12 that's inappropriate after Seagate and Knorr-Bremse.

13 Third, we think that the knowledge of the
14 patent statement is improper, because it implies that
15 merely knowing the patent number is sufficient. And we
16 believe that's insufficient evidence of knowledge to
17 satisfy the requirements for inducement. And we believe
18 that the evidence also doesn't support that as well.

19 And that is it as to 6.4, Your Honor.

20 THE COURT: All right. Response?

21 MR. BURGESS: Well, I think this is a
22 correct statement of law, and in particular in regard to
23 the specific intent objection.

24 The Court correctly states in Point No. 3
25 on Page 12, the requirement that the person is aware of

1 the patent and knows or should have known the encouraged
2 acts constitute infringement of the patent. And the
3 issue and its progeny make clear that that is what
4 specific intent means.

5 THE COURT: All right. The objection is
6 overruled.

7 MR. POWERS: Next, Your Honor, is
8 contributory infringement, 6.5 on Page 13 and 14 of the
9 Charge.

10 This instruction refers in Subparagraph 2
11 to a material component. We believe that that's an
12 inappropriate statement of the law, and it should be a
13 material or apparatus for use in practicing the patented
14 process, which is what 271(c) says. And for that -- on
15 that basis, we object, Your Honor.

16 THE COURT: And you're saying it should
17 be what, a material...

18 MR. POWERS: The language of 271(c) is a
19 material or apparatus for use in practicing a patented
20 product.

21 THE COURT: Okay. Response?

22 MR. BURGESS: Well, as I'm sure Your
23 Honor recalls, the basis for i4i adding contributory
24 infringement to the case was the Federal Circuit's Ricoh
25 decision. And Ricoh was a case that is directly

1 analogous to the present case -- or analogous to the
2 present case.

3 And in that case, the Federal Circuit
4 referred to the software component. And so in light of
5 Ricoh and as the last paragraph of Your Honor's
6 instructions recognize, I think the language is
7 completely appropriate and an accurate statement of the
8 law.

9 THE COURT: All right. The objection is
10 overruled.

11 Any more?

12 MR. POWERS: Next, Your Honor, is willful
13 infringement on Page 14 and 15. We believe this
14 instruction does not adequately set forth the objective
15 test under Seagate. And we would offer as an
16 alternative the instructions both from the Federal
17 Circuit and the Northern District of California, which
18 we submitted to Your Honor.

19 We think those state the objective test
20 in a more appropriate fashion.

21 We also object to the instruction to the
22 extent that it implies, as we think it does, that
23 Microsoft must prove that it had a reasonable basis to
24 believe it wasn't infringing, or that it made a
25 good-faith effort to avoid infringing, neither of which

1 is burden.

2 In light of Dr. Rhyne's inappropriate
3 attempt to have legal testimony about an obligation to
4 go and investigate a patent, if you got the patent
5 number, we also believe that there should be an
6 instruction that mere notice of an ownership of a patent
7 does not give rise to a duty to investigate.

8 THE COURT: Response?

9 MR. BURGESS: Well, in regard to the
10 objection about the -- the objective prong of the
11 Seagate test, it seems to me that it is here.

12 On the bottom of Page 14, the Charge
13 requires that, second, the alleged infringer acted
14 despite an objectively higher likelihood that its action
15 infringe a valid patent.

16 So I think that this is a perfectly
17 appropriate statement of the law.

18 And in regard to Dr. Rhyne's testimony,
19 that was -- that was simply a response to a door that
20 had been opened by Microsoft's counsel.

21 THE COURT: All right. The objection is
22 overruled.

23 Next?

24 MR. POWERS: Next is obviousness, Your
25 Honor, Section 7.3 at Page -- beginning at Page 22.

1 We believe this instruction does not adequately reflect
2 the Supreme Court decision in KSR. In particular, its
3 suggestion that an explicit teaching suggestion
4 motivation to combines as required is clearly not
5 appropriate under KSR.

6 It also does not include KSR's statement
7 that something -- it is relevant to be able to show that
8 it was obvious to try to combine references.

9 And the various other -- there are six
10 other statements within KSR about reasons why you might
11 make a combination that are not explicit teaching
12 suggestions or motivations. Those are all admitted as
13 well.

14 And we renew our clear and convincing
15 burden objection as well.

16 THE COURT: Response?

17 MR. BURGESS: I think this is a perfectly
18 fine statement of the law after KSR. And the portion
19 that relates to motivation to combine is particularly
20 pertinent in this case, since the only evidence of
21 obviousness we heard from the Defendant was -- was a
22 discussion of whether or not it was appropriate to
23 combine two different references with Kugimiya.

24 THE COURT: All right. Objection is
25 overruled.

1 Next?

2 MR. POWERS: Other than the other
3 objections that are reflected in the joint submission
4 made on Sunday, I think I don't need to repeat, but I
5 would like to --

6 THE COURT: All right. Now wait a
7 minute. I don't like this incorporating in off your
8 joint -- you know, that's not before me. So if you have
9 an objection to the Charge as I've drafted it, I would
10 like to hear it now.

11 MR. POWERS: Then I'll stick with exactly
12 what I've given you here.

13 THE COURT: All right.

14 MR. POWERS: With respect to the verdict
15 form, we renew our objection of lumping up together all
16 the forms of infringement and invalidity.

17 We think that that does not satisfy what
18 the Federal Circuit has asked for in terms of giving
19 guidance about what the jury's deliberations and
20 decisions have been.

21 And, obviously, the requirements for each
22 of those individual elements of infringement where
23 validity are different, and we believe that that would
24 be a more appropriate verdict form.

25 And we also object to the submission of

1 obviousness to the jury, which is an issue of law for
2 the Court as we've previously briefed and submitted.

3 THE COURT: All right. Response?

4 MR. BURGESS: I disagree. I believe the
5 verdict form is fine and comports with the sorts of
6 verdict forms that this Court has provided in the past.

7 THE COURT: All right. Very well.

8 The objection is overruled.

9 Any further objections?

10 MR. POWERS: Nothing further with respect
11 to the verdict form or the jury instructions.

12 There are those two exhibits they wanted
13 to use with Dr. Rhyne. Because of their nature, I think
14 we should take them outside the scope of the jury.

15 THE COURT: All right. You may proceed.

16 MR. POWERS: Thank you, Your Honor.

17 Do you have a copy of them? They are 226
18 and 280.

19 THE COURT: I don't believe I do.

20 MR. POWERS: May I approach and hand you
21 mine?

22 THE COURT: Yes, you may.

23 MR. CAMPBELL: I don't mean to interrupt,
24 but we will not use 280, but we would like to use 226.

25 THE COURT: Do you accept that

1 compromise?

2 MR. POWERS: As to 280, I do.

3 THE COURT: All right. 226?

4 MR. POWERS: Yes, Your Honor.

5 226, we don't actually know what it is,
6 because there's not been any testimony as far as I am
7 aware of what it is.

8 It looks to be something created by a PR
9 firm.

10 THE COURT: Doesn't it have a Microsoft
11 Bates number on it?

12 MR. POWERS: It does. The fact that it
13 was produced by Microsoft doesn't make it a Microsoft
14 document obviously. I mean, they could -- they could
15 e-mail their opening statement to us and that doesn't
16 make a Microsoft admission.

17 It is clearly created by someone else.
18 It appears on its face to be a PR firm. We have no
19 testimony about whether it was ever used, who created
20 it, what its sources were.

21 It also contains a reference to the
22 monopolist point, which Your Honor has previously ruled
23 would be inappropriate.

24 So given the lack of foundation for it --
25 the foundation isn't established by the fact that it was

1 produced by Microsoft. If it were a Microsoft-
2 originated document, I wouldn't be making the argument.
3 On its face, it appears not to be.

4 So it was created by some third party,
5 and there's no foundation for what its sources of
6 information were, whether Microsoft adopted it in any
7 form. And it contains blatantly inappropriate content.
8 It appears to be, on its face -- again, we don't know --
9 someone's statement of how one could respond to
10 inflammatory questions, which -- including the
11 monopolist question.

12 So it seems to me that as -- on its face,
13 it's governed by 403 and all of the foundation and 402
14 objections as well.

15 THE COURT: And the content you're
16 objecting to is the last paragraph that is highlighted?

17 MR. POWERS: Well, that's an example. We
18 object to the document for the reasons I've described.
19 But the monopolist point, obviously, is an additional
20 inflammatory and inappropriate violation of the motion
21 in limine.

22 THE COURT: All right. Response?

23 MR. CAMPBELL: Your Honor, I don't have a
24 highlighted copy. I'm not sure exactly what text
25 Mr. Powers is referring to, but we're happy to redact

1 any monopolist testimony.

2 As to the document itself, at the top, it
3 appears to be provided by Waggener Edstrom Strategic
4 Communications.

5 If you go through Microsoft's documents,
6 there's some 20 to 25 people that are Waggener Edstrom
7 employees that have Microsoft.com e-mail addresses. And
8 Mr. Little testified that -- explained on cross-
9 examination that based on the Microsoft.com e-mail
10 address that that looked to be a Microsoft employee.

11 We can also offer PX198 that attaches at
12 least a version of this document. You can't tell what
13 version necessarily, but it attaches a version of this
14 document. That -- that e-mail was sent by Simon Marks,
15 Simon Marks signs the e-mail as a product manager,
16 Microsoft Office, again with a Microsoft.com e-mail
17 address.

18 There are also several additional
19 documents from -- that have the Waggener Edstrom header
20 at the top, PX86 as well as PX68, which Microsoft has
21 not objected to.

22 This is -- this is a Microsoft document;
23 it came from Microsoft; and it's admission of a party
24 opponent.

25 THE COURT: All right. And you're

1 agreeable to taking out the reference to the monopoly?

2 MR. CAMPBELL: Sure. We're not --

3 THE COURT: Where is that reference?

4 MR. POWERS: It's on the -- it's
5 highlighted on your copy, I believe, on the second page.

6 THE COURT: That would just be in the
7 heading of the last paragraph on the third page that
8 says: By not participating in this initiative, aren't
9 you just protecting the Office monopoly?

10 MR. POWERS: It's the entire Q and A, I
11 think, would be appropriately redacted. I don't think
12 they're relying upon it.

13 THE COURT: You don't think what?

14 MR. POWERS: As I hear counsel, they're
15 not relying upon that Q or that A. I don't know if they
16 are or not.

17 MR. CAMPBELL: We are -- we are -- we are
18 intending to present some text from that, but we're
19 happy to redact the word monopoly out of there. You can
20 view -- it makes the same sense by just saying by not
21 participating in this initiative, aren't you just
22 protecting Office?

23 THE COURT: All right. Strike the and
24 monopoly or white that out. And assuming you prove up
25 the e-mail that you just referred to, the objection is

1 overruled.

2 MR. CAMPBELL: It's a document that
3 Dr. Rhyne intends to present as a secondary
4 consideration.

5 THE COURT: Uh-huh. Uh-huh. Do you have
6 those other documents, those e-mails that --

7 MR. CAMPBELL: I can -- I can --

8 THE COURT: -- the other things that
9 reference this Waggener?

10 MR. CAMPBELL: PX198 is a document that
11 attaches a version of this, that, certainly, we can
12 offer up.

13 THE COURT: And is it admitted -- is it
14 admitted into evidence?

15 MR. CAMPBELL: Is PX -- I don't think
16 PX198 is admitted into evidence. I don't think there's
17 any objection to it.

18 THE COURT: All right. Well, offer that
19 when they come in. And if no objection, we'll get that
20 in and any other bases of documents to support the
21 authentication that this was part of a communication of
22 Microsoft.

23 MR. CAMPBELL: Very good. Thank you,
24 Your Honor.

25 THE COURT: All right. Bring the jury

1 in, please.

2 COURT SECURITY OFFICER: All rise for the
3 jury.

4 (Jury in.)

5 THE COURT: All right. Please be seated.

6 All right. Ladies and Gentlemen of the
7 Jury, I think we've got about another hour, maybe hour
8 and a half to go of testimony.

9 So, Mr. Cawley, you may call your next
10 witness -- or excuse me.

11 MR. CAMPBELL: Your Honor, Plaintiffs
12 call Dr. Tom Rhyne.

13 THE COURT: All right. Dr. Rhyne.

14 MR. CAMPBELL: Your Honor, may I
15 approach?

16 THE COURT: Yes, you may.

17 All right. Mr. Campbell, you may
18 proceed.

19 MR. CAMPBELL: Thank you, Your Honor.

20 THOMAS RHYNE, Ph.D., PLAINTIFFS' WITNESS,

21 PREVIOUSLY SWORN

22 DIRECT EXAMINATION

23 BY MR. CAMPBELL:

24 Q. Good afternoon, Dr. Rhyne.

25 A. Good afternoon, Mr. Campbell.

1 Q. We've heard from you before, Dr. Rhyne.

2 Can you give us a general idea of why you're
3 here today?

4 A. You asked me to come back and provide for the
5 jury the opinions that I had previously formed when I
6 had studied a number of pieces of prior art, and to
7 discuss my opinions as to why I think, despite what I've
8 heard Mr. Gray testify about, that the patent that we're
9 dealing with, the '449 patent, continues to be valid.

10 Q. Well, let's talk about the validity of the
11 '449 patent.

12 What is your understanding of the law
13 regarding the presumption of validity?

14 MR. POWERS: Objection, Your Honor. He's
15 not a legal witness. He shouldn't be instructing the
16 law. That's the Court's job.

17 THE COURT: He asked for his
18 understanding. Objection's overruled.

19 A. I was just about to say that I've been very
20 careful throughout this trial not to in any way usurp
21 Judge Davis' responsibilities to you to tell you the
22 trial -- the law that you are to use.

23 But I do have the understanding that I have
24 used in forming my own opinions, and if it's wrong, I'm
25 sure someone will point that out.

1 But I understand patents to be presumed to be
2 valid, because of the fact that the Examiners at the
3 United States Patent Office, or in this case, one
4 Examiner has studied and dealt with the attorneys
5 representing i4i during what's called the prosecution
6 process, and allowed certainly Claims 14, 18, and 20 to
7 become part of the allowed patents issued by the Patent
8 Office.

9 Q. (By Mr. Campbell) Do you understand that
10 presumption of validity to apply regardless of whether
11 the art was previously before the Patent & Trademark
12 Office?

13 A. As I understand it, that -- that presumption
14 exists all the time.

15 Q. What is your opinion about the validity of
16 Claims 14, 18, and 20 of the '449 patent?

17 A. Well, I looked -- I have looked carefully
18 at -- at -- basically, there were six things that were
19 presented during Mr. Gray's testimony. Four specific
20 pieces of prior art -- prior art, at least his view was
21 that they were prior art that anticipated, meaning that
22 all by themselves they taught everything that was in
23 Claims 14, 18, or 20.

24 And then at the end, he dealt with two
25 combinations of references; two from the first four,

1 plus one other reference that was raised by the Patent
2 Examiner during the prosecution of the '449 patent.
3 And I have found all six of those to fail to disclose
4 each and every limitation of Claims 14, 18, and 20,
5 which is what would be required to invalidate those
6 three claims.

7 Q. Did you apply the Court's claim construction
8 in reaching your opinion?

9 A. I did.

10 Q. Can you kind of break down for us the kinds
11 of art that Mr. Gray asserted invalidate the '449
12 patent?

13 A. I think it's reasonable to break them into
14 two categories. The first are the specialized SGML
15 editors, and those would be the Rita reference. That
16 was the Canadian software that was developed and that we
17 actually heard. I believe Professor Cowan (sic) -- if I
18 heard his name properly, testify about.

19 There is a U.S. patent to a gentleman -- a
20 couple of gentlemen named -- the first one named DeRose,
21 and there's the early product that i4i produced for this
22 SEMI organization for them to use in developing their
23 standards.

24 And then, in addition, there are the two
25 early versions of Microsoft's word processors. Mac

1 Word, it's a Macintosh version of Word 5, and then PC or
2 Windows Word No. 6. Those are conventional word
3 processors.

4 Q. Have you talked about this kind of art
5 before?

6 A. I did. I actually showed this slide in my
7 direct testimony last month -- or a week ago.

8 I talked about the two choices here were word
9 processors, that they were designed for formatting. I
10 don't know if any of the jury has used Word or something
11 like it, but you can type and you can turn this -- the
12 string here into a bigger font or a make it italics or
13 underlined. They are very capable.

14 But they weren't designed from the beginning
15 to provide XML support where you want to embed those
16 what we've been calling tags in with the text of the
17 document.

18 And on the other hand, there are the XML
19 editors, which were designed around the XML standard,
20 and they understood the standard. But, generally, since
21 they weren't designed to be full-featured Word -- excuse
22 me -- full-featured document editors or word processors.
23 They lacked the flexibility and the capability that you
24 had, if you had a word processor.

25 Q. Let's look specifically at the DeRose and

1 Rita SGML editors.

2 How does DeRose and Rita represent a document
3 in memory?

4 A. Well, based on my study of the documents,
5 both of them use what's called a tree data structure.

6 Q. Okay. And do you have a document that you
7 want to use to show how a tree works?

8 A. Well, I started and I realized this is
9 difficult to read, but I wanted to refresh the jury's
10 recollection of this example document that Dr. David
11 Martin created. This is what I call the library
12 document.

13 It had a member ID for whoever was a friend of
14 the library, No. 23987. It had a date, last year, and
15 said Dear Mr. Burnett, and then replaced this with, you
16 know, we really appreciate you being a friend of the
17 library, but you've had this book out for a month.
18 And then don't forget to attend, et cetera. That was
19 marked as a postscript.

20 And then it ended up with tags identifying
21 the letter body and the end of the letter itself. And
22 this is the example that I actually created what would
23 be a tree structure to represent this -- this document.

24 Q. Can you explain what the document tree looks
25 like using this example?

1 A. I can. And when you look at this, you don't
2 see the tree because the tree is really upside down, and
3 you can kind of see that -- whoops -- that's set for
4 whiteboard.

5 Well, if you can see that, this would be the
6 base of the tree, and then it would get wider. And so
7 the ending points down here are what we would call the
8 leaves of the tree, even though they are at the bottom.
9 This says we started with a letter, and there would be a
10 pointer that would say, under the letter, there are
11 three possible structures -- there are three structures.
12 There's the member ID -- let me see if I can remember
13 how to change the color here. Just a minute.

14 Okay. There would be the member ID, which is
15 one structure, and then there's the text that's the
16 content that's been marked as being a member ID.
17 And then there's the date, okay, which has been marked,
18 and it's been identified by the text, August the 19th of
19 last year.

20 Then it gets a little more complicated over
21 here. It's got a letter body, and under the letter
22 body, there's the salutation. And the way the tree
23 works is there's a pointer that -- I'm not doing that
24 very well.

25 There's a pointer that links the letter body

1 to the salutation tag. And then here was the text of
2 the salutation, the text of the content, and this
3 lengthy text of the postscript. That's what a tree data
4 structure looks like.

5 Q. Did you find any other documents that teach
6 the tree?

7 A. Yes. We've talked a couple of times about
8 this SGML standard document produced by the
9 International Standards Organization abbreviated here as
10 the ISO. And this is ISO Standard No. 8879, which is
11 actually mentioned in the background section of the '449
12 patent.

13 Q. So would the Examiner have been aware of the
14 SGML standard, ISO Standard 8879?

15 A. He would be. The assumption is that he was.

16 Q. What does the SGML standard teach related to
17 the document tree?

18 A. It describes that as the way you should think
19 about an SGML document. And here, as you can see, this
20 is from Page 78, a document contains a document element.
21 The top node of a tree of elements that make up the
22 document's content.

23 They say a book, for example, could contain
24 chapter elements that in turn contain paragraph elements
25 and picture elements.

1 And then they say, eventually, the terminal
2 nodes of this document tree are reached; that would be
3 at the bottom. And the actual characters or other
4 data -- that would be like a picture -- are encountered.

5 MR. CAMPBELL: Okay. And for the record,
6 this is PX131.

7 Q. (By Mr. Campbell) Well, does a tree --
8 document tree have mapped content?

9 A. Not in the sense that that term is used in
10 the claims that we've been discussing here, in that
11 instead of having a place where the content exists
12 separate from the metacodes and pointed to by the map of
13 metacodes, the tree structure has separate pieces of
14 text at the terminal or leaf nodes along each one of its
15 pathways.

16 And a common phrase for that is to call those
17 paths chunks. There just isn't a stream associated with
18 this structure.

19 Q. Well, does a document tree contain a metacode
20 map --

21 A. No.

22 Q. -- as the Court has defined that term?

23 A. I'm sorry. No. No, it doesn't.

24 You can see here that trees use pointers. A
25 pointer is just like a specific memory reference. I

1 said the other day it's somewhat like if someone gives
2 you a house address, and I live at 8407 Horse Mountain
3 Cove. That's a pointer to my address.

4 And that pointer here is between member ID
5 and the text, and that's the way things set up. But a
6 pointer is not really an address of use to a mapped
7 content stream. It simply identifies the place in
8 memory where the text stream 23897 lives.

9 It's not -- it doesn't satisfy this idea that
10 you tell me where that string exists within a mapped
11 content area and tell me where it starts in some sense
12 and where it ends in some way.

13 Q. Even looking at the pointers, is there a
14 pointer from every SGML element to some portion of
15 content?

16 A. No.

17 Here, you can see -- and you've got to be
18 careful, because there was actually a -- a tag named
19 content. But this pointer that's been identified in red
20 points from one of the tags to another tag. It doesn't
21 map to mapped content in any way.

22 So that's further evidence, in my
23 understanding, that a pointer is not an address of use
24 to a mapped content stream. As I say in the last
25 bullet, many of the metacodes in that tree do not even

1 have a pointer to the content.

2 Q. Well, we saw that the document tree was
3 described in the SGML standard that was cited in the
4 patent.

5 Are document trees a common way to represent
6 an SGML document before the '449 invention?

7 A. Yes.

8 This is an interesting quotation. This is a
9 gentleman named Quinn who works -- worked, at least, at
10 a company called SoftQuad that made an SGML editor named
11 Author/Editor. And he was asked about tree data
12 structures.

13 And one of the questions he was asked was
14 said -- he had previously said something about 99
15 programmers out of a hundred, and so the questioner
16 asked him: So 99 programmers out of a hundred are going
17 to use the same tree data structures?

18 He says: Sounds like an advertisement for
19 cat food. But, yes, pretty much the same. 99 out of a
20 hundred programmers who expressed a preference are going
21 to use the -- pretty much the same data structures.

22 Yes, they're standard in the industry. The
23 primary data structures used in SoftQuad Author/Editor
24 you can find in computer science textbooks.

25 Q. Well, let's talk specifically about the

1 DeRose patent.

2 A. All right.

3 Q. Are these figures out of the DeRose patent?

4 A. Yes. This is Figure 5 which shows the tree
5 structure that DeRose proposed in his invention. And it
6 also shows a separate way of representing that tree in
7 what he calls a directory.

8 It's just a table that has a lot of
9 information in it about how the links are made in that
10 tree.

11 Q. Okay. How is -- how is the directory in
12 Figure 6 different from the tree in Figure 5?

13 A. Well, they really both represent the same
14 information, but it sets it out in kind of a tabular,
15 like a spreadsheet, format.

16 And it -- it's interesting in that it re --
17 it makes again -- that structure makes again the point I
18 was making earlier, that in a tree structure, you often
19 have situations where you have a tagged element in the
20 tree which doesn't point to any text at all.

21 Q. Well, maybe we should zoom in on Figure 6 and
22 talk about that a little more.

23 What do you see here?

24 A. Well, over on the left-hand side, there's a
25 number, and that number relates back to one of the

1 circles that points in the -- in the tree structure that
2 we saw before.

3 But this says basically here is a book. That
4 was the top most guy. Here's a book, okay?

5 And the interesting thing about it is that
6 104 over on the right-hand side, this is the pointer
7 column. It's called in the text. And you can see
8 there's a null entry, which means that guy doesn't point
9 to any text at all. You can see that for the
10 combination of book and what's called front matter, like
11 you see on the front page of a book.

12 And for the combination book, front matter,
13 and title, it's still null. And the only time you get
14 down to a place where there's a pointer that has
15 anything to do with text is in these leaf nodes at the
16 very bottom.

17 If we could actually back up. Can we do that
18 to get Figure 5?

19 You can see that at the bottom of every one
20 of these places, there is a node labeled text. Every
21 one of them have the same text node, and that text node,
22 as you could see if we go back to the blowup, it's the
23 only place where you have a pointer. And all that says
24 is here's some text; that text node says that.

25 Q. So, Dr. Rhyne, if the DeRose patent does not

1 teach a metacode map with mapped content, in your
2 opinion, does DeRose invalidate Claim 14, 18, or 20 of
3 the '449 patent?

4 A. It doesn't.

5 Q. Let's look at Rita and talk about that for a
6 minute. Rita also had what's called a field list.

7 What is the field list in Rita?

8 A. The authors of Rita recognized that in that
9 tree structure, when you get down to the bottom of one
10 of these trees where the leaf is with the pointer to the
11 text, the other piece of text is actually separated at
12 another point of the tree.

13 And so if you're looking on the screen at
14 that text and you want to move over, say, to the end of
15 the date and then move over to see where the body of the
16 document was, the content, you have to traverse up and
17 down the tree. And that's a big problem with the tree
18 structure.

19 So they -- they supplanted -- or maybe that's
20 not the right word -- they supported the tree structure
21 with something else they called a field list.

22 And as best as I've been able to understand
23 it from reading that Rita document quite a bit and
24 reading Mr. Gray's report about it and listening to his
25 testimony about it, I believe the field list is simply a

1 linear view of the document tree arranged as what
2 computer scientists would call a linked list.

3 It's a list that says just in case you need
4 to get from here to here, I'll tell you how to move with
5 sort of a linkage in the computer sense over to that
6 place.

7 It includes the content -- and this is pretty
8 much a statement out of the Rita document -- through
9 pointers to what that document calls a line list, which
10 is a structure that has the text chunks.

11 But, again, because it's a tree structure,
12 Mr. Campbell, the tree structure that is defined and
13 reflected in the field list does not have a pointer to
14 the line list structures that would in any way be
15 identifiable as something like an address of use.

16 Q. So did the Rita tree or the Rita field list
17 have a metacode map with mapped content?

18 A. No.

19 Q. So, Dr. Rhyne, in your opinion, if Rita does
20 not teach a metacode map with mapped content, does Rita
21 invalidate Claims 14, 18, or 20 of the '449 patent?

22 A. No, it doesn't.

23 Q. Let's just talk about one more issue with
24 Rita. You heard Mr. Gray talk about the Rita source
25 code --

1 A. Yes.

2 Q. -- right?

3 A. I did.

4 Q. Did you determine whether or not the Rita
5 source code, the actual software, is prior art to the
6 '449 patent?

7 A. Certainly, in my opinion, it's not.

8 Q. Why is that?

9 A. Well, the basis for declaring Rita to be
10 prior art is this so-called sale into the United States.
11 And there -- and there -- I believe the woman's name was
12 McMane. She was asked to supply any sales order
13 documents that she had at the company that was actually
14 selling a version of the Rita work that some other
15 person had done as his Ph.D. research.

16 And I believe that the evidence that she had
17 was that only one sale of that Rita product had been
18 made into the United States, which is the requirement,
19 as I understand -- again, as I understand the law, in
20 order to argue that something is prior art to a United
21 States patent, if you're basing it on the sale of
22 something, it must have been sold into the United
23 States. I believe it went to someplace in Pennsylvania.
24 The problem I have with it, and I've studied the
25 directories and the change or modification listings

1 associated with the evolution of the Rita software over
2 this timeframe, indicate that the version of the
3 software that Mr. Gray based his analysis on, when I
4 looked at the directory tree, I find significant and
5 important portions of that software.

6 The software is broken up into a lot of
7 little pieces that collectively made Rita. There are
8 key pieces of that such as the field dot H file and the
9 node dot H file. Those had dates on them that were in
10 the '90, '91, and '92 timeframe.

11 And as a result, I don't believe that he nor
12 I have been able to ever examine the characteristics of
13 the Rita software that would have been supplied into the
14 United States back in 1989.

15 Q. And for the record, you're referencing PX298?

16 A. Yes.

17 Q. So, Dr. Rhyne, even assuming that Rita had
18 been sold in the United States, the version of the
19 software that Mr. Gray was looking at, did you find that
20 that version of the Rita software anticipates Claims 14,
21 18, or 20 of the '449 patent?

22 A. No, it doesn't for the reasons that I've
23 already explained. It just didn't have the appropriate
24 map nor the mapped content.

25 Q. Okay. And just for the record, there was a

1 number of Rita -- Rita sources that Mr. Gray pointed to,
2 some articles and user manuals and things like that.

3 Do any of those alone or in total anticipate
4 Claims 14, 18, or 20 of the '449 patent?

5 A. Given the nature of Claims 14 and 18 and 20
6 and the way they were construed by the Court, I do not
7 believe that a document alone, a user manual or a paper
8 or a Ph.D. dissertation published, any of those forms
9 give you sufficient knowledge of what the data structure
10 implemented by the software is.

11 And as a result, you're left with no clear
12 evidence as to whether or not that -- the software
13 system described in that document, whether it's a user
14 manual or a paper, would meet the limitations of
15 Claims 14, 18, and 20.

16 Q. Let's move on to Word 5 and Word 6.

17 Did Word 5 or Word 6 support using metacodes?

18 A. No.

19 Q. How do you know that?

20 A. Well, I've already pointed this out. There
21 were documents through testimony that we've looked at
22 that Microsoft was trying -- I think the phrase was --
23 Mr. Sinofsky, or something like that, said: I'm trying
24 to hold back that SGML people, and we're going to offer
25 them SGML Author for Word on top of Word 6.

1 So it -- Microsoft was seeking a third party
2 to develop the product, which could be added to Word 6
3 to allow the SGML community to think that they had a
4 solution. It would be -- that in itself is evidence
5 that Word 6 did not support an SGML context within its
6 editing environment.

7 Q. Well, did Mr. Gray offer any opinions about
8 SGML Author for Word 6 and then SGML Author for Word --
9 SGML Author for Word 6 invalidates any of the claims of
10 the '449 patent?

11 A. I don't believe so.

12 Q. Well, what Mr. Gray did talk about are
13 bookmarks, and he discussed RTF bookmarks; is that
14 correct?

15 A. Yes.

16 Q. Is RTF discussed in the '449 patent?

17 A. It is. In the background, there's clear
18 evidence -- I mean, it's a fact in the industry that
19 Microsoft developed this rich text format and made it,
20 it says here, a de facto standard, meaning that it's not
21 officially adopted by the IEEE or the ISO or the
22 American National Standards Institute.

23 But Microsoft has made it publicly available
24 so that people can save and transfer documents in the
25 RTF, rich text format.

1 Q. So did the Patent Examiner know about the RTF
2 standard?

3 A. It was mentioned specifically in the
4 background section of the '449 patent.

5 Q. Dr. Rhyne, are bookmarks metacodes?

6 A. I don't think they are, and neither does
7 Microsoft when they described them in their own computer
8 dictionary, a very popular dictionary in the computer
9 business.

10 They said that a bookmark is a marker
11 inserted at a specific point in a document to which the
12 user may wish to return for later reference.

13 It's kind of like the computer equivalent of
14 turning down a page or sticking one of those little
15 plastic flags on a particular page.

16 MR. CAMPBELL: And that's, for the
17 record, PX526.

18 Q. (By Mr. Campbell) Did you identify any
19 Microsoft documents that support your opinion that
20 bookmarks are not metacodes?

21 A. Yes.

22 Q. What do we see here?

23 A. This is a document written by Mr. Brian
24 Jones. It's entitled Open XML Formats. And he said in
25 this portion of this document: If the application you

1 are using doesn't support custom-defined schemas, then
2 your -- I think he actually meant Y-O-U, apostrophe,
3 R-E -- then you are stuck using features like style
4 names, bookmarks, tables, or some other type of hack.
5 Those approaches don't allow for any real hierarchy, and
6 there isn't a really good way of specifying the style
7 structure so that the right type of validation can be
8 done.

9 Up until the introduction of the
10 custom-defined schema support in Word 2003, though,
11 those hacks were the only options people had.

12 MR. CAMPBELL: For the record, that's
13 PX293.

14 Q. (By Mr. Campbell) Did you identify any other
15 Microsoft documents that support your opinion?

16 A. I believe I have one other one, also by
17 Mr. Jones. And I think maybe this is actually a piece
18 of that same document, if I recall.

19 There has long been support for bookmarks.
20 This was in 2005, and the bookmarks were available with
21 RTF, as you know, back in the early '90s. There's long
22 been support for bookmarks, which have some similarities
23 to the XML support, but that just wasn't enough.

24 The custom XML support finally gave
25 developers the ability to add structure to a Word

1 document and to program against it.

2 Q. So, Dr. Rhyne, in your opinion, does Word 5
3 or Word 6 invalidate Claims 14, 18, or 20 of the '449
4 patent?

5 A. No.

6 MR. CAMPBELL: Just for the record, that
7 was PX391.

8 Q. (By Mr. Campbell) Let's turn to the SEMI S4
9 system.

10 Dr. Rhyne, did you compare the source code of
11 SEMI to the claims of the '449 patent?

12 A. No, I didn't.

13 Q. Did Mr. Gray offer his opinion without
14 looking at the source code?

15 A. No.

16 Q. Did Mr. Gray offer his opinion without
17 looking at source code?

18 A. Yes.

19 Q. How -- is it possible to determine whether a
20 system such as SEMI anticipates the claims of the '449
21 patent without source code?

22 A. I don't see any way to do it.

23 Q. Well, what about -- Mr. Gray relied on
24 Mr. Young.

25 Did Mr. Young see the source code?

1 A. Now, this is a portion that was actually
2 played. I listened yesterday. And this question and
3 answer were part of the testimony that was played before
4 the jury.

5 He was asked: So just for the record, you
6 had no access to the source code?

7 And he said: No. No, there was no reason
8 for me to have access to the source code. This is
9 diagrammatic.

10 I'm not sure what that means but whatever.
11 To understand what's going on, I didn't code anything
12 related to S-to-the-4th. I wasn't one of the
13 developers.

14 So he had no access to the source code.

15 Q. So could Mr. Young know how this worked at a
16 source code level?

17 A. Not at the source code level. He would have
18 no knowledge of the detailed data structures that were
19 being used when he and the other people at SEMI operated
20 the product they had gotten from i4i.

21 Q. What about the SEMI system user manual that
22 Mr. Gray referenced; can you rely on that to form an
23 opinion as to invalidity of the '449 patent?

24 A. Not the because of -- not given the way these
25 claims have been written and construed.

1 When you talk about a data structure as part
2 of the claim limitations, you need to have the source
3 code to understand what is actually being done at that
4 level. And the user manuals generally don't, and,
5 certainly, the SEMI system user manual, does not provide
6 the level of detail necessary to form a clear and
7 convincing opinion about what's actually being done by
8 the SEMI system when its software is executed.

9 Q. What about the screen shots that are shown in
10 the SEMI user manual; doesn't that tell you how the
11 software works?

12 A. No. You can't look at a screen shot and make
13 a valid determination of what the data structure that's
14 used to create that screen image may or may not be.

15 Q. We heard a number of people testify at this
16 trial that screen shots simply don't tell you how the
17 software works at a source code level.

18 A. I think so, uh-huh.

19 Q. Who have you heard that from?

20 A. I think I've heard that from myself; I've
21 said it. I think Mr. Little, to some degree, agreed
22 with that, if I recall his testimony. And that's the
23 only two that I can think of right now.

24 Q. What about SEMI's ability in the -- in the
25 screen shots to show tags or not show tags? Does that

1 tell you something about how SEMI works?

2 A. Mr. -- part of Mr. Gray's opinion was, he
3 pointed to a -- a part of the manual that said that the
4 SEMI S-to-the-4th product could show you a document that
5 had the tags embedded with the text of the document, and
6 then you could check a little box, and you could cover
7 or not see the tags.

8 So he said, well, if I have the ability to
9 display the content without the tags being visible, then
10 that must be an indication that there must be separate
11 storage of the content and the tags in the data
12 structures behind that option in the display.

13 Q. Does that logic make any sense?

14 A. It doesn't to me.

15 If you use that logic, then the fact that
16 there was another setting on the SEMI S-to-the-4th
17 products user interface that showed both the text and
18 the tags, then that would imply that they must be stored
19 together, because they can be displayed together.

20 But the real fact is, there are ways given a
21 data structure where they're stored together to enable
22 or disable whether or not you display the tags. That's
23 just a capability that's implemented in a variety of
24 display user interfaces.

25 Q. Dr. Rhyne, do you believe that the SEMI

1 system invalidates the '449 patent?

2 A. I don't have any basis to say that it did.
3 The first witness that I heard over a week ago, Mr.
4 Owens, who I've had some opportunity to visit with a bit
5 outside of this courtroom, he said he hadn't written the
6 software for the SEMI product and that it did not --

7 MR. POWERS: Your Honor, if he's going to
8 be relating conversations outside the evidence, I
9 object. If he's going to be relating evidence, I don't
10 object. The way he started, it's unclear.

11 THE COURT: All right. Objection
12 sustained.

13 A. May I clarify?

14 Q. (By Mr. Campbell) Please limit your answer to
15 what you've heard in this courtroom.

16 A. Sure. Mr. Powers, I had no intent to relate
17 anything that I heard. The things that I heard were
18 more dietary issues and things about the restaurants.

19 But during the trial, he was asked very
20 specifically whether or not he thought the SEMI version,
21 the S-to-the-4th product, had implemented the idea that
22 he and Mr. Vulpe had in late or mid 1993, in its earlier
23 versions, and he unequivocally said no, it did not.

24 That idea of having separated tags, as he
25 said metacodes and content, didn't occur to them until

1 later. He implemented it as a prototype on a completely
2 different operating computer. He went from the
3 Macintosh to the PC.

4 And he said that he had learned what the
5 problems that his invention set out to solve were during
6 the development of the earlier S-to-the-4th product.
7 I believe that's clear on the record.

8 Q. What about -- what about Mr. Young's
9 testimony?

10 A. Frankly, it sounded, when I listened to him,
11 like he believed, and I'm sure he did, that in some way
12 SEMI separated content and tags or document structure as
13 he said.

14 I have read his testimony carefully, in
15 addition to hearing the part that was played. And I
16 believe that he was referring to the fact that the SEMI
17 product had a predefined DTD, document type description.
18 That's like a schema.

19 And that one of the things that i4i provided
20 to SEMI was a sort of a definition of what a SEMI
21 standard should look like with its headings and its
22 sections of the standard so that individuals interested
23 in balloting the standard could pull out a section of
24 the content and send it out to the members of the SEMI
25 body to have them vote or edit that standard, that part

1 of the standard content.

2 I believe that the separation he was talking
3 about between structure and content was the fact that,
4 on the one hand, that predefined DTD, or schema, had
5 been provided. And that's what I believe he was
6 thinking of as the separation.

7 But he actually then was asked in the files
8 where the document itself is stored, is there a
9 separation between the content and the metacodes or tags
10 that are embedded in that content, and he specifically
11 said they are together in the files.

12 So I understood the language he used, but I
13 don't think it has direct bearing on the question of
14 whether or not the SEMI system as sold by i4i in the
15 S-to-the-4th product implemented the patent.

16 I think Mr. Owens' testimony is unequivocal.
17 With all due respect, I will point out that Mr. Owens
18 was a software engineer; Mr. Young, he's a lawyer. I
19 don't mean anything critical about that. And he was
20 involved in a management role. And at that time, the
21 early part, he was actually the buyer at SEMI for this
22 product.

23 Q. Dr. Rhyne, does the patent discuss combining
24 tags and metacodes and content in one -- one place?

25 A. Yes, that's what's in the background of the

1 patent. That's essentially the way that Mr. Owens and
2 Mr. Vulpe, in describing what they set out to resolve,
3 they talk about the problems associated with having both
4 the tags and the content in the same document.

5 Q. So, Dr. Rhyne, in your opinion, does the SEMI
6 system invalidate Claims 14, 18, or 20 of the '449
7 patent?

8 A. No.

9 Q. We've talked about the individual references
10 that Mr. Gray referenced. Let's talk about obviousness.

11 Can you remind us what opinions Mr. Gray
12 offered with respect to obviousness?

13 A. I believe he offered two. One was the
14 combination of the Rita reference, that Canadian Ph.D.
15 dissertation and subsequent product, with a patent. And
16 I often pronounce the Japanese name wrong. It's
17 Kugimiya, K-U-G-I-M-I-Y-A. And that was one of the
18 combinations. And the other one was DeRose, U.S.
19 patent, and Kugimiya.

20 Q. What does Kugimiya teach?

21 A. It's a translation program. It deals, as an
22 example, with the translation of a document from
23 Japanese to English using a computer system to do the
24 translation. And Mr. Kugimiya recognized that if the
25 document, as a file, came in and it had markup language

1 in it, that the translator, which is a computer not a
2 human being, would confuse the markup with the actual
3 language of the document. And he did not want to
4 translate the markup words from English to Japanese; he
5 wanted to retain the markup in the original language.
6 He talks about, I think, text and non-text characters in
7 the document.

8 So what he did is he said, I'll go through
9 the document and find all the markup, and I'll move it
10 temporarily to another location, and I will be left only
11 with the text of the document. And then I'll do a
12 computerized translation word-for-word with some -- he
13 had a very intelligent approach to not just taking
14 individual words but sequences of words, what's called
15 syntactical analysis. And he then will translate the
16 document from one language into another and then go back
17 and put the tags back in in the best locations that can
18 be found in the new language.

19 Q. Did the Patent Examiner know about Kugimiya?

20 A. Absolutely. The Patent Examiner actually, I
21 think, brought it up and introduced the idea that this
22 temporary storage area of Kugimiya was something that
23 needed to be addressed relative to the validity of the
24 '449 claims. And ultimately, after some discussion, the
25 Examiner allowed those claims over what is disclosed in

1 Kugimiya.

2 Q. Dr. Rhyne, is it -- in your opinion, is it
3 proper to combine Kugimiya, given your explanation of
4 what Kugimiya is, with DeRose or Rita?

5 A. Well, I brought Slide No. 88 from Mr. Gray's
6 presentation where he discussed his approach to arguing
7 that Kugimiya should be combined with DeRose and Rita.
8 And he said he had five points under his motivation to
9 combine.

10 And the first one was that he thought those
11 pairs of references were addressing the same problem.
12 That's not true. We've got editors on one hand that are
13 XML -- SGML editors on one hand, we've got a translation
14 program on the other hand.

15 He said they were in the same field, and he
16 identified the field as document editing processing. I
17 guess under some sense you might call translation a form
18 of editing a document, but Kugimiya is not addressed to
19 editing or processing a document in the way that Rita
20 and DeRose are.

21 He said there were similarities of
22 configurations with separate content and structure.
23 That exists for a brief period of time, I think. But
24 there's no clear evidence that Kugimiya ever made a
25 mapped content. Basically what Kugimiya did was

1 translate English to Japanese.

2 He said they had similar expected results. I
3 don't think they do. I think in one case you end up
4 with a document that has visible on the screen the SGML
5 tags along with the content. In the other case you get
6 a new document in a different language completely --
7 excuse me, with the tags. So I just -- I don't -- I
8 don't see why anyone of ordinary skill in the art would
9 ever be motivated to make the combinations that Mr. Gray
10 proposed.

11 Q. So, Dr. Rhyne, in your opinion, does Kugimiya
12 combined with DeRose or Rita invalidate Claims 14, 18,
13 or 20 of the '449 patent?

14 A. I don't think we even get -- in my analysis,
15 we don't even get to the combination because there's --
16 Kugimiya adds something temporarily. They don't
17 preserve it. And what they're going about with their
18 content, they don't preserve a mapped content stream in
19 the sense. They actually literally destroy the actual
20 English content in favor of another language.

21 So that combination, even if one made it,
22 which I see no reason to make, that would not invalidate
23 Claims 14, 18, or 20.

24 Q. Dr. Rhyne, on this next slide we have got
25 additional considerations. Can you explain what that

1 is?

2 A. Again, this is not my first rodeo in terms of
3 being here in a patent case. And over the years I've
4 learned that there are certain factors about products --
5 or excuse me, certain factors about patents that support
6 the idea that maybe they're not so darn obvious as
7 somebody might think.

8 And here are several of them.

9 Commercial success, failures of others to be
10 able to do what the patent does; a long-felt need,
11 meaning that people had been for a long time wishing
12 they had that solution; there's what's called disbelief
13 or skepticism that the patented idea could even be done
14 in the first place; and then there's also praise or
15 industry acclaim for the patent. Usually in that case
16 implemented in a product.

17 Q. Maybe we can provide a little more context
18 for these additional considerations. Are you familiar
19 with the concept of hindsight?

20 A. Yes.

21 Q. What is hindsight?

22 A. Again, I'm not going -- I will tell you my
23 understanding of the law.

24 Q. Please.

25 A. I've heard this term impermissible hindsight.

1 And the way I understand it is, if someone takes a
2 patent claim like Claim No. 14, and uses it as a recipe,
3 and they say, well, let me see what the limitations in
4 this claim are; well, I might be able to find something
5 that did one; and I might be able, hum, find something
6 else that did that one; and I might find that one.
7 That's not something that you're really supposed to do.
8 That you're supposed to be able to find, if you're going
9 to invalidate a claim, things that in and of their own
10 right, independent of what the original claim said,
11 would fit together in a way that would accomplish what
12 the claim claims within its scope.

13 Q. So are these additional considerations
14 designed to guard against hindsight?

15 A. That may be true, Mr. Campbell. I have never
16 quite heard it put that way. But these are things that
17 people address in countering an assertion of
18 obviousness. And I think we've seen plenty of things in
19 this case that, under at least those five things, are
20 present in favor of the claims of the i4i patent not
21 being obvious.

22 Q. Okay. Well, let's not take the time to go
23 through each of these in detail. But can you just
24 briefly describe for each one some of the evidence that
25 you've seen that relates to these five additional

1 considerations?

2 A. I will. In terms of commercial success,
3 while I have not seen a lot of commercial success for
4 the i4i products individually. Some. At one point they
5 said they had 50,000 seats, means that 50,000 people had
6 purchased a license to their product. It's my opinion,
7 as I have explained from the beginning, that the success
8 of Word 2003 and 2007 within the community of people who
9 do XML document production is an indication of how
10 this -- this invention has been successful for
11 Microsoft.

12 The failure, we've looked at that authoring
13 product that failed to work. And that was an attempt by
14 Microsoft and a third party to develop a solution back
15 in the early '90s.

16 The long-felt need, there's been a number of
17 e-mails and other documents. I remember the holding
18 back the community, some of the suggestions made by Jean
19 Paoli about the XML community wants to have custom;
20 that's what they're looking for.

21 In terms of disbelief or skepticism, I think
22 we saw one citation from a Microsoft engineer, or
23 manager at least, who said, I don't think we have any
24 ideas as to how to do this.

25 We had another piece of information that said

1 something to the effect that, even when we started, we
2 weren't sure we could do what we've ultimately
3 accomplished.

4 And the best example of praise was the
5 statement that one of the Microsoft managers made that
6 this i4i product is great for use with Word XP.

7 Q. Let's just look at a couple of things we
8 haven't yet looked at.

9 MR. CAMPBELL: Could we get Slide
10 30?

11 Q. (By Mr. Campbell) Dr. Rhyne, we'll find
12 the slide I'm looking for.

13 Why don't you look in your book at PX281?

14 A. Okay. It's this Seybold report? There.

15 Q. I think we got it.

16 What do you see here in PX281?

17 A. This is a report. Seybold is a company that
18 publishes reports on various aspects of the industry. I
19 think they are still in business. But this dates back
20 to 2001.

21 And they say in this report that Microsoft
22 itself tested the waters for structured authoring in the
23 mid 1990s, but scuttled the effort after its SGML author
24 companion to Word sold poorly, performed sluggishly, and
25 proved to be a support headache.

1 The report also comments that Microsoft
2 licensed XMetal -- that's another company's SGML editor.
3 Microsoft licensed XMetal reinforcing the notion that
4 Microsoft will not be solving the structured-authoring
5 problem soon.

6 Q. Let's turn to a different topic.

7 Have you looked, Dr. Rhyne, at i4i's
8 commercial embodiments S4/TEXT tagless editor and X4L?

9 A. Yes. Both Dr. Martin, who did the in depth
10 analysis of the Microsoft Word products, and I have
11 looked at it. So between his deep work and our
12 interactions together about that, I have an
13 understanding of that product.

14 Q. Okay. And did you compare Claims 14, 18, and
15 20 to i4i's products?

16 A. Yes.

17 Q. And did you find that i4i's products practice
18 Claims 14, 18, and 20?

19 A. Yes.

20 Q. And did you apply the Court's claim
21 construction in forming your opinions?

22 A. Yes.

23 Q. Let's look at what you found. What are you
24 showing here?

25 A. This was the diagram, again, what I call a

1 Martin diagram. It's a diagram that Dr. Martin did
2 that's -- I'm not going to try to say the diagrams are
3 similar, but he did this at the same point in his
4 analysis as he did the diagram that had all the green on
5 it that we've been looking at.

6 But this is the internal data structure
7 that's provided in one of the mid-to-late versions of
8 x4o. And at the bottom you can see the mapped content.
9 It's essentially the CP string structure that we looked
10 at before.

11 It's a little hard to read, but in the
12 brackets that are down here, you can see the letter body
13 and the salutation and Dear Mr. Burnett, Please replace
14 this. I mean, this is basically his findings when he
15 used x4o to do that little letter.

16 And up at the top in yellow you can see the
17 metacode map. You can see the tag names, letter body,
18 salutation, et cetera. And you can see the offsets and
19 links that serve as the addresses of use.

20 Q. So for the record, this is based on your
21 analysis of the i4i source code and documents, which are
22 PX456 and 276?

23 A. Yes. It appeared originally in a report
24 produced by Dr. Martin. But he and I have been over it,
25 and I have actually exercised x4o to produce this data

1 structure -- these two data structures on my own behalf.

2 Q. And did you find the x4o product has a menu,
3 provides a menu?

4 A. Yes. This is a screen shot from one screen
5 of x4o. It's what is called the document sections
6 screen. And you can see here that it sets forth the
7 structure of the document in terms of the letter, the
8 member ID, the date, and gives you the capability of
9 seeing where those fields are, those tags are, and
10 applying them to the content.

11 Q. And how does i4i's product compile the map of
12 metacodes?

13 A. It does it in a seven-step sequence. And
14 this is essentially a restatement of what appeared in
15 Dr. Martin's report. And you've asked me to read this
16 into the record, so I will.

17 No. 1, x4o opens an XML document,
18 parenthesis, the input content stream, parenthesis
19 closed, and processes that stream in a serial fashion.

20 No. 2, x4o reads the input content stream and
21 looks for metacodes using delimiting characters. And
22 the example that's given there is the left and right V
23 characters, greater than or less than. It uses those
24 delimiting characters as detection to identify and
25 differentiate metacodes from content.

1 No. 3, it creates a tree representation of
2 the input file.

3 No. 4, it processes the tree node by node to
4 create entries in the offset map.

5 No. 5, it steps through the offset map to
6 copy the content and stores that content in Word's CP
7 stream. So they actually use the CP stream in the Word
8 editor that it works with.

9 No. 6, it steps through the offset map again
10 and sets a length value for each entry in the offset
11 map.

12 And, No. 7, it sets the offset values in the
13 offset map as the user works with the document.

14 Q. Dr. Rhyne, finally, did you find that x4o
15 compares the metacodes to a set of criteria or DTD?

16 A. Yes. This is an area where you can rely on
17 the user manual since it just simply deals with the
18 question of whether or not it provided validation. And
19 it has a whole section that explains the process by
20 which it validates the documents that you use it to
21 either open or create.

22 Q. Okay.

23 MR. CAMPBELL: And for the record, that's
24 PX310.

25 Q. (By Mr. Campbell) One last question,

1 Dr. Rhyne.

2 MR. CAMPBELL: If we could go back to Slide 40.

3 Q. (By Mr. Campbell) I notice in the metacode
4 map in i4i's commercial embodiment of x4o that the tag
5 name column there, the delimiter characters aren't
6 there. Did you notice that?

7 A. Yes.

8 Q. Why is that?

9 A. Well, because once you separate the tag
10 names, or the tags as they're commonly sometimes called
11 less formally, from the content, then you no longer need
12 the delimiters. That's what the delimiters are for, to
13 allow you to search through the content when it's mixed
14 with the tags and spot where the tags begin and end.

15 Here in the commercial product that X -- that
16 i4i has used to implement their patent, they do not
17 include the delimiters in the data structure that
18 they -- and I believe is a metacode map.

19 Q. Don't you need the delimiters for -- to know
20 the content that goes with letter body?

21 A. No. Not once they've been separated and you
22 have the addresses of use in the metacode map.

23 Q. Thank you, Dr. Rhyne.

24 MR. CAMPBELL: No further questions.

25 THE WITNESS: Yes, sir.

1 THE COURT: Cross-exam.

2 CROSS-EXAMINATION

3 BY MR. POWERS:

4 Q. Good afternoon, Dr. Rhyne.

5 A. Good afternoon, Mr. Powers.

6 Q. You began your direct examination by
7 discussing the presumption of validity and said
8 essentially it's based on an assumption that the
9 Examiner did his job well, correct?

10 A. Yes.

11 Q. In this case, the Examiner didn't have the
12 chance to review the four references that are before
13 this jury; isn't that true?

14 A. Yes.

15 Q. And you will agree that it's the jury's role
16 in our system to review those references because the
17 Examiner didn't have the chance to do so?

18 A. I believe I've seen that exact statement made
19 as part of the charge to the jury.

20 Q. Okay. Now, let's talk about DeRose and Rita.
21 You criticize them because they use a tree structure.

22 Do you recall that?

23 A. I don't know that I would call that
24 criticize, but I did point out that they use a tree
25 structure.

1 Q. And your point, as I heard it, was, because
2 they use a tree structure, that's not a metacode map
3 within the meaning of the patent; is that fair?

4 A. It's a combination of not having a metacode
5 map nor having a set of mapped content.

6 Q. And that's related to them having this tree
7 structure?

8 A. Yes.

9 Q. But the very last part of your testimony
10 about i4i's x4o product, that also uses a tree
11 structure, doesn't it?

12 A. It's a three-layer product. And in one of
13 the layers -- and I dealt with this extensively in my
14 own expert report -- but they do use a tree structure.

15 Q. All right. Let's talk about the Rita
16 product.

17 You said there was only one sale in the
18 United States, and that's a requirement. Do you recall
19 testifying to that?

20 A. It's my understanding that the record shows
21 that there was a single sale in the United States.

22 Q. But you know that the law isn't just that you
23 invalidate based on an actual sale. You know that,
24 don't you?

25 A. I'm not prepared -- I have no knowledge about

1 what you're talking about.

2 Q. You know, in fact, an offer for sale is
3 sufficient to invalidate the patent, even if a sale
4 never happens. You know that, don't you?

5 A. You're getting outside my area of expertise
6 or knowledge of where I would feel like I could even
7 offer an opinion about the law.

8 Q. Let me ask you to assume that when the Court
9 instructs the jury that the Court's instructions will
10 say that an offer for sale is sufficient.

11 A. Okay.

12 Q. Now, you heard Dr. Cowan's testimony just
13 this morning, didn't you?

14 A. I did.

15 Q. And you heard him say that this was offered
16 for sale well before a year before the patent
17 application was filed throughout North America. You
18 heard that, didn't you?

19 A. I didn't hear the throughout the North
20 America part, but I did hear him say that they
21 contracted or somehow worked out an arrangement between
22 Waterloo University and some other place to sell it.

23 Q. So based on Dr. Cowan's testimony that you
24 heard this morning --

25 A. Uh-huh.

1 Q. -- the Rita software was being offered for
2 sale in the United States well before a year before,
3 wasn't it?

4 A. I have no idea of where they advertised it,
5 but it was flat out being offered for sale. The problem
6 I had was just knowing what exactly it was that was
7 offered.

8 Q. You also heard Dr. Cowan's testimony that the
9 architecture never changed of the Rita software; you
10 heard that?

11 A. I wouldn't say that.

12 Q. And he would know that better than you would,
13 wouldn't he?

14 A. I think he stated to the effect that he
15 really had no detailed knowledge of what the software
16 was. That was his view. I think there's other evidence
17 to show that it changed materially, but I did hear him
18 say something to that effect.

19 Q. Let's talk about Word 5 and 6 for a minute.

20 A. Okay.

21 MR. POWERS: Now, Chris, could you put up
22 Slide 8 from Dr. Rhyne's presentation, please.

23 Q. (By Mr. Powers) You recognize this as a slide
24 that you put up regarding the SGML standard?

25 A. Yes.

1 Q. And this was one of your points regarding the
2 SGML standard being a tree?

3 A. That it -- that the fact that this standard
4 was disclosed in the specifications of the patent, and
5 that the standard in turn disclosed the use of a tree to
6 represent a document, showed that the Examiner can be
7 presumed to have known about tree structures.

8 Q. And you were putting up the definition from
9 the standard of a document?

10 A. I wouldn't consider this to be a definition.
11 It was a statement that was made about how a document
12 can be represented.

13 Q. In fact, the definition of a document
14 contains an important element that your slide leaves
15 out, doesn't it?

16 A. I -- I'm prepared -- I'm breathless. You can
17 tell me what I left out.

18 MR. POWERS: Chris, could you please put
19 up Exhibit 131 at Page 78.

20 Q. (By Mr. Powers) Before we start, do you
21 recognize the front page of Exhibit 131 as the very same
22 standard that you were citing to the jury?

23 A. I just want to be sure that it's the same
24 edition. It is. Yes, sir.

25 MR. POWERS: Now, bring up Page 78 where

1 you have NXB basic concepts.

2 Q. (By Mr. Powers) Do you recognize that as a
3 part of the standard, Dr. Rhyne?

4 A. I wouldn't presume to think that I have read
5 it the way I'm going to presume the way the Examiner
6 read it, but I do recognize the generality of the way
7 the standard is made. I understand the annexes.

8 MR. POWERS: Chris, would you bring up
9 just Section B11 documents, just the first paragraph so
10 we can put something else up next to it.

11 And can you put up -- can you put that on
12 Dr. Rhyne's -- next to Dr. Rhyne's. If not, that's all
13 right. We will do it at a different way.

14 The slide is 8.

15 Q. (By Mr. Powers) All right. Just so we're
16 clear, Dr. Rhyne, I've got a call out on the bottom of
17 the screen that is from your Slide 8 about a document,
18 right?

19 A. Yes.

20 Q. And I have on the top the definition of the
21 document from Annex B of the same standard, right?

22 A. Yes.

23 Q. Now, Annex B says, quote, the term document
24 does not refer to a physical construct such as a file or
25 a set of printed pages. Instead, a document is a

1 logical construct that contains a document element, the
2 top node of the tree of elements, et cetera, et cetera.

3 Do you see that?

4 A. Yes.

5 Q. Now you've started your quote regarding --
6 starting with contains a document element, but you left
7 out the part about a logical construct, right?

8 A. It's not there as part of what I showed you.

9 Q. Now, a logical construct means there's a
10 logical relationship, right?

11 A. It means that it is not talking about
12 restricting the document as set forth in this Annex B to
13 any specific physical construction as to how you
14 implement the document.

15 Q. So a logical relationship is enough; not a
16 physical relationship is required?

17 A. It's not a relationship. It just says that
18 when we talk about documents, we're using it as a
19 logical construct. We're not saying -- the standard in
20 and of itself doesn't specify a particular file
21 structure or a particular way of printing it on paper.

22 Q. All right. And your IEEE dictionary that you
23 relied upon also specifically talked about having a
24 logical relationship as being the standard you're
25 relying upon?

1 A. I'm sorry. I don't have it memorized, but I
2 believe it said that it would have data elements that
3 were -- that used both physical or logical
4 relationships.

5 Q. All right.

6 A. But it was talking about the relationships
7 between those elements.

8 Q. Let's turn then to Word 5 and 6. And could
9 you look at page --

10 MR. POWERS: Chris, could we go to Slide
11 16 from Dr. Rhyne's presentation, please.

12 Q. (By Mr. Powers) Dr. Rhyne, the title of your
13 Slide 16 says, Prior versions of Word did not support
14 SGML or XML metacodes. Do you see that?

15 A. Yes.

16 Q. Well, the patent doesn't require that you
17 support SGML or XML metacodes, does it?

18 A. Not specifically, no.

19 Q. In fact, the patent doesn't mention XML at
20 all, does it?

21 A. Yes.

22 Q. And the Court's construction of metacode
23 doesn't say it has to be an SGML or XML metacode, does
24 it?

25 A. Yes.

1 Q. It does?

2 A. Well, you asked me a negative question, and I
3 had some fun with Mr. Kudlac at one point. No, it
4 doesn't. I will answer it with clarity.

5 Q. Thank you.

6 Now, so it doesn't really matter whether
7 prior versions of Word supported SGML or XML metacodes
8 as long as the codes in the prior versions of Word are
9 metacodes within the meaning of the Court's
10 construction. That's true, isn't it?

11 A. I apologize, you're going to need to ask me
12 that question again a little more slowly.

13 Q. Sure.

14 A. I missed it.

15 Q. Your slide asserts in its title that prior
16 versions of Word did not support SGML or XML metacodes.

17 Do you see that?

18 A. Yes.

19 Q. But that isn't really the issue here, is it?
20 The question is whether they supported codes that are
21 metacodes within the meaning of the Court's
22 construction. That's right, isn't it?

23 A. Well, the purpose of this slide was
24 different. But the ultimate question of infringement is
25 as you stated it.

1 Q. All right. Now, in fact, RTF codes, which
2 are supported by prior versions of Word, are metacodes,
3 aren't they?

4 A. I don't believe they are.

5 Q. Well, you recall the testimony of Mr. Owens,
6 who was here, and you were here for it, and he said they
7 were. Do you remember that?

8 A. I don't recall that part of his testimony.
9 I'm sorry.

10 Q. And did you read in your work on this case
11 the deposition testimony of Mr. Vulpe?

12 A. Yeah, I think -- yes, sir, I think I did.

13 Q. So you recall Mr. Vulpe said that RTF codes
14 are metacodes?

15 A. I don't recall that part of it at all.

16 Q. Let me read to you from Mr. Vulpe's
17 deposition transcript on September 18th, 2008, at Page
18 245 -- at Page 244, Line 25, through Page 245, Line 18.

19 QUESTION: So your patent deals with text
20 that is encoded SGML and structure documents, correct?

21 It deals --

22 ANSWER: It deals -- no, it deals with
23 metacodes. It also discusses RTF, which is not a
24 structured language for encoding documents in the same
25 way SGML is. Both of them are described as general

1 examples of ways of putting markups or metacodes into
2 documents. There are many other ways of doing this.

3 QUESTION: I'm not trying to be limited.

4 ANSWER: No, I understand.

5 QUESTION: Okay. So --

6 ANSWER: But SGML is an example of a
7 metacode.

8 QUESTION: Sorry, SGML is --

9 ANSWER: As is RTF.

10 So that's an instance of Mr. Vulpe saying
11 that RTF is a metacode. You read that, didn't you?

12 A. Well, if you say so. I couldn't -- I'm
13 sorry, listening to you read it, I couldn't follow all
14 the back and forth. If that's Mr. Vulpe's opinion,
15 that's his opinion.

16 Q. And he's the inventor of the patent?

17 A. That's true.

18 Q. All right. Now, let's talk about bookmarks
19 for a moment.

20 MR. POWERS: Could you go to Dr. Rhyne's
21 Slide 19.

22 Q. (By Mr. Powers) Do you recognize this as one
23 of the slides you put up to argue that bookmarks aren't
24 metacodes within the meaning of the Court's
25 construction?

1 A. Yes.

2 Q. Now, this document doesn't say that bookmarks
3 aren't metacode, does it? It just says they are a type
4 of hack?

5 A. That's two parts to that question. And the
6 first part is yes, and the second part is yes.

7 Q. So it doesn't say it's a metacode -- not a
8 metacode?

9 A. It doesn't speak -- it doesn't use the term
10 metacode. That's a term of -- kind of from the patent
11 point of view.

12 Q. And the same is true of Slide 20, the next
13 slide you relied upon. That also doesn't one way or the
14 other whether a bookmark is on metacode or not, does is?

15 A. It deals with whether or not a bookmark can
16 support Custom XML.

17 Q. And Custom XML isn't what the Court's
18 construction is of metacode, is it?

19 A. The Court's construction of metacode doesn't
20 require -- it doesn't really say anything about Custom
21 XML directly.

22 Q. All right. Now, let's talk about the SEMI S4
23 product.

24 A. Okay.

25 Q. Now, as I heard your testimony, you said you

1 really need to have the source code in order to
2 understand how it works, right?

3 A. No, that's not quite right. I will be happy
4 to clarify.

5 Q. Certainly.

6 A. You need the source code to determine what
7 data structures are actually present in the computer
8 that's executing really any application and in specific
9 the SEMI S-to-the-4th product.

10 Q. Now, you understand the reason we don't have
11 the source code is because Mr. Vulpe destroyed it.

12 A. That's the phrase he agreed with you to use.
13 I know that's what he said.

14 Q. Now, one way you could know what the data
15 structures were or how the SEMI S4, S-to-the-4th
16 product, worked is talk to people who wrote the source
17 code, right?

18 A. Yes.

19 Q. And --

20 A. If they had a clear recollection, yes.

21 Q. And Mr. Vulpe and Mr. Owens, back when they
22 wrote it, had a clear recollection, didn't they?

23 A. I'm not familiar with the portion of the code
24 that Mr. Vulpe may or may not have written. I'm
25 familiar with the testimony of Mr. Owens about what he

1 did.

2 Q. Now, you were here in Court when Mr. Vulpe
3 admitted that he said repeatedly, over and over and over
4 again, that the S-to-the-4th SEMI product was what was
5 covered by the '449 patent. You heard that testimony
6 and you saw those documents, didn't you?

7 A. You said over and over again three times. I
8 remember two instances where, at least in one of those
9 instances, he said that. In the other instance he said
10 something, and my review of it doesn't really quite make
11 the linkage I'm sure you wish it made.

12 But he -- there's no question but what in one
13 document he said something to the effect -- what did he
14 say -- he said the initial implementation of this patent
15 is in the S-to-the-4th product. And then there was some
16 discussion about S4 plus patent and it got pretty
17 confusing to me at least.

18 Q. But you know the S-to-the-4th product was the
19 SEMI product. He said that squarely, didn't he?

20 A. The version of the S-to-the-4th product -- in
21 fact, maybe the only actual productized version that ran
22 on the Macintosh Quadra was the one they sold to this
23 SEMI organization.

24 Q. All right. So Mr. Vulpe, back in 1994, when
25 presumably he was more familiar with the source code

1 than he is now, you could have relied on that to say,
2 well, Mr. Vulpe then knew what he was talking about, I
3 don't need to see the source code, I can just rely on
4 what Mr. Vulpe said. You could have done it?

5 A. Given the choice between the statements made
6 unequivocally by Mr. Owens under oath in this chair and
7 the statements that were in a later kind of a marketing
8 document, to use the term that Mr. Little introduced, as
9 I said earlier, I'm going with what Mr. Owens said. I
10 think it was unequivocal.

11 Q. Well, you are here as a technical expert,
12 Dr. Rhyne. You are not here to judge credibility of
13 witnesses, are you?

14 A. You're asking me questions to make judgments
15 about what people said.

16 Q. You gave an opinion on the stand about what
17 you believed.

18 A. I thought I was responding to your question.
19 If I haven't, you should object, as I understand the
20 process.

21 Q. On direct examination, you gave an opinion
22 that you believed that it doesn't invalidate because you
23 believed Mr. Owens' testimony on the stand. Do you
24 recall saying that?

25 A. Absolutely.

1 Q. That means you just disbelieve the document
2 Mr. Vulpe wrote back in 1994.

3 A. If I have to choose between two inconsistent
4 things, I think I have -- based on my technical
5 assessment of the skill set and the knowledge offered by
6 Mr. Owens, that's the way I'm going.

7 Q. And you recognize that judging credibility of
8 witnesses is not your role as an expert; that's the
9 jury's role, isn't it?

10 A. I understand that.

11 Q. All right.

12 A. And I think that that's an ultimate decision
13 that the jury is going to have to make.

14 Q. Let's talk about Mr. Young. Scott Young was
15 at SEMI. He's the man who bought the S-to-the-4th
16 system from Mr. Vulpe, right?

17 A. I'm not 100 percent he's the guy who bought
18 it, but he was a user, sort of a manager, at SEMI when
19 that product came in from i4i and was being used as part
20 of their standard activities.

21 Q. And you heard his testimony that Mr. Vulpe
22 told him way back in 1993 that he was going to patent
23 what he sold to SEMI. You heard that.

24 A. I heard him say that.

25 Q. So I guess you chose to disbelieve that, too?

1 A. I took a judgment on that one.

2 Q. And you heard Mr. Young testify that when
3 Mr. Vulpe was trying to convince Mr. Young to join i4i,
4 that Mr. Vulpe said we patented what we sold you at
5 SEMI.

6 You heard him say that, too.

7 A. I don't remember that statement. I remember
8 some colloquy about Mr. Young not feeling very good
9 about the way in which he had his relationship with that
10 evolving sort of startup process.

11 Q. Now, in your direct examination, one of the
12 things that you said you relied upon was Mr. Owens
13 saying that he invented it, the concept of this metacode
14 map, later back in November of 1993, I believe was the
15 testimony.

16 A. If I have a good memory of what he said,
17 there was sort of -- I think the phrase was used an a-ha
18 moment or something at some point.

19 Q. Eureka moment, wasn't it?

20 A. Okay. Good. Eureka.

21 And that it was after that that he started
22 developing a prototype of that separated approach on
23 the -- what did he call them -- the white label IBM
24 computers.

25 Q. Now, you recall that he also admitted there's

1 not a single e-mail, not a single memo, not a single
2 laboratory notebook, not a single piece of source code
3 that says that that a-ha moment, that eureka moment,
4 occurred in November of '93 and not earlier?

5 A. I remember that particular question. I don't
6 remember whether it was him or Mr. Vulpe. But what you
7 say is true. I don't know whether that's an admission
8 or not, but that's a fact.

9 No one has been able to produce any evidence
10 other than the testimony of the gentlemen.

11 Q. And you know it's very important that claims
12 by inventors of when they invented something have to be
13 corroborated by some form of evidence; otherwise, it's
14 not acceptable in court.

15 You understand that, don't you?

16 A. I don't -- my understanding of what you're
17 talking about where you need corroborating evidence is a
18 completely different situation when you're dealing with
19 the Patent Office and are trying to do what's commonly
20 called swear behind the original date when you're trying
21 to move your date earlier.

22 And I don't think that the discussion about
23 when they had their, quote, eureka moment was for the
24 purposes of trying to move the date of invention further
25 forward.

1 It was more trying to understand what related
2 to the S-to-the-4th product and whether it did or did
3 not implement the patent.

4 Q. All right. Let's talk about obviousness for
5 a minute and discuss the Kugimiya patent.

6 A. Okay.

7 Q. Do you recall that prior art reference?

8 A. I do. I have a copy of it here if you want
9 to get into it in any detail.

10 Q. You recall you were here for Mr. Vulpe's
11 testimony about the back and forth with the Patent
12 Office, including the interview regarding the Kugimiya
13 patent?

14 A. Yes, sir. And I've looked at that sheet from
15 the file history, but I don't have any detail
16 remembrance of what's in the paragraph at the bottom of
17 it.

18 Q. You recall --

19 A. I would have to look at it again to know any
20 of the details.

21 Q. You recall hearing, then, Mr. Vulpe admit
22 that when Kugimiya was cited, they admitted Kugimiya
23 disclosed a metacode map?

24 A. I think that's true from the file history. I
25 don't think he disagreed with that. It's in the

1 document that the Examiner felt that Kugimiya made a map
2 of metacodes.

3 Q. Well, you also heard Mr. Vulpe initially
4 claim he did invent the metacode map, right?

5 A. I don't recall hearing that.

6 Q. So now we're at least in agreement that
7 Mr. Vulpe didn't invent this key concept of the metacode
8 map; you don't dispute that?

9 A. I think the Examiner made that statement that
10 based on Kugimiya, which is an earlier dated patent,
11 that there was what he called a temp -- ultimately
12 called a temporary map of metacodes in Kugimiya.

13 Q. So you agree with that?

14 A. I've lost track of what that is.

15 Q. You agree that Mr. Vulpe didn't invent the
16 concept of the metacode map?

17 A. Certainly that's the conclusion that the
18 Examiner reached, and I'm not trying to disagree with
19 it.

20 Q. Is that a backwards way of saying you agree?

21 A. I didn't mean to sound like Mr. Ugone. Let
22 me think.

23 Yeah. Yes, sir. I think that it certainly
24 is the case that Kugimiya invented a temporary map of
25 metacodes.

1 Q. Now, you've read closely the Court's claim
2 construction regarding metacode map, haven't you?

3 A. Yes.

4 Q. The Court's construction says nothing about
5 how long it stored, does it?

6 A. It does not.

7 Q. So Kugimiya's metacode map is prior art for
8 the metacode map, because there's no requirement in the
9 Court's construction that it be stored more than
10 temporarily.

11 Is that fair?

12 A. It meets -- it meets the Court's
13 construction, but, again, the claim limitations of
14 Claims 14 and 20 set the metacode map in a broader
15 context.

16 Q. Let's talk about some of your secondary
17 considerations.

18 MR. POWERS: And could we -- Chris, could
19 we put up Slide 26 from Dr. Rhyne's presentation?

20 Q. (By Mr. Powers) The very first one you list
21 is commercial success.

22 Are you truly taking the position that i4i
23 was a commercial success?

24 A. I'm sure you heard what I said. I said, no,
25 I have nothing to point to, other than the fact that

1 they are not a total bust. They have -- at one point
2 they said something to the effect -- I remember the
3 50,000 seats or something, that they had sold some
4 product.

5 Q. You recall that they lost over \$25 million
6 before Word 2003 was even introduced?

7 A. I've looked at those documents very
8 carefully, and I think something that's interesting to
9 me at least is that of that 25 million, a significant
10 part of it was investments in research and development
11 rather than just operating costs, which I think they
12 must have invested, looking at what happened to them
13 with an eye toward producing a successful product based
14 on their patent.

15 Q. Which they, in fact, did not do. The product
16 wasn't successful, was it, Dr. Rhyne?

17 A. I think facing the competition that they
18 have, it has not proved to be successful.

19 Q. Now, you're aware that these additional
20 considerations that you're listing have to be linked
21 specifically to the patent claims at issue?

22 A. They do.

23 Q. So even if i4i had been wildly successful, if
24 that was because they had very good marketing or they
25 sold it for a dollar and a half or some other reason

1 other than the specific advantages of the patent claims,
2 then it wouldn't matter for obviousness.

3 You'd agree with that?

4 A. I think there has to be a nexus, as it's
5 sometimes called, a linkage between any of these
6 features and the characteristics of the asserted claim.

7 Q. So with regard to your very first listed
8 consideration, commercial success, you relied not on the
9 i4i results but on Word 2003 and 2007.

10 That's true, isn't it?

11 A. Yes.

12 Q. Now, in fact, Word 2003 and 2007 have a whole
13 lot of features having nothing to do with XML at all,
14 right?

15 A. Yes.

16 Q. And even within XML, there's a lot of ways to
17 do XML that have nothing to do with Mr. Vulpe's patent.

18 A. There are some.

19 Q. And you personally don't know whether anybody
20 bought Word 2003 or 2007 because of the specific
21 functionality accused here. You don't know that, do
22 you?

23 A. I won't repeat Mr. Owens' joke. I think he
24 was the one who said that you did.

25 But, no, I can't personally link that -- I

1 didn't have to do it because I already owned one, but,
2 no, I can't link -- I can't identify Fred Jones in
3 Marshall who bought one because he was getting ready to
4 do XML in a particular way. No.

5 Q. You're not an XML expert; I thought we
6 established that.

7 A. You bet. I mean, I've taught it and I've
8 used it, but I've never worked at a company where we
9 were using it for the purposes that it's really intended
10 to be used.

11 Q. You're not claiming to be an expert in XML?

12 A. Not in that sense.

13 Q. All right. Now, you also cite --

14 MR. POWERS: Let's go to Slide 35,
15 please, Chris.

16 Q. (By Mr. Powers) You've referred a couple of
17 times to this, this quote from Mr. Sinofsky saying we
18 don't have any ideas how to do this for Word.

19 Do you recall that?

20 A. I guess my first concern, if it's relevant,
21 is this actually -- we didn't actually use this slide,
22 but since you brought it up, I have referred to it. I
23 think it's certainly in my report, if not in my direct
24 testimony from Mr. Sinofsky.

25 Q. You were here for Mr. Little's testimony,

1 weren't you?

2 A. Yes.

3 Q. Now, Mr. Little said -- when he was asked
4 about this exact e-mail, he said: Well, Mr. Sinofsky
5 may not have had ideas, but I did. I've been working on
6 this, and Mr. Sinofsky and I don't talk a whole lot,
7 because he's a VP.

8 Do you recall that testimony?

9 A. Something to that effect, I did. I thought
10 that was a fairly charming answer.

11 Q. So when Mr. Sinofsky says that, that doesn't
12 mean that the people who are actually doing the work
13 don't have ideas.

14 That's true, isn't it?

15 A. I've been a manager in that situation, and I
16 confess to not always knowing what's in the skill set of
17 the people who reported to me.

18 MR. POWERS: Now, let's go to Slide 37,
19 please, Chris.

20 Q. (By Mr. Powers) This was in the presentation
21 as it was given to us, but I don't think it was
22 presented here in Court today.

23 A. No. As I'm sure the jury may begin to catch
24 on, we're all under a little time pressure. And I've
25 been urged, as was Mr. Campbell, to let's do as little

1 as possible on the clock.

2 Q. Now, this is a quote on Slide 37 from the
3 Keith Thomas red herring e-mail, he calls it. The
4 e-mail from Mr. Thomas to Mr. Cox where he says the
5 patent is a red herring?

6 A. He did in a specific context. And I've seen
7 that discussed, and I think I've read in his
8 deposition -- I don't know it came up in his direct
9 testimony -- where he tried to explain what that meant
10 when he said the red herring quote.

11 Q. Now, you've got a quote here that says: Many
12 SG and XML experts consider the separation of markup
13 from content, at worst, as defeating the purpose of
14 markup, and at best, as introducing enormous complexity
15 and processing overhead to coordinate the two, close
16 quote.

17 Do you see that?

18 A. Yes.

19 Q. As I take it, the point that you were trying
20 to make on this slide is the rest of the world didn't
21 appreciate the value of Mr. Vulpe's invention and that
22 shows the non-obviousness of that invention.

23 A. No.

24 Q. Then what is the disbelief or skepticism that
25 you're trying to make a point of here?

1 A. The point here was that Mr. Thomas himself
2 right there at i4i seemed to think that the approach
3 that -- the approach that's set forth in the '449 patent
4 would actually make the problem worse instead of better,
5 whereas it actually turns out, based on my understanding
6 of the utility of the invention, and the way it's been
7 implemented in Word 2003 and 7 to make the problem
8 better. This was disbelief.

9 Q. Mr. Thomas tells you that he disbelieves the
10 concept, but, in fact, the implementation of the
11 invention by i4i was bad.

12 Doesn't it say that?

13 A. No.

14 MR. POWERS: Chris, could you put up the
15 rest of that e-mail? It's DTX2016, and let's put up the
16 whole part of what Mr. Thomas has, including the part
17 right after what's quoted in the slide.

18 Q. (By Mr. Powers) Now, your quote, Dr. Rhyne,
19 ended after coordinate the two.

20 Do you see that?

21 A. Yes.

22 Q. The very next sentence from Mr. Thomas, who
23 was the Vice President of Technology at that time at
24 i4i, right?

25 A. I don't -- I know at one time he was.

1 Q. He says they are certainly right on the
2 latter point. That was the very next sentence after the
3 part that you quoted, right?

4 A. That's what his belief was relative to the
5 SGML/XML experts who thought that this was not a good
6 thing to do.

7 Q. And that's based on his actual experience
8 with the i4i product, right?

9 A. That was his actual experience at that time,
10 uh-huh.

11 Q. And he next says in the part that's just
12 after what you quoted: Our implementation of the patent
13 idea in Version 2 and Version 3 had two serious defects.

14 First, it locked us into an inefficient
15 mechanism where the average execution times of all
16 search and manipulation operations were exponential in
17 document size;

18 And, second, it created maps which were not
19 truly independent of the content, because the map had to
20 be in the same order and cover all the offset space of
21 the content.

22 Do you see that?

23 A. Yes.

24 Q. And, in fact, the very next sentence after
25 the parenthetical, Mr. Thomas says they went away from

1 the patent in the next version. We did not base Version
2 4 on the concepts of the patent.

3 That's what he says, right?

4 A. That's what he said.

5 Q. Okay. Now, the final subject I want to turn
6 to is your discussion of the x4o product, and that's the
7 i4i product called x4o?

8 A. Yes.

9 Q. And as I understood your testimony, you were
10 testifying that the x4o product from i4i implemented the
11 Vulpe patent under the Court's construction, right?

12 A. Yes.

13 Q. And in order to determine that, you had to
14 determine that the x4o product had metacode within the
15 meaning of the Court's construction, right?

16 A. Yes.

17 Q. And in your expert report, when you were
18 addressing that exact issue, you gave a definition of
19 what constitutes a metacode that is exactly the opposite
20 of your opinion that you gave to the jury on
21 infringement a few days ago.

22 A. Are you referring to the statement that was
23 made on Page 8 where I said a tag is a metacode?

24 Q. That is exactly the statement I'm referring
25 to.

1 A. That statement's in my report.

2 Q. Now, let me read it into the record. You
3 said on Paragraph 27 at Page 8, quote: A custom XML tag
4 satisfies the Court's construction of metacode. A
5 custom XML tag is an individual instruction which
6 controls the interpretation of the content of the data.

7 Do you recall that?

8 A. I did.

9 Q. That was in your expert report. And then you
10 said later that x4o further ensures that XML tags
11 conform to the XML x4o specification.

12 A. I said that at that time.

13 Q. Now, your interpret -- your position to the
14 jury -- it wasn't a month ago; it was like four or five
15 days ago -- on infringement was exactly the opposite.
16 Your position then is it's not the tag is the metacode
17 but just the tag name.

18 A. That's right.

19 Q. That's your position now?

20 A. And at the time that I made the statement in
21 my report, as I told you the first time you brought it
22 up, I had no idea that anybody was going to make an
23 argument that these two things were part of what was
24 required to meet the Court's construction of metacode,
25 that they were parts of the instruction to interpret the

1 content of the data, or whatever the precise language
2 is.

3 Q. For the record, when you say these two
4 things, you're holding up your hands and referring to
5 the brackets on either side?

6 A. The delimiters.

7 Q. Right?

8 A. Uh-huh.

9 Q. Now, you understood and you knew that those
10 brackets are required to be part of the tag.

11 A. In order to define the tag in a formal sense,
12 the tag includes the delimiters as well as the tag name.

13 Q. And you knew that when you made both of those
14 statements in your report.

15 A. Had I realized we were going to have a formal
16 word fight over whether the delimiters were included or
17 not, I wouldn't have made that statement. But I made it
18 at the time. It's very common to refer to the tag, like
19 member ID, as the tag.

20 Q. You made the statement that tags are
21 metacodes several times in your report, didn't you?

22 A. I don't think I made it several times, but I
23 certainly made it there.

24 Q. And you made it in your original report.
25 That's the one we discussed back four our five days ago.

1 A. Now when you just said in your report, I
2 assumed you were talking about the original report.

3 Q. I'm talking now about your rebuttal report,
4 Page 8 of your rebuttal report.

5 A. Oh, okay. Well, then I must have made it
6 again.

7 Let me see. You've confused me.

8 Q. I'm sorry. It just happened to be Page 8 on
9 both.

10 A. Okay.

11 Q. You recall that when we were talking about
12 this exact issue four or five days ago on infringement,
13 on Page 8 of your original report, when you originally
14 filed it --

15 A. Yes.

16 Q. -- you said a tag is a metacode within the
17 meaning of the Court's construction.

18 A. Something to that effect.

19 Q. And you said, I believe, that that was a
20 loose statement by you, and if you had known that that
21 was an issue, you wouldn't have put it that way.

22 A. That's true.

23 Q. But when you furnished your rebuttal report
24 on validity, you knew that this was an issue, didn't
25 you, because you already responded to the infringement

1 report?

2 A. Give me -- I don't -- I don't think at that
3 point I was responding to a non-infringement report. I
4 think that was the rebuttal to Mr. Gray's invalidity
5 report.

6 And I don't believe that in his invalidity --
7 excuse me -- in his invalidity report he brought up this
8 narrowed interpretation of what a metacode had to be.
9 That may be --

10 Q. Let me show you your rebuttal report.

11 MR. POWERS: May I approach, Your Honor?

12 THE COURT: Yes, you may.

13 Q. (By Mr. Powers) Turn to Page 8 of your
14 rebuttal report.

15 A. I remember that.

16 I think I was still operating exactly as I
17 was operating in the first one, the original --

18 Q. Your testimony is that the second time in a
19 second report you also were just being loose?

20 A. Well, I was not aware that anybody was going
21 to come in and make what I consider to be a very bizarre
22 argument that these two characters (indicates) have to
23 be present in the in-memory representation.

24 There's no question that they have to be
25 present in the mixed part of the document as it

1 originally comes in, but I had no idea that anybody was
2 ever going to say, hey, you know, you've got to put that
3 greater than and less than in the in-memory
4 representation where they're absolutely not needed.

5 Q. So you changed your opinion once you knew it
6 was an issue?

7 A. I would say -- I would clarify my opinion.
8 Once it became clear that your side of the case was
9 taking an extremely formal view of the term tag, I have
10 clarified it.

11 I clarified it at length to Mr. Kudlac in my
12 deposition. I clarified it in a supplement report.

13 Q. Clarify sounds so nice. It really was a
14 change, wasn't it, Dr. Rhyne?

15 A. It is a change. There's no question about
16 that.

17 Q. All right. And you changed in order to try
18 to respond to a non-infringement defense.

19 A. Yes.

20 MR. POWERS: No further questions, Your
21 Honor.

22 THE COURT: Redirect?

23 MR. CAMPBELL: Yes, Your Honor.

24 REDIRECT EXAMINATION

25 BY MR. CAMPBELL:

1 Q. Dr. Rhyne, I have just a couple of questions.
2 And at the very end there, Mr. Powers asked you to agree
3 that you made a change to your opinions, but let's look
4 at Page 46 of your initial report.

5 MR. CAMPBELL: And if we could blow up
6 that top part there.

7 Q. (By Mr. Campbell) You identified the map of
8 metacodes in the top.

9 Are the angle brackets there?

10 A. No.

11 Q. So did your -- did your position change as to
12 what the metacode is?

13 A. I've never had a different position as to
14 what the metacode is. The confusion that has arisen is
15 whether or not the reference to tag is a reference in
16 the formal sense of the standard that everything,
17 including the brackets, or whether, as I said here, that
18 the metacodes are the tag names.

19 And, in fact, this is the diagram that was --
20 it's similar to the green stuff that we've been looking
21 at. But in this case, I actually went over and imported
22 into the diagrams the metacodes, and they are shown as
23 only the tag names, not the brackets.

24 Q. Dr. Rhyne, does the claim say anything about
25 tags?

1 A. No.

2 Q. In your opinion, is the metacode the tag name
3 portion of the tag?

4 A. Yes.

5 Q. So when you refer to tags, isn't the tag name
6 part of the tag?

7 A. Yes.

8 Q. Dr. Rhyne, is it common for people to refer
9 to a tag by the tag name?

10 A. Without the brackets?

11 Q. Yes.

12 A. Yes.

13 Q. In fact, let's pull up Exhibit 3 from
14 Mr. Gray's report at Page 18.

15 MR. CAMPBELL: That's the rebuttal
16 report.

17 I'll do it a different way.

18 Q. (By Mr. Campbell) Dr. Rhyne, I don't know how
19 to blow that up, but can you read what Mr. Gray said on
20 Page 18 about tags?

21 A. He said -- and he's referring to a
22 particular -- this same example that we've been dealing
23 with, the chapter and the para and the title.

24 And he said: The tags are in the following
25 order, converted from Unicode to ASCII for readability.

1 That's converting it from one computer code to another.

2 And he simply put, quote, chapter, end quote; quote,
3 para, end quote; quote, title, end quote.

4 Q. Where are the delimiters?

5 A. He didn't include them when he talked about
6 what the tags were.

7 Q. So he referred to a tag without the
8 delimiters?

9 A. Three times.

10 Q. Dr. Rhyne, let's be clear. A metacode is an
11 individual instruction to interpret the content of the
12 data, correct?

13 A. It's an individual instruction which controls
14 the interpretation of the content of the data.

15 Q. And what part of the tag satisfies that
16 construction?

17 A. The tag name.

18 Q. Is that why i4i's commercial embodiment of
19 the patent only used the tag name?

20 A. I think in part. But the key factor is, is
21 that once you've separated the content and the
22 metacodes, you no longer need the delimiters because
23 they're held in two different places in the memory, and
24 I think that's why they don't put them in there.

25 MR. CAMPBELL: No further questions.

1 THE COURT: Thank you. Anything further?

2 MR. POWERS: Nothing further, Your Honor.

3 THE COURT: All right. You may step
4 down, Dr. Rhyne.

5 THE WITNESS: Thank you.

6 THE COURT: All right. Who will
7 Plaintiffs' next witness be?

8 MR. CAWLEY: The Plaintiffs rest, Your
9 Honor.

10 THE COURT: Plaintiffs rest.
11 Defendants finally close?

12 MR. POWERS: Nothing, Your Honor.

13 THE COURT: Okay. Very well.

14 Ladies and Gentlemen of the Jury, that
15 concludes the evidence in the case. I know you're glad
16 to hear that.

17 You may sit down, Mr. Cawley.

18 MR. CAWLEY: Thank you, Your Honor.

19 THE COURT: And I want to thank you on
20 behalf of all the parties and the Court. You've been a
21 very attentive jury throughout a long and tedious
22 presentation of the evidence.

23 As you can see, it's somewhat of a
24 complex case, but your attention has been very much
25 appreciated by everyone.

1 Now, it's 3:35, so I think what we're
2 going to do, we -- we have two things left to do. I
3 need to give you the Charge of the Court, which will
4 probably take 30, 45 minutes, something like that. And
5 then you'll hear arguments from counsel for both sides.
6 I've allowed each side one hour. The Plaintiff can go
7 first, then the Defendant, and then the Plaintiff has --
8 can split their time up and have a portion of it for
9 rebuttal testimony.

10 So unless we all want to stay till 8:00
11 or 9:00 o'clock tonight, which I don't and I'm the
12 Judge, so I don't think we're going to do that.

13 What I would like to do, though, is give
14 you a good break until 4:00 o'clock. And if you'll plan
15 to come back at 4:00 o'clock, I will then give you the
16 Court's instructions and the Charge so we'll have that
17 out of the way.

18 Then we'll come back tomorrow morning at
19 9:00 o'clock. You'll hear the closing arguments, and
20 then at that time, you will then be released to the jury
21 room to begin your deliberations.

22 Until then, remember my instructions.
23 Don't discuss the case among yourselves or with anybody
24 else. We'll be in recess until 4:00 o'clock.

25 COURT SECURITY OFFICER: All rise.

1 (Jury in.)

2 THE COURT: Please be seated.

3 All right. Ladies and Gentlemen of the
4 Jury, I am now going to give you the Court's charge. I
5 will tell you, you are welcome to take notes if you
6 would like to, but a copy of the charge will be provided
7 with you at time that you go to begin your
8 deliberations, so it's not necessary to unless you wish
9 to. And I'm sure the attorneys, both sides in their
10 closing argument, will call your attention to various
11 parts of it that they believe are important to their
12 case.

13 So, now you have heard the evidence in
14 this case. And I am now going to instruct you on the
15 law that you must apply. It is your duty to follow the
16 law as I give it to you.

17 On the other hand, you, the jury, are the
18 judges of the facts. Do not consider any statement that
19 I may have made during this trial or make in these
20 instructions as an indication that I have any opinion
21 about the facts of the case. Again, that is solely your
22 province.

23 After I instruct you on the law, the
24 attorneys, tomorrow morning, will have an opportunity to
25 make their closing arguments. Again, their statements

1 and arguments are not evidence and are not instructions
2 on the law. Their arguments are intended only to assist
3 you in understanding the evidence that you've heard from
4 the witness stand and the exhibits that I have admitted
5 into evidence.

6 Answer each of the questions as you find
7 them. Do not decide who you think should win and then
8 answer the questions accordingly. Your answers and your
9 verdict must be unanimous.

10 In determining whether any fact has been
11 proved in this case, you may, unless otherwise
12 instructed, consider the testimony of all witnesses,
13 regardless of who may have called them, and all exhibits
14 received into evidence, regardless of who may have
15 produced this them.

16 Now, with regard to considering witness
17 testimony.

18 Again, you the jurors are the sole judges
19 of the credibility of all witnesses and the weight and
20 effect of all evidence. By the Court allowing testimony
21 or other evidence to be introduced over the objection of
22 an attorney, the Court did not indicate any opinion as
23 to the weight or effect of such evidence.

24 When the Court sustained an objection to
25 a question addressed to a witness, you must disregard

1 the question entirely and may draw no inference from the
2 wording of it or speculate as to what the witness would
3 have testified to if he or she had been permitted to
4 answer the question.

5 At times during the trial it was
6 necessary for the Court to visit with the lawyers here
7 at the bench out of your hearing or by calling a recess.

8 We met because often during a trial
9 something comes up that does not involve the jury. You
10 should not speculate on what was discussed during such
11 times.

12 In determining the weight to give the
13 testimony of a witness, you should ask yourself whether
14 there was evidence tending to prove that the witness
15 testified falsely concerning some important fact or
16 whether there was evidence that at some other time the
17 witness said or did something, or failed to say or do
18 something, that was different from the testimony the
19 witness gave before you during the trial.

20 You should keep in mind, of course, that
21 a simple mistake by a witness does not necessarily mean
22 that the witness was not telling the truth as he or she
23 remembers it, because people may forget some things or
24 remember other things inaccurately.

25 So, if a witness has made a misstatement,

1 you need to consider whether that misstatement was an
2 intentional falsehood or simply an innocent lapse of
3 memory. And the significance of that may depend on
4 whether it has to do with an important fact in the case
5 or on an unimportant detail.

6 Now, with regard to how to examine the
7 evidence.

8 Certain testimony in the case has been
9 presented to you through depositions. A deposition is
10 the sworn recorded answers to questions asked the
11 witness in advance of trial. Under some circumstances
12 if a witness cannot be present to testify from the
13 witness stand, the witness's testimony may be presented
14 under oath in the form of a deposition.

15 Some time before the trial attorneys
16 representing the parties in this case question the
17 witnesses under oath. A court reporter was present and
18 recorded the testimony. This deposition testimony is
19 entitled to the same consideration and is to be judged
20 by you as to credibility and weight and otherwise
21 considered by you insofar as possible the same as if the
22 witness had been present and had testified from the
23 witness stand here in court.

24 While you should consider only the
25 evidence in this case, you are permitted to draw such

1 reasonable inferences from the testimony and exhibits as
2 you feel are justified in light of common sense. In
3 other words, you may make deductions and reach
4 conclusions that reason and common sense lead you to
5 draw from the facts that have been established by the
6 testimony and the evidence in the case.

7 Unless you are instructed otherwise, the
8 testimony of a single witness may be sufficient to prove
9 any fact, even if a greater number of witnesses may have
10 testified to the contrary if, after considering all the
11 evidence, you believe that single witness.

12 There are two types of evidence that you
13 may consider in properly finding the truth as to the
14 facts in the case. The first is direct evidence, such
15 as testimony of an eyewitness. The other is indirect or
16 circumstantial evidence, that is, the proof of a chain
17 of circumstances that indicates the existence or
18 nonexistence of certain other facts.

19 As a general rule, the law makes no
20 distinction between direct and circumstantial evidence,
21 but simply requires that you find the facts from a
22 preponderance of all the evidence both direct and
23 circumstantial.

24 The parties have stipulated or agreed to
25 some facts in this case. You may recall the stipulation

1 that was read in. When lawyers on both sides stipulate
2 to the existence of a fact, you must, unless otherwise
3 instructed, accept the stipulation as evidence and
4 regard that fact as proved.

5 Now with regard to expert witnesses.

6 When knowledge of a technical subject
7 matter may be helpful to a jury, a person who has
8 special training or experience in that technical field,
9 he or she is called an expert witness and is permitted
10 to state his or her opinion on those technical matters.

11 However, you are not required to accept
12 that opinion. Again, as with any other witness, it's up
13 to you to decide whether to rely upon it. In deciding
14 whether to accept or rely upon the opinion of an expert
15 witness, you may consider any bias of the witness,
16 including any bias you may infer from evidence that the
17 expert witness has been or will be paid for reviewing
18 the case and testifying or from evidence that he or she
19 testifies regularly as an expert witness and that income
20 from such testimony represents a significant portion of
21 their income.

22 Now let me give you a summary of the
23 contentions of the parties. I will first give you a
24 summary of each side's contentions in this case. I will
25 then tell you what each side must prove to win on these

1 issues.

2 Plaintiffs, i4i Limited Partnership and
3 Infrastructures for Information, Inc., together referred
4 to as i4i, contend that the Defendant, Microsoft, is
5 directly infringing Claims 14, 18, and 20 of the '449
6 patent by using the patented method in Microsoft's Word
7 2003 and Word 2007 products for processing an XML
8 document with custom XML elements.

9 i4i also contends that Microsoft induces
10 and contributes to the infringement of the '449 patent
11 by others by selling Microsoft Word 2003 and Word 2007
12 products for use by others in processing an XML document
13 with custom XML elements.

14 i4i also claims that Microsoft has
15 infringed the '449 patent willfully. i4i is seeking
16 damages from Microsoft's alleged infringement.

17 In response to i4i's contentions,
18 Microsoft contends that it is not infringing the '449
19 patent, whether willfully or otherwise. Microsoft also
20 contends that the '449 patent is invalid as being
21 anticipated by or obvious in light of the prior art.
22 Microsoft also contends that i4i is not entitled to
23 damages for any infringement.

24 Now I am about to visit with you about
25 the burdens of proof and the terms. But before I do

1 that, I want to just show you the verdict form that
2 is -- you're going to have when you go to the jury room.
3 And if you would put that up on the screen, please.

4 Let me just go through this with you.
5 Maybe if before I read the instructions you see the
6 questions you are going to be asked, it will make a
7 little more sense to you with regard to the
8 instructions.

9 This is the verdict form that you, the
10 jury, will return your verdict on. It begins with an
11 instruction. In answering these questions, you are to
12 follow all the instructions I have given you in the
13 Court's Charge, those that I have been reading to you.

14 The first question is: Did i4i prove, by
15 a preponderance of the evidence, that Microsoft
16 infringes Claims 14, 18, or 20 of the '449 patent?

17 Answer yes or no for each claim.

18 Then you will see there for Claim 14, 18,
19 and 20, there is a space for you to answer.

20 If you answered yes on any claim, answer
21 the next question. If not, skip it.

22 Question No. 2: Did i4i prove by clear
23 and convincing evidence that Microsoft's infringement
24 was willful?

25 Answer yes or no, and a space for your

1 answer.

2 Now, you will notice in the Question 1 it
3 referred to a preponderance of the evidence, Question 2
4 it referred to clear and convincing evidence. Those are
5 the burdens of proof that I'm going to talk about in
6 just a minute, and I wanted you to see where that occurs
7 in the questions.

8 Now, if you turn to the next page,
9 Question No. 3 relates to Microsoft's defense. And it
10 asks: Did Microsoft prove by clear and convincing
11 evidence -- there's that burden of proof again -- that
12 any of the listed claims of the '449 patent are invalid?

13 If you find the claim invalid, answer
14 yes; otherwise, answer no.

15 Claim 14, 18, and 20.

16 If you have found any claim infringed and
17 valid, answer Question 4; otherwise, do not answer
18 Question 4.

19 I notice there it's a little bit of a
20 double negative. So the question is: Did they prove by
21 clear and convincing evidence the patent was invalid?

22 If you found that they proved that,
23 then you would -- by clear and convincing evidence, then
24 you would answer yes. If they did not, then you would
25 answer no.

1 So if you find the patents valid, you
2 would answer no. That's sometimes confusing.

3 All right. Question No. 4: What sum of
4 money, if paid now in cash, do you find from a
5 preponderance of the evidence would fairly and
6 reasonably compensate i4i for Microsoft's infringement
7 of the '449 patent?

8 Answer with the amount, a space for you
9 to provide your answer.

10 And then a place for your jury foreperson
11 to sign the verdict form.

12 So, with that overview of the four
13 questions that you will be asked, let me now visit with
14 you about burdens of proof. You will probably recall
15 some of this from my preliminary instructions.

16 i4i, in asserting infringement of the
17 '449 patent, has the burden of proving such
18 infringement -- and you can leave that verdict form up
19 there where they can look at that, if you would, just as
20 I'm going through, and you can go back and forth between
21 the questions between when I'm talking about
22 infringement and invalidity and willfulness and damages.

23 You can just go to whichever one I'm
24 talking about.

25 All right. i4i, in asserting

1 infringement of the '449 patent, has the burden of
2 proving such infringement by a preponderance of the
3 evidence.

4 All right. And you see the burden of
5 proof there, preponderance of the evidence.

6 Preponderance of the evidence means -- if
7 you would blow up the preponderance of the evidence
8 standard.

9 Preponderance of the evidence means
10 evidence that persuades you that a claim is more likely
11 true than not true.

12 Are you able to blow up that
13 preponderance of the evidence? It doesn't? Okay.

14 Preponderance of the evidence means
15 evidence that persuades you that a claim is more likely
16 true than not true. In determining whether any fact has
17 been proved by a preponderance of the evidence, you may,
18 unless otherwise instructed, consider the stipulations,
19 the testimony of all witnesses regardless of who may
20 have called them, and all exhibits received in evidence
21 regardless of who may have produced them.

22 If the proof establishes that all
23 essential parts of i4i's infringement claims are more
24 likely true than not true, then you should find for i4i
25 as to that claim.

1 If you find that Microsoft infringed one
2 or more of i4i's patent claims that have been asserted
3 in this case, then as a separate question -- you will
4 see in Question No. 2 -- then as a separate question,
5 i4i has the burden of proving its additional contention
6 that the infringement was willful by clear and
7 convincing evidence. Again, the burden changes.

8 Microsoft -- if you will go to Question
9 3 -- Microsoft has the burden of proving invalidity by
10 clear and convincing evidence.

11 Clear and convincing evidence means
12 evidence that produces in your mind a firm belief or
13 conviction as to the matter at issue. In determining
14 whether any fact has been proved by clear and convincing
15 evidence, you may, unless otherwise instructed, consider
16 the stipulations, the testimony of all witnesses
17 regardless of who may have called them, and all exhibits
18 received in evidence regardless of who may have produced
19 them.

20 Although proof to an absolute certainty
21 is not required, the clear and convincing evidence
22 standard requires a greater degree of persuasion than is
23 necessary for the preponderance of the evidence
24 standard. If the proof establishes in your mind a firm
25 belief or conviction, then the standard has been met.

1 All right. You can take that down for
2 now. Now, next is a glossary of patent terms.

3 A glossary of patent terms is contained
4 in Appendix B to the charge. And I am not going to read
5 all of these to you, but you will have them there.

6 It's basically just a glossary of general
7 terms relating to patents. It defines application,
8 claims, what the term comprising means, what a license
9 means, office action, what one of ordinary skill in the
10 art means. Patent examiners, who they are. Prior art,
11 what it is. Prosecution history, what it is.
12 References and specifications, what those are.

13 We went over all of those in some detail
14 in the preliminary instructions, so I'm not going to
15 repeat them for you, but you can reference that chart if
16 you have a question about that.

17 Now, next is the -- in regard to the
18 claims of the patent-in-suit.

19 The claims of a patent, as I explained to
20 you at the beginning of the case, are the numbered
21 sentences at the end of the patent. The plain -- the
22 claims describe the invention made by the inventor and
23 describe what the patent owner owns and what the patent
24 owner may prevent others from doing.

25 Claims may describe products such as

1 machines or chemical compounds or processes for making a
2 product. In this case the claims being asserted by i4i
3 are all method claims.

4 Claims are usually guided into parts or
5 steps called limitations or elements. For example, a
6 claim that covers the invention of a tabletop may recite
7 the table top, four legs, and glue that secures the legs
8 on the tabletop. The tabletop, legs, and glue are each
9 a separate limitation of the claim.

10 Now with regard to independent and
11 dependent claims.

12 This case involves two types of patent
13 claims, independent claims and dependent claims. An
14 independent claim sets forth all the requirements that
15 must be met in order to be covered by that claim. Thus,
16 it is not necessary to look at any other claim to
17 determine what an independent claim covers. In this
18 case, Claims 14 and 20 of the '449 patent are both
19 independent claims.

20 The other claim being asserted in this
21 case, Claim 18, is a dependent claim. A dependent claim
22 does not itself recite all the requirements of the
23 claim, but refers to another claim for some of its
24 requirements. In this way the claim depends on another
25 claim.

1 The law considers a dependent claim to
2 incorporate all the requirements of the claims to which
3 it refers. The dependent claim then adds its own
4 additional requirements.

5 To determine what a dependent claim
6 covers, it is necessary to look at both the dependent
7 claim and any other claims to which it refers. A method
8 that meets all the requirements of both the dependent
9 claim and the claims to which it refers is covered by
10 that dependent claim.

11 Now, with regard to construction of the
12 claims.

13 In deciding whether or not a claim has
14 been infringed, the first step is to understand the
15 meaning of the words used in the patent claims.

16 It is my job as Judge to determine what
17 the patent claims mean and to instruct you about that
18 meaning. You must accept the meanings I give you and
19 use those meanings when you decide whether or not the
20 patent claims are infringed, and whether or not they are
21 invalid.

22 In accordance with my duty, I have
23 interpreted the meaning of some of the claim language in
24 the patent claims involved in this case. My
25 interpretation of those claims appear in Appendix A to

1 this Charge. The claim language I have not interpreted
2 for you in Appendix A is to be given its ordinary and
3 accustomed meaning as understood by one of ordinary
4 skill in the art.

5 And again, in Attachment A you will find
6 the claim construction chart that is the same as the one
7 in the notebook that you were provided at the beginning
8 of the case, and you should be governed by those
9 constructions.

10 Now with regard to infringement.

11 In this case, i4i asserts that Microsoft
12 has infringed the '449 patent. Any person or business
13 entity that, without the patent owner's permission, uses
14 a product to practice a method that is covered by at
15 least one claim of a patent before the patent expires
16 infringes the patent.

17 i4i has the burden of proving
18 infringement by a preponderance of the evidence.

19 A person can infringe a patent without
20 knowing that what it is doing is an infringement of the
21 patent. It may also infringe even though in good faith
22 it believes that what it is doing is not infringement of
23 any patent and even if it did not know of the patent.
24 Infringement does not require proof that the person
25 copied a product or the patent.

1 A patent owner has the right to stop
2 others from using the invention covered by the patent
3 claims during the life of the patent. If any person
4 makes, uses, sells, or offers to sell what is covered by
5 the claims of a patent without the patent owner's
6 permission, that person is said to infringe the patent.
7 This type of infringement is called direct infringement.
8 Only the claims of a patent can be infringed.

9 You must compare each of the asserted
10 patent claims, as I've defined them, to the accused
11 methods and determine whether or not there is
12 infringement.

13 You should not compare the accused
14 methods with any specific example set out in the
15 patents, which are referred to as preferred embodiments.
16 The only correct comparison is with the language of the
17 claim itself, with the meanings I have given you.

18 In this case, there are three possible
19 ways that a claim may be infringed. I will explain the
20 requirements for each of these three types of
21 infringement to you. The three types of infringement
22 are direct infringement; number two, active inducement;
23 and, three, contributory infringement.

24 In this case, i4i has alleged that
25 Microsoft directly infringes the '449 patent. In

1 addition, i4i has alleged that customers of Microsoft
2 directly infringe the patent and that Microsoft is
3 liable for actively inducing or contributing to that
4 direct infringement by those customers.

5 In order to prove infringement, i4i must
6 prove that the requirements for one or more of these
7 types of infringement are met by a preponderance of the
8 evidence, i.e., that it is more likely than not that all
9 the requirements for one or more of each of these types
10 of infringement have been proved.

11 You must consider each claim individually
12 and must reach your decision as to each assertion of
13 infringement based on my instructions about the meaning
14 and scope of the claims, the legal requirements for
15 infringement, and the evidence presented to you by the
16 parties.

17 I will now explain each of the types of
18 infringement in more detail.

19 With regard to literal infringement.

20 In order to prove direct infringement, a
21 claim limitation may be met in one of two ways: Either
22 literally or under the Doctrine of Equivalents.

23 A claim limitation is literally met if it
24 exists in the accused method just as it is described in
25 the claim language, either as I have explained that

1 language to you or, if I did not explain it, as it would
2 be understood by one of skill in the art.

3 Now under the Doctrine of Equivalents.

4 A claim limitation is present in the use
5 of an accused product under the Doctrine of Equivalents
6 if the differences between the claim limitation and a
7 comparable element of the accused product are
8 insubstantial.

9 One way to determine this is to look at
10 whether use of the accused product performs
11 substantially the same function in substantially the
12 same way to achieve substantially the same result as the
13 claimed invention.

14 You may also consider whether, at the
15 time of the alleged infringement, a person having
16 ordinary skill in the field of technology of the patent
17 would have known of the interchangeability of the
18 alternative feature and the unmet requirement of the
19 claim.

20 Interchangeability at the present time is
21 not sufficient in order for the structures to be
22 considered to be interchangeable. Rather, the
23 interchangeability of the two structures must -- must
24 have been known to persons of ordinary skill in the
25 field of technology at the time the infringement began.

1 Thus, the inventor need not have foreseen
2 and the patent need not describe all potential
3 equivalents to the invention covered by the claims.

4 Also, slight changes in technique or
5 improvements made possible by technology developed after
6 the patent application is filed may still be considered
7 equivalent for the purposes of the Doctrine of
8 Equivalents.

9 Now with regard to direct infringement.

10 To determine direct infringement, you
11 must compare the use of the accused method in the
12 accused Microsoft Word 2003 and Word 2007 products with
13 each of the Claims 14, 18, and 20 of the '449 patent,
14 using my instructions as to the meaning of certain
15 patent claims.

16 A patent claim is directly infringed only
17 if use of the accused product includes each and every
18 element in that patent claim. If use of the products
19 does not contain one or more of the limitations recited
20 in a claim, then the use of the products does not
21 directly infringe that claim.

22 If you find that use of the accused
23 products includes each element or step of the claim,
24 then the use infringes the claim even if such use
25 contains additional elements or steps that are not

1 recited in the claim.

2 You must consider each of the asserted
3 claims of the patents-in-suit individually and decide
4 whether use of the accused products infringes that
5 claim. You must be certain to compare such use of the
6 accused products with each claim that such use is
7 alleged to infringe. Such use should be compared to the
8 limitations recited in the patent claim, not to any
9 preferred or commercial embodiment of the claimed
10 invention.

11 Taking each claim of the '449 patent
12 separately, if you find that i4i has proved by a
13 preponderance of the evidence that each and every
14 limitation of that claim is present in the use of the
15 accused products, then you must find that such use
16 infringes that claim.

17 Now with regard to active inducement of
18 infringement.

19 i4i also alleges that Microsoft is liable
20 for infringement by actively inducing others to directly
21 infringe the '449 patent. As with direct infringement,
22 you must determine whether there has been active
23 inducement on a claim-by-claim basis.

24 To show induced infringement, the patent
25 holder must prove that it is more likely than not that

1 someone has directed -- that someone has directly
2 infringed the asserted patent claims and that the
3 accused inducing infringer has actively and knowingly
4 aided and abetted that direct infringement.

5 A person is liable for active inducement
6 of a claim only if:

7 1. The person takes action during the
8 time the patent is in force which encourages acts by
9 someone else; and

10 2. The encouraged acts constitute direct
11 infringement of that claim; and

12 3. The person is aware of the patent and
13 knows, or should have known, that the encouraged acts
14 constitute infringement of that patent; and

15 4. The person has an intent to cause the
16 encouraged acts; and

17 5. The encouraged acts are actually
18 carried out by someone else.

19 In order to prove active inducement, i4i
20 must prove each of the above requirements is met.

21 Further, proof of each element must be by
22 a preponderance of the evidence, i.e., that it is more
23 likely than not that each of the above requirements have
24 been met.

25 In considering whether Microsoft has

1 induced infringement by others, you may consider all the
2 circumstances, including whether or not Microsoft
3 obtained the advice of a competent lawyer, whether or
4 not Microsoft knew of the patent when designing and
5 manufacturing Word 2003 and 2007, and whether or not
6 Microsoft removed or diminished the allegedly infringing
7 features.

8 You may not assume that merely because
9 Microsoft did not obtain an opinion of counsel, the
10 opinion would have been unfavorable.

11 Intent to cause the acts that constitute
12 direct infringement may be demonstrated by evidence of
13 active steps taken to encourage direct infringement,
14 such as advertising an infringing use or instructing how
15 to engage in an infringing use.

16 In order to establish active inducement
17 of infringement, it is not sufficient that the accused
18 infringer was aware of the acts that allegedly
19 constitute the direct infringement. Rather, you must
20 find specifically that the inducer intended to cause the
21 acts that constitute the direct infringement and must
22 have known, or should have known, that its action would
23 have caused the direct infringement.

24 If you do not find that the accused
25 infringer specifically meets these intent requirements,

1 then you must find the accused infringer has not
2 actively induced the alleged infringement.

3 Now next is contributory infringement.

4 i4i alleges that Microsoft is liable for
5 contributory infringement by contributing to the direct
6 infringement of the '449 patent by another. As with
7 direct infringement, you must determine whether there
8 has been contributory infringement on a claim-by-claim
9 basis.

10 It is not necessary to show that
11 Microsoft has directly infringed as long as you find
12 that someone has directly infringed. If there is no
13 direct infringement by anyone, Microsoft cannot have
14 contributed to the infringement of the patent.

15 If you find someone has directly
16 infringed the '449 patent, then contributory
17 infringement exists if i4i establishes by a
18 preponderance of the evidence that:

19 1. Microsoft sold, offered for sale, or
20 imported;

21 2. A material component for use in
22 practicing the patented claim -- or patented method that
23 is not a staple article of commerce suitable for
24 substantial non-infringing use;

25 3. With knowledge that the component was

1 especially made or adapted for use in an infringing
2 manner.

3 A staple article of commerce suitable for
4 substantial non-infringing use is something that has
5 uses other than as a component of the patented method.

6 A substantial non-infringing use is one
7 that is not occasional, far-fetched, impractical,
8 experimental or hypothetical.

9 In determining whether or not the
10 component is a staple article of commerce suitable for
11 substantial non-infringing use, you should focus on
12 whether the component itself, not the product in which
13 the component is embedded, is or is not suitable for
14 substantial non-infringing use. Whether the product in
15 which the component is embedded is or is not suitable
16 for substantial non-infringing use is not relevant.

17 Now next is willful infringement.

18 i4i contends that Microsoft has willingly
19 infringed the '449 patent. If you find, on the basis of
20 the evidence and the law as I have explained it, that
21 Microsoft infringes at least one of the asserted claims
22 of i4i's patent, either directly or indirectly, then you
23 must decide whether or not its infringement was willful.

24 But note that the issue of willful
25 infringement is not relevant to your decision of whether

1 or not there is infringement. It is relevant only to
2 the amount of damages, if any, to which a patent owner
3 may be entitled.

4 A finding of willful infringement may, in
5 certain circumstances, entitle the patent owner to
6 increased damages. But it would be my job to decide
7 whether to award increased damages to a patent owner,
8 after you have rendered a verdict. You should not
9 consider willful infringement in making your damage
10 award, if any.

11 To prove willfulness, a patent owner must
12 prove, by clear and convincing evidence, that the
13 accused infringer acted with reckless disregard of the
14 claims of the asserted patent.

15 Willfulness requires you to determine
16 three things: First, that the accused infringer was
17 aware of the asserted patent; second, that the alleged
18 infringer acted despite an objectively high likelihood
19 that its actions infringed a valid patent; and, third,
20 that this objectively high risk was either known or so
21 obvious that it should have been known to the alleged
22 infringer.

23 That is, the patent holder must prove
24 willfulness in such a way that you have been left with a
25 clear conviction that the infringement was willful.

1 is invalid by clear and convincing evidence. An issued
2 patent is accorded a presumption of validity based on
3 the presumption that the United States Patent &
4 Trademark Office acted correctly in issuing a patent.

5 I will now explain to you Microsoft's
6 grounds for invalidity in detail. In making your
7 determination as to invalidity, you should consider each
8 claim and each ground for invalidity separately.

9 First is anticipation.

10 Microsoft contends that Claims 14, 18,
11 and 20 of the '449 patent are invalid for being
12 anticipated by prior art. Microsoft bears the burden of
13 establishing anticipation by clear and convincing
14 evidence.

15 A patent claim is invalid if the claimed
16 invention is not new. For a claim to be invalid on the
17 basis of anticipation because it is not new, all of its
18 requirements must be present in a single previous device
19 or method, or described in a single previous publication
20 or patent. We call these things prior art. Microsoft
21 must prove by clear and convincing evidence that these
22 items are prior art.

23 The description in a reference does not
24 have to be in the same words as the claim, but all of
25 the requirements of the claim must be there, either

1 stated expressly or necessarily implied or inherent in
2 the level of ordinary skill in the field of technology
3 of the patent at the time of the invention, so that
4 someone of ordinary skill in the field of technology of
5 the patent, looking at that one reference, would be able
6 to make and use the claimed invention.

7 Something is inherent in an item of prior
8 art if it is always present in the prior art or always
9 results from the practice of the prior art, and if a
10 skilled person would understand that to be the case.

11 Inherency may not be established by
12 probabilities or possibilities. The mere fact that a
13 certain thing may coincidentally result from a said
14 given circumstances is not sufficient.

15 A party claiming anticipation by
16 inherency must show that the elements of the claim are
17 always present in the prior art or always result from
18 the practice of the prior art. You may not combine one
19 or more items of prior art to make out an anticipation.

20 Before explaining the different ways in
21 which Microsoft can show that the invention is not new,
22 there are two basic concepts that underlie your decision
23 on this question.

24 First, I will address the concept of
25 conception.

1 Conception is the mental part of an
2 inventive act, i.e., the formation in the mind of the
3 inventor of a definite and permanent idea of the
4 complete and operative invention as it is thereafter to
5 be applied in practice.

6 Conception of an invention is complete
7 when the idea is so clearly defined in the inventor's
8 mind that a person of ordinary skill in the field of the
9 technology would be able to reduce the invention to
10 practice without extensive research or experimentation.

11 Conception may be proven when the
12 invention is shown in its complete form by drawings,
13 disclosure to another person, or other forms of evidence
14 presented at trial.

15 Second, a claimed invention is reduced to
16 practice when it has been tested sufficiently to show
17 that it will work for its intended purpose. An
18 invention may be reduced to practice even if the
19 inventor has not made or tested a prototype of the
20 invention. The invention may be reduced to practice by
21 being fully described in a filed patent application.

22 Here is a list of ways that Microsoft can
23 show that a claim of the '449 patent was not new.

24 First, if the claimed patented method was
25 not known -- excuse me -- if the claimed patented method

1 was known or used by others in the United States before
2 the invention was made by the inventor, which i4i
3 contends is February 14, 2004;

4 Second, if the claimed invention was
5 patented or described in a printed publication, anywhere
6 in the world, before the invention was made by the
7 inventor, which i4i contends is February 14, 1994, or
8 more than a year before the filing date of the
9 application for the '449 patent, which was filed on June
10 2, 1994;

11 Third, if the patented method was in
12 public use or an offer to sell or the sale of the
13 claimed patented method occurred in the United States
14 more than one year before the filing date of the
15 application for the '449 patent, which was filed on June
16 2, 1994.

17 Next is anticipation by public knowledge
18 or use of another.

19 I will now describe the specific
20 requirements for the prior art categories relied on by
21 Microsoft in this case.

22 A patent claim is invalid if the
23 invention recited in that claim was publicly known or
24 used in the United States by someone other than the
25 inventor before the patent applicant invented it, or

1 more than one year before the United States patent
2 application was filed.

3 A prior public use by another may
4 anticipate a patent claim, even if the use was
5 accidental or was not appreciated by the other person.

6 Thus, a prior public use may anticipate
7 an invention even if the user did not intend to use the
8 invention, or even realize he or she had done so.

9 Private or secret knowledge, such as
10 knowledge confidentially disclosed within a small group
11 is not enough to invalidate a patent claim. Similarly,
12 if something is only publicly known outside of the
13 United States, then the claim is not invalid.

14 Next is anticipation by a printed
15 publication.

16 A patent claim is invalid if the
17 invention defined by the claim was described in a
18 printed publication before it was invented by the patent
19 applicant or more than one year prior to the filing date
20 of the United States patent application. Printed
21 publications may include issued patents.

22 A printed publication or patent will not
23 be anticipated unless it contains a description of the
24 invention covered by the patent -- covered by the patent
25 claims that is sufficiently detailed to teach a skilled

1 person how to make and use the invention without undue
2 experimentation.

3 Factors to be considered in determining
4 whether a disclosure would require undue experimentation
5 include:

6 1. The quantity of experimentation
7 necessary;

8 2. The amount of direction or guidance
9 disclosed in the printed publication or patent;

10 3. The presence or absence of working
11 examples in the printed publication or patent;

12 4. The nature of the invention;

13 5. The state of the prior art;

14 6. The relative skill of those in the
15 art;

16 7. The predictability of the art; and

17 8. The breadth of the claims.

18 A printed publication must be reasonably
19 accessible to those members of the public who would be
20 interested in its contents. It is not necessary that
21 the printed publication be available to every member of
22 the public. The date that a printed publication becomes
23 prior art is the date that it becomes available to the
24 public.

25 So long as the printed publication was

1 available to the public, the form in which the
2 information was recorded is unimportant. The
3 information must, however, have been maintained in some
4 permanent form, such as printed or typewritten pages,
5 magnetic tape, microfilm, photographs, or photocopies.

6 Next is anticipation by a prior patent.

7 A claim in a patent is invalid if the
8 invention defined by that claim was patented in the
9 United States or a foreign country before it was
10 invented by the inventor of the patent-in-suit or more
11 than one year before the inventor patentee filed his
12 United States patent application.

13 What was patented in the prior patent is
14 determined by what is defined by the prior patent's
15 claims, interpreted in light of the general description
16 contained in the prior patent.

17 To show anticipation of the patented
18 invention, Microsoft must show by clear and convincing
19 evidence that the prior patent disclosed all of the
20 elements of each claim of the patent that Microsoft
21 contends is invalid. As with a printed publication, the
22 disclosure must be complete enough to enable one of
23 ordinary skill in the art to practice the invention
24 without undue experimentation.

25 You may refer back to the instructions on

1 anticipated by -- anticipation by a printed publication
2 for the eight factors to consider when determining undue
3 experimentation.

4 I will not repeat those at this time.

5 Next is anticipation by prior sale or
6 offer for sale.

7 The sale or offer for sale in the United
8 States of a product may be prior art to a patent claim
9 covering the product or a method making the product --
10 or a method of making the product if the product was
11 sold or offered for sale in the United States more than
12 one year before the application for the patent was
13 filed.

14 This is known as the on-sale bar. The
15 date of invention for the patent claims is -- is
16 irrelevant to this category of prior art.

17 In order for there to be an offer for
18 sale, two requirements must be met.

19 First, the product must have been the
20 subject of a commercial offer for sale in the United
21 States. Even a single offer for sale to a single
22 customer may be a commercial offer, even if the customer
23 does not accept the offer. The on-sale bar is not
24 limited to sales by the inventor, but may result from
25 sales or offers for sale by a third party that

1 anticipate the invention.

2 Second, the product must be ready for
3 patenting. This can be satisfied in two ways:

4 1. By proof of reduction to practice;
5 that is, the alleged invention worked as actually
6 intended before the critical date; or.

7 2. By proof that the prior -- that prior
8 to the critical date, the inventor had prepared drawings
9 or other descriptions of the invention that were
10 specifically -- that were sufficiently specific to
11 enable a person skilled in the art to practice the
12 invention.

13 The product may be ready for patenting
14 even if it is not ready for commercial production or has
15 not been technically perfected.

16 Next is corroboration of oral testimony.

17 Oral testimony alone is insufficient to
18 prove prior invention or that something is prior art. A
19 party seeking to prove prior invention or prior art also
20 must provide evidence that corroborates any oral
21 testimony, especially where the oral testimony comes
22 from an interested witness, or a witness testifying on
23 behalf of an interested party.

24 This includes any individual or company
25 testifying that his or its invention predates the

1 patents-in-suit.

2 Documentary or physical evidence that is
3 made contemporaneously with the inventive process
4 provides the most reliable proof that the alleged prior
5 art inventor's testimony has been corroborated.

6 For any oral testimony that a party has
7 put forth alleging that a particular event or reference
8 occurred before the filing date of the patent, that
9 party must also have provided some sort of corroborating
10 evidence that agrees with that oral testimony.

11 If you find that the party has not
12 corroborated the oral testimony with other evidence, you
13 are not permitted to find that the subject of that oral
14 testimony qualifies as prior art or supports a prior
15 date of invention.

16 If evidence is presented for purposes of
17 attempting to corroborate oral testimony, then you must
18 determine whether this evidence does, in fact, properly
19 corroborate the oral testimony. In making this
20 determination, you should consider the following
21 factors:

- 22 1. The relationship between the
23 corroborating witness and the alleged prior user;
- 24 2. The time period between the event and
25 this trial;

1 3. The interest of the corroborating
2 witness in the subject matter of this suit;

3 4. Contradiction or impeachment of the
4 witness' testimony;

5 5. Extent and detail of the
6 corroborating witness' testimony;

7 6. The witness' familiarity with the
8 subject matter of the patented invention and the alleged
9 prior use;

10 7. Probability that a prior use would
11 occur considering the state of the art at the time; and.

12 8. Impact of the invention on the
13 industry and the commercial value of its practice.

14 Next is obviousness.

15 Microsoft contends that the asserted
16 claims of the '449 patent are invalid, because the
17 claimed invention was obvious to one of ordinary skill
18 in the art at the time the invention was made.

19 To be patentable, an invention must not
20 have been obvious to a person of ordinary skill in the
21 pertinent art at the time the invention was made.

22 The issue is not whether the claimed
23 invention would have been obvious to you as a layman, to
24 me as a judge, or to a genius in the art, but whether it
25 would have been obvious to one of ordinary skill in the

1 art at the time it was made.

2 Microsoft has the burden of proving this
3 defense by clear and convincing evidence.

4 You must not use hindsight when comparing
5 the prior art to the invention for obviousness. In
6 making a determination of obviousness or
7 non-obviousness, you must consider only what was known
8 before the invention was made. You may not judge the
9 invention in light of the present day knowledge or by
10 way of what you learned from or about the patent during
11 trial.

12 In placing yourself in the shoes of one
13 of ordinary skill in the art at the time the invention
14 was made, you may also consider whether such a person
15 would have been motivated to combine the prior art
16 references in order to arrive at the claimed invention.

17 In determining whether or not Microsoft
18 has established obviousness of a claim of the '449
19 patent by clear and convincing evidence, you must
20 consider the following:

21 1. The scope and content of the prior
22 art put into evidence in this case;

23 2. The differences, if any, between each
24 claim of the patent and that prior art; and.

25 3. The level of ordinary skill in the

1 art at the time the invention was made;

2 4. Any additional considerations
3 relating to the obviousness or non-obviousness of the
4 invention.

5 I will now describe in more detail the
6 specific determinations you must make in deciding
7 whether or not the claimed invention would have been
8 obvious.

9 The first question you must answer in
10 determining whether or not the invention was obvious is
11 the scope and content of the prior art at the time the
12 invention was made. You must decide whether the
13 specific references relied on by Microsoft in this case
14 are prior art to the invention described in the asserted
15 claims of the '449 patent.

16 Prior art includes previous devices,
17 articles, and methods that were publicly used are
18 offered for sale, printed publications or patents that
19 disclose the invention or elements of the invention.

20 Once you decide whether or not specific
21 references are prior art, you must also decide what
22 those references would have disclosed or taught to one
23 having ordinary skill in the field of technology of the
24 patent at the time the invention was made.

25 In order for a reference to be relevant

1 for you to consider in deciding whether or not the
2 claims of the '449 patent would have been obvious, the
3 reference must be within the field of the inventors'
4 endeavor, or if it is from another field of endeavor,
5 the reference must be reasonably related to the
6 particular problem or issue the inventors faced or
7 addressed when making the inventions claimed in
8 Claims 14, 18, and 20 of the '449 patent.

9 A reference from a field of endeavor
10 other than the inventors' is reasonably related to the
11 problem or issues the inventors faced, if the reference
12 is one which, because of the manner with which the
13 reference deals, logically would have commended itself
14 to the attention of the inventors when considering the
15 problems or issues they faced.

16 It is for you to decide what the problems
17 or issues were that the inventors faced at the time the
18 inventions in Claims 14, 18, and 20 were made.

19 Now with regard to differences over prior
20 art.

21 The second question you must answer in
22 determining whether or not the invention was obvious at
23 the time it was made is what differences there are, if
24 any, between the prior art and the patented invention.

25 In analyzing this issue, do not focus

1 solely on the differences between the prior art and the
2 invention, because the test is not whether there are
3 differences; rather the test is whether or not the
4 invention, as a whole, would have been obvious to one
5 having ordinary skill in view of all the prior art at
6 the time the invention was made.

7 If you conclude that the prior art
8 discloses all of the elements of the claimed invention,
9 but those elements are in separate items, you must then
10 consider whether or not it would have been obvious to
11 combine those items. A claim is not obvious merely
12 because all of the elements of that claim already
13 existed.

14 One way to decide whether one of ordinary
15 skill in the art would combine what is described in
16 various items of prior art is whether there is some
17 teaching, suggestion, or motivation in the prior art for
18 a skilled person to make the combination covered by the
19 patent claims. Motivation can be implicit. In other
20 words, motivation need not be explicit.

21 It is common sense that familiar items
22 may have obvious uses beyond their primary purposes, and
23 a person of ordinary skill often will be able to fit the
24 teachings of multiple patents together like pieces of a
25 puzzle. Multiple references in the prior art can be

1 combined to show that a claim is obvious. Any need or
2 problem known in the field and addressed by the patent
3 can provide a reason for combining the elements in the
4 manner claimed.

5 To determine whether there was an
6 apparent reason to combine known elements in the way a
7 patent claims, you can look to interrelated teachings of
8 multiple patents, to the effects of demands known to the
9 design community or present in the make -- marketplace,
10 and to the background knowledge possessed by a person of
11 ordinary skill in the art. Neither the particular
12 motivation nor the alleged purpose of the patentee
13 controls.

14 One of ordinary skill in the art is not
15 confined only to prior art that attempts to solve the
16 same problem as the patent claim. Teachings,
17 suggestions, and motivations may also be found within
18 the knowledge of a person with ordinary skill in the
19 art, including references and creative steps that a
20 person of ordinary skill in the art would employ.

21 Additionally, teachings, suggestions, and
22 motivations may be found in the nature of the problem
23 solved by the claimed invention. The fact that a
24 combination was obvious to try may demonstrate that the
25 combination itself was obvious.

1 Now the level of ordinary skill in the
2 field.

3 For obviousness, you must consider the
4 level of ordinary skill in the field. The ordinary
5 skilled person is a person of average education and
6 training in the field of the invention and is presumed
7 to be aware of all relevant prior art. The actual
8 inventors' skill is irrelevant to this inquiry.

9 You are instructed that a person of
10 ordinary skill in the art would have a Bachelor of
11 Science degree in computer science or electrical
12 engineering with an emphasis on computer systems, in
13 addition to two or three years of programming
14 experience.

15 Now with regard to additional
16 considerations.

17 The next question you must answer in
18 determining whether or not the invention was obvious at
19 the time it was made is what evidence there is, if any,
20 of additional considerations relating to the obviousness
21 or non-obviousness of the invention.

22 You may consider in your analysis any
23 evidence that was presented to you in this case
24 regarding the presence or absence of the following
25 factors in deciding whether or not the invention would

1 have been obvious at the time it was made:

2 1. Whether or not the invention
3 proceeded in a direction contrary to accepted wisdom in
4 the field;

5 2. Whether or not there was long-felt
6 but unresolved need in the art that was satisfied by the
7 invention;

8 3. Whether or not others had tried but
9 failed to make the invention;

10 4. Whether or not others copied the
11 invention;

12 5. Whether or not the invention achieved
13 any unexpected results;

14 6. Whether or not the invention was
15 praised by others;

16 7. Whether or not others have taken
17 licenses to use the invention;

18 8. Whether or not experts or those
19 skilled in the art at the making of the invention
20 expressed surprise or disbelief regarding the invention;

21 9. Whether or not products incorporating
22 the invention have been achieved -- have achieved
23 commercial success; and.

24 10. Whether or not others having
25 ordinary skill in the field of the invention

1 independently made the claimed invention at about the
2 same time the inventor made the invention.

3 Now I've got a little bit more to visit
4 with you about damages, and then we will be through.

5 Damages. I will now instruct you about
6 the measure of damages.

7 By instructing you on damages, I am not
8 suggesting which party should win this case on any
9 issue. If you find that Microsoft infringed any valid
10 claim of the '449 patent, you must then determine the
11 amount of money damages to be awarded to i4i to
12 compensate it for the infringement.

13 i4i seeks patent damages in the form of a
14 reasonable royalty. Generally, a reasonable royalty is
15 defined by the patent laws as the reasonable amount that
16 someone wanting to use the patented invention would
17 expect to pay to the patent owner and the owner should
18 expect to receive.

19 If you find that any claim of the '449
20 patent is both valid and infringed, then i4i is entitled
21 to damages adequate to compensate for the infringement
22 of that patent.

23 A damages award should put the patent
24 owner in approximately the financial position it would
25 have been in had the infringement not occurred. You may

1 not add anything to the amount of damages to punish the
2 infringer or to set an example.

3 i4i has the burden to persuade you by a
4 preponderance of the evidence that it suffered the
5 damages it seeks. While i4i is not required to prove
6 damages with mathematical precision, it must prove them
7 with reasonable certainty. The patent owner is not
8 entitled to damages that are remote or speculative.

9 Now reasonable royalty definition.

10 If you find that i4i has established
11 infringement, i4i is entitled to at least a reasonable
12 royalty to compensate it for that infringement. A
13 royalty is the amount of money a licensee pays to a
14 patent owner to make, use, or sell the patented
15 invention.

16 A reasonable royalty in the amount -- a
17 reasonable royalty is the amount of money a willing
18 patent owner and a willing prospective licensee would
19 have agreed upon at the time of the infringement for a
20 license to make the invention. It is the royalty that
21 would have resulted from an arms-length negotiation
22 between a willing licensor and a willing licensee,
23 assuming that both parties understood the patent to be
24 valid and infringed and that the licensee would respect
25 the patent.

1 Unlike a real world negotiation, in the
2 hypothetical negotiation, all parties are presumed to
3 know that the patent is infringed and valid.

4 In making your determination of the
5 amount of a reasonable royalty, it is important that you
6 focus on the time period when the infringer first
7 infringed the patent and the facts that existed at that
8 time.

9 Your determination does not depend on the
10 actual willingness of the parties to this lawsuit to
11 engage in such negotiations. Your focus should be
12 what -- on what the parties' expectations would have
13 been had they entered negotiations for royalties at the
14 time of the infringing activity.

15 The infringer's actual profits may or may
16 not bear on the reasonableness of an award based on a
17 reasonable royalty.

18 Reasonable royalty factors.

19 In deciding what is a reasonable royalty,
20 you may consider the factors that the patent owner and
21 the alleged infringer would consider in setting the
22 amount the alleged infringer should pay.

23 I will list for you a number of factors
24 you may consider. This is not every possible factor,
25 but will give you an idea of the kinds of things to

1 consider in setting a reasonable royalty rate.

2 1. Whether the licensor had established
3 a royalty for the patented invention, such as by
4 granting -- granting other licenses for a royalty.

5 2. Royalties paid for other patents
6 comparable to the asserted patent.

7 3. The nature and scope of the license,
8 as exclusive or nonexclusive, or as restricted or
9 nonrestricted in terms of territory, or with respect to
10 the parties to whom the product may be sold.

11 4. Whether or not the licensor had an
12 established policy and marketing program to maintain its
13 patent exclusivity -- maintain its patent exclusivity by
14 not licensing others to use the invention or granting
15 licenses under special conditions designed to preserve
16 that exclusivity.

17 5. The commercial relationship between
18 the licensor and licensee, such as whether they are
19 competitors in the same territory and the same line of
20 business, or whether they are inventor and promoter.

21 6. Whether being able to use the
22 patented invention helps in making sales of other
23 products or services.

24 7. The duration of the patent and the
25 term of the license.

1 8. The profitability of the patented
2 invention and whether or not it is commercially
3 successful or popular.

4 9. The utility and advantages of the
5 patented invention over the old modes or devices, if
6 any, that had been used for achieving similar results.

7 10. The nature of the patented
8 invention, the character of the commercial embodiment
9 of -- of it as owned and produced by the licensor and
10 the benefits to those who have used the invention.

11 11. The extent of the licensee's use of
12 the patented invention and any evidence probative of
13 that use.

14 12. The portion of the profit or of the
15 selling price that may be customary in the particular
16 business or in comparable businesses to allow for the
17 use of the invention or analogous inventions.

18 13. The portion of the profits that is
19 due to the patented invention as compared to the portion
20 of the profit due to other factors, such as unpatented
21 elements or unpatented manufacturing processes or
22 features or developments developed by -- by the
23 licensee.

24 14. Expert opinions as to what would be
25 a reasonable royalty.

1 15. The amount that a licensor and a
2 licensee would have agreed upon if both sides had been
3 reasonably and voluntarily trying to reach an agreement;
4 that is, the amount which an accused infringer would
5 have been willing to pay as a royalty and yet be able to
6 make a reasonable profit and which amount would have
7 been acceptable to a patent owner if it would not (sic)
8 have been willing to create a license.

9 No one factor that I have listed is
10 dispositive, and you can and should consider the
11 evidence that has been presented to you in this case on
12 each of the these factors.

13 The framework which you should use in
14 determining a reasonable royalty is a hypothetical
15 negotiation between normally prudent business people.

16 We are almost done. That concludes the
17 damage part.

18 Now instructions for your deliberations.

19 You must perform your duties as jurors
20 without bias or prejudice as to any party. The law does
21 not permit you to be controlled by sympathy, prejudice,
22 or public opinion. All parties expect that you will
23 carefully and impartially consider all the evidence,
24 follow the law as it is now being given to you, and
25 reach a just verdict, regardless of the consequences.

1 You should consider and decide this case
2 as a dispute between persons of equal standing in the
3 community, of equal worth, and holding the same or
4 similar stations in life. This is true in patent cases
5 between corporations, partnerships, or individuals.

6 A patent owner is entitled to protect its
7 patent rights under the United States Constitution.
8 This includes bringing suit in a United States District
9 Court for money damages for infringement. This may be
10 done regardless of whether the owner of the patent is an
11 individual, a partnership, a bank, a small company with
12 only a few investors, or a large company made up of many
13 investors.

14 The law recognizes no distinction among
15 types of patent owners. A patent owner may be a
16 competitor of an accused infringer, but it does not have
17 to be. The characterization of a patent lawsuit as good
18 or bad or as misuse of the patent laws based upon the
19 status of the patent owner is inappropriate and should
20 not play any part in your deliberations.

21 All corporations, partnerships, and other
22 organizations stand equal before the law, regardless of
23 size or who owns them, and are to be treated as equals.

24 Now, when you retire to the jury room to
25 deliberate your verdict, you may take this charge with

1 you as well as the exhibits which the Court has admitted
2 into evidence.

3 Your first course of business will be to
4 select your foreperson and conduct your deliberations.
5 If you recess during your deliberations, follow all of
6 the instructions that the Court has given you about your
7 conduct during the trial.

8 After you have reached your verdict, your
9 foreperson is to fill in on the form your answers to the
10 questions, the verdict form that you saw earlier. Do
11 not reveal your answers until such time as you are
12 discharged, unless otherwise directed by me. You should
13 never disclose to anyone, not even to me, your numerical
14 division on any question.

15 Any notes that you have during this trial
16 are only aids to your memory. If your memory should
17 differ from your notes, then you should rely on your
18 memory and not on your notes. The notes are not
19 evidence.

20 A juror who has not taken notes should
21 rely on his or her independent recollection of the
22 evidence and should not be unduly influenced by the
23 notes of others. Notes are not entitled to any greater
24 weight than the recollection or impression of each juror
25 about the testimony.

1 If you wish to communicate with me at any
2 time during your deliberations, please give a written
3 message or question to the court security officer, who
4 will bring it to me. I will then respond as promptly as
5 possible, either in writing or by having you brought
6 into the courtroom so that I can address you orally. I
7 will always first disclose to the attorneys your
8 question and my response before I answer your question.

9 After you have reached a verdict, you are
10 not required to talk with anyone about the case unless
11 the Court orders otherwise.

12 Now, that concludes my instructions.
13 Thank you for your patience. They were quite lengthy.
14 And I am getting hoarse; I'm glad they're over with.

15 But we've got that out of the way today.
16 You've heard the Court's Charge. It won't have to be
17 read to you again tomorrow. You will have a copy for
18 the jury room.

19 Again, you're not to the stage yet where
20 you begin your deliberations. So, again, as you go home
21 this evening, do not discuss this case among yourselves
22 or with anyone else. Do not make any independent
23 investigation.

24 When we come back in the morning at 9:00
25 o'clock, you will hear the closing arguments of both

1 sides, and after that, that will be the first time that
2 you should discuss the case among yourselves, and then
3 you will be free to discuss it and reach your verdict.

4 So with the Court's thanks for your
5 indulgence today and your hard work, you are excused to
6 the jury room. We will see you back here at 9:00
7 o'clock in the morning.

8 COURT SECURITY OFFICER: All rise.

9 (Jury out.)

10 THE COURT: Please be seated.

11 All right. As has been the Court's
12 custom, Plaintiffs have used 14 hours and 40 minutes of
13 their allotted 15 hours, and Defendants have used 13
14 hours and 20 minutes of their allotted 15 hours.

15 As far as closing arguments tomorrow,
16 what -- do you know how you're going to divide your time
17 up yet?

18 MR. CAWLEY: I will reserve 10 minutes.

19 THE COURT: Ten minutes for rebuttal;
20 fifty for opening, and sixty minutes for the Defendants.
21 Either side wish any warnings of any type?

22 MR. CAWLEY: I don't think so, Judge.

23 THE COURT: When I say sit down, you will
24 sit down?

25 MR. CAWLEY: I will sit down when you say

1 sit down anytime, Judge.

2 THE COURT: How about Defendants?

3 MR. POWERS: No warning is required.

4 Thank you.

5 THE COURT: All right. Very well.

6 Anything further from either party before we adjourn?

7 MR. CAWLEY: Actually, I guess, Judge,
8 you may have told us this already, but if you have, I've
9 forgotten.

10 Are we going to complete the inequitable
11 conduct or enforceability evidence when the jury goes
12 out?

13 THE COURT: That's right. How much of
14 that do we have probably? How many hours?

15 MR. POWERS: Well, we've only got 20
16 minutes, so I think that's it.

17 MR. WHITE: We will be living within the
18 20 minutes.

19 THE COURT: Twenty minutes for
20 Plaintiffs?

21 MR. WHITE: Yes, Your Honor.

22 THE COURT: How about Defendants?

23 MR. POWERS: We have a very short video
24 to show the Court, and no more than 20 minutes from us.

25 THE COURT: All right. That's great.

1 And I will be -- if y'all need 30 or 45,
2 I will give it to you.

3 But I want to thank our court
4 reporter. She's done an exceptional job with
5 keeping up with all of this.

6 Ms. Werlinger, thank you so much for all
7 your hard work.

8 And Ms. Ferguson as well.

9 I do want to remind the parties that you
10 need to have your exhibits pulled and organized in
11 order. Ms. Ferguson, get with her; she will have those
12 for you.

13 Also, as you know, the Court's entered an
14 order, and after the case is over, you need to submit a
15 disk with all the exhibits on it. And then you take all
16 of your exhibits back, and I will make available to you
17 all of your notebooks and all of the trees that y'all
18 killed in this case.

19 All right. Anything further from the
20 Plaintiffs?

21 MR. CAWLEY: No, Your Honor.

22 THE COURT: Defendants?

23 MR. POWERS: No, Your Honor.

24 THE COURT: All right. I want to
25 congratulate both sides for a well-tried case. It's he

1 been well-presented on both sides. And we will argue it
2 tomorrow and give it to the jury.

3 We will be adjourned until
4 tomorrow.

5 COURT SECURITY OFFICER: All rise.
6 (Court adjourned.)

7 * * * * *

8 CERTIFICATION

9
10 I HEREBY CERTIFY that the foregoing is a
11 true and correct transcript from the stenographic notes
12 of the proceedings in the above-entitled matter to the
13 best of my ability.

14
15
16
17 /s/ _____
SUSAN SIMMONS, CSR
18 Official Court Reporter
State of Texas No.: 267
19 Expiration Date: 12/31/10

Date

20
21
22 /s/ _____
JUDITH WERLINGER, CSR
23 Deputy Official Court Reporter
State of Texas No.: 731
24 Expiration Date 12/31/10

Date

25