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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION – RIVERSIDE**

G. DAVID JANG, M.D.,

Plaintiff,

v.

BOSTON SCIENTIFIC
CORPORATION, a Delaware
corporation; and SCIMED LIFE
SYSTEMS, INC., a Minnesota
corporation,

Defendants.

Case No. EDCV 05-00426-VAP-MRW

**AMENDED JOINT SET OF
DISPUTED JURY INSTRUCTIONS**

Date: June 23, 2015

Time: 8:30 a.m.

Dept.: Courtroom 2

Judge: Honorable Virginia A. Phillips

1 Pursuant to the Local Rules and the guidelines set forth in the Scheduling
2 Order entered in this matter (Dkts. # 321, 547), Plaintiff G. David Jang, M.D. and
3 Defendants Boston Scientific Corporation and Boston Scientific Scimed, Inc.
4 (formerly Scimed Life Systems, Inc.) (collectively, “BSC”) respectfully submit this
5 amended set of disputed jury instructions, along with the opposing side’s objections
6 and the proponent’s statements in support.

7 The parties reserve the right to amend, supplement or delete instructions as
8 necessary to conform to the evidence and ultimate issues at trial, and in response to
9 any proposed instructions submitted by the opposing side.

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15 *(Signatures On Following Pages)*
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1 Dated: June 22, 2015

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1 **[JANG] DISPUTED PROPOSAL NO. 1**

2 **Claims and Defenses**

3 To help you follow the evidence, I will give you a brief summary of the
4 positions of the parties:

5 The parties entered into an agreement in June of 2002. Under that agreement
6 the plaintiff agreed to assign the two patents at issue here, among others, to the
7 defendants. In return, the defendants paid the plaintiff an up-front amount, and
8 agreed that if any of defendants' products incorporated the inventions claimed in
9 those patents, and sales of those products exceeded \$2.5 billion, defendants would
10 pay the plaintiff an additional \$100 million as of the time the Complaint was filed.
11 The parties have subsequently amended this contract so that the maximum principle
12 amount due under Sections 3.1(c)-(d) of the Assignment Agreement has been
13 reduced, but the exact amount of Defendants' potential liability is not at issue here.

14 Products that incorporate the inventions claimed in the patents are referred to in
15 the contract as "Contingent Payment Products." The test for whether a product is a
16 "Continent Payment Product" is whether it would infringe any of the patents that
17 plaintiff assigned to defendants. The products at issue in this case are defendants'
18 Express stents. The parties agree that sales of the accused Express stents have
19 exceeded \$2.5 billion. However, the parties disagree over whether the accused
20 Express stents are "Contingent Payment Products."

21 The plaintiff claims that the accused Express stents are "Contingent Payment
22 Products" under the agreement, because they incorporate certain claimed inventions
23 of the patent at issue here. In particular, the plaintiff claims that the accused Express
24 stents are "Contingent Payment Products" because, without the agreement, they
25 would have infringed two claims of one of the patents that plaintiff assigned to
26 defendants. Plaintiff claims that because these Express stents are "Contingent
27 Payment Products" under the agreement, and it is undisputed that sales of these
28 Express stents have exceeded \$2.5 billion, defendants are required to pay the plaintiff

1 the amounts due under the contract. Plaintiff claims that because defendants never
2 made that payment, they violated the contract. The plaintiff has the burden of
3 proving these claims.

4 The defendants deny those claims.

5 **[If the Court decides that BSC may proceed on its affirmative defenses,**
6 **include this paragraph.** “The defendants also contend that plaintiff is barred from
7 recovering on his breach of contract claim pursuant to certain affirmative defenses,
8 including that plaintiff waived his right to recover, that he is estopped from pursuing
9 his breach of contract claim, and that he cannot recover because of the doctrine of
10 unclean hands. The defendants have the burden of proof on these affirmative
11 defenses. The plaintiff denies defendants’ affirmative defenses.”]

12
13 Given:

14 Refused:

15 Given as Modified:

16
17 Authority: Ninth Circuit Manual of Model Jury Instructions: Civil § 1.2 (2007)
18 (modified).

1 **BSC Objections to Disputed Proposal No. 1**

2 BSC does not believe that a separate instruction on “claims and defenses” is
3 necessary or contemplated by the Court’s Scheduling Order, or that there should be
4 different content between any “claims and defenses” instruction and the joint
5 statement of the case. Dr. Jang proposed the same language in this disputed
6 instruction to BSC for the Joint Statement of the Case. After conferring, the parties
7 arrived at mutually acceptable language (Dkt. # 530):

8 **The parties entered into an agreement in June of 2002. Under that**
9 **agreement the plaintiff agreed to assign the two patents at issue here,**
10 **among others, to the defendants. In return, the defendants paid the**
11 **plaintiff an up-front amount and agreed that, if the defendants sold any**
12 **products that were covered by valid claims of those patents, then the**
13 **defendants would pay plaintiff additional money. Products that are**
14 **covered by valid claims of the assigned patents are referred to in the**
15 **contract as “Contingent Payment Products.”**

16 **Defendants produced and sold products called Express stents. If**
17 **these products were covered by valid claims of the patents, then they are**
18 **“Contingent Payment Products” under the contract. Plaintiff asserts the**
19 **Express stents are Contingent Payment Products, and that defendants**
20 **breached the contract by not paying the plaintiff amounts due under the**
21 **contract for sales of those products. The plaintiff bears the burden of**
22 **proof on these claims.**

23 **The defendants deny those claims. The defendants also contend that**
24 **the plaintiff’s claims are barred by the doctrines of waiver and estoppel.**
25 **The defendants have the burden of proof on these affirmative defenses.**

26 **The plaintiff denies defendants’ affirmative defenses.**
27
28

1 In the event that the Court is included to include a “Claims and Defenses” jury
2 instruction, BSC requests that the Court provide the same language as in the Joint
3 Statement of the Case, set forth above.

4 BSC objects to this proposed instruction as written on the grounds that it is
5 false as a matter of fact and law in the context of this litigation, and as misleading,
6 confusing and prejudicial. In the second paragraph Dr. Jang made certain changes to
7 this proposed instruction in an attempt to address BSC’s objections that are discussed
8 below (*see* Dr. Jang’s statement in support, discussing the Delaware Settlement).
9 However, these changes do not make this proposed instruction any less objectionable
10 or inaccurate, and just add to the confusion (proposed changes are in **bold**
11 **underlined** text):

12 The parties entered into an agreement in June of 2002. Under that
13 agreement the plaintiff agreed to assign the two patents at issue here,
14 among others, to the defendants. In return, the defendants paid the
15 plaintiff an up-front amount, and agreed that if any of defendants’
16 products incorporated the inventions claimed in those patents, and sales
17 of those products exceeded \$2.5 billion, defendants would pay the
18 plaintiff an additional \$100 million **as of the time the Complaint was**
19 **filed. The parties have subsequently amended this contract so that**
20 **the maximum principle amount due under Sections 3.1(c)-(d) of the**
21 **Assignment Agreement has been reduced, but the exact amount of**
22 **Defendants’ potential liability is not at issue here.**

23 BSC continues to object to this statement, even in view of Dr. Jang’s proposed
24 changes. Specifically, Section 3.1 of the Assignment Agreement does *not* state that
25 defendants would pay the plaintiff an additional \$100 million if sales exceeded \$2.5
26 billion. Section 3.1(c) provides for “an additional purchase price amount equal to ten
27 percent (10%) of Net Sales in response of Contingent Payment Products,” which
28 payments shall not exceed \$60,000,000. Section 3.1(d) provides for “an additional
purchase price amount equal to \$50,000,000 ...” if certain sales milestones are met.
Section 3.1(e) provides for a payment of \$10,000,000 if “Scimed has not received a
CE mark for any Contingent Payment Product by 11:59 PM Boston time on July 31,

1 2004,” which payment was to be credited against any amount due under Section
2 3.1(c). There is no dispute that BSC made the \$10 million payment under Section
3 3.1(e) or that Dr. Jang accepted the payment. Thus, it is for these reasons that the
4 *maximum amount due* under Sections 3.1(c)-(d) was potentially \$100 million (not
5 \$110 million as recited in §§ 3.1(c)-(d)). But, the cap under Section 3.1(c) was
6 further reduced by subsequent agreement of the parties. As a result, the cap for
7 purposes of Section 3.1(c) has been reduced to \$36.5 million (and the maximum
8 amount due under Sections 3.1(c)-(d) together is \$86.5 million). Dr. Jang’s
9 suggestions and statements regarding the potential recovery of \$100 million – even
10 “as of the time the Complaint was filed” – are wrong, as are his suggestions that BSC
11 owes anything (as described further below).

12 In the third paragraph, Dr. Jang proposes:

13 Products that incorporate the inventions claimed in the patents are
14 referred to in the contract as “Contingent Payment Products.” The test
15 for whether a product is a “Continent Payment Product” is whether it
16 would infringe any of the patents that plaintiff assigned to defendants.
17 The products at issue in this case are defendants’ Express stents. The
18 parties agree that sales of the accused Express stents have exceeded \$2.5
19 billion. However, the parties disagree over whether the accused Express
20 stents are “Contingent Payment Products.”

21 This statement is an inaccurate summation of the “Contingent Payment Products”
22 definition, the interpretation of which is heavily disputed. In addition, to include the
23 statement “The parties agree that sales of the Express stents have exceeded \$2.5
24 billion” in this discussion of “Contingent Payment Product” is highly prejudicial and
25 misleading, as BSC has always maintained that the Express stents are not
26 “Contingent Payment Products.” Whether Express sales exceeded \$2.5 billion is also
27 irrelevant to the issues that the jury will decide, as described further below.

28 In the fourth paragraph, Dr. Jang proposes:

The plaintiff claims that accused Express stents are “Contingent
Payment Products” under the agreement, because they incorporate
certain claimed inventions of the patent at issue here. In particular, the

1 plaintiff claims that the accused Express stents are “Contingent Payment
2 Products” because, without the agreement, they would have infringed
3 two claims of one of the patents that plaintiff assigned to defendants.
4 Plaintiff claims that because the Express stents are “Contingent Payment
5 Products” under the agreement, and it is undisputed that sales of the
6 Express stents have exceeded \$2.5 billion, defendants are required to pay
7 the plaintiff the amounts due under the contract. Plaintiff claims that
8 because defendants never made that payment, they violated the contract.
9 The plaintiff has the burden of proving these claims.

10 Dr. Jang’s statement that BSC must pay “the amounts due under the contract,”
11 suggesting that he is entitled to the full amount (including by again referencing the
12 \$2.5 billion in sales that is immaterial in view of the timing issues described below),
13 is wrong. This Court’s March 27, 2014 Order on summary judgment suggests that
14 BSC may be liable for payments under Section 3.1 of the Assignment Agreement (in
15 the event Express is found to literally include every limitation of each asserted claim)
16 only for the time period between which Dr. Jang first alleged that Earn Out payments
17 were due on sales of the Express stents and the date that BSC first provided notice to
18 Dr. Jang that the patent claims are invalid. (*See* Dkt. # 504 at 16; *see also* Dkt. #
19 572.) BSC believes that, under this Court’s Order, and under the applicable
20 precedent, Dr. Jang’s proposal is inaccurate, misleading and prejudicial, and invites
21 errors of law and fact. It also suggests to the jury what its ultimate finding of fact
22 should be, which is improper. Whether a breach occurred at all, the period of the
23 alleged breach, and the amount of payments due as a result of the alleged breach are
24 factual issues that are very much in dispute. As Dr. Jang told the Federal Circuit:

25 Both certified questions ignore *the question of when and how BSC first*
26 *challenged the validity of the Jang Patents. The timing is important.*
27 BSC’s obligation to pay royalties to Dr. Jang was triggered by no later
28 than May 2005, and under *Kohle*, a party cannot escape its royalty
obligations until, at a minimum, the party “(i) actually ceases payment of
royalties, and (ii) provides notice to the licensor that the reason for
ceasing payment of royalties is because it has deemed the relevant
claims to be invalid.” *Studiengesellschaft Kohle m.b.H. v. Shell Oil Co.*,
112 F.3d 1561, 1568 (Fed. Cir. 1997).

1 * * *

2 In opposition, Dr. Jang put the timing of BSC’s validity challenge
3 directly at issue – arguing under *Kohle* that “BSC waited until long after
4 all relevant licensed sales (and thus, long after the accrual of all royalties
disputed in this action) to challenge the validity of the patents-in-suit.”

5 * * *

6 ... and *Kohle* holds that the timing and circumstances of the validity
7 challenge are key.

8 * * *

9 These many issues regarding the timing and nature of BSC’s invalidity
10 challenge demonstrate that BSC’s certified questions are not controlling
11 questions of law, but rather subject to factual disputes that BSC simply
12 ignores.

13 *See G. David Jang, M.D. v. Boston Scientific*, Misc. No. 14-134 (Fed. Cir.),
14 Answer of Plaintiff-Respondent G. David Jang, M.D. to Boston Scientific
15 Corporation’s and Scimed Life Systems, Inc.’s Petition for Allowance of an
16 Interlocutory Appeal at 5, 6, 14, 16.

17 In the final paragraph, in response to Dr. Jang’s statement, “If the Court
18 decides that BSC may proceed on its affirmative defenses, include this
19 paragraph,” BSC incorporates by reference its Oppositions to Dr. Jang’s first
20 and second trial briefs (Dkt. # 572; Dkt. # 609).

1 **Dr. Jang’s Statement in Support of Disputed Proposal No. 1**

2 Plaintiff did agree that the proposed instruction could be used to form the basis
3 of the joint statement of the case, but he never agreed he would not submit it as a
4 proposed jury instruction. The joint statement of the case, which is recited in BSC’s
5 objection, was revised drastically from the originally proposed jury instruction. It is
6 Plaintiff’s understanding from the Court’s Scheduling Order that the joint statement
7 is read to the prospective jurors before *voir dire*. The model rules (Ninth Circuit
8 Manual of Model Jury Instructions: Civil § 1.2 (2007)) contemplate that the Court
9 will give the jury a brief summary of the parties’ respective positions at the beginning
10 of trial, and Plaintiff asks the Court to do so.

11 Dr. Jang contends the proposed instruction is an accurate statement of *his*
12 *positions* and BSC’s objections, and arguments that the evidence ultimately will not
13 support Dr. Jang’s positions are inapposite. Plaintiff disputes BSC’s characterization
14 of the Assignment Agreement’s provisions or the Delaware Settlement’s impact on
15 those provisions, but has revised his proposed instruction to remove the issue of the
16 amount of damages from the instruction in an effort to resolve the dispute. BSC’s
17 failure to identify any specific items it contends to be inaccurate or prejudicial, other
18 than the issue of the potential amount owed under Section 3.1(c)-(d), precludes any
19 reasonable opportunity to meet-and-confer and potentially address BSC’s concerns.
20 Similarly, BSC’s statement that advising the jury that Express sales exceeded \$2.5
21 billion is “highly prejudicial,” ostensibly because BSC has never agreed that Express
22 stents are Contingent Payment Products, misses the mark. The proposed instruction
23 does not state that “sales of Contingent Payment Products” surpassed \$2.5 billion, but
24 rather that sales of *Express stents* did so. In no way does that statement imply any
25 view as to the ultimate issue – what is or is not a Contingent Payment Product.

26 BSC’s argument that the amount of damages should be limited based on Dr.
27 Jang’s notice to BSC of Express’ infringement on his patent claims is baseless. BSC
28 is trying to manufacture additional elements to the breach of contract claim that do

1 not exist. If the Express stents are Contingent Payment Products, then BSC had a
2 duty to pay Dr. Jang the amounts due under the contract – plain and simple. The fact
3 that BSC engineered the Jang Patents’ current invalidity as a litigation tactic to avoid
4 its contractual obligations merely demonstrates Defendants’ bad faith – it does not
5 add to Dr. Jang’s burden at trial. If the jury finds that the Express stents infringe the
6 Jang Patents’ claims, then the only relevant date for the commencement of BSC’s
7 obligations to pay royalties is the date the Assignment Agreement was executed (as
8 BSC admits it already had sales of Express by that execution date). Contrary to
9 BSC’s argument, nothing in the Court’s summary judgment Order (Dkt. 504) implies
10 BSC’s royalty obligations would commence only after Dr. Jang gave notice that
11 Express stents infringed the Jang Patents. Indeed, Dr. Jang was not even required to
12 give such notice before he filed the lawsuit.

13 Further, as addressed in Plaintiff’s Bench Brief and Reply regarding BSC’s
14 purported validity challenges (Dkt. 563, Dkt. 583), and further addressed in Dr.
15 Jang’s Trial Brief (Dkt. 603), BSC should be precluded from arguing or introducing
16 evidence regarding any purported validity challenges prior to the filing of the
17 Complaint.

18 Accordingly, Dr. Jang respectfully asks the Court to accept the proposed jury
19 instruction “Claims and Defenses” as presented.

1 **[JANG] DISPUTED PROPOSAL NO. 2**

2 **Breach of Contract**

3 If you find that the plaintiff performed his obligations under the contract or that
4 those obligations were excused, the plaintiff must next prove that the defendant
5 breached or violated the contract.

6 At the time the Complaint was filed, Section 3.1(c) of the Assignment
7 Agreement provided for “an additional purchase price amount equal to ten percent
8 (10%) of Net Sales in response of Contingent Payment Products” (also known as
9 royalties), which payments shall not exceed \$60,000,000.

10 At the time the Complaint was filed, Section 3.1(d) provided for “an additional
11 purchase price amount equal to \$50,000,000 ...” if defendants had Net Sales of
12 Contingent Payment Products of at least \$2.5 billion within 5 years of the execution
13 of the contract.

14 Section 3.1(e) provides for a payment of \$10,000,000 if “Scimed has not
15 received a CE mark for any Contingent Payment Product by 11:59 PM Boston time
16 on July 31, 2004,” which payment was to be credited against any amount due under
17 Section 3.1(c). There is no dispute that BSC made the \$10 million payment under
18 Section 3.1(e), therefore the \$60 million of potential royalties due under Section
19 3.1(c) is reduced to a maximum of \$50 million.

20 After the Complaint was filed, the parties amended this contract so that the
21 maximum principal amount due under Sections 3.1(c)-(d) of the Assignment
22 Agreement has been reduced. The exact amount of Defendants’ potential liability, if
23 any, is not at issue here.

24 To determine if defendants’ Express stents are “Contingent Payment Products,”
25 we look to the definitions of the terms “Contingent Payment Product” and “Valid
26 Claim” which require federal patent laws to govern.

27
28 Given:

1 Refused:

2 Given as Modified:

3 Authority: Massachusetts Superior Court Civil Practice Jury Instructions, Vol. II,
4 Chapter 14 (2011), 14.3.1 (modified); Assignment Agreement §§ 3.1(a)-(e)
5 (“Purchase Price”), p.1-5 (“Definitions”).

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1 **BSC Objections to Disputed Proposal No. 2**

2 BSC objects to this proposed instruction in that it is not based on any model
3 instruction, and Dr. Jang miscites the alleged “source” as the Massachusetts Superior
4 Court Civil Practice Jury Instruction § 14.1. In addition, this proposed instruction
5 contradicts other model rules, including 14.4.1(c) regarding “Performance by
6 Defendant” that Dr. Jang does not address at all.

7 BSC objects to the second through fifth paragraphs of this proposed
8 instruction. That language misstates, mischaracterizes, incorrectly summarizes and
9 omits provisions of the Assignment Agreement and relevant facts; is prejudicial; and
10 invites factual and legal error. In particular, Section 3.1 of the Assignment
11 Agreement does *not* state “that defendants are required to make ‘additional
12 payments’ to plaintiff of \$100 million if, during a five-year time period, defendants
13 shall sell more than \$2.5 billion worth of ‘Contingent Payment Products.’” (As
14 discussed above for Disputed Proposal No. 1.)

15 Section 3.1(c) provides for “an additional purchase price amount equal to ten
16 percent (10%) of Net Sales in response of Contingent Payment Products,” which
17 payments shall not exceed \$60,000,000. Section 3.1(d) provides for “an additional
18 purchase price amount equal to \$50,000,000 ...” if certain sales milestones are met.
19 Section 3.1(e) provides for a payment of \$10,000,000 if “Scimed has not received a
20 CE mark for any Contingent Payment Product by 11:59 PM Boston time on July 31,
21 2004,” which payment was to be credited against any amount due under Section
22 3.1(c). There is no dispute that BSC made the \$10 million payment under Section
23 3.1(e) or that Dr. Jang accepted the payment. Thus, it is for these reasons that the
24 *maximum amount due* under Sections 3.1(c)-(d) was potentially \$100 million. But,
25 the cap under Section 3.1(c) was further reduced by subsequent agreement of the
26 parties. As a result, the cap for purposes of Section 3.1(c) has been reduced to \$36.5
27 million (and the maximum amount due under Sections 3.1(c)-(d) together is \$86.5
28 million). Dr. Jang’s suggestions and statements regarding the potential recovery of

1 \$100 million are wrong.¹ And, for the same reasons as stated above in Disputed
2 Proposal No. 1, Dr. Jang’s proposal to add the language “At the time the Complaint
3 was filed” (in paragraphs 2 and 3) and “After the Complaint was filed, the parties
4 amended this contract so that the maximum principal amount due” (in paragraph 5)
5 does not change this.

6 Furthermore, this Court’s March 27, 2014 Order on summary judgment
7 suggests that BSC may be liable for payments under Section 3.1 of the Assignment
8 Agreement (in the event Express is found to literally include every limitation of each
9 asserted claim) only for the time period between which Dr. Jang first alleged that
10 Earn Out payments were due on sales of the Express stents and the date that BSC first
11 provided notice to Dr. Jang that the patent claims are invalid. (*See* Dkt. # 504 at 16.)
12 BSC believes that, under this Court’s Order, and under the applicable precedent, the
13 second paragraph of Dr. Jang’s proposal is inaccurate, misleading and prejudicial,
14 and invites errors of law and fact. It also suggests to the jury what its ultimate finding
15 of fact should be, which is improper. Whether a breach occurred at all, the period of
16 the alleged breach, and the amount of payments due as a result of the alleged breach
17 are factual issues that are very much in dispute.

18 BSC objects to the third paragraph of this proposed instruction (beginning with
19 “To determine ...”) on the grounds that the proposed language invites legal error and
20 suggests that there is a question of fact for the jury to decide as to either (i) the terms
21 of the Assignment Agreement or (ii) the meaning of any provisions of the
22 Assignment Agreement. Based on current case posture, BSC does not believe that

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24 ¹ For all of these reasons, the following statement by Dr. Jang in his proposed
25 instruction is also wrong (*i.e.*, “As I mentioned before, plaintiff claims that because
26 the Express stents are “Contingent Payment Products,” defendants were required to
27 pay the plaintiff \$100 million, and that by failing to do so, defendants breached the
28 contract.”) because it suggests that Dr. Jang is entitled to or may recover \$100
million. He cannot, as discussed above. Moreover, Dr. Jang’s attempt to “remind”
the jury of his allegations in the middle of jury charges are highly improper,
misleading and prejudicial to BSC.

1 any contract interpretation questions would be properly before the jury. If Dr. Jang
2 disagrees, or believes that the jury will be called upon to interpret particular
3 provisions of the Assignment Agreement, BSC requests that Dr. Jang immediately
4 identify them so that BSC can fully consider Dr. Jang's position as to this proposed
5 instruction, and respond accordingly. Moreover, as described in Disputed Proposal
6 No. 1, amounts due to Dr. Jang (if any) are dependent upon the *Kohle* issues that Dr.
7 Jang injected into this case (barring clarification from the Federal Circuit), so any
8 discussion of potential maximum payments is confusing, misleading and prejudicial.

9 BSC requests that the Court provide the agreed-upon instruction for
10 "Overview: Breach of Contract" instead of this proposed instruction.

1 **Dr. Jang's Statement in Support of Disputed Proposal No. 2**

2 This instruction addresses the third element necessary to establish a breach of
3 contract claim (and should be reordered accordingly within the proposed instructions
4 to be after the instructions on performance). The initially proposed instruction
5 contained a scrivener's error in that it cited to § 14.1 rather than § 14.3.1. Plaintiff
6 contends this instruction is necessary to address the third element of his breach of
7 contract claim and that the overview instruction BSC proposes – while necessary – is
8 insufficient by itself.

9 The first sentence is prefatory, accurate and reasonable.

10 Because it is undisputed that BSC had more than \$2.5 billion of Net Sales of
11 Express stents within the timeframe contemplated by the Assignment Agreement,
12 which necessarily captured the \$50 million of royalties pursuant to § 3.1(c), Plaintiff
13 contends the breakdown of the two components of the disputed \$100 million is a
14 distinction without a difference. Nevertheless, to address BSC's objections Plaintiff
15 agrees to break down the damages components of §§ 3.1(c) and (d) in the proposed
16 instruction, taking into account the \$10 million reduction to the amount due under §
17 3.1(c). Further, Plaintiff has proposed revising his instruction to reflect the fact that
18 the Delaware Settlement reduced the maximum amount payable under Sections
19 3.1(c)-(d). Plaintiff contends BSC's characterization of the Delaware Settlement is
20 inaccurate because it did not reduce the amount payable under Section 3.1(c), but
21 rather the overall \$100 million cap. Plaintiff's proposed, revised language is
22 incorporated in the proposed instruction.

23 Plaintiff does not agree any reduction in overall recovery resulting from the
24 settlement in the Delaware case should be presented to the jury. The terms of that
25 settlement agreement are confidential and should not be revealed to the jury pursuant
26 to FRE 408. In addition to being inadmissible under FRE 408, any reduction in
27 damages pursuant to the Delaware settlement would be confusing, misleading and
28 potentially prejudicial and should not be presented to the jury pursuant to FRE 403.

1 The Court can reduce any jury award by the appropriate amount contemplated by the
2 Delaware settlement agreement, but that calculation should not be presented to the
3 jury on this breach of contract action. Plaintiff's proposed revision addresses this
4 issue. Further, Dr. Jang's statement of the terms of the contract that were in effect at
5 the time the complaint was filed, and the fact that it was subsequently amended to
6 reduce the maximum amount payable, is entirely accurate. BSC provides no
7 argument to the contrary.

8 BSC's argument that the amount of damages should be limited based on Dr.
9 Jang's notice to BSC of Express' infringement on his patent claims is baseless. BSC
10 is trying to manufacture additional elements to the breach of contract claim that do
11 not exist. If the Express stents are Contingent Payment Products, then BSC had a
12 duty to pay Dr. Jang the amounts due under the contract – plain and simple. The fact
13 that BSC engineered the Jang Patents' current invalidity as a litigation tactic to avoid
14 its contractual obligations merely demonstrates Defendants' bad faith – it does not
15 add to Dr. Jang's burden at trial. If the jury finds that the Express stents infringe the
16 Jang Patents' claims, then the only relevant date for the commencement of BSC's
17 obligations to pay royalties is the date the Assignment Agreement was executed (as
18 BSC admits it already had sales of Express by that execution date). Contrary to
19 BSC's argument, nothing in the Court's summary judgment Order (Dkt. 504) implies
20 BSC's royalty obligations would commence only after Dr. Jang gave notice that
21 Express stents infringed the Jang Patents. Indeed, Dr. Jang was not even required to
22 give such notice before he filed the lawsuit.

23 Further, as addressed in Plaintiff's Bench Brief and Reply regarding BSC's
24 purported validity challenges (Dkt. 563, 583), BSC should be precluded from arguing
25 or introducing evidence regarding any purported validity challenges prior to the filing
26 of the Complaint.

27 Moreover, as addressed in Dr. Jang's Trial Brief (Dkt. 603), BSC needed to do
28 more than make a contingent assertion – that if the Jang Patents' claims are read

1 broadly, then the broad reading would render the claims invalid – to avoid its liability
2 under the doctrine of assignee estoppel. As the Ninth Circuit held in one of the cases
3 the Court cited in its summary judgment Order, it is only “after the licensee takes an
4 affirmative step that would prompt the early adjudication of the validity of the patent”
5 that a licensee can avoid its royalty payment obligations on grounds of invalidity.
6 *Rite-Nail Packaging Corp. v. Berryfast, Inc.*, 706 F.2d 933, 936 (9th Cir. 1983)
7 (emphasis added); see also Dkt. 504 at 16-17. The *Rite-Nail* Court held that:
8 “Although a licensee need not institute suit challenging the validity of the patent,
9 mere nonpayment of royalties is not enough. The licensee must clearly notify the
10 licensor that the licensee is challenging the patent’s validity.” *Id.* at 936-37
11 (emphasis added); see also *Studiengesellschaft Kohle, M.B.H. v. Shell Oil Co.*, 112
12 F.3d 1561, 1567-68 (Fed. Cir. 1997) (The courts “must prevent the injustice of
13 allowing [the licensee] to exploit the protection of the contract and patent rights and
14 then later to abandon conveniently its obligations under those same rights.”). The
15 Court has noted that the reasoning behind licensee estoppel also extends to assignees
16 under the doctrine of assignee estoppel. (Dkt. 504 at 16 (*quoting Slip Track Sys. v.*
17 *Metal Lite, Inc.*, 113 Fed. Appx. 930, 933 (Fed. Cir. 2004)).) BSC did not take any
18 affirmative actions challenging the validity of the Jang Patents’ claims until October
19 2013 – its “if/then” contingent assertion of possible invalidity did not constitute the
20 “affirmative step that would prompt the early adjudication of the validity of the
21 patent” that would enable BSC to avoid its royalty obligations. *Rite-Nail*, 706 F.2d at
22 936.

23 Accordingly, Dr. Jang respectfully asks the Court to accept the proposed jury
24 instruction “Breach of Contract” as presented with the inclusion of the revised section
25 regarding potential damages added pursuant to BSC’s objections.
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1 **[JANG] DISPUTED PROPOSAL NO. 3**

2 **Patents – Generally**

3 Let me take a moment to explain what a patent is and how one is obtained.

4 Patents are granted by the United States Patent and Trademark Office
5 (sometimes called “the PTO”). The process of obtaining a patent is called patent
6 prosecution. A valid United States patent gives the patent owner the right to prevent
7 others from making, using, offering to sell, or selling the patented invention within
8 the United States, or from importing it into the United States, during the term of the
9 patent without the patent holder’s permission. A violation of the patent owner’s
10 rights is called infringement. The patent owner may try to enforce a patent against
11 persons believed to be infringers by a lawsuit filed in federal court.

12 To obtain a patent one must file an application with the PTO. The PTO is an
13 agency of the federal government and employs trained examiners who review
14 applications for patents. The application includes what is called a “specification,”
15 which must contain a written description of the claimed invention telling what the
16 invention is, how it works, how to make it and how to use it so others skilled in the
17 field will know how to make or use it. The specification concludes with one or more
18 numbered sentences. These are the patent “claims.” When the patent is eventually
19 granted by the PTO, the claims define the boundaries of its protection and give notice
20 to the public of those boundaries.

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22 Given:

23 Refused:

24 Given as Modified:

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26 Authority: Model Patent Jury Instructions for the Northern District of California
27 (Nov. 2011) § A.1 (redirected from 2007 Ninth Circuit Manual of Model Jury
28 Instructions, Civil § 16 (“Patents”)) (modified).

1 **BSC Objections to Disputed Proposal No. 3**

2 BSC objects to this proposed instruction as unnecessary, unrelated to any
3 genuine factual issue in dispute that the jury will be required to decide, false as a
4 matter of fact and law in the context of this litigation, and misleading, confusing and
5 prejudicial. First, this instruction refers several times to the “patent owner” and
6 wrongly suggests that Dr. Jang is the “patent owner” instead of BSC. Second, this
7 instruction implies that the asserted claims of the ‘021 patent cover an “invention”
8 that can be credited to Dr. Jang, when there is and can be no dispute that the asserted
9 claims are invalid as anticipated over the prior art as a result of Dr. Jang’s claim
10 construction positions. In other words, there can be no dispute that Dr. Jang did not
11 invent the subject matter of the asserted claims. This instruction also wrongly implies
12 that the asserted patent claims can be “infringed,” when there is no dispute that
13 invalid claims cannot be infringed as a matter of law.

14 If the Court grants Dr. Jang’s request that this proposed instruction be read and
15 provided to the jury, then BSC requests that the Court also instruct the jury that the
16 alleged invention(s) of the asserted patent claims have been deemed by the PTO to be
17 anticipated by the prior art and have been cancelled, and that Dr. Jang is not the
18 inventor of the subject matter of the asserted claims.

1 **Dr. Jang’s Statement in Support of Disputed Proposal No. 3**

2 This jury instruction is necessary to inform the jury of the nature of patent
3 claims. Most of the text is taken verbatim from the cited model jury instruction, with
4 the exception of the deletion of some prefatory text and the text at the end of the
5 model instruction relating to issues not relevant to this case.

6 As this Court has repeatedly held, the present invalidity of the Jang Patents’
7 claims (resulting from the sham reexamination proceedings contrived by BSC) is
8 irrelevant to Dr. Jang’s breach of contract claims or the fact that those claims were
9 valid during the time when BSC’s royalty obligations accrued. (*See* Dkts. 455 at 8;
10 504 at 17 (amended as 555 at 17); 554 at 7.) Additionally, BSC proposes to
11 improperly infuse issues of disputed fact into this instruction, such as its contentions
12 regarding Dr. Jang’s status as inventor of the claims at issue.

13 Contrary to BSC’s objection, the instruction does not suggest that Dr. Jang is
14 the patent owner.

15 Accordingly, Dr. Jang respectfully asks the Court to accept his proposed jury
16 instruction “Patents – Generally” as presented and without the addition of BSC’s
17 irrelevant, prejudicial and confusing language regarding invalidity and regarding Dr.
18 Jang’s status as inventor of the claims at issue.

1 **[JANG] DISPUTED PROPOSAL NO. 4**

2 **Direct Infringement**

3 A patent’s claims define what is covered by the patent. A product directly
4 infringes a patent if it is covered by at least one claim of the patent.

5 Deciding whether a claim has been directly infringed is a two-step process.
6 The first step is to decide the meaning of the patent claim. I have already made this
7 decision, [and I will instruct you later as to the meaning of the asserted patent claims]
8 [and I have already instructed you as to the meaning of the asserted patent claims].
9 The second step is to decide whether defendants’ Express stents were covered by a
10 claim of the ’021 Patent. If they were, then the Express stents would have infringed
11 plaintiff’s patents but for the existence of the parties’ agreement and they are
12 “Contingent Payment Products.” You, the jury, make this decision.

13 With one exception, you must consider each of the asserted claims of the
14 patents individually, and decide whether defendants’ Express stents would have
15 infringed those claims. The one exception to considering claims individually
16 concerns dependent claims. A dependent claim includes all of the requirements of a
17 particular independent claim, plus additional requirements of its own. As a result, if
18 you find that an independent claim is not infringed, you must also find that its
19 dependent claims are not infringed. On the other hand, if you find that an
20 independent claim has been infringed, you must still separately decide whether the
21 additional requirements of its dependent claims have also been infringed. In this
22 case, plaintiff alleges that the Express stents incorporate independent and dependent
23 claims; in particular claims 1 and 8 of the ’021 Patent.

24 Whether or not defendants knew their Express stents infringed or even knew of
25 the patent does not matter in determining direct infringement.

26 There are two ways in which a patent claim may be directly infringed. A claim
27 may be “literally” infringed, or it may be infringed under the “doctrine of
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1 equivalents.” The following instructions will provide more detail on these two types
2 of direct infringement.

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4 Given:

5 Refused:

6 Given as Modified:
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8 Authority: Model Patent Jury Instructions for the Northern District of California
9 (Nov. 2011) § B.3.2 and authorities cited therein (modified).
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1 **BSC Objections to Disputed Proposal No. 4**

2 BSC objects to the following language: “The second step is to decide
3 whether defendants’ Express stents were covered by a claim of the ’021 Patent. If
4 they were, then the Express stents would have infringed plaintiff’s patents but for the
5 existence of the parties’ agreement and they are ‘Contingent Payment Products.’”
6 This language misstates, mischaracterizes, incorrectly summarizes and omits
7 provisions of the Assignment Agreement; is prejudicial; and invites factual and legal
8 error. This instruction also wrongly implies that the asserted patent claims can be
9 “infringed,” when there is no dispute that invalid claims cannot be infringed as a
10 matter of law.

11 BSC also understands that Dr. Jang intends to present evidence of a purported
12 “comparison” between the accused Express stents and what Dr. Jang’s expert Mr. Lee
13 calls “Dr. Jang’s designs.” In the event that Dr. Jang is permitted to introduce this
14 evidence at trial, then one of the model paragraphs that Dr. Jang has omitted from his
15 proposal should be added into any instruction given to the jury:

16 You have heard evidence about both [“Dr. Jang’s designs”] and [the
17 defendants’ Express stents]. However, in deciding [~~the issue of~~
18 ~~infringement~~] whether the Express stents include every limitation of
19 each asserted claim you may not compare [the Express stents] to [“Dr.
20 Jang’s designs”]. Rather, you must compare [the Express stents] to the
21 claims of the [patents at issue] when making your decision [~~regarding~~
22 ~~infringement~~].

1 **Dr. Jang’s Statement in Support of Disputed Proposal No. 4**

2 This jury instruction is necessary to inform the jury of the nature of a direct
3 infringement action. The text closely tracks the model jury instruction with
4 modifications reflecting the fact this is a breach of contract claim applying principles
5 of patent infringement rather than simply a patent infringement case. BSC
6 incorrectly asserts that infringement is not at issue in this case.

7 BSC asserts “Plaintiff’s language misstates, grossly mischaracterizes,
8 incorrectly summarizes and omits provisions of the Assignment Agreement; is
9 prejudicial; and invites factual and legal error.” Despite how vigorously BSC may
10 object to Plaintiff’s proposal, these objections are meaningless without providing
11 specific examples of the language to which it objects. The reason the parties
12 exchange jury instructions is so the parties may meet and confer in an attempt to cure
13 objectionable language, but BSC’s vitriolic attack does not provide guidance
14 regarding areas Plaintiff can meaningfully address. The relevant language of the
15 Assignment Agreement is contained within the definition of Contingent Payment
16 Products, which provides in pertinent part:

17 ***Contingent Payment Products*** means any stent . . . the development,
18 manufacture, use, or sale of which is covered by one or more Valid
19 Claims of the Patents in the jurisdiction in which such stent is
20 manufactured or sold or which, but for the assignment made pursuant to
21 this Agreement, would infringe one or more Valid Claims of the Patents.

22 Assignment § 1.1 (emphasis added).

23 As this Court has repeatedly held, the present invalidity of the Jang Patents’
24 claims (resulting from the sham reexamination proceedings contrived by BSC) is
25 irrelevant to Dr. Jang’s breach of contract claims or the fact that those claims were
26 valid at the time in which BSC’s royalty obligations accrued. (*See* Dkts. 455 at 8;
27 504 at 17 (amended as 555 at 17); 554 at 7.) Thus, whether the Jang Patents’ claims
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1 would have been infringed but for the Assignment Agreement is at the heart of this
2 litigation.

3 BSC's colloquy regarding potential testimony from Dr. Jang's expert, Mr. Lee,
4 improperly misconstrues facts and infuses issues of disputed fact into its proposed
5 instruction. It is for the jury to decide whether Mr. Lee's testimony comports with
6 the patents at issue.

7 Accordingly, Dr. Jang respectfully asks the Court to accept the proposed jury
8 instruction "Direct Infringement" as presented and without the addition of BSC's
9 misleading and improperly-limited language that attempts to insert invalidity into the
10 case and to remove the concept of infringement from the case.

1 **[JANG] DISPUTED PROPOSAL NO. 5**

2 **Literal Infringement**

3 To decide whether defendants' Express stents literally infringed a claim of the
4 '021 Patent, you must compare that product with the patent claim and determine
5 whether every requirement of the claim is included in that product. If so, defendants'
6 Express stents literally infringed that claim. If, however, defendants' Express stents
7 did not have every requirement in the patent claim, defendants' Express stents did not
8 literally infringe that claim. You must decide literal infringement for each asserted
9 claim separately.

10 **[DR. JANG'S PROPOSAL:** If the patent claim uses the term "comprising,"
11 that patent claim is to be understood as an open claim. An open claim is infringed as
12 long as every requirement in the claim is present in defendants' Express stents. The
13 fact that defendants' Express stents also includes other parts will not avoid
14 infringement, as long as it has every requirement in the patent claim.]

15 **[BSC'S PROPOSAL:** When a patent claim includes multiple requirements
16 and lists them separately, the clear implication of the claim language is that each
17 claim element is a distinct component of the patented invention.]

18
19 Given:

20 Refused:

21 Given as Modified:

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23 Authority: Model Patent Jury Instructions for the Northern District of California
24 (Nov. 2011) § B.3.3 and authorities cited therein (modified); *Becton Dickinson & Co.*
25 *v. TYCO Healthcare Grp.*, LP, 616 F.3d 1249, 1254 (Fed. Cir. 2010).
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1 **BSC Objections to Disputed Proposal No. 5**

2 This instruction wrongly implies that the asserted patent claims can be
3 “infringed,” when there is no dispute that invalid claims cannot be infringed as a
4 matter of law. In addition, BSC objects to the second paragraph of this instruction
5 (marked as “DR. JANG’S PROPOSAL”) as misleading in the context of the issues to
6 be decided in this case. (See Dkt. # 609 discussing claim construction issues.) If that
7 language is included in the jury instruction, BSC requests that the Court also include
8 the language marked as “BSC’S PROPOSAL” in order to clarify the issues for the
9 jury and correct the misleading statement proposed by Dr. Jang. See *Becton*
10 *Dickinson & Co. v. TYCO Healthcare Grp., LP*, 616 F.3d 1249, 1254 (Fed. Cir.
11 2010).

12 Contrary to Dr. Jang’s argument below in his Statement in Support, the
13 language that BSC proposes is not an improper attempt to discuss the “distinct
14 elements and functions” issues from the Court’s claim construction order. It is
15 intended to address Dr. Jang’s apparent argument (as shown from his proposal on
16 “comprising”) that the jury can ignore claim requirements that are set forth in
17 separate claim limitations and ignore the fact that the asserted claims recite expansion
18 elements in one limitation and connecting elements in another. (See also Dkt # 609.)
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1 **Dr. Jang’s Statement in Support of Disputed Proposal No. 5**

2 This jury instruction is necessary to instruct the jury how to determine whether
3 BSC’s Express stents literally infringe the Jang Patents’ claims. The text closely
4 tracks the model jury instruction with only modifications and omissions reflecting the
5 fact this is a breach of contract claim applying principles of patent infringement
6 rather than simply a patent infringement case and some aspects of the model
7 instruction are not at issue. BSC’s objections are based on its improper reliance on its
8 invalidity argument and its attempt to remove the concept of infringement from the
9 case. The relevant language of the Assignment Agreement is contained within the
10 definition of Contingent Payment Products, which provides in pertinent part:

11 ***Contingent Payment Products*** means any stent . . . the development,
12 manufacture, use, or sale of which is covered by one or more Valid
13 Claims of the Patents in the jurisdiction in which such stent is
14 manufactured or sold or which, but for the assignment made pursuant to
15 this Agreement, would infringe one or more Valid Claims of the Patents.

16 Assignment § 1.1 (emphasis added).

17 As this Court has repeatedly held, the present invalidity of the Jang Patents’
18 claims (resulting from the sham reexamination proceedings contrived by BSC) is
19 irrelevant to Dr. Jang’s breach of contract claims or the fact that those claims were
20 valid at the time in which BSC’s royalty obligations accrued. (*See* Dkts. 455 at 8;
21 504 at 17 (amended as 555 at 17); 554 at 7.) Thus, whether the Jang Patents’ claims
22 would have been infringed but for the Assignment Agreement is at the heart of this
23 litigation.

24 Moreover, the language labeled “BSC’s Proposal” improperly attempts to
25 revive the argument regarding “distinct elements and functions” which the Court held
26 in its Summary Judgment Order was “predicated upon the flawed premise of reading
27 additional limitations into the claims construed.” (Dkt. 555 at 14.) Despite assuring
28 the Court during the hearing on the motions *in limine* that it would not allow its

1 expert to opine on this theory, it appears from this proposal that BSC is yet again
2 trying to insert this theory into the case.

3 Accordingly, Dr. Jang respectfully asks the Court to accept the proposed jury
4 instruction “Literal Infringement” as presented and without the addition of BSC’s
5 misleading language that attempts to insert the concept of distinct elements and
6 functions into the case.

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1 **[JANG] DISPUTED PROPOSAL NO. 6**

2 **Infringement Under the Doctrine of Equivalents**

3 Whether or not you decide that defendants' accused Express stents did literally
4 infringe an asserted patent claim, you should also decide whether that product
5 infringed the asserted claim under what is called the "doctrine of equivalents."

6 Under the doctrine of equivalents, the Express stents can infringe an asserted
7 patent claim if they include parts that are identical or equivalent to the requirements
8 of the claim. If the product is missing an identical or equivalent part to even one
9 requirement of the asserted patent claim, the Express stents cannot infringe the claim
10 under the doctrine of equivalents. Thus, in making your decision under the doctrine
11 of equivalents, you must look at each individual requirement of the asserted patent
12 claim and decide whether the Express stents have either an identical or equivalent
13 part to that individual claim requirement.

14 A part of a product is equivalent to a requirement of an asserted claim if a
15 person of ordinary skill in the field would think that the differences between the part
16 and the requirement were not substantial as of the time of the alleged infringement.

17 Changes in technique or improvements made possible by technology
18 developed after the patent application is filed may still be equivalent for the purposes
19 of the doctrine of equivalents if it still meets the other requirements of the doctrine of
20 equivalents set forth in this instruction.

21 One way to decide whether any difference between a requirement of an
22 asserted claim and a part of the Express stents is not substantial is to consider
23 whether, as of the time of the alleged infringement, the part of the Express stents
24 performed substantially the same function, in substantially the same way, to achieve
25 substantially the same result as the requirement in the patent claim.

26 In deciding whether any difference between a claim requirement and the
27 Express stents is not substantial, you may consider whether, at the time of the alleged
28 infringement, persons of ordinary skill in the field would have known of the

1 interchangeability of the part with the claimed requirement. The known
2 interchangeability between the claim requirement and the part of the Express stents is
3 not necessary to find infringement under the doctrine of equivalents. However,
4 known interchangeability may support a conclusion that the difference between the
5 part in the Express stents and the claim requirement is not substantial. The fact that a
6 part of the Express stents performs the same function as the claim requirement is not,
7 by itself, sufficient to show known interchangeability.

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9 Given:

10 Refused:

11 Given as Modified:

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13 Authority: Model Patent Jury Instructions for the Northern District of California
14 (Nov. 2011) § B.3.4 and authorities cited therein (modified).

1 **BSC Objections to Disputed Proposal No. 6**

2 In his most recent proposal, Dr. Jang modified this proposed instruction as
3 follows, to seek an advisory judgment on doctrine of equivalents even if the jury has
4 already found for Dr. Jang on literal infringement: ~~“If you decide that defendants’~~
5 ~~Express stents did not literally infringe an asserted patent claim, you must then decide~~
6 Whether or not you decide that defendants’ accused Express stents did literally
7 infringe an asserted patent claim, you should also decide whether that product
8 infringed the asserted claim under what is called the “doctrine of equivalents.” (Old
9 text is in ~~striketrough~~, and new text is underlined.) As also set forth in BSC’s
10 objections to Dr. Jang’s proposed special verdict form, this instruction is confusing
11 and misleading, and wrong as a matter of law. The jury should not determine
12 doctrine of equivalents if it has already found literal infringement. The doctrine of
13 equivalents may be found only when literal infringement is *not* found. Thus, asking
14 for verdicts for each theory of infringement invites confusion and legal error.

15 This instruction wrongly implies that the asserted patent claims can be
16 “infringed,” when there is no dispute that invalid claims cannot be infringed as a
17 matter of law. BSC also objects that Dr. Jang’s modifications of the model
18 instruction are improper. Without waiving BSC’s objection that Dr. Jang should not
19 be allowed to advance a theory of infringement under the doctrine of equivalents
20 because he failed to sufficiently disclose such a theory in fact and expert discovery
21 (Dkt. # 498), BSC has proposed an alternative instruction on infringement under the
22 doctrine of equivalents (set forth below). In the event that the Court declines to adopt
23 BSC’s instruction on infringement under the doctrine of equivalents, then the Court
24 should include a statement to instruct the jury on the ensnarement doctrine (second
25 paragraph), to the extent that the Court asks the jury to decide any issues of fact that
26 may underlie this legal determination:

27 You may not use the doctrine of equivalents to find infringement if you
28 find that the Express stents are the same as what was in the prior art
before the application for the ‘021 patent, or what would have been

1 obvious to persons of ordinary skill in the field in light of what was in
2 the prior art. A patent holder may not obtain, under the doctrine of
3 equivalents, protection that it could not have lawfully obtained from the
Patent and Trademark Office.

4 * * *

5 BSC's proposed alternative instruction on the doctrine of equivalents is
6 as follows:

7 Under the doctrine of equivalents you may find that the accused
8 product infringes a patented claim if plaintiff proves by a preponderance
9 of the evidence that the accused product contains elements identical or
10 equivalent to each claimed element of the patented invention. The focus
11 is on individual elements of the claim, not on the invention as a whole.
12 To find infringement, you must find that there are no substantial
13 differences between the patented product and the allegedly infringing
14 product. In order to make a finding under the doctrine of equivalents,
15 you may consider whether the elements of defendant's product perform
substantially the same function in substantially the same way to produce
substantially the same result when compared to the claimed elements of
plaintiff's patented product.

16 Even if the accused device contains each element of the patented
17 claim, there is no infringement under the doctrine of equivalents if the
18 accused product is so changed in principle that it performs the same or
19 similar function in a substantially different way than the claimed
invention.

20 In making your determination, you should review the evidence
21 from the perspective of a person of ordinary skill in the art. The test is
22 objective, that is, whether, at the time of the claimed infringement, a
23 person of ordinary skill in the art would have considered the differences
24 insubstantial. On the issue of equivalence, you may consider evidence of
25 whether persons skilled in the art considered the accused element and the
26 claimed element interchangeable at the time of the alleged infringement.
27 You should consider the context of the entire claim, including the
28 drawings and written descriptions, patent application history, the prior
art, and all of the circumstances of the case. Plaintiff need not prove that
defendant had the intent to infringe plaintiff's patent under the doctrine
of equivalents or that it knew that its device infringed the patent.

1 In your deliberations you should consider the issue of literal
2 infringement first. If you find that defendant's product does not literally
3 infringe a particular claim, you should then consider whether it infringes
4 that claim under the doctrine of equivalents. On the other hand, if you
5 determine that defendant's product literally infringes a particular claim,
6 you should then move on to the next claim allegedly infringed by the
7 accused product without considering the doctrine of equivalents. If you
8 find that plaintiff has failed to prove by a preponderance of the evidence
9 that defendant infringed any of the claims listed above, either literally or
10 under the doctrine of equivalents, you must find for defendant.

11 3A Fed. Jury Prac. & Instr. § 158:1 (6th ed.)

12 **BSC Statement in Support of Its Proposal (in place of Disputed Proposal No. 6):**

13 Dr. Jang argues that BSC's proposal is wrong because "it instructs the jury that
14 it must first consider the issue of literal infringement before it can address the
15 doctrine of equivalents." As described above, as a matter of law the doctrine of
16 equivalents can only be found where literal infringement is not (*i.e.*, because one or
17 more claim elements are not literally present, the jury may consider whether the
18 missing element is present under the doctrine of equivalents by determining if the
19 accused structure performs substantially the same function, in substantially the same
20 way to achieve substantially the same result). *See, e.g., Freedman Seating Co. v. Am.*
21 *Seating Co.*, 420 F. 3d 1350, 1357 (Fed. Cir. 2005) (citing *Warner-Jenkinson Co. v.*
22 *Hilton Davis Chem. Co.*, 520 U.S. 17, 21 (1997)) ("Under the doctrine of equivalents,
23 a product or process *that does not literally infringe upon the express terms of a patent*
24 *claim* may nonetheless be found to infringe if there is equivalence between the
25 elements of the accused product or process and the claimed elements of the patented
26 invention.") (emphasis added); *see also Brilliant Instruments, Inc. v. GuideTech,*
27 *LLC*, 707 F.3d 1342, 1347 (Fed. Cir. 2013) ("One way of proving infringement under
28 the doctrine of equivalents is to show, for each claim limitation, that the accused
product performs substantially the same function in substantially the same way with

1 substantially the same result as each claim limitation of the patented product.”).
2 Literal infringement and the doctrine of equivalents are mutually exclusive.

3
4 **BSC Statement in Support of Its Proposal (addition to Disputed Proposal No. 6):**

5 BSC requests above that, if the Court declines to adopt BSC’s proposed
6 instruction on the doctrine of equivalents, it instruct the jury on the ensnarement
7 doctrine (to the extent that the Court will the jury to decide issues of fact that may
8 underlie this legal determination).

9 Dr. Jang’s does not dispute that patent law prohibits a finding of infringement
10 under the doctrine of equivalents if it would recapture or ensnare the prior art.
11 Knowing that he cannot prove equivalents without running afoul of this fundamental
12 principle, Dr. Jang argues instead that BSC should be barred from introducing
13 evidence of recapture because BSC did not plead it as an affirmative defense back in
14 2005-2006. Dr. Jang’s argument turns the burden of proof on its head. In reality, it is
15 Dr. Jang – as the proponent of an equivalents theory – who must establish that his
16 theory under the doctrine of equivalents does *not* capture the prior art. *See Wilson*
17 *Sporting Goods Co. v. David Geoffrey & Assoc.*, 904 F.2d 677, 685 (Fed. Cir. 1990)
18 (“it is important to remember that the burden is on [the plaintiff] the prove that the
19 range of equivalents which it seeks would not ensnare the prior art ...”); *Marquip,*
20 *Inc. v. Fosber Am., Inc.*, 198 F.3d 1363, 1368 (Fed. Cir. 2000) (patentee failed to
21 “satisfy its burden ‘to prove that the range of equivalents which it seeks would not
22 ensnare the prior art’”) (quoting *Wilson Sporting Goods*, 904 F.2d at 685 (Fed. Cir.
23 1999)); *Streamfeeder, LLC v. Sure-Feed Sys., Inc.*, 175 F.3d 974, 983 (Fed. Cir.
24 1999)(when arguing infringement under doctrine of equivalents, “the burden of
25 persuasion, rests on the patentee to show that its claim does not cover the prior art”);
26 *Sage Prods., Inc. v. Devon Industries, Inc.*, 880 F. Supp. 718, 738 (C.D. Cal.

1 1994)(“[T]he patentee bears the burden of proving that its interpretation would not
2 ensnare prior art.”), *aff’d*, 126 F.3d 1420 (Fed. Cir. 1997).²

3 In addition, Dr. Jang’s suggestion that BSC should have pled ensnarement
4 *when he himself never pled infringement* makes no sense. He alleged in his 2005
5 Complaint and 2006 Amended Complaint that the Express stents were Contingent
6 Payment Products, but never identified “doctrine of equivalents” (or any other
7 infringement theory, or even mention the word “infringe”) in either pleading (and he
8 never amended his own pleading to include the doctrine of equivalents). BSC cannot
9 be expected to be clairvoyant when Dr. Jang’s own pleadings are silent; but in any
10 event, BSC did state in its answer that Express does not infringe. Furthermore, Dr.
11 Jang cannot dispute (and did not dispute during briefing on motions *in limine*) that he
12 never disclosed a doctrine of equivalents *theory* to BSC – certainly not during fact
13 discovery in 2005-2006 or in 2012-2013. He cannot point to one document to show
14 that he disclosed his equivalents theory to BSC (such that it would have had notice of

15 _____
16 ² Below, Dr. Jang relies on a single case, *Fiskars, Inc. v. Hunt Mfg. Co.*, 221 F.3d
17 1318 (Fed. Cir. 2000) in arguing that BSC should have pled recapture as an
18 affirmative defense. Eager to induce the Court into accepting this fiction, Dr. Jang
19 neglected to provide any discussion of the dispute in *Fiskars* – and fails to cite even
20 one other case to support his position. In *Fiskars*, one issue was the “hypothetical
21 claim” would capture the prior art, which is not even at issue here because Dr. Jang
22 never came forward with a “hypothetical claim.” The other issue was that Hunt (the
23 defendant) argued that Fiskars (the plaintiff) should have the burden of proving that
24 ***the accused device was not in the prior art*** as part of establishing infringement. *See*
25 *id.* The Court disagreed, stating that “[i]t is an affirmative defense of the accused
26 infringer to allege and to show that it is practicing the prior art.” The Court found
27 that Hunt (the defendant) “did not allege that its device is in the prior art”; thus,
28 Fiskars (the plaintiff) was “not required to negate and affirmative defense that has not
been pled and supported with evidence.” BSC is not arguing that the actual accused
devices were in the prior art (*i.e.*, that the Express stents existed prior to Jang’s
patent). It argues that, if the claims are read as broadly as Dr. Jang contends (*i.e.*, to
cover Express), then for purposes of doctrine of equivalents, his theory impermissibly
will capture the prior art. As described above, showing that the equivalents will ***not***
capture the prior art is Dr. Jang’s burden.

1 the recapture issue that would prompt it to seek leave to amend), and relied on
2 cobbled together portions of expert reports submitted in late 2013 to oppose BSC’s
3 motion *in limine* – reports that were served after he had already argued to this Court
4 that BSC should not be permitted to amend its answer, which makes his current
5 argument that BSC *should have amended* mere pretense.

6 Moreover, when Dr. Jang confirmed an intent to pursue equivalents during
7 briefing on motions *in limine*, BSC repeatedly disclosed its contentions that, if the
8 asserted patent claims covered Express under the doctrine of equivalents (*e.g.*, under
9 Dr. Jang’s belated disclosure of his equivalents theory) then the claims would also
10 capture the prior art. (*See, e.g.*, March 14, 2014 courtesy copy of BSC’s Memo of
11 Law and Fact); Dkt. # 491 (April 2, 2014 filed version of the same); Dkt. # 515
12 (April 10, 2015 amended version of the same); Dkt. # 498-1 (March 24, 2014 BSC
13 motion *in limine*.)

14 During expert discovery, BSC provided an entire expert report showing how
15 the asserted claims would be invalid in view of the prior art under Dr. Jang’s theory
16 as to Express (*i.e.*, how his theory captures the prior art) – and Dr. Jang’s own expert
17 responded to that report. If Dr. Jang believed he needed more time to “review and
18 investigate,” “present a counter argument,” “request discovery” and “prepare a
19 response” on recapture, he has had more than fifteen months to do so. Instead – and
20 despite just recently having filed two other lengthy “bench briefs” that do not
21 mention this at all – he waited until five days before trial to bury his objections in his
22 statement supporting his own Disputed Proposal No. 6.

23 Having convinced this Court to allow him to present evidence under an
24 equivalents theory that he never disclosed to BSC during discovery (or, at best, that
25 he disclosed only in cursory fashion in his expert reports), BSC cannot be precluded
26 from presenting evidence in direct response to Dr. Jang’s equivalents theory. *DePuy*
27 *Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1323 (Fed. Cir. 2009)
28 (there “can be no infringement if the asserted scope of equivalency of what is literally

1 claimed would encompass the prior art”); *see also Fresenius Kabi USA, LLC v. Dr.*
2 *Reddy’s Labs., Ltd.*, (D. Del. Aug. 25, 2014) (citing *DePuy*) (“the scope of available
3 equivalents may not encompass, or ‘ensnare,’ the prior art”); *EveryScape, Inc. v.*
4 *Adobe Sys., Inc.*, 31 F. Supp. 3d 322, 325 (D. Mass. 2014) (citations omitted)
5 (patentee cannot seek a range of equivalents that would ensnare or capture the prior
6 art); *id.* (citing *Graver Tank[,]* 339 U.S. 605, 608 (1950) (the patentee should not be
7 able to obtain under the doctrine of equivalents what he could not have lawfully
8 obtained from the PTO by literal claims; thus, because prior art always limits what an
9 inventor could have claimed, it limits the range of permissible equivalents). This is
10 an issue of law for the Court, *EveryScape, Inc. v. Adobe Sys., Inc.*, 31 F. Supp. 3d
11 322, 325 (D. Mass. 2014), which should be decided after hearing the evidence
12 adduced at trial.

1 **Dr. Jang’s Statement in Support of Disputed Proposal No. 6**

2 This jury instruction is necessary to instruct the jury how to determine whether
3 BSC’s Express stents infringe the Jang Patents’ claims under the doctrine of
4 equivalents. The text closely tracks the model jury instruction with only
5 modifications and omissions reflecting the fact this is a breach of contract claim
6 applying principles of patent infringement rather than simply a patent infringement
7 case and some aspects of the model instruction are not at issue because the patents’
8 current validity is irrelevant. For purposes of preserving Dr. Jang’s rights on appeal,
9 the instruction also directs the jury to determine whether the patent is infringed under
10 the doctrine of equivalents even if the jury finds it is infringed under literal
11 infringement. *See Goodwall Constr. Co. v. Beers Constr. Co.*, 991 F.2d 751 (1993).

12 BSC opposes this instruction in part because it asserts the doctrine of
13 equivalents and literal infringement are mutually exclusive, incorrectly claiming in its
14 supporting statement that “the doctrine of equivalents may be found only when literal
15 infringement is not.” The quotations it provides to its purportedly supporting case
16 law do not even stand for this proposition. For example, its citation: “One way of
17 proving infringement under the doctrine of equivalents is to show, for each claim
18 limitation, that the accused product performs substantially the same function in
19 substantially the same way with substantially the same result as each claim limitation
20 of the patented product.” *Brilliant Instruments, Inc. v. GuideTech, LLC*, 707 F.3d
21 1342, 1347 (Fed. Cir. 2013). Logically, if an accused product meets the claim
22 requirements of performing the same function, way and result under the doctrine of
23 equivalents, then it can do so if the product literally infringes. Thus, these
24 infringement theories are not necessarily mutually exclusive and the jury can properly
25 address the doctrine of equivalents even if it has already found literal infringement.
26 *See Goodwall Constr. Co. v. Beers Constr. Co.*, 991 F.2d 751, 753 (1993) (“Because
27 the record supports either the literal or the doctrine of equivalents infringement
28 finding, this court affirms.”).

1 In fact, the Federal Circuit has looked favorably on cases in which the fact-
2 finder makes findings under both theories of infringement because it promotes
3 judicial economy. In *Goodwall*, the district court’s jury instructions “omitted the
4 issue of infringement under the doctrine of equivalents once the jury found literal
5 infringement” – *just as BSC seeks to do here*. Because neither party objected to this
6 approach, both parties waived the right to a jury trial on infringement under the
7 doctrine of equivalents if the jury found literal infringement.” *Id.* at 757. Like the
8 instant case, the *Goodwall* case had been ongoing for many years. In post-trial
9 motions, after finding that his instructions had precluded a possible finding of
10 infringement under the doctrine of equivalents, the district court also ruled that the
11 patent-at-issue had been infringed under the doctrine of equivalents. *Id.* at 754. The
12 Federal Circuit noted:

13 Hence, even if the claims in this case were not literally infringed, the
14 trial court granted *Goodwall*’s motion for judgment after trial on
15 infringement under the doctrine of equivalents. **Thus, in the interest of**
16 **judicial economy and conservation of the parties’ resources in this**
17 **case, the district court ensured that the record on appeal presented**
18 **both the jury’s finding of literal infringement and the alternative**
19 **finding of infringement under the doctrine of equivalents.**

20 *Id.* (emphasis added.) The Federal Circuit held:

21 The instructions prevented the jury from reaching the doctrine of
22 equivalents questions. In ruling on the post-trial motions, the court
23 found: ‘the clear and precise meaning of the charge and accompanying
24 instructions to the jury precluded any possibility of the jury finding
25 infringement under the doctrine of equivalents once the jury had reached
26 a finding of literal infringement.’ **Therefore, the district court**
27 **properly acted**, but should have invoked Fed. R. Civ. P. 49(a), rather
28 than Rule 50(b).

1 *Id.* at 757 (emphasis added.)

2 Dr. Jang is entitled to try his case before the jury on whether there is
3 infringement under the doctrine of equivalents. (Dkt. 554 at 10-13.) For purposes of
4 preserving Dr. Jang's rights on appeal, Dr. Jang respectfully submits the Court should
5 instruct the jury through jury instructions and verdict form questions to decide
6 whether the patent is infringed under the doctrine of equivalents regardless of
7 whether the jury finds it is infringed under literal infringement.

8 BSC's other objections also are meritless because they are based on its
9 improper reliance on its invalidity argument and its attempt to remove the concept of
10 infringement from the case. Regarding the issues of infringement, the relevant
11 language of the Assignment Agreement is contained within the definition of
12 Contingent Payment Products, which provides in pertinent part:

13 ***Contingent Payment Products*** means any stent . . . the development,
14 manufacture, use, or sale of which is covered by one or more Valid
15 Claims of the Patents in the jurisdiction in which such stent is
16 manufactured or sold or which, but for the assignment made pursuant to
17 this Agreement, would infringe one or more Valid Claims of the Patents.

18 Assignment § 1.1 (emphasis added).

19 As this Court has repeatedly held, the present invalidity of the Jang Patents'
20 claims (resulting from the sham reexamination proceedings contrived by BSC) is
21 irrelevant to Dr. Jang's breach of contract claims or the fact that those claims were
22 valid at the time in which BSC's royalty obligations accrued. (*See* Dkts. 455 at 8;
23 504 at 17 (amended as 555 at 17); 554 at 7.) Thus, whether the Jang Patents' claims
24 would have been infringed but for the Assignment Agreement is at the heart of this
25 litigation.

26 BSC's proposed alternate instruction is legally incorrect and should not be used
27 instead of Plaintiff's proposed instruction. For example, it instructs the jury that it
28

1 must first consider the issue of literal infringement before it can address the doctrine
2 of equivalents, which is false.

3 Furthermore, Dr. Jang objects to BSC's attempt to introduce the ensnarement
4 doctrine as a defense.³ BSC has not pled this defense, it has not articulated the
5 ensnarement doctrine in the past nor is there any competent evidence to support it.
6 Both BSC and its expert witness gave short shrift to the doctrine of equivalents
7 because they – incorrectly – claimed that it was not in the case. The Federal Circuit
8 has held that:

9 [Ensnarement] is an affirmative defense of the accused infringer to
10 allege and to show that it is practicing the prior art. When the patentee
11 has presented a prima facie case of infringement, the burden shifts to the
12 accused infringer to come forward with evidence to establish this
13 defense. **The patentee is not required to negate an affirmative**
14 **defense that has not been pled and supported with evidence.**

15 *Fiskars, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1323 (Fed. Cir. 2000) (emphasis
16 added) (internal citations omitted).

17 BSC cannot assert an ensnarement defense because it was on notice of Dr.
18 Jang's doctrine of equivalents claim and failed to timely provide notice of an
19 ensnarement defense in an amended pleading, supplemental discovery response,
20 and/or expert report. As the Court held, Dr. Jang asserted the theory of doctrine of
21 equivalents in April 2006 and "it is uncontested that BSC was aware that Dr. Jang
22 might use this infringement theory before the parties filed their claim construction
23 briefs." (Dkt. 554 at 10.) Moreover, because BSC's expert has not previously
24 offered an opinion concerning non-infringement based on an ensnarement defense
25 premised on any specific prior art references, he cannot offer testimony at trial or
26

27
28 ³ Dr. Jang incorporates herein by reference his Brief Opposing Defendants' Brief in Support of Exhibits 3097-3109 (Dkt. 602) as if fully set forth herein.

1 offer an opinion concerning ensnarement pursuant to Rules 26(a)(2)(A), (B), and (C)
2 of the Federal Rules of Civil Procedures.

3 The late introduction of the ensnarement defense would be highly prejudicial to
4 Dr. Jang because he was not offered the opportunity to: (1) review and investigate the
5 prior art that his doctrine of equivalents analysis allegedly ensnares; (2) present a
6 counter argument in his expert's report; (3) request discovery on the defense; and (4)
7 have adequate time to prepare a response.

8 Moreover, BSC once again attempts reargue dead issues – in this case its
9 motion *in limine* asserting that Dr. Jang did not disclose his doctrine of equivalents
10 analysis. Contrary to BSC's assertion, Dr. Jang properly disclosed his doctrine of
11 equivalents analysis through his expert reports – as the Court held in its Order on the
12 motions *in limine*. (Dkt. 554 at 9-13) (“Dr. Jang’s disclosures were timely and his
13 expert’s opinions were sufficient.” *Id.* at 13.) BSC’s claims to the opposite are
14 specious.

15 Accordingly, Dr. Jang respectfully asks the Court to accept his proposed jury
16 instruction “Infringement Under the Doctrine of Equivalents” as presented and not
17 include any of BSC’s misleading and improperly-limited language that attempts to
18 insert invalidity into the case or add unnecessary language regarding defenses, such
19 as the ensnarement doctrine, that it has not asserted.

1 **[BSC] DISPUTED PROPOSAL NO. 7**

2 **Contingent Payment Products**

3 In order for his breach of contract claim to succeed and for Dr. Jang to receive
4 any payments from BSC under Sections 3.1(c)-(d) of the Assignment Agreement
5 based on BSC's sales of Express stents, Dr. Jang must show:

6 First, that BSC's Express stents are Contingent Payment Products as defined
7 by the Assignment Agreement. To determine whether the Express stents are
8 Contingent Payment Products as defined by the Assignment Agreement, you must
9 determine whether the Express stents literally include every limitation of at least one
10 asserted patent claim. To make this determination, you must compare the Express
11 stents with the patent claims and determine by a preponderance of the evidence (*i.e.*,
12 that it is more likely than not) that every requirement of the claim is included in the
13 Express stents. You must make this determination separately for each asserted claim.

14 Second, Dr. Jang must prove by a preponderance of the evidence (*i.e.*, that it is
15 more likely than not) that BSC did not timely challenge the validity of the asserted
16 claims. You must determine the first date that Dr. Jang alleged that BSC must make
17 Earn Out payments on sales of the Express stents. You must also determine the first
18 date that BSC provided notice to Dr. Jang that the patent claims would be invalid to
19 the extent that they covered the Express stents.

20
21 Given:

22 Refused:

23 Given as Modified:

24
25 Authority: N.D. Cal. Model Patent Jury Instruction 3.3 (modified); *Lear, Inc. v.*
26 *Adkins*, 395 U.S. 653, 674 (1969); *Studiengesellschaft Kohle, M.B.H. v. Shell Oil Co.*,
27 112 F.3d 1561 (Fed. Cir. 1997); *Warner-Lambert Co. v. Teva Pharms. USA, Inc.*, 418
28 F.3d 1326, 1341 n.15 (Fed. Cir. 2005); (infringement must be proven by a

1 preponderance of the evidence); *Seal-Flex, Inc. v. Athletic Track & Court Constr.*,
2 172 F.3d 836, 842 (Fed. Cir. 1999) (a patentee must “prove that the accused product
3 or process contains, either literally or under the doctrine of equivalents, every
4 limitation of the properly construed claim”); *Morton Int’l, Inc. v. Cardinal Chem.*
5 *Co.*, 5 F.3d 1464, 1468-69 (Fed. Cir. 1993) (upholding lower court’s finding of non-
6 infringement based on plaintiff’s failure to prove that the accused product met all of
7 the claimed requirements); Dkt. # 504 (March 27, 2014 Order); *Viskase Corp. v. Am.*
8 *Nat. Can Co.*, 261 F.3d 1316, 1323 (Fed. Cir. 2001) (“an invalid claim cannot be
9 infringed”); *Lazare Kaplan Int’l, Inc. v. Photoscribe Techs., Inc.*, 714 F.3d 1289,
10 1295 (Fed. Cir. 2013) (“[n]o accused products can be found liable for infringement of
11 an invalid claim”); *accord Shelcore, Inc. v. Durham Indus., Inc.*, 745 F.2d 621, 628
12 (Fed. Cir. 1984) (“An accused infringer] can incur no liability for ‘infringement’ of
13 invalid claims.”); *Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563, 1583
14 (Fed. Cir. 1983) (“[A]n invalid claim cannot give rise to liability for infringement
15”); *Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1583 (Fed. Cir. 1983) (“[t]he
16 claim being invalid there is nothing to be infringed”).

1 **Dr. Jang’s Objections to Disputed Proposal No. 7**

2 Plaintiff objects to Defendants’ proposed jury instruction because it is drafted
3 to evidence bias by the Court in favor of Defendants’ preferred interpretation of
4 material facts that will be in dispute at trial, and to inject issues that are not properly
5 in dispute at the trial at all. The Court expressly stated that “Counsel should attempt
6 to state issues in ultimate fact form, not in the form of evidentiary fact issues.” (Civil
7 Trial Scheduling Order (Dkt. 547) at 5 (re pretrial conference order).) Yet,
8 Defendants’ proposed jury instruction is improperly phrased to include Defendants’
9 interpretation of evidentiary fact issues. Further, the Court’s Civil Trial Scheduling
10 Order admonishes counsel to “submit the Model instruction” when “a version of a
11 requested instruction” exists. (Civil Trial Scheduling Order (Dkt. 547) at 8.) BSC’s
12 proposed instruction is purportedly based on N.D. Cal. Model Patent Jury Instruction
13 3.3 regarding “Literal Infringement,” but BSC has changed or omitted almost the
14 entirety of the model instruction’s language, including the fact it addresses
15 infringement.

16 Dr. Jang objects to this proposed instruction because it attempts to remove the
17 concept of infringement from the case. The relevant language of the Assignment
18 Agreement is contained within the definition of Contingent Payment Products, which
19 provides in pertinent part:

20 ***Contingent Payment Products*** means any stent . . . the development,
21 manufacture, use, or sale of which is covered by one or more Valid
22 Claims of the Patents in the jurisdiction in which such stent is
23 manufactured or sold or which, but for the assignment made pursuant to
24 this Agreement, would infringe one or more Valid Claims of the Patents.

25 Assignment § 1.1 (emphasis added).

26 As this Court has repeatedly held, the present invalidity of the Jang Patents’
27 claims (resulting from the sham reexamination proceedings contrived by BSC) is
28 irrelevant to Dr. Jang’s breach of contract claims or the fact that those patent claims

1 were valid at the time in which BSC's royalty obligations accrued. (*See* Dkts. 455 at
2 8; 504 at 17 (amended as 555 at 17); 554 at 7.) Thus, whether the Jang Patents'
3 claims would have been infringed but for the Assignment Agreement is at the heart of
4 this litigation.

5 Furthermore, BSC's proposed language ignores the doctrine of equivalents
6 which has been in this case since at least April 2006, as the Court recently held. (Dkt.
7 554 at 9-13.)

8 As an offshoot of its invalidity arguments, BSC argues that Dr. Jang must
9 prove that (1) BSC did not timely challenge the validity of the asserted claims, (2) the
10 date Dr. Jang first asserted that BSC must make Earn Out payments on sales of the
11 Express stents, and (3) the date BSC first provided notice to Dr. Jang that the patent
12 claims would be invalid to the extent that they covered the Express stents. None of
13 these proposed jury instructions are proper because these issues are irrelevant to Dr.
14 Jang's breach of contract claims. Nothing in *Kohle* or other case law indicates any
15 such burden should fall upon Dr. Jang. These are legal issues that should be excluded
16 pursuant to the Court's ruling on the motions *in limine* regarding invalidity (Dkt. 554
17 at 5-7) and as set forth more fully in Dr. Jang's Bench Brief and supporting Reply
18 regarding BSC's purported pre-litigation validity challenges (Dkts. 563, 583) and his
19 trial brief (Dkt. 603), and should not be presented to the jury.

20 BSC is trying to manufacture additional elements to the breach of contract
21 claim that do not exist. If the Express stents are Contingent Payment Products, then
22 BSC had a duty to pay Dr. Jang the amounts due under the contract – plain and
23 simple. The fact that BSC engineered the Jang Patents' current invalidity as a
24 litigation tactic to avoid its contractual obligations merely demonstrates Defendants'
25 bad faith – it does not add to Dr. Jang's burden at trial. If the jury finds that the
26 Express stents infringe the Jang Patents' claims, then the only relevant date for the
27 commencement of BSC's obligations to pay royalties is the date the Assignment
28 Agreement was executed (as BSC admits it already had sales of Express by that

1 execution date). Contrary to BSC’s argument, nothing in the Court’s summary
2 judgment Order (Dkt. 504) implies BSC’s royalty obligations would commence only
3 after Dr. Jang gave notice that Express stents infringed the Jang Patents. Indeed, Dr.
4 Jang was not even required to give such notice before he filed the lawsuit. BSC’s
5 “notice” construct would improperly transform the Assignment Agreement’s
6 objective test (“are the Express stents Contingent Payment Products”) into a
7 subjective test (“was BSC on notice that the Express stents are Contingent Payment
8 Products”). There is no basis for a subjective inquiry under the contract, and BSC’s
9 failure to make the required payments to Dr. Jang does not somehow make it Dr.
10 Jang’s responsibility to give BSC notice of its own contractual obligations.

11 Further, as addressed in Plaintiff’s Bench Brief and Reply regarding BSC’s
12 purported validity challenges (Dkts. 563, 583), BSC should be precluded from
13 arguing or introducing evidence regarding any purported validity challenges prior to
14 the filing of the Complaint.

15 Moreover, as set forth in Dr. Jang’s Trial Brief (Dkt, 603), BSC needed to do
16 more than make a contingent assertion – that if the Jang Patents’ claims are read
17 broadly, then the broad reading would render the claims invalid – to avoid its liability
18 under the doctrine of assignee estoppel. As the Ninth Circuit held in one of the cases
19 the Court cited in its summary judgment Order, it is only “**after the licensee takes an**
20 **affirmative step that would prompt the early adjudication of the validity of the**
21 **patent**” that a licensee can avoid its royalty payment obligations on grounds of
22 invalidity. *Rite-Nail Packaging Corp. v. Berryfast, Inc.*, 706 F.2d 933, 936 (9th Cir.
23 1983) (emphasis added); *see also* Dkt. 504 at 16-17. The *Rite-Nail* Court held that:
24 “Although a licensee need not institute suit challenging the validity of the patent,
25 **mere nonpayment of royalties is not enough. The licensee must clearly notify the**
26 **licensor that the licensee is challenging the patent’s validity.**” *Id.* at 936-37
27 (emphasis added); *see also* *Studiengesellschaft Kohle, M.B.H. v. Shell Oil Co.*, 112
28 F.3d 1561, 1567-68 (Fed. Cir. 1997) (The courts “must prevent the injustice of

1 allowing [the licensee] to exploit the protection of the contract and patent rights and
2 then later to abandon conveniently its obligations under those same rights.”). The
3 Court has noted that the reasoning behind licensee estoppel also extends to assignees
4 under the doctrine of assignee estoppel. (Dkt. 504 at 16 (*quoting Slip Track Sys. v.*
5 *Metal Lite, Inc.*, 113 Fed. Appx. 930, 933 (Fed. Cir. 2004)).) BSC did not take any
6 affirmative actions challenging the validity of the Jang Patents’ claims until October
7 2013 – its “if/then” contingent assertion of possible invalidity did not constitute the
8 “affirmative step that would prompt the early adjudication of the validity of the
9 patent” that would enable BSC to avoid its royalty obligations. *Rite-Nail*, 706 F.2d at
10 936. Dr. Jang’s statement in the Federal Circuit that issues of timing are “key” under
11 *Kohle* is wholly consistent with his position here, which is that those issues have been
12 resolved in this case, dispositively. BSC agrees that Net Sales exceeded \$2.5 billion -
13 -- and thus all possible royalties were due – by no later than May 2005. And as
14 discussed at length in Dr. Jang’s validity briefs and Trial Brief (Dkts. 563, 583, 603),
15 there was no challenge to validity until well after that date.

16 Furthermore, BSC’s assertion in its supporting statement that “Dr. Jang has not
17 provided any proposed jury instruction that addresses these issues” is incorrect.
18 Plaintiff proposed the following jury instructions which more properly address these
19 issues: “Infringement – Burden of Proof,” “Direct Infringement,” “Literal
20 Infringement,” and “Infringement Under the Doctrine of Equivalents.”

21 Considering the above infirmities, Plaintiff objects to Defendants’ proposed
22 instruction in its entirety. Instead, Plaintiff proposes that the parties utilize Agreed
23 Instruction No. 33 (“Infringement – Burden of Proof,”) and his Disputed Instruction
24 Nos. 3, 4 and 6 regarding infringement (“Direct Infringement,” “Literal
25 Infringement,” and “Infringement Under the Doctrine of Equivalents”), as those
26 instructions closely track the language of the model instructions based on the issues
27 in dispute in this case, as directed by the Court.

1 **BSC Statement in Support of Disputed Proposal No. 7**

2 This proposed instruction corrects the problems with Dr. Jang’s proposals of
3 jury instructions that discuss “infringement”, which invite factual and legal errors
4 because they suggest that invalid claims can be infringed.

5 This proposed instruction also is necessary to instruct the jury on the factual
6 findings they must make, in view of the Court’s March 27, 2014 Order. BSC
7 understands from that Order that the Court disagrees that the PTO’s cancellation of
8 the asserted claims resolves or otherwise moots this action and that the Court will
9 submit Dr. Jang’s breach of contract claim to the jury. BSC also understands from
10 that Order that the Court has determined that BSC had a duty to timely challenge the
11 validity of the asserted claims before being relieved of any payment obligations under
12 Sections 3.1(c)-(d). Accordingly, BSC (while preserving its right to appeal) believes
13 that the determination of whether the Express stents are Contingent Payment Products
14 and whether any payments are owed to Dr. Jang is a multi-part inquiry. *First*, Dr.
15 Jang must prove that the Express stents include every limitation of every asserted
16 claim. (*See* Part I(B)(2), *infra*.) *Second*, in view of the facts that the Assignment
17 Agreement did not expressly require payments to Dr. Jang for Express and BSC (the
18 assignee and owner of the patents-in-suit) never made any Earn Out payments for
19 Express, BSC may be held liable for payments to Dr. Jang on the Express stents – if
20 at all – only for the period of time between the first date on which Dr. Jang alleged
21 that BSC must make Earn Out payments on sales of the Express stents and the first
22 date on which BSC provided notice to Dr. Jang that the patent claims would be
23 invalid to the extent that they covered the Express stents. Dr. Jang has not provided
24 any proposed jury instruction that addresses these issues. (BSC incorporates by
25 reference its statements regarding the “timing” issues in Disputed Proposal No. 1,
26 including Dr. Jang’s own admissions to the Federal Circuit that “timing” was “key”
27 under the *Kohle* case he relies upon; *see also* Dkt. # 609.) Thus, the Court should
28 give BSC’s proposed instruction.

[BSC] Disputed Proposal No. 8

Waiver

Dr. Jang cannot sue for breach of contract where he has waived the breach. Waiver is the intentional relinquishment of a known right under the contract. If Dr. Jang intentionally gave up his right to require performance, then he waived the breach and cannot maintain an action for breach of contract. Where a party has unconditionally accepted the benefit of a contract in lieu of demanding substitute performance, he cannot later seek additional performance or claim that there has been a breach of contract.

Given:

Refused:

Given as Modified:

Authority: Massachusetts Superior Court Civil Practice Jury Instruction, § 14.7.3 (2011); *Cueroni v. Coburnville Garage*, 315 Mass. 135, 139 (Mass. 1943).

1 **Dr. Jang’s Objections to Disputed Proposal No. 8**

2 Dr. Jang objects to the proposed Waiver instruction in its entirety. As Dr. Jang
3 discussed in his Trial Brief, the question of waiver should no longer be at issue
4 pursuant to the Court’s summary judgment ruling because the Court held that “§9.8
5 of the Assignment Agreement bars BSC’s argument that Dr. Jang somehow
6 acquiesced to something other than full payment under the Assignment Agreement.”
7 (Dkt. 555 at 20; *see also* Dkt. 603 at 11-12 – Dr. Jang incorporates his Trial Brief by
8 reference as if fully set forth herein.)

9 Dr. Jang also objects to this proposed instruction because it does not take into
10 account the “Amendment and Waiver” provisions found in Assignment Agreement §
11 9.8. These waiver provisions were mutually agreed between the parties and control
12 whether a common-law waiver can exist. In the event the Court overrules Dr. Jang’s
13 objections and allows BSC to present its waiver defense to the jury, Plaintiff asks the
14 Court to only accept this proposed instruction if the following language reflecting the
15 parties’ agreement regarding what can constitute a waiver is included at the end of
16 BSC’s proposed instruction:

17 Assignment Agreement Section 9.8 provides that a waiver cannot
18 occur unless it is by “an instrument in writing signed by an authorized
19 agent of each party.” This section further provides that except under
20 certain written notice exceptions it describes, “no action taken pursuant
21 to this Agreement . . . shall be deemed to constitute a waiver by the party
22 taking such action of compliance with any representation, warranty,
23 covenant or agreement contained in this Agreement.” Therefore, unless
24 both parties signed a written instrument indicating there was a waiver,
25 there cannot be a waiver of a party’s obligations under the Agreement.
26
27
28

1 **BSC Statement in Support of Disputed Proposal No. 8**

2 BSC's proposed jury instruction on waiver follows the language of
3 Massachusetts Superior Court Civil Practice Jury Instruction, § 14.7.3 exactly. Dr.
4 Jang's proposed addition is not properly part of and is not contemplated by
5 Massachusetts Superior Court Civil Practice Jury Instruction § 14.7.3. BSC objects
6 to its inclusion on those grounds, as well as on the grounds that it misstates,
7 mischaracterizes, and incorrectly summarizes provisions of the Assignment
8 Agreement; is prejudicial; and invites factual and legal error. As the remainder of Dr.
9 Jang's statements above, BSC incorporates by reference Dkt. # 609 on the waiver
10 issues, which have not been decided (and could not have been decided given that
11 BSC did not move for summary judgment on its affirmative defense of waiver and
12 Dr. Jang did not move for summary judgment at all).

1 **[JANG] DISPUTED PROPOSAL NO. 9**

2 **Infringement of Open-Ended or “Comprising Claims”**

3 The preamble to the claims of the '021 Patent use the term “comprising” which
4 means “including the following but not excluding others.” Comprising claims are
5 open-ended.

6 If you find that the accused Express stents include all of the limitations in the
7 claims, the fact that those Express stents might include additional components would
8 not avoid literal infringement of such claims.

9
10 Given:

11 Refused:

12 Given as Modified:

13
14 Authority: *Amstar Corp. v. Envirotech Corp.*, 730 F.2d 1476, 1484 (Fed. Cir. 1984),
15 *cert. denied*, 469 U.S. 924 (1984); *AB Dick Co. v. Burroughs Corp.*, 713 F.2d 700,
16 703 (Fed. Cir. 1983), *cert. denied*, 464 U.S. 1042 (1984); *Mannesmann Demag Corp.*
17 *v. Engineered Metal Prods. Co.*, 793 F.2d 1279, 1283 (Fed. Cir. 1986); *Moleculon*
18 *Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1271 (Fed. Cir. 1986), *cert. denied*, 479
19 U.S. 1030 (1987).

1 **BSC Objections to Disputed Proposal No. 9**

2 Dr. Jang provided this proposed instruction to BSC one day before trial, and
3 BSC objects to this proposed based on the untimely disclosure under this Court’s
4 Rules. BSC objects to the reference to “infringement,” which is legal error in view of
5 invalid claims. BSC also objects to this instruction that is not based on any actual
6 model instruction and appears cobbled together from a smattering of cases.

7 BSC further objects to this entire instruction on the same grounds as it disputes
8 the following language in Disputed Instruction No. 5, marked “Dr. Jang’s Proposal”:

9 If the patent claim uses the term “comprising,” that patent claim is to be
10 understood as an open claim. An open claim is infringed as long as every
11 requirement in the claim is present in defendants’ Express stents. The fact that
12 defendants’ Express stents also includes other parts will not avoid
infringement, as long as it has every requirement in the patent claim.

13 Disputed Instruction No. 9, just like the language above in Disputed Instruction No.
14 5, is misleading in the context of the issues to be decided in this case. (See Dkt. # 609
15 at 13-16, discussing claim construction issues and Dr. Jang’s attempt to depart from
16 the constructions that the Court adopted at his urging.) Moreover, if Dr. Jang’s
17 proposed language is included in Disputed Proposal No. 5 over BSC’s objection, then
18 this instruction is entirely unnecessary.

19 In the event that the Court is inclined to permit this instruction over BSC’s
20 objection, then BSC requests that the Court also include the language marked as
21 “BSC’S PROPOSAL” in order to clarify the issues for the jury and correct the
22 misleading statement proposed by Dr. Jang.

23 **[BSC’S PROPOSAL:** When a patent claim includes multiple
24 requirements and lists them separately, the clear implication of the claim
25 language is that each claim element is a distinct component of the
patented invention.]

26 *See Becton Dickinson & Co. v. TYCO Healthcare Grp., LP*, 616 F.3d 1249, 1254
27 (Fed. Cir. 2010).

1 **Dr. Jang’s Statement in Support of Disputed Proposal No. 9**

2 This jury instruction was provided to BSC shortly before trial for the simple
3 reason that BSC belatedly demanded that the glossary entry for “comprising” claims
4 be removed from the proposed juror notebook. As the term is used in the ’021 Patent,
5 but BSC refused to provide guidance to the jury through the alternate format the
6 Court permits (*i.e.*, the juror notebook), it is necessary to inform the jury of the nature
7 of an open-ended claim.

8 BSC’s objection and its alternative proposal do not address the issue of open-
9 ended claims, but instead sidestep it entirely. Accordingly, Dr. Jang respectfully asks
10 the Court to accept his proposed jury instruction “Infringement of Open-Ended or
11 “Comprising Claims” as presented.