



---

Portfolio Media, Inc. | 648 Broadway, Suite 200 | New York, NY 10012 | [www.law360.com](http://www.law360.com)  
Phone: +1 212 537 6331 | Fax: +1 212 537 6371 | [customerservice@portfoliomedia.com](mailto:customerservice@portfoliomedia.com)

---

## **Fictional Characters, Story Telling And Patent Trials**

Law360, New York (March 20, 2009) -- Patent trials are complex matters that require jurors with little or no training in law, business or technology to place themselves in the role of fictional characters playing hypothetical roles.

A common fictional character is the “person of ordinary skill in the art” — also known as POSITA. Patent law requires jurors to make a number of decisions relating to infringement and validity from the perspective of POSITA.

For example, in determining infringement under the doctrine of equivalents, jurors must determine whether POSITA would consider any identified differences between an element of the claimed invention and a structure (e.g., semiconductor circuit) in the accused products to be “insubstantial.” See *Abraxis Bioscience Inc. v. Mayne Pharma (USA) Inc.*, 467 F.3d 1370, 1379 (Fed. Cir. 2006).

Other common fictional characters include the “willing licensor” and “willing licensee” participating in the hypothetical “reasonable royalty” negotiation.

In determining a reasonable royalty, the law requires jurors to go back in time to the date of “first infringement” to determine what the two “willing” fictional characters would have agreed was a “reasonable” royalty for use of the infringing technology. See *Rite-Hite Corporation v. Kelley Company Inc.*, 56 F.3d 1538, 1576 (Fed. Cir. 1995).

Modern trial practice fails to equip jurors with the tools they need to place themselves in the roles of patent law’s fictional characters. This failure has real

costs. It increases the unpredictable nature of trials and reduces the ability of lawyers to be effective advocates for their clients.

Modern trial practice typically relies on jury instructions and expert testimony to educate jurors about patent law's fictional characters. This reliance is misplaced.

Neither jury instructions nor expert testimony provide jurors with "common sense" framework they need to understand the perspective of fictional characters and to describe such understanding to their fellow jurors during deliberation.

### **Jury Instructions Are Too Abstract to Provide Meaningful Guidance**

Courts and litigators spend an enormous amount of time on jury instructions. They (correctly) obsess on making sure the jurors are properly instructed on the law and that instructions given to the jury are free from bias.

This obsession with legal purity results in abstract instructions that are completely removed from the facts of the case. Abstract instructions do not help jurors when it comes time to decide a case because they fail to meet the basic psychological needs of the jurors.

Jurors are people-oriented. They need to understand what motivates the people identified at trial, how the identified people behave and how they interact with others in the "real world." Based on such understanding, jurors create a framework (also called a script) for determining the "fair" and "right" result at trial.

Because they are separated from people and the facts, abstract instructions do not provide jurors with a framework for deciding the "right" result and, as a result, do not control the behavior of jurors during deliberation.

For example, jurors are instructed that POSITA is a "person with average education and training in the field." See Federal Circuit Bar Association Model Patent Jury Instructions § 8.3.

The phrase "average education and training" has little, if any, meaning to jurors

with no experience in the field of the patent. The phrase fails to provide any assistance to jurors in determining whether infringement exists under the doctrine of equivalents because POSITA would have considered the design of the accused product to be “insubstantially” different from the claimed invention.

Similarly, patent jury instructions fail to assist jurors in deciding financial issues.

Typical patent jury instructions inform jurors that a “reasonable royalty” is the amount that “would be reasonable for the infringer [the willing licensee] to pay and for the patent owner [the willing licensor] to accept for use of a patent that they both know is valid and that the infringer wants to use.” See Federal Circuit Bar Association Model Patent Jury Instructions § 12.3.7.

The instructions then go on to provide a list of factors that jurors may be considered in reaching their royalty decision. The instruction says nothing about the “willing” licensor or licensee and provides no guidance to the jurors regarding the weight to be given to each factor. *Id.*

The instructions fail to provide any meaningful assistance to a juror as to how the “willing licensor” and “willing licensee” would view the “hypothetical” negotiation and what the likely outcome of such a negotiation would be.

Providing the juror with such guidance is critical to a “reasonable royalty” analysis under Federal Circuit precedent. *Fromson v. Western Litho Plate and Supply Co.*, 853 F.2d 1568, 1575 (Fed. Cir. 1988) (reasonable royalty analysis “requires a [jury] to imagine what warring parties would have agreed to as willing negotiators.”).

### **Expert Witnesses Generate Juror Confusion**

Typically, patent trial lawyers expect their expert witness to “educate” jurors on the technical and financial issues of the case. This expectation is seldom met.

Expert testimony frequently confuses jurors because it is loaded down with technical jargon and legal details. Jurors need experts to act as a guide through difficult issues. Jurors hope that the expert guide will provide them with an

explanation that is easy to recall and use in conversation with other jurors. The rare expert who provides such guidance has enormous influence over jurors.

Expert testimony at trial typically fails to provide the framework jurors need to organize and discuss the case. Jurors are overwhelmed (and, in most cases, bored) by the details and complexity of the direct examination. For different reasons, cross-examination of an expert is rarely helps jurors understand a case.

Cross-examination frequently deteriorates into a game of cat-and-mouse between the examining attorney and an expert where the attorney tries to impeach the credibility of the expert and the expert tries to “spin” bad deposition testimony or documents in a manner consistent with his trial opinion.

The chaotic nature of this game prevents the cross-examination from providing jurors with coherent, practical guidance regarding how to analyze the case.

### **Effective Patent Trial Lawyers Are Story Tellers**

From the start of trial, patent trial lawyers should focus on satisfying the jurors need for a “real world,” common sense framework for analyzing the case.

A key goal of the opening statement, witness examination and closing argument must be helping jurors “step into the shoes” of the lawyer’s client. The lawyer should focus on presenting patent law’s fictional characters in a manner that is sympathetic to his client. The successful trial lawyer knows that if he fails to provide jurors with a framework for deciding the case someone else will.

The failure of jury instructions and typical expert testimony to provide jurors with the tools they need and desire to decide the case provides an enormous opportunity for trial lawyers.

The lawyer who can get jurors to believe (the only perspectives that matter at trial are those of the jury) that they understand the perspective (and motivations) of these characters will be successful at trial.

In effect, the successful trial lawyer is a “story teller” who enables jurors to

believe that the fictional characters of patent law see the world in a manner that is favorable to his or her client's case.

Jury research shows that most jurors view trials as human dramas, not legal disputes. Such jurors decide the merits of a legal dispute using a small number of premises that constitute a framework for evaluating how they believe life works. See Thomas Mauet, *Trial Techniques* 14.

This framework constitutes a "script" jurors use to impose order on the information they receive at trial. See Steve Lubet, *Modern Trial Advocacy: Analysis and Practice* 32-33.

Once adopted by jurors, the "script" framework tends to be so powerful that all facts received by the jurors at trial will tend to be interpreted by jurors in a manner consistent with the script and any fact flatly inconsistent with their adopted script will be discredited by the jurors.

Thus, the key goal of any trial lawyer is to get the jurors to adopt a script framework favorable to his client for analyzing the case.

A compelling story is the most effective way of getting jurors to adopt a desired framework for evaluating a case. A key aspect of this story will be the perspective the trial lawyer wants to the jury to adopt.

See Phillip Miller, *Storytelling: A Technique for Juror Persuasion* 490-91 (single most important choice made in developing a story is its point of view; point of view is about whose 'eyes' are used to describe the action of the story; more than any other technique, point of view influences how listeners perceive things).

A good trial "story" is about people and provides reasons for their actions. The story takes into account the key facts and provides credible, likeable witnesses to explain those facts to the jurors in the desired context. It is simple and consistent with common sense. It recognizes the fact of human nature that jurors want to know who to (silently) root for at trial and want to feel good about their decision at the end of a case.

The fact that a good trial story is people-oriented (as opposed to law-oriented) does not mean the story can or should ignore the required legal elements for a cause of action or defense. Those elements, however, must be addressed in the context of the larger human story at trial.

The issue of “reasonable royalty” damages provides an excellent example of how a trial attorney can tell a story consistent with legal precedent that will help jurors see issues from a desired perspective. Federal Circuit precedent invites the trial lawyer to tell such a story.

In *Mahurkar v. C.R. Bard*, the Federal Circuit ruled that “reasonable royalty” analysis was “judicially sanctioned speculation” regarding the hypothetical results of the negotiation between a patent owner and infringer at the time infringement began. *Mahurkar v. C.R. Bard Inc.*, 79 F.3d 1572, 1579 (Fed. Cir. 1996).

The Federal Circuit further ruled that such speculation may consider all relevant economic factors. *Id.*

Similarly, in *Rite-Hite Corporation*, the Federal Circuit declared that the focus of the “reasonable royalty” determination is “on the value of the invention in the marketplace.” *Rite-Hite Corporation v. Kelley Company Inc.*, 56 F.3d 1538, 1576 (Fed. Cir. 1995).

The most famous “reasonable royalty” decision, the *Georgia-Pacific* case, invites lawyers to tell a story. The decision declares:

“[T]he hypothetical negotiations would not occur in a vacuum of pure logic. They would involve a market place confrontation of the parties, the outcome of which would depend upon such factors as their relative bargaining strength; the anticipated amount of profits that the prospective licensor reasonably thinks he would lose as a result of licensing the patent as compared to the royalty income; the anticipated amount of net profits the prospective licensee reasonably thinks he will make; the commercial past performance of the invention in terms of public acceptance and profits; the market to be tapped; and any other economic factor that normally prudent businessmen would, under similar circumstances, take into consideration in negotiating the

hypothetical license.”

Georgia-Pacific Corporation v. United States Plywood Corporation, 318 F.Supp. 1116, 1121 (S.D.N.Y. 1970).

“Reasonable royalty” damages provide lawyers with a launching point for telling a compelling story about his or her client. The case law provides wide latitude for the patent attorney to tell a story that describes the parties, the accused products, the patent and the market.

This story can point out numerous favorable “facts” to the juror such as (1) the “rags-to-riches” history of a party; (2) the core business principles/model of a party; (3) the employees of a party and the sacrifices they have made to make the party successful; (4) how a party reinvests its sales revenue to fund research and development into new technology; and (5) how price sensitive customers are in the relevant market.

For example, from the defendant’s standpoint, a trial lawyer will create a story that paints the “willing licensee” as a prudent business man who, in his or her client’s position, would only enter into a deal that was in the best interest of his company.

The story would further show that the patented technology (1) did not contribute to the defendant’s success; (2) had limited technological or economic value; (3) was unrelated to the patent; and (4) was one of many different alternatives the defendant could have used.

Finally, the story would explain that the “willing licensee” would not agree to the plaintiff’s proposed licensing terms because the terms are excessive and would threaten the existence of the company.

In closing, when presenting a case, the effective trial lawyer should constantly ask himself “what would assist the jury to understand” an issue or his client’s perspective.

The lawyer should then direct his efforts at trial to provide the jurors with a coherent story that provides this assistance. The lawyer who most often

succeeds at providing assistance to jurors will most likely win at trial.

--By James C. Yoon, Wilson Sonsini Goodrich & Rosati

*James Yoon is a partner with Wilson Sonsini Goodrich & Rosati in the firm's Palo Alto office.*

*The opinions expressed are those of the author and do not necessarily reflect the views of Portfolio Media, publisher of Law360.*

---

All Content © 2003-2009, Portfolio Media, Inc.