IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

GRANT STREET GROUP, INC.,	)	
	)	
Plaintiff,	)	2:09-cv-01407
	)	
v.	)	Judge Mark R. Hornak
	)	
REALAUCTION.COM, LLC,	)	
	)	
Defendant.	)	

COURT'S FINAL JURY INSTRUCTIONS

1. NOW THAT YOU HAVE HEARD ALL OF THE EVIDENCE AND THE ARGUMENTS OF COUNSEL, IT BECOMES MY DUTY, AS JUDGE, TO GIVE YOU THE INSTRUCTIONS OF THE COURT CONCERNING THE LAW APPLICABLE TO THIS CASE. I WILL READ THESE INSTRUCTIONS TO YOU IN OPEN COURT AND YOU WILL HAVE A COPY WITH YOU IN THE JURY ROOM DURING YOUR DELIBERATIONS. SO, TO THE EXTENT THAT YOU TAKE NOTES, KNOW THAT YOU'LL HAVE THESE INSTRUCTIONS SO YOU DON'T HAVE TO NOTE THESE REMARKS IF YOU DON'T WANT TO.

2. IT IS YOUR DUTY, AS JURORS, TO FOLLOW THE LAW AS STATED IN THESE INSTRUCTIONS, AND TO APPLY THE LAW TO THE FACTS AS YOU FIND THEM TO BE FROM THE EVIDENCE IN THIS CASE.

YOU ARE NOT TO SINGLE OUT ANY ONE OF THESE INSTRUCTIONS ALONE AS STATING THE LAW, BUT RATHER YOU MUST CONSIDER THE INSTRUCTIONS AS A WHOLE. YOU ARE NOT TO BE CONCERNED ABOUT THE WISDOM OF ANY RULE OF LAW STATED BY ME. YOU MUST FOLLOW AND APPLY THE LAW.

3. IF THERE IS ANY CONTRADICTION BETWEEN THE PRELIMINARY INSTRUCTIONS I GAVE YOU AT THE BEGINNING OF THE CASE AND THESE FINAL INSTRUCTIONS, PLEASE KEEP IN MIND THAT THESE FINAL INSTRUCTIONS CONTROL AND SHOULD BE FOLLOWED BY YOU IN REACHING YOUR DECISION IN THIS CASE.

4. AT THE OUTSET, YOU SHOULD UNDERSTAND THAT I AM ABSOLUTELY NEUTRAL IN PRESENTING THESE INSTRUCTIONS TO YOU. IT IS NOT MY FUNCTION TO DETERMINE THE FACTS, BUT RATHER, YOURS.

5. YOU MUST PERFORM YOUR DUTIES AS JURORS WITHOUT BIAS OR PREJUDICE AS TO EITHER PARTY. THE LAW DOES NOT PERMIT YOU TO BE GOVERNED BY SYMPATHY, PREJUDICE, OR PUBLIC OPINION. EACH PARTY EXPECTS THAT YOU WILL CAREFULLY AND IMPARTIALLY CONSIDER ALL OF THE EVIDENCE, FOLLOW THE LAW AS

IT IS NOW BEING GIVEN TO YOU, AND REACH A JUST VERDICT, REGARDLESS OF THE CONSEQUENCES.

6. ALL OF THE INSTRUCTIONS OF LAW GIVEN TO YOU BY THE COURT - THOSE GIVEN TO YOU AT THE BEGINNING OF THE TRIAL, THOSE GIVEN TO YOU DURING THE TRIAL, AND THESE FINAL INSTRUCTIONS - - MUST GUIDE AND GOVERN YOUR DELIBERATIONS. REGARDLESS OF ANY OPINION YOU MAY HAVE AS TO WHAT THE LAW IS OR OUGHT TO BE. IT WOULD BE A VIOLATION OF YOUR SWORN DUTY TO BASE A VERDICT UPON ANY VIEW OF THE LAW OTHER THAN THAT GIVEN IN THE INSTRUCTIONS OF THE COURT, JUST AS IT WOULD ALSO BE A VIOLATION OF YOUR SWORN DUTY, AS JUDGES OF THE FACTS, TO BASE A VERDICT UPON ANYTHING OTHER THAN THE EVIDENCE IN THE CASE.

7. SIMPLY BECAUSE A DEFENDANT HAS BEEN SUED DOES NOT MEAN THAT THE DEFENDANT IS LIABLE. ANYONE CAN FILE A LAWSUIT AGAINST ANOTHER. THE FACT THAT PLAINTIFF, GRANT STREET GROUP, INC., FILED A CLAIM AGAINST DEFENDANT, REALAUCTION.COM, LLC, AND PURSUED IT THROUGH THIS TRIAL DOES NOT MEAN THAT REALAUCTION.COM, LLC DID ANYTHING TO

THEM THAT IS WRONG UNDER THE LAW. I THEREFORE INSTRUCT YOU THAT YOU MUST NOT INFER THAT REALAUCTION.COM, LLC DID ANYTHING UNLAWFUL FROM THE MERE FACT THAT THIS LAWSUIT WAS FILED AND BROUGHT TO TRIAL.

8. THE WORD "EVIDENCE" HAS BEEN USED EXTENSIVELY THROUGHOUT THIS TRIAL. YOUR DELIBERATIONS ARE TO BE LIMITED TO THE EVIDENCE ADMITTED FOR YOUR CONSIDERATION IN THIS CASE WHICH CONSISTS OF THE SWORN TESTIMONY OF THE WITNESSES AND ALL DOCUMENTS, PHOTOS, OR OTHER ITEMS THAT MAY HAVE BEEN ADMITTED INTO EVIDENCE OR STIPULATED TO BY THE PARTIES. BECAUSE THE LAWYERS ARE REQUIRED TO PREPARE EXHIBITS LONG BEFORE A TRIAL, THE EXHIBITS ADMITTED AT TRIAL MAY SKIP OVER MANY NUMBERS OR LETTERS. THAT IS NOT A MATTER OF ANY CONCERN TO THE COURT OR YOU.

9. ALSO, I HAVE ADVISED YOU THAT THE RULES OF EVIDENCE PERMIT THE COURT TO ACCEPT CERTAIN FACTS THAT CANNOT REASONABLY BE DISPUTED. THIS IS CALLED JUDICIAL NOTICE. YOU ARE TO ACCEPT AS PROVED SUCH FACTS AS I HAVE STATED TO YOU EVEN THOUGH NO EVIDENCE HAS BEEN INTRODUCED TO PROVE

THOSE FACTS. YOU MUST ACCEPT THESE FACTS AS TRUE FOR PURPOSES OF THIS CASE.

10. CERTAIN THINGS, HOWEVER, ARE NOT EVIDENCE, SUCH AS:

A. OPENING STATEMENTS, ARGUMENTS, QUESTIONS AND COMMENTS BY THE ATTORNEYS REPRESENTING THE PARTIES IN THE CASE AND CLOSING ARGUMENTS ARE NOT EVIDENCE.

B. OBJECTIONS ARE NOT EVIDENCE. LAWYERS HAVE A RIGHT TO OBJECT WHEN THEY BELIEVE SOMETHING IS IMPROPER. ONLY BY RAISING AN OBJECTION CAN A LAWYER REQUEST AND OBTAIN A RULING FROM THE COURT ON THE ADMISSIBILITY OF THE EVIDENCE BEING OFFERED BY THE OTHER SIDE. YOU SHOULD NOT BE INFLUENCED AGAINST AN ATTORNEY OR HIS CLIENT BECAUSE THE ATTORNEY HAS MADE OBJECTIONS. DO NOT ATTEMPT, MOREOVER, TO INTERPRET MY RULINGS ON OBJECTIONS AS SOMEHOW INDICATING TO YOU WHO I BELIEVE SHOULD WIN OR LOSE THE CASE. IF I SUSTAINED AN OBJECTION TO A QUESTION, YOU MUST IGNORE THE QUESTION AND MUST NOT TRY TO GUESS WHAT THE ANSWER MIGHT HAVE BEEN.

C. TESTIMONY THAT WAS STRICKEN FROM THE RECORD, OR THAT I TOLD YOU TO DISREGARD, IS NOT EVIDENCE AND MUST NOT BE CONSIDERED AS SUCH.

D. ANYTHING YOU MAY HAVE SEEN OR HEARD ABOUT THIS CASE OUTSIDE THE COURTROOM IS NOT EVIDENCE.

11. GENERALLY SPEAKING, THERE ARE TWO TYPES OF EVIDENCE THAT ARE GENERALLY PRESENTED DURING A TRIAL - DIRECT EVIDENCE AND CIRCUMSTANTIAL EVIDENCE. "DIRECT EVIDENCE" IS DIRECT PROOF OF A FACT, SUCH AS TESTIMONY BY A WITNESS ABOUT WHAT THE WITNESS SAID OR SAW OR HEARD OR DID, ESSENTIALLY WHAT THE WITNESS PERSONALLY KNOWS. THE EVIDENCE IN THIS CASE CONSISTS NOT ONLY OF THE TESTIMONY FROM THE WITNESSES AND THE DOCUMENTS WHICH HAVE BEEN OFFERED INTO EVIDENCE AND SHOWN TO YOU, BUT ALSO INCLUDES SUCH FAIR AND REASONABLE INFERENCES AS PROPERLY FLOW FROM THE FACTS WHICH ARE NOT DISPUTED OR WHICH YOU BELIEVE TO BE TRUE. THIS IS SOMETIMES REFERRED TO AS "CIRCUMSTANTIAL EVIDENCE" AND IS SIMPLY INDIRECT PROOF OF ONE OR MORE FACTS FROM WHICH YOU COULD FIND ANOTHER FACT. REMEMBER MY RAIN

EXAMPLE FROM THE PRELIMINARY INSTRUCTIONS. ALTHOUGH YOU CAN HARDLY SEE OUTSIDE FROM THIS ROOM, IF ONE OR MORE PERSONS WALKED IN WITH A WET TRENCH COAT OR DRIPPING UMBRELLA, IT WOULD BE REASONABLE AND LOGICAL TO CONCLUDE FROM THAT CIRCUMSTANTIAL OR INDIRECT EVIDENCE THAT IT HAD BEEN RAINING OUTSIDE.

12. YOU SHOULD CONSIDER BOTH KINDS OF EVIDENCE. THE LAW MAKES NO DISTINCTION BETWEEN THE WEIGHT TO BE GIVEN TO EITHER DIRECT OR CIRCUMSTANTIAL EVIDENCE. WHILE YOU MAY CONSIDER ONLY THE EVIDENCE IN THE CASE IN ARRIVING AT YOUR VERDICT, YOU ARE PERMITTED TO DRAW SUCH REASONABLE INFERENCES FROM THE TESTIMONY AND EXHIBITS AS YOU FEEL ARE JUSTIFIED IN THE LIGHT OF COMMON SENSE. YOU ARE TO DECIDE HOW MUCH WEIGHT TO GIVE ANY EVIDENCE.

13. YOU, LADIES AND GENTLEMEN OF THE JURY, SHOULD DRAW UPON YOUR OWN EXPERIENCES IN LIFE AND YOUR OWN COMMON SENSE IN INTERPRETING THE FACTS WHICH HAVE BEEN PRESENTED BY THE PARTIES IN THE CASE. IN OTHER WORDS, YOU MAY REACH CONCLUSIONS WHICH REASON AND COMMON SENSE LEAD YOU TO

REACH FROM THE FACTS WHICH HAVE BEEN ESTABLISHED BY THE EVIDENCE IN THE CASE.

14. YOU HAVE ALSO HEARD FROM WITNESSES WHO GAVE OPINIONS ABOUT MATTERS REQUIRING SPECIAL KNOWLEDGE OR SKILL. YOU SHOULD JUDGE THIS TESTIMONY IN THE SAME WAY THAT YOU JUDGE THE TESTIMONY OF ANY OTHER WITNESS. THE FACT THAT SUCH PERSON HAS GIVEN AN OPINION DOES NOT MEAN THAT YOU ARE REQUIRED TO ACCEPT IT. GIVE THE TESTIMONY WHATEVER WEIGHT YOU THINK IT DESERVES, CONSIDERING THE REASONS GIVEN FOR THE OPINION, THE WITNESS'S QUALIFICATIONS, AND ALL OF THE OTHER EVIDENCE IN THE CASE.

15. I HAVE SAID THAT YOU MUST CONSIDER ALL OF THE EVIDENCE. THIS DOES NOT MEAN, HOWEVER, THAT YOU MUST ACCEPT ALL OF THE EVIDENCE AS TRUE OR ACCURATE.

16. IN ORDER TO ARRIVE AT THE TRUE FACTS, AND DRAW THE REASONABLE AND PROPER INFERENCES THEREFROM, YOU MUST PASS UPON THE CREDIBILITY, THAT IS, THE BELIEVABILITY, OF EACH WITNESS. YOU, AS JURORS, ARE THE SOLE JUDGES OF THE

CREDIBILITY OF THE WITNESSES AND THE WEIGHT THEIR TESTIMONY DESERVES.

17. YOU MAY BE GUIDED BY THE APPEARANCE AND CONDUCT OF THE WITNESS, OR THE MANNER IN WHICH THE WITNESS TESTIFIES, OR BY THE CHARACTER OF THE TESTIMONY GIVEN, OR BY EVIDENCE TO THE CONTRARY OF TESTIMONY GIVEN.

18. YOU SHOULD CAREFULLY SCRUTINIZE ALL THE TESTIMONY GIVEN, THE CIRCUMSTANCES UNDER WHICH EACH WITNESS HAS TESTIFIED, AND EVERY MATTER IN EVIDENCE WHICH TENDS TO SHOW WHETHER A WITNESS IS WORTHY OF BELIEF. CONSIDER EACH WITNESS' INTELLIGENCE, MOTIVE AND STATE OF MIND, AND DEMEANOR OR MANNER WHILE ON THE STAND. CONSIDER THE WITNESS' ABILITY TO OBSERVE THE MATTERS AS TO WHICH HE OR SHE HAS TESTIFIED AND WHETHER HE OR SHE IMPRESSES YOU AS HAVING AN ACCURATE RECOLLECTION OF THESE MATTERS.

19. CONSIDER ALSO ANY RELATION EACH WITNESS MAY BEAR TO EITHER SIDE OF THE CASE; THE MANNER IN WHICH EACH WITNESS MIGHT BE AFFECTED BY THE VERDICT; AND THE EXTENT TO WHICH, IF

AT ALL, EACH WITNESS IS EITHER SUPPORTED OR CONTRADICTED BY OTHER EVIDENCE IN THE CASE.

20. YOU SHOULD CONSIDER WHETHER THE WITNESS GAVE FRANK AND STRAIGHTFORWARD ANSWERS TO THE QUESTIONS OR WHETHER THE ANSWERS WERE EVASIVE OR MISLEADING. YOU SHOULD CONSIDER THE CREDIBILITY OF A WITNESS IN THE LIGHT OF CONTRADICTORY TESTIMONY, IF ANY.

21. IN CONSIDERING THE EVIDENCE, YOU MAY FIND INCONSISTENCIES OR DISCREPANCIES IN THE TESTIMONY OF A WITNESS, OR BETWEEN THE TESTIMONY OF DIFFERENT WITNESSES, WHICH MAY OR MAY NOT CAUSE YOU, THE JURY, TO DISCREDIT SUCH TESTIMONY. TWO OR MORE PERSONS WITNESSING AN EVENT OR A TRANSACTION MAY SEE OR HEAR IT DIFFERENTLY; AN INNOCENT MISRECOLLECTION, LIKE FAILURE OF RECOLLECTION, IS NOT AN UNCOMMON EXPERIENCE. IN WEIGHING THE EFFECT OF A DISCREPANCY, ALWAYS CONSIDER WHETHER IT PERTAINS TO A MATTER OF IMPORTANCE OR AN UNIMPORTANT DETAIL, AND WHETHER THE DISCREPANCY RESULTS FROM INNOCENT ERROR OR INTENTIONAL FALSEHOOD.

22. EVEN ACTUAL CONTRADICTIONS IN THE TESTIMONY OF WITNESSES DO NOT NECESSARILY MEAN THAT A WITNESS HAS BEEN WILLFULLY FALSE. POOR MEMORY IS NOT UNCOMMON. SOMETIMES A WITNESS FORGETS; SOMETIMES ONE REMEMBERS INCORRECTLY. IT IS ALSO TRUE THAT TWO PERSONS WITNESSING AN INCIDENT MAY SEE OR HEAR IT DIFFERENTLY.

23. IF DIFFERENT PARTS OF THE TESTIMONY OF ANY WITNESS OR WITNESSES APPEAR TO BE INCONSISTENT, YOU THE JURY SHOULD TRY TO RECONCILE THE CONFLICTING STATEMENTS, WHETHER OF THE SAME OR DIFFERENT WITNESSES, AND YOU SHOULD DO SO IF IT CAN BE DONE FAIRLY AND SATISFACTORILY.

24. IF, HOWEVER, YOU DECIDE THAT THERE IS A GENUINE AND IRRECONCILABLE CONFLICT OF TESTIMONY, IT IS YOUR FUNCTION AND DUTY TO DETERMINE WHICH, IF ANY, OF THE CONTRADICTORY STATEMENTS YOU WILL BELIEVE.

25. A WITNESS MAY BE DISCREDITED OR IMPEACHED BY CONTRADICTORY EVIDENCE OR BY EVIDENCE THAT AT SOME OTHER TIME THE WITNESS HAS SAID OR DONE SOMETHING, OR HAS FAILED TO SAY OR DO SOMETHING THAT IS INCONSISTENT WITH THE

WITNESS' PRESENT TESTIMONY. IF YOU BELIEVE ANY WITNESS HAS BEEN IMPEACHED AND THUS DISCREDITED, YOU MAY GIVE THE TESTIMONY OF THAT WITNESS SUCH CREDIBILITY, IF ANY, YOU THINK IT MAY DESERVE.

26. IF YOU DECIDE THAT A WITNESS HAS DELIBERATELY FALSIFIED TESTIMONY ON A SIGNIFICANT POINT, YOU SHOULD TAKE THIS INTO CONSIDERATION IN DECIDING WHETHER OR NOT TO BELIEVE THE REST OF THE TESTIMONY; AND YOU MAY REFUSE TO BELIEVE THE REST OF THE TESTIMONY, BUT YOU ARE NOT REQUIRED TO DO SO.

27. YOU ARE NOT REQUIRED TO ACCEPT TESTIMONY, EVEN THOUGH THE TESTIMONY IS UNCONTRADICTED AND THE WITNESS IS NOT DISCREDITED. FOR EXAMPLE, YOU MAY DECIDE, BECAUSE OF THE WITNESS' BEARING AND DEMEANOR, BECAUSE OF THE INHERENT IMPROBABILITY OF HIS OR HER TESTIMONY, OR BECAUSE OF THE WITNESS' TESTIMONY ON OTHER SUBJECTS, THAT SUCH TESTIMONY IS NOT WORTHY OF BELIEF.

28. DURING THIS TRIAL, YOU HAVE HEARD THE TERM "DEPOSITION" USED BY THE LAWYERS. A DEPOSITION IS SIMPLY THE

SWORN TESTIMONY OF A PERSON TAKEN BY THE ATTORNEYS DURING THE PENDENCY OF A LAWSUIT. THE TRANSCRIPT OR VIDEOTAPE OF THAT TESTIMONY MAY BE PRESENTED IN THIS TRIAL IF THE PERSON OR WITNESS IS NOT AVAILABLE TO APPEAR OR IF THE WITNESS APPEARS AND TESTIFIES TO SOMETHING DIFFERENTLY THAN PREVIOUSLY TESTIFIED UNDER OATH. IN THAT EVENT THE DEPOSITION TRANSCRIPT MAY BE USED TO TRY TO ESTABLISH A PRIOR INCONSISTENT STATEMENT OR OTHERWISE AFFECT THE CREDIBILITY OR BELIEVABILITY OF THE WITNESS.

29. ALSO, THE WEIGHT OF EVIDENCE IS NOT NECESSARILY DETERMINED BY THE NUMBER OF WITNESSES TESTIFYING TO THE EXISTENCE OR NON-EXISTENCE OF ANY FACT OR THE NUMBER OF EXHIBITS OFFERED BY A PARTY. YOU MAY FIND THAT THE TESTIMONY OF A SMALLER NUMBER OF WITNESSES AS TO ANY FACT IS MORE CREDIBLE THAN THE TESTIMONY OF A LARGER NUMBER OF WITNESSES TO THE CONTRARY.

30. AFTER MAKING YOUR OWN JUDGMENT, YOU WILL GIVE THE TESTIMONY OF EACH WITNESS SUCH WEIGHT, IF ANY, AS YOU THINK

IT MAY DESERVE. IN SHORT, YOU MAY ACCEPT OR REJECT THE TESTIMONY OF ANY WITNESS IN WHOLE OR IN PART.

31. THE LAW DOES NOT REQUIRE ANY PARTY TO CALL AS WITNESSES ALL PERSONS WHO MAY HAVE BEEN PRESENT AT ANY TIME OR PLACE INVOLVED IN THE CASE, OR WHO MAY APPEAR TO HAVE SOME KNOWLEDGE OF THE MATTERS AT ISSUE AT THIS TRIAL. GENERALLY, ALL WITNESSES ARE AVAILABLE TO ALL PARTIES AND NO NEGATIVE INFERENCE IS TO BE DRAWN BY YOU FROM THE FACT THAT CERTAIN POTENTIAL WITNESSES WERE NOT CALLED BY EITHER SIDE TO TESTIFY. ALSO, THE LAW DOES NOT REQUIRE ANY PARTY TO PRODUCE AS EXHIBITS ALL PAPERS AND THINGS MENTIONED IN THE CASE. THE PARTIES AND THEIR LAWYERS DECIDE WHICH WITNESS TESTIMONY AND EVIDENCE TO PRESENT AT TRIAL AND SUCH TESTIMONY AND EVIDENCE MAY BE LIMITED AT TIMES BY THE RULES OF EVIDENCE ENFORCED BY THE COURT. HOWEVER, YOU MUST DECIDE THE ISSUES IN THE CASE BASED ONLY UPON THE TESTIMONY AND EVIDENCE WHICH HAS BEEN PRESENTED TO YOU HERE IN THE COURTROOM.

32. I WILL NOW INSTRUCT YOU MORE FULLY ON THE ISSUES YOU MUST ADDRESS IN THIS CASE.

CONTENTIONS OF THE PARTIES

33. AS YOU HAVE ALREADY HEARD, THIS IS A CASE ASSERTING THE INFRINGEMENT OF UNITED STATES PATENT NO. 7,523,063, WHICH I WILL CALL THE '063 PATENT. THE PLAINTIFF IN THIS CASE IS GRANT STREET. GRANT STREET HAS ACCUSED THE DEFENDANT, REALAUCTION, OF INFRINGING GRANT STREET'S '063 PATENT BY USING PATENTED METHODS TO CONDUCT COMPUTER-MEDIATED AUCTIONS OF FINANCIAL OR LEGAL INSTRUMENTS OVER AN ELECTRONIC NETWORK.

34. GRANT STREET ACCUSES REALAUCTION OF USING TWO PRODUCTS -- REALFORECLOSE AND REALTAXLIEN – TO INFRINGE CERTAIN CLAIMS OF THE '063 PATENT. SPECIFICALLY, GRANT STREET ARGUES THAT REALFORECLOSE INFRINGES CLAIMS 1, 11, 15, 22, 23, 35, AND 39 OF THE '063 PATENT, AND REALTAXLIEN INFRINGES CLAIMS 1, 22, 35 AND 39 THE '063 PATENT. WE WILL REFER TO THESE SPECIFIC CLAIMS AS THE "ASSERTED CLAIMS." GRANT STREET IS ENTITLED TO

MONEY DAMAGES IF IT PROVES THESE ALLEGATIONS. GRANT STREET ALSO ARGUES THAT REALAUCTION'S INFRINGEMENT OF THIS PATENT HAS BEEN WILLFUL.

35. REALAUCTION DENIES THAT IT IS INFRINGING ANY OF THE ASSERTED CLAIMS OF THE '063 PATENT BY USING EITHER REALFORECLOSE OR REALTAXLIEN AND, THEREFORE, REALAUCTION BELIEVES THAT GRANT STREET IS NOT ENTITLED TO ANY MONEY DAMAGES.

36. REALAUCTION ALSO ARGUES THAT EACH OF THE ASSERTED CLAIMS OF THE '063 PATENT IS INVALID. REALAUCTION ARGUES THAT THE CLAIMS ARE INVALID FOR TWO REASONS: FIRST, THAT ALL THE ASSERTED CLAIMS ARE INVALID FOR BEING ANTICIPATED OR MADE OBVIOUS BY THE PRIOR ART; AND SECOND, THAT THE CLAIMS FAIL TO MEET THE WRITTEN DESCRIPTION REQUIREMENT. IF A CLAIM IS INVALID, THEN REALAUCTION CANNOT INFRINGE THE CLAIM AS A MATTER OF LAW.

37. GRANT STREET DISAGREES THAT THE CLAIMS OF THE '063 PATENT ARE INVALID.

38. YOUR TASK IS TO DECIDE WHETHER REALAUCTION HAS INFRINGED THE ASSERTED CLAIMS OF THE ‘063 PATENT AND WHETHER ANY OF THE ASSERTED CLAIMS OF THE ‘063 PATENT ARE INVALID. IF YOU DECIDE THAT ANY OF THE ASSERTED CLAIMS OF THE ‘063 PATENT HAVE BEEN INFRINGED AND ARE NOT INVALID (IN OTHER WORDS, IF YOU DECIDE THAT ANY OF THE ASSERTED CLAIMS ARE BOTH VALID AND INFRINGED), THEN YOU WILL NEED TO DECIDE THE AMOUNT OF MONEY DAMAGES THAT SHOULD BE AWARDED TO GRANT STREET TO COMPENSATE IT FOR THE INFRINGEMENT.

39. IF YOU DECIDE THAT REALAUCTION HAS INFRINGED A VALID CLAIM, YOU ALSO WILL NEED TO MAKE A FINDING AS TO WHETHER THE INFRINGEMENT WAS WILLFUL. IF YOU DECIDE THAT ANY INFRINGEMENT WAS WILLFUL, THAT DECISION SHOULD NOT AFFECT ANY DAMAGES AWARD YOU GIVE. I WILL DISCUSS WILLFULNESS LATER.

40. ALL PATENTS ISSUED BY THE UNITED STATES PATENT AND TRADEMARK OFFICE ARE PRESUMED TO BE VALID. INVALIDITY, HOWEVER, IS A DEFENSE TO INFRINGEMENT. THEREFORE, EVEN THOUGH THE PATENT OFFICE EXAMINER HAS ALLOWED THE CLAIMS

OF PATENT ‘063, YOU, THE JURY, HAVE THE ULTIMATE RESPONSIBILITY FOR DECIDING WHETHER THE CLAIMS ARE INVALID. REALAUCTION HAS THE BURDEN OF PROVING THAT A PATENT CLAIM IS INVALID BY CLEAR AND CONVINCING EVIDENCE. THIS IS A HIGHER STANDARD THAN A PREPONDERANCE OF THE EVIDENCE. I WILL NOW DISCUSS THOSE STANDARDS.

BURDENS OF PROOF

PREPONDERANCE OF THE EVIDENCE

41. GRANT STREET HAS THE BURDEN OF PROVING INFRINGEMENT AND DAMAGES BY A PREPONDERANCE OF THE EVIDENCE. SOMETHING IS PROVEN BY A PREPONDERANCE OF THE EVIDENCE IF IT IS SHOWN THAT IT IS MORE LIKELY TO BE TRUE THAN NOT TRUE. TO PUT IT DIFFERENTLY, IF YOU WERE TO PUT GRANT STREET’S INFRINGEMENT EVIDENCE AND REALAUCTION’S NON-INFRINGEMENT EVIDENCE ON THE OPPOSITE SIDES OF A SCALE, THE EVIDENCE SUPPORTING GRANT STREET’S CLAIMS WOULD HAVE TO MAKE THE SCALES TIP JUST SOMEWHAT ON GRANT STREET’S SIDE FOR YOU TO FIND INFRINGEMENT.

42. IF YOU FIND THE PATENTS ARE INFRINGED AND NOT INVALID, GRANT STREET'S BURDEN OF PROOF FOR PROVING ITS DAMAGES IS THE SAME STANDARD -- A PREPONDERANCE OF THE EVIDENCE.

CLEAR AND CONVINCING EVIDENCE

43. SOME OF THE CLAIMS AND DEFENSES HERE MUST BE PROVEN BY CLEAR AND CONVINCING EVIDENCE. IT IS A HIGHER STANDARD OF PROOF THAN "PREPONDERANCE OF THE EVIDENCE." CLEAR AND CONVINCING EVIDENCE IS EVIDENCE THAT SHOWS THAT SOMETHING IS HIGHLY PROBABLE TO BE THE CASE. IN OTHER WORDS, IT IS EVIDENCE THAT LEAVES YOU WITH A CLEAR CONVICTION THAT THE FACT HAS BEEN PROVEN.

44. REALAUCTION IS ASSERTING THAT GRANT STREET'S '063 PATENT IS INVALID FOR VARIOUS REASONS. TO PROVE THAT ANY CLAIM OF THE '063 PATENT IS INVALID, REALAUCTION MUST PERSUADE YOU BY CLEAR AND CONVINCING EVIDENCE THAT IT IS SO. THAT IS, YOU MUST BE LEFT WITH A CLEAR CONVICTION THAT THE CLAIM IS INVALID.

45. GRANT STREET IS ASSERTING THAT REALAUCTION INFRINGED THE ‘063 PATENT AND THAT SUCH INFRINGEMENT WAS WILLFUL. THUS, IF YOU FIND THAT REALAUCTION INFRINGED, YOU MUST THEN CONSIDER WHETHER THE INFRINGEMENT WAS WILLFUL. GRANT STREET MUST PROVE WILLFULNESS BY CLEAR AND CONVINCING EVIDENCE, THAT IS YOU MUST BE LEFT WITH A CLEAR CONVICTION THAT ANY INFRINGEMENT WAS WILLFUL TO FIND WILLFULLNESS.

46. YOU MAY HAVE HEARD ELSEWHERE OF THE PHRASE BEYOND A REASONABLE DOUBT. THAT BURDEN DOES NOT APPLY TO ANYTHING AT ALL IN THIS CASE. IT APPLIES ONLY IN CRIMINAL CASES. THE CLEAR AND CONVINCING STANDARD OF PROOF DOES NOT REQUIRE PROOF BEYOND A REASONABLE DOUBT. ON A SCALE OF THESE VARIOUS STANDARDS OF PROOF, AS YOU MOVE FROM PREPONDERANCE OF THE EVIDENCE, WHERE THE PROOF NEED ONLY BE SUFFICIENT TO TIP THE SCALE IN FAVOR OF THE PARTY PROVING THE FACT, TO BEYOND A REASONABLE DOUBT, WHERE THE FACT MUST BE PROVEN TO A VERY HIGH DEGREE OF CERTAINTY, YOU MAY

THINK OF CLEAR AND CONVINCING EVIDENCE AS BEING BETWEEN THE TWO STANDARDS.

CLAIM CONSTRUCTION - GENERALLY

47. BEFORE YOU CAN DECIDE MANY OF THE ISSUES IN THIS CASE, YOU WILL NEED TO UNDERSTAND THE ROLE OF PATENT "CLAIMS." THE PATENT CLAIMS ARE THE NUMBERED SENTENCES AT THE END OF THE PATENT. THE CLAIMS ARE IMPORTANT BECAUSE IT IS THE WORDS OF THE CLAIMS THAT DEFINE WHAT A PATENT COVERS. THE FIGURES AND TEXT IN THE REST OF THE PATENT PROVIDE A DESCRIPTION AND/OR EXAMPLES OF THE INVENTION AND PROVIDE A CONTEXT FOR THE CLAIMS, BUT IT IS THE CLAIMS THAT DEFINE THE BREADTH OF THE PATENT'S COVERAGE. EACH CLAIM IS EFFECTIVELY TREATED AS IF IT WAS A SEPARATE PATENT, AND EACH CLAIM MAY COVER MORE OR LESS THAN ANOTHER CLAIM. THEREFORE, WHAT A PATENT COVERS DEPENDS, IN TURN, ON WHAT EACH OF ITS CLAIMS COVERS.

48. YOU WILL FIRST NEED TO UNDERSTAND WHAT EACH CLAIM COVERS IN ORDER TO DECIDE WHETHER OR NOT THERE IS

INFRINGEMENT OF THE CLAIM AND TO DECIDE WHETHER OR NOT THE CLAIM IS INVALID. THE LAW SAYS THAT IT IS MY ROLE TO DEFINE THE TERMS OF THE CLAIMS AND IT IS YOUR ROLE TO APPLY MY DEFINITIONS TO THE ISSUES THAT YOU ARE ASKED TO DECIDE IN THIS CASE. THEREFORE, I HAVE DETERMINED THE MEANING OF THE CLAIMS AND I WILL PROVIDE TO YOU MY DEFINITIONS OF CERTAIN CLAIM TERMS. YOU MUST ACCEPT MY DEFINITIONS OF THESE WORDS IN THE CLAIMS AS BEING CORRECT. IT IS YOUR JOB TO TAKE THESE DEFINITIONS AND APPLY THEM TO THE ISSUES THAT YOU ARE DECIDING, INCLUDING THE ISSUES OF INFRINGEMENT AND VALIDITY.

HOW A CLAIM DEFINES WHAT IT COVERS

49. I WILL NOW EXPLAIN HOW A CLAIM DEFINES WHAT IT COVERS. A CLAIM SETS FORTH, IN WORDS, A SET OF REQUIREMENTS. EACH CLAIM SETS FORTH ITS REQUIREMENTS IN A SINGLE SENTENCE. IF A DEVICE OR A METHOD SATISFIES EACH OF THESE REQUIREMENTS, THEN IT IS COVERED BY THE CLAIM.

50. THERE CAN BE SEVERAL CLAIMS IN A PATENT. EACH CLAIM MAY BE NARROWER OR BROADER THAN ANOTHER CLAIM BY SETTING FORTH MORE OR FEWER REQUIREMENTS. THE COVERAGE OF A

PATENT IS ASSESSED CLAIM-BY-CLAIM. IN PATENT LAW, THE REQUIREMENTS OF A CLAIM ARE OFTEN REFERRED TO AS "CLAIM ELEMENTS" OR "CLAIM LIMITATIONS." WHEN A THING (SUCH AS A PRODUCT OR A METHOD) MEETS ALL OF THE REQUIREMENTS OF A CLAIM, THE CLAIM IS SAID TO "COVER" THAT THING, AND THAT THING IS SAID TO "FALL" WITHIN THE SCOPE OF THAT CLAIM. IN OTHER WORDS, A CLAIM COVERS A PRODUCT OR METHOD WHERE EACH OF THE CLAIM ELEMENTS OR LIMITATIONS IS PRESENT IN THAT PRODUCT OR METHOD.

51. SOMETIMES THE WORDS IN A PATENT CLAIM ARE DIFFICULT TO UNDERSTAND, AND THEREFORE IT IS DIFFICULT TO UNDERSTAND WHAT REQUIREMENTS THESE WORDS IMPOSE. IT IS MY JOB TO EXPLAIN TO YOU THE MEANING OF THE WORDS IN THE CLAIMS AND THE REQUIREMENTS THESE WORDS IMPOSE.

52. BY UNDERSTANDING THE MEANING OF THE WORDS IN A CLAIM AND BY UNDERSTANDING THAT THE WORDS IN A CLAIM SET FORTH THE REQUIREMENTS THAT A PRODUCT OR METHOD MUST MEET IN ORDER TO BE COVERED BY THAT CLAIM, YOU WILL BE ABLE TO UNDERSTAND THE SCOPE OF COVERAGE FOR EACH CLAIM. ONCE

YOU UNDERSTAND WHAT EACH CLAIM COVERS, THEN YOU ARE BETTER PREPARED TO DECIDE THE ISSUES THAT YOU WILL BE ASKED TO DECIDE, SUCH AS INFRINGEMENT AND INVALIDITY.

53. I WILL NOW EXPLAIN TO YOU THE MEANING OF SOME OF THE WORDS OF THE CLAIMS IN THIS CASE. IN DOING SO, I WILL EXPLAIN SOME OF THE REQUIREMENTS OF THE CLAIMS.

54. THE MEANING AND SCOPE OF EACH OF THE PATENT CLAIMS IS A QUESTION OF LAW FOR ME TO DECIDE. AS I HAVE PREVIOUSLY INSTRUCTED YOU, YOU MUST ACCEPT MY DEFINITION OF THESE WORDS IN THE CLAIMS AS CORRECT, AND YOU MUST GIVE THE CLAIMS THE SCOPE MY INTERPRETATIONS GIVE THEM. FROM TIME TO TIME THE LAWYERS IN THEIR ARGUMENTS, OR THE WITNESSES IN THEIR TESTIMONY, MAY HAVE SUGGESTED WHAT THEY BELIEVED THE MEANING OR SCOPE OF A GIVEN PATENT CLAIM TO BE. THEIR INTERPRETATIONS CANNOT DETERMINE THE MEANING OR SCOPE OF A CLAIM. THEREFORE, IF YOU BELIEVE THAT ANY WITNESS OR LAWYER MADE A REFERENCE TO THE MEANING OR SCOPE OF A CLAIM THAT IS CONTRARY TO WHAT I HAVE SAID THE MEANING OR SCOPE OF A CLAIM IS, YOU MUST ABIDE BY WHAT I HAVE STATED.

55. FOR ANY WORDS IN THE CLAIM FOR WHICH I HAVE NOT PROVIDED YOU WITH A DEFINITION, YOU SHOULD APPLY THEIR COMMON MEANING. YOU SHOULD NOT TAKE MY DEFINITION OF THE LANGUAGE OF THE CLAIMS AS AN INDICATION THAT I HAVE A VIEW REGARDING HOW YOU SHOULD DECIDE THE ISSUES THAT YOU ARE BEING ASKED TO DECIDE, SUCH AS INFRINGEMENT AND INVALIDITY. THOSE ISSUES ARE YOURS TO DECIDE. YOU HAVE BEEN PROVIDED A CHART OF THE CLAIM TERMS THAT I HAVE DEFINED. THE CLAIM TERMS AND THEIR DEFINITIONS WILL ALSO BE IN THE COPY OF MY INSTRUCTIONS THAT WILL BE GIVEN TO THE JURY.

56.

Claim Term	**Construction**
Financial Instrument	A bond, note, equity, commercial paper. It includes an instrument that is similar to those named in the group.
Legal Instrument	A document that has legal meaning and that is associated with a financial instrument
Enforcing at least one condition bidders must satisfy to submit competing bids	Enforcing at least one requirement bidders must satisfy to submit competing bids
Enforcing at least one condition competing bids must satisfy	Enforcing at least one requirement competing bids must satisfy

Providing a centralized time indication	Providing a centralized time indication with respect to current official auction clock time
Receiving, over the network, bids from bidders using said networked devices	Receiving bids from bidders over an electronic network using devices that are networked
Enabling bidders to modify their bid inputs	Providing a way for bidders to modify their bid after the bid has been entered
Permitting comparison of received bids	Permitting a comparison of one bid received against another received bid
Providing information allowing for display of at least the best bid	Providing information allowing for display of the best bid. The determination of what is “best” is determined by what the auction refers to as a “best” bid
Including enabling bidders to supply conditions to their bids	Providing a way for bidders to give condition to their bids
Further including performing, for bidders, calculations using bid related inputs	Performing for bidders calculations using bid related inputs
Wherein the bidding period may be extended after bidding begins	The bidding period may be extended after bidding begins

Wherein one or more menu-driven web pages are employed to create and modify auction parameters	One or more menu-driven web pages are employed to create and modify auction parameters. An example (but not a limiting example of a menu-driven) is an administrative menu illustrated in Fig. 3C. This menu is used to create or modify a number of things such as parameters. An example of parameters (but not a limiting example of parameters) are materials or specification in a notice of sale (e.g., price or coupon parameters)
Further including communicating signals relating to said auction over a network at least in part using Hypertext Transfer Protocol	Communicating signals relating to the auction over a network at least in part using Hypertext Transfer Protocol

THAT CONCLUDES MY LIST OF CLAIM DEFINITIONS.

INFRINGEMENT IN GENERAL

57. I WILL NOW INSTRUCT YOU AS TO THE RULES YOU MUST FOLLOW WHEN DECIDING WHETHER GRANT STREET HAS PROVEN THAT REALAUCTION'S USE OF THE REALFORECLOSE AND/OR REALTAXLIEN PRODUCT INFRINGES ANY OF THE ASSERTED CLAIMS OF THE '063 PATENT.

58. PERSONS OTHER THAN THE PATENT OWNER MAY NOT USE AN INVENTION COVERED BY ITS PATENT CLAIMS DURING THE LIFE OF THE PATENT WITHOUT THE OWNER'S PERMISSION. DOING SO IS CALLED INFRINGEMENT.

59. IN ORDER TO PROVE INFRINGEMENT, GRANT STREET MUST PROVE BY A PREPONDERANCE OF THE EVIDENCE THAT REALAUCTION'S REALFORECLOSE AND/OR REALTAXLIEN PRODUCTS MEET ALL OF THE REQUIREMENTS OF AT LEAST ONE ASSERTED PATENT CLAIM. YOU MUST COMPARE REALAUCTION'S PRODUCTS WITH EACH AND EVERY ONE OF THE REQUIREMENTS OF A PATENT CLAIM TO DETERMINE WHETHER ALL OF THE REQUIREMENTS OF THAT CLAIM ARE MET. IF A PRODUCT IS MISSING ONE OR MORE OF THE REQUIREMENTS RECITED IN A CLAIM, THAT PARTICULAR CLAIM IS NOT INFRINGED.

60. INFRINGEMENT IS DETERMINED ON A CLAIM-BY-CLAIM BASIS. THEREFORE, THERE MAY BE INFRINGEMENT AS TO ONE CLAIM BUT NO INFRINGEMENT AS TO ANOTHER. HERE, GRANT STREET ASSERTS THAT REALAUCTION INFRINGED AND CONTINUES TO INFRINGE THE ASSERTED CLAIMS OF THE '063 PATENT BY USING ITS

REALFORECLOSE PRODUCT IN THE UNITED STATES TO PERFORM EACH STEP OF THE METHODS CLAIMED IN THE ASSERTED CLAIMS. SPECIFICALLY, GRANT STREET ALLEGES THAT REALAUCTION'S REALFORECLOSE PRODUCT PRACTICES A METHOD THAT INFRINGES CLAIMS 1, 11, 15, 22, 23, 35 AND 39 OF THE '063 PATENT.

61. GRANT STREET ALSO ALLEGES THAT REALAUCTION INFRINGED AND CONTINUES TO INFRINGE THE ASSERTED CLAIMS OF THE '063 PATENT BY USING ITS REALTAXLIEN PRODUCT IN THE UNITED STATES TO PERFORM EACH STEP OF THE METHODS CLAIMED IN THE ASSERTED CLAIMS. SPECIFICALLY, GRANT STREET ASSERTS THAT REALAUCTION'S REALTAXLIEN PRODUCT PRACTICES A METHOD THAT INFRINGES CLAIMS 1, 22, 35 AND 39 OF THE '063 PATENT.

62. REALAUCTION DENIES THAT IT INFRINGES THE '063 PATENT BY USING ITS REALFORECLOSE PRODUCT. REALAUCTION DENIES THAT IT INFRINGES THE '063 PATENT BY USING ITS REALTAXLIEN PRODUCT SINCE MARCH 9, 2010.

63. YOU HAVE HEARD THAT VARIOUS PUBLIC AND PRIVATE WEBSITES, CERTAIN FLORIDA STATUTES, DOCUMENTS PRODUCED BY A PARTY, AND TESTIMONY CHARACTERIZE OR DESCRIBE WHAT IS

BEING SOLD AT A FORECLOSURE AUCTION. NO ONE OF THESE ITEMS IS CONCLUSIVE OF THE ISSUE. YOU THE JURY MUST CONSIDER ALL OF THE EVIDENCE THAT YOU HAVE HEARD TO MAKE YOUR DETERMINATION AS TO WHETHER REALAUCTION'S REAL FORECLOSURE AUCTIONS ARE AUCTIONS OF "FINANCIAL OR LEGAL INSTRUMENTS." FOR THERE TO BE A FINDING OF INFRINGEMENT BY THE REALFORECLOSE PRODUCT, YOU MUST FIND BY A PREPONDERANCE OF THE EVIDENCE THAT "FINANCIAL OR LEGAL INSTRUMENTS" ARE BEING SOLD AT AUCTION.

COMPRISING CLAIMS

64. CLAIM 1 OF THE '063 PATENT INCLUDES THE WORD "COMPRISING." THE WORD COMPRISING MEANS "INCLUDES WHAT FOLLOWS BUT DOES NOT EXCLUDE OTHER ELEMENTS." ACCORDINGLY, IF YOU FIND THAT EITHER OF THE ACCUSED PRODUCTS INCLUDES ALL OF THE LIMITATIONS IN THE ASSERTED CLAIMS THAT USE THE WORD "COMPRISING," THE FACT THAT THE ACCUSED PRODUCT MIGHT ALSO INCLUDE ADDITIONAL COMPONENTS DOES NOT MEAN THAT THE ACCUSED PRODUCT DOES NOT LITERALLY INFRINGE THE ASSERTED CLAIMS.

INDEPENDENT AND DEPENDENT CLAIMS

65. PATENT CLAIMS MAY EXIST IN TWO FORMS, REFERRED TO AS INDEPENDENT CLAIMS OR DEPENDENT CLAIMS.

66. AN INDEPENDENT CLAIM DOES NOT REFER TO ANY OTHER CLAIM OF THE PATENT. IT IS NOT NECESSARY TO LOOK AT ANY OTHER CLAIM TO DETERMINE WHAT AN INDEPENDENT CLAIM COVERS.

67. A DEPENDENT CLAIM MAKES REFERENCE TO AT LEAST ONE OTHER CLAIM IN THE PATENT. A DEPENDENT CLAIM INCLUDES EACH OF THE LIMITATIONS OF THE OTHER CLAIM OR CLAIMS TO WHICH IT REFERS, AS WELL AS THE ADDITIONAL LIMITATIONS RECITED IN THE DEPENDENT CLAIM ITSELF. IN OTHER WORDS, A DEPENDENT CLAIM DOES NOT ITSELF RECITE ALL OF THE REQUIREMENTS OF THE CLAIM; RATHER, IT REFERS TO ANOTHER CLAIM FOR SOME OF ITS REQUIREMENTS.

68. THEREFORE, TO DETERMINE WHAT A DEPENDENT CLAIM COVERS, IT IS NECESSARY TO LOOK AT BOTH THE DEPENDENT CLAIM AND THE OTHER CLAIM OR CLAIMS TO WHICH IT REFERS.

69. FOR THE ‘063 PATENT, CLAIM 1 IS AN INDEPENDENT CLAIM. THE REMAINDER OF THE ASSERTED CLAIMS — CLAIMS 11, 15, 22, 23, 35

AND 39—ARE DEPENDENT ON CLAIM 1. THEREFORE, YOU MUST LOOK TO CLAIM 1 AS WELL AS THE ADDITIONAL REQUIREMENT STATED IN THE DEPENDENT CLAIMS TO DETERMINE INFRINGEMENT OF THE DEPENDENT CLAIMS.

70. FOR EXAMPLE, CLAIM 23 IS A DEPENDENT CLAIM. IT REFERS TO CLAIM 1. THUS, DEPENDENT CLAIM 23 REQUIRES EACH OF THE LIMITATIONS OF INDEPENDENT CLAIM 1, AS WELL AS THE ADDITIONAL LIMITATIONS IDENTIFIED IN DEPENDENT CLAIM 23 ITSELF. THAT IS, CLAIM 23 REQUIRES ALL OF THE ELEMENTS OF CLAIM 1 AS WELL AS THE STEP OF EXTENDING THE BIDDING PERIOD AFTER BIDDING BEGINS.

71. IF YOU FIND THAT CLAIM 1 IS NOT DIRECTLY INFRINGED, THEN YOU MUST ALSO FIND THE DEPENDENT CLAIMS ARE NOT INFRINGED. ON THE OTHER HAND, IF YOU FIND THAT CLAIM 1 HAS BEEN INFRINGED, YOU MUST DECIDE, SEPARATELY, WHETHER THE ADDITIONAL REQUIREMENTS OF EACH OF THE DEPENDENT CLAIMS HAVE ALSO BEEN INFRINGED.

WILLFUL INFRINGEMENT

72. IF YOU FIND BY A PREPONDERANCE OF THE EVIDENCE THAT REALAUCTION INFRINGED ANY VALID CLAIM OF THE ‘063 PATENT, THEN YOU MUST FURTHER ASSIST THE COURT IN DETERMINING IF THIS INFRINGEMENT WAS WILLFUL.

73. TO PROVE WILLFUL INFRINGEMENT, GRANT STREET MUST PERSUADE YOU BY CLEAR AND CONVINCING EVIDENCE THAT REALAUCTION ACTED RECKLESSLY. THIS DEPENDS ON REALAUCTION’S STATE OF MIND.

74. FOR A FINDING BY YOU OF WILLFUL INFRINGEMENT, GRANT STREET MUST PERSUADE YOU BY CLEAR AND CONVINCING EVIDENCE THAT REALAUCTION ACTUALLY KNEW, OR IT WAS SO OBVIOUS THAT REALAUCTION SHOULD HAVE KNOWN, THAT ITS ACTIONS CONSTITUTED INFRINGEMENT OF A VALID, ISSUED PATENT.

75. IN DECIDING WHETHER REALAUCTION ACTED RECKLESSLY AS TO ANY CLAIM OF THE ‘063 PATENT THAT YOU FIND IS INFRINGED, YOU SHOULD CONSIDER ALL OF THE FACTS SURROUNDING THE ALLEGED INFRINGEMENT INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING FACTORS, TO THE EXTENT YOU FIND THAT ANY OF THEM APPLY:

A. DID REALAUCTION ACT IN A MANNER CONSISTENT WITH THE STANDARDS OF COMMERCE FOR ITS INDUSTRY?

B. DID REALAUCTION INTENTIONALLY COPY A PRODUCT OF GRANT STREET'S THAT IS COVERED BY THE '063 PATENT?

C. WAS THERE A REASONABLE BASIS FOR REALAUCTION TO BELIEVE AT THE TIME OF INFRINGEMENT THAT THE '063 PATENT WAS NOT VALID, OR THAT REALAUCTION HAD A REASONABLE DEFENSE TO INFRINGEMENT?

D. DID REALAUCTION MAKE A GOOD-FAITH EFFORT TO AVOID INFRINGING THE '063 PATENT, FOR EXAMPLE, WHETHER REALAUCTION ATTEMPTED TO DESIGN AROUND THE PATENT? AND

E. DID REALAUCTION ATTEMPT TO CONCEAL INFRINGEMENT?

76. ANOTHER FACTOR THAT YOU MAY CONSIDER IS THE FACT THAT REALAUCTION DID NOT OBTAIN AN OPINION OF COUNSEL AS TO WHETHER IT WAS INFRINGING OR WHETHER THE '063 PATENT WAS INVALID. THE ABSENCE OF A LAWYER'S OPINION, BY ITSELF, IS INSUFFICENT TO SUPPORT A FINDING OF WILLFULLNESS, AND YOU MAY NOT ASSUME THAT MERELY BECAUSE A PARTY DID NOT OBTAIN

AN OPINION OF COUNSEL, THE OPINION WOULD HAVE BEEN UNFAVORABLE.

77. WHILE I HAVE JUST PROVIDED YOU WITH SOME FACTORS YOU MAY CONSIDER IN MAKING THE DETERMINATION AS TO WILLFULNESS, THE LAW REQUIRES YOU TO CONSIDER THE TOTALITY OF THE CIRCUMSTANCES WHICH MAY INCLUDE THE FACTORS I HAVE EXPLAINED AS WELL AS OTHERS.

SUMMARY OF INVALIDITY DEFENSES

78. REALAUCTION CONTENDS THAT THE ASSERTED CLAIMS OF THE '063 PATENT ARE INVALID. A PATENT ISSUED BY THE UNITED STATES PATENT OFFICE IS PRESUMED TO BE VALID. IN ORDER TO REBUT THIS PRESUMPTION, REALAUCTION MUST ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT GRANT STREET'S '063 PATENT OR ANY CLAIM IN THE PATENT IS NOT VALID.

79. REALAUCTION CONTENDS THAT ALL OF THE ASSERTED PATENT CLAIMS ARE INVALID BECAUSE THE CLAIMS ARE ANTICIPATED AND/OR OBVIOUS IN VIEW OF CERTAIN PRIOR ART REFERENCES.

REALAUCTION ALSO CONTENDS THAT THE WRITTEN DESCRIPTION OF THE PATENT WAS INADEQUATE.

80. YOU HEARD EVIDENCE THAT THE UNITED STATES PATENT AND TRADEMARK OFFICE TWICE CONDUCTED REEXAMINATIONS OF THE ‘063 PATENT. THE PATENT OFFICE FINISHED THE REEXAMINATIONS AND ISSUED CERTIFICATES OF REEXAMINATION FOR THE ‘063 PATENT. IT CONFIRMED THE PATENTABILITY OF THE ASSERTED CLAIMS. IN DETERMINING WHETHER REALAUCTION HAS MET ITS BURDEN OF PROVING INVALIDITY BY CLEAR AND CONVINCING EVIDENCE, YOU MAY CONSIDER THE FACT THAT THE PATENT OFFICE, ON REEXAMINATION, RENDERED THAT RESULT.

81. IN A REEXAMINATION, THE PATENT OFFICE IS PERMITTED TO REJECT PATENT CLAIMS ONLY BECAUSE OF PRIOR ART PATENTS AND PRIOR ART PRINTED PUBLICATIONS. CERTAIN PRIOR ART REFERENCES THAT HAVE BEEN PRESENTED TO YOU WERE MADE AVAILABLE TO THE PATENT OFFICE. IN A REEXAMINATION, THE PATENT OFFICE IS NOT PERMITTED TO CONSIDER INVALIDITY FOR PRIOR PUBLIC USE, OR FOR FAILURE TO SATISFY THE WRITTEN DESCRIPTION REQUIREMENT. THERE IS NO ALLEGATION IN THIS CASE

THAT ANY PARTY DID NOT FULFILL ITS DUTY OF CANDOR TO THE PATENT OFFICE AT ANY TIME REGARDING THE ‘063 PATENT. IN CONSIDERING WHETHER REALAUCTION HAS MET ITS BURDEN OF PROVING INVALIDITY BY CLEAR AND CONVINCING EVIDENCE, YOU MUST CONSIDER THAT THE PATENT OFFICE IS NOT PERMITTED DURING REEXAMINATIONS TO SET ASIDE A PATENT BECAUSE OF PRIOR PUBLIC USE OR BECAUSE OF THE WRITTEN DESCRIPTION REQUIREMENT. THE FACT THAT THE ‘063 PATENT HAS BEEN REEXAMINED, AND WAS NOT CANCELLED AS A RESULT OF THAT PROCESS, DOES NOT LIMIT THE RIGHT OF ANY PARTY TO ARGUE THAT THE ‘063 PATENT IS, OR IS NOT, VALID. IT IS THE JURY’S RESPONSIBILITY ALONE TO DETERMINE IF THE ‘063 PATENT HAS BEEN PROVEN BY REALAUCTION TO BE INVALID.

82. WHERE PATENTS, PUBLICATIONS, AND OTHER SUCH ITEMS OF INFORMATION ARE SUBMITTED TO THE PATENT OFFICE, THE DEGREE OF CONSIDERATION GIVEN TO SUCH INFORMATION WILL BE NORMALLY LIMITED BY THE DEGREE TO WHICH THE PARTY FILING THE INFORMATION CITATION HAS EXPLAINED THE CONTENT AND RELEVANCE OF THE INFORMATION. THE INITIALS OF THE EXAMINER

PLACED ADJACENT TO THE CITATIONS, DO NOT SIGNIFY THAT THE INFORMATION HAS BEEN CONSIDERED BY THE EXAMINER ANY FURTHER THAN TO THE EXTENT NOTED ABOVE.

PRIOR ART DEFINED

83. I JUST TOLD YOU THAT REALAUCTION CONTENDS THE CLAIMS OF THE '063 PATENT ARE INVALID BASED ON WHAT IS KNOWN AS "PRIOR ART." THE TERM "PRIOR ART" HAS A SPECIAL MEANING UNDER THE PATENT LAWS. SPECIFICALLY, PRIOR ART INCLUDES ANY OF THE FOLLOWING ITEMS RECEIVED INTO EVIDENCE DURING TRIAL:

A. ANY PRODUCT OR METHOD THAT WAS PUBLICLY KNOWN OR USED BY OTHERS IN THE UNITED STATES BEFORE GRANT STREET'S DATE OF INVENTION;

B. ANY PRODUCT OR METHOD THAT WAS IN PUBLIC USE IN THE UNITED STATES BEFORE THE EFFECTIVE FILING DATE OF GRANT STREET'S PATENT;

C. PATENTS THAT ISSUED BEFORE GRANT STREET'S DATE OF INVENTION OR MORE THAN ONE YEAR BEFORE THE EFFECTIVE FILING DATE OF GRANT STREET'S PATENT;

D. PUBLICATIONS FROM BEFORE GRANT STREET'S DATE OF INVENTION OR MORE THAN ONE YEAR BEFORE THE EFFECTIVE FILING DATE OF GRANT STREET'S PATENT; AND

E. ANY ISSUED PATENT OR PUBLISHED PATENT APPLICATION THAT WAS FILED BEFORE GRANT STREET'S DATE OF INVENTION.

84. IN THIS CASE, REALAUCTION CONTENDS THAT THE FOLLOWING ITEMS INTRODUCED DURING TRIAL ARE PRIOR ART RELEVANT TO THE '063 PATENT: (A) THE PUBLIC USE OF EBAY ON-LINE AUCTION SYSTEMS PRIOR TO NOVEMBER 17, 1996; (B) THE SALE AND PUBLIC USE OF THE PARITY SOFTWARE PRIOR TO NOVEMBER 17, 1996; AND (C) THE FISHER PATENT NUMBER 5,835,896.

85. THE DATE OF THE INVENTION AND THE DATE OF FILING OF THE PATENT APPLICATION MAY AFFECT WHAT IS PRIOR ART. IN THIS CASE, GRANT STREET CONTENDS THAT ITS INVENTION DATE IS NOVEMBER 22, 1996, WHICH IS ITS DATE OF CONCEPTION OF THE INVENTION, AND THAT ITS EFFECTIVE FILING DATE IS MAY 29, 1997, THE DATE GRANT STREET FILED ITS PROVISIONAL PATENT APPLICATION. REALAUCTION CONTENDS THAT THE INVENTION DATE AND THE EFFECTIVE FILING DATE ARE BOTH MAY 29, 1998, WHICH IS

THE DATE GRANT STREET FILED ITS FIRST NON-PROVISIONAL APPLICATION. ONCE YOU HAVE DECIDED THE INVENTION DATE AND THE EFFECTIVE FILING DATE, YOU CAN DETERMINE WHAT IS PRIOR ART IN THIS CASE. I WILL NOW INSTRUCT YOU ON BOTH OF THESE ISSUES.

86. THE DATE OF INVENTION IS EITHER (1) WHEN THE INVENTION WAS REDUCED TO PRACTICE OR (2) WHEN IT WAS CONCEIVED, PROVIDED THAT INVENTORS WERE DILIGENT IN REDUCING THE INVENTION TO PRACTICE.

87. A CLAIMED INVENTION IS “REDUCED TO PRACTICE” WHEN IT HAS BEEN CONSTRUCTED, USED, OR TESTED SUFFICIENTLY TO SHOW THAT IT WILL WORK FOR ITS INTENDED PURPOSE, OR WHEN THE INVENTOR FILES A PATENT APPLICATION. AN INVENTION MAY ALSO BE REDUCED TO PRACTICE EVEN IF THE INVENTOR HAS NOT MADE OR TESTED A PROTOTYPE OF THE INVENTION BY FILING A PATENT APPLICATION THAT FULLY DESCRIBES IT.

88. CONCEPTION IS THE MENTAL PART OF AN INVENTIVE ACT, THAT IS, THE FORMATION IN THE MIND OF THE INVENTOR OF A DEFINITE AND PERMANENT IDEA OF THE COMPLETE AND OPERATIVE

INVENTION AS IT IS THEREAFTER TO BE APPLIED IN PRACTICE, EVEN IF THE INVENTOR DID NOT KNOW AT THE TIME THAT THE INVENTION WOULD WORK.

89. CONCEPTION OF AN INVENTION IS COMPLETE WHEN THE IDEA IS SO CLEARLY DEFINED IN THE INVENTORS' MINDS THAT, IF THE IDEA WERE COMMUNICATED TO A PERSON HAVING ORDINARY SKILL IN THE FIELD OF THE TECHNOLOGY, HE OR SHE WOULD BE ABLE TO REDUCE THE INVENTION TO PRACTICE WITHOUT UNDUE RESEARCH OR EXPERIMENTATION. THIS REQUIREMENT DOES NOT MEAN THAT THE INVENTOR HAS TO HAVE A PROTOTYPE BUILT, OR ACTUALLY EXPLAINED HER OR HIS INVENTION TO ANOTHER PERSON.

90. THERE MUST BE SOME EVIDENCE BEYOND THE INVENTOR'S OWN TESTIMONY THAT CONFIRMS THE CONCEPTION DATE. IN OTHER WORDS, THERE MUST BE CORROBORATIVE EVIDENCE OF THE DATE ON WHICH THE INVENTOR HAD THE COMPLETE IDEA. CONCEPTION MAY BE PROVEN WHEN THE INVENTION IS SHOWN IN ITS COMPLETE FORM BY DRAWINGS, DISCLOSURE TO ANOTHER PERSON, OR OTHER FORMS OF EVIDENCE PRESENTED AT TRIAL. DILIGENCE MEANS WORKING CONTINUOUSLY BUT NOT NECESSARILY EVERY DAY.

91. IF YOU FIND THAT GRANT STREET HAS PROVEN A CONCEPTION DATE AND THAT GRANT STREET WAS DILIGENT IN REDUCING THE INVENTION TO PRACTICE, THEN THE INVENTION DATE IS THE DATE OF CONCEPTION. IF YOU FIND THAT GRANT STREET HAS NOT PROVEN CONCEPTION AND REDUCTION TO PRACTICE, THEN THE INVENTION DATE IS THE SAME DATE AS THE EFFECTIVE FILING DATE.

92. GRANT STREET FILED A “PROVISIONAL” PATENT APPLICATION ON MAY 29, 1997. GRANT STREET CONTENDS THAT THE ASSERTED CLAIMS OF THE ‘063 PATENT ARE ENTITLED TO THE FILING DATE OF THE PROVISIONAL APPLICATION, WHILE REALAUCTION CONTENDS THAT THE ASSERTED CLAIMS ARE NOT.

93. GRANT STREET MAY RELY ON THE FILING DATE OF THE PROVISIONAL APPLICATION TO ESTABLISH THE EFFECTIVE FILING DATE IF THE APPLICATION TEACHES ONE OF ORDINARY SKILL IN THE ART TO MAKE AND USE THE CLAIMED INVENTIONS OF THE ‘063 PATENT, AND TO DO SO WITHOUT UNDUE EXPERIMENTATION. ADDITIONALLY, THE PROVISIONAL APPLICATION MUST DISCLOSE EACH AND EVERY ELEMENT OF THE ASSERTED CLAIMS OF THE ‘063 PATENT.

94. IF YOU DETERMINE THAT GRANT STREET HAS COME FORWARD WITH EVIDENCE THAT THE EFFECTIVE FILING DATE IS MAY 29, 1997, THEN REALAUCTION MUST PROVE, BY CLEAR AND CONVINCING EVIDENCE, THAT THIS IS NOT THE CORRECT EFFECTIVE FILING DATE.

95. IF YOU FIND THAT GRANT STREET IS ENTITLED TO AN EFFECTIVE FILING DATE THAT IS THE SAME DATE AS THE FILING DATE OF THE PROVISIONAL APPLICATION, THEN MAY 29, 1997 IS THE EFFECTIVE FILING DATE OF THE '063 PATENT FOR PURPOSES OF VALIDITY AND THE PRIOR ART. IF GRANT STREET IS NOT ENTITLED TO THE FILING DATE OF ITS PROVISIONAL APPLICATION, THEN MAY 29, 1998 IS THE EFFECTIVE FILING DATE OF THE '063 PATENT FOR PURPOSES OF VALIDITY AND THE PRIOR ART.

INVALIDITY BY ANTICIPATION

96. A PERSON CANNOT OBTAIN A PATENT IF SOMEONE ELSE ALREADY HAS MADE THE SAME INVENTION. SIMPLY PUT, THE INVENTION MUST BE NEW. AN INVENTION THAT IS NOT NEW OR NOVEL IS SAID TO BE ANTICIPATED BY THE PRIOR ART. UNDER THE U.S. PATENT LAWS, AN INVENTION THAT IS ANTICIPATED IS NOT ENTITLED

TO PATENT PROTECTION. TO PROVE ANTICIPATION, REALAUCTION MUST PROVE BY CLEAR AND CONVINCING EVIDENCE THAT THE CLAIMED INVENTION IS NOT NEW. ANTICIPATION MUST BE DETERMINED ON A CLAIM-BY-CLAIM BASIS.

97. FOR A CLAIM TO BE INVALID BECAUSE IT IS NOT NEW, REALAUCTION MUST SHOW BY CLEAR AND CONVINCING EVIDENCE THAT ALL OF THE REQUIREMENTS OF THAT CLAIM WERE PRESENT IN A SINGLE ITEM OF PRIOR ART THAT WAS KNOWN OF, USED, OR DESCRIBED IN A SINGLE PREVIOUS PRINTED PUBLICATION OR PATENT. WE CALL THESE THINGS “ANTICIPATING PRIOR ART.” TO ANTICIPATE THE INVENTION, THE PRIOR ART DOES NOT HAVE TO USE THE SAME WORDS AS THE CLAIM, BUT EACH AND EVERY ELEMENT IN THE CLAIM MUST BE PRESENT IN A SINGLE ITEM OF PRIOR ART. YOU MAY NOT COMBINE TWO OR MORE ITEMS OF PRIOR ART TO PROVE ANTICIPATION. IN DETERMINING WHETHER EVERY ONE OF THE ELEMENTS OF THE CLAIMED INVENTION IS FOUND IN THE PRIOR PUBLICATION, PATENT OR DEVICE, YOU SHOULD TAKE INTO ACCOUNT WHETHER A PERSON HAVING ORDINARY SKILL IN THE ART IN THE

TECHNOLOGY OF THE INVENTION COULD, LOOKING ONLY AT THAT ONE REFERENCE, MAKE AND USE THE CLAIMED INVENTION.

98. IN THIS CASE, REALAUCTION CONTENDS THAT CLAIMS 1, 11 AND 39 OF THE '063 PATENT ARE ANTICIPATED BY THE EBAY PRIOR ART, AND CLAIMS 1, 11, 15, 22 ARE ANTICIPATED BY THE PARITY PRIOR ART.

INVALIDITY BY OBVIOUSNESS

99. IN THIS CASE, REALAUCTION CONTENDS THAT ALL THE ASSERTED CLAIMS OF THE '063 PATENT ARE INVALID AS OBVIOUS. REALAUCTION CAN ESTABLISH THAT A PATENT CLAIM IS INVALID AS OBVIOUS IF IT SHOWS, BY CLEAR AND CONVINCING EVIDENCE, THAT THE CLAIMED INVENTION WOULD HAVE BEEN OBVIOUS TO A PERSON OF ORDINARY SKILL IN THE ART OF THE PATENT INVENTION AT THE TIME THE INVENTION WAS MADE.

100. OBVIOUSNESS MAY BE SHOWN BY CONSIDERING ONE OR MORE ITEMS OF PRIOR ART EITHER ALONE OR IN COMBINATION. IN THAT WAY, IT IS DIFFERENT FROM ANTICIPATION. KEEP IN MIND, HOWEVER, THAT THE EXISTENCE OF EACH AND EVERY ELEMENT OF THE CLAIMED INVENTION IN THE PRIOR ART DOES NOT NECESSARILY

PROVE OBVIOUSNESS. MOST, IF NOT ALL, INVENTIONS RELY ON BUILDING BLOCKS OF PRIOR ART. HOWEVER, COMBINING FAMILIAR ELEMENTS ACCORDING TO KNOWN METHODS IS LIKELY TO BE OBVIOUS WHEN IT DOES NO MORE THAN YIELD PREDICTABLE RESULTS.

101. THE FOLLOWING FACTORS MUST BE EVALUATED TO DETERMINE WHETHER REALAUCTION HAS ESTABLISHED THAT THE CLAIMED INVENTIONS ARE OBVIOUS:

A. THE SCOPE AND CONTENT OF THE PRIOR ART RELIED UPON BY REALAUCTION;

B. THE DIFFERENCE OR DIFFERENCES, IF ANY, BETWEEN EACH CLAIM OF THE PATENT THAT REALAUCTION CONTENDS IS OBVIOUS AND THE PRIOR ART;

C. THE LEVEL OF ORDINARY SKILL IN THE ART AT THE TIME OF THE INVENTION; AND

D. ADDITIONAL CONSIDERATIONS, IF ANY, THAT INDICATE THAT THE INVENTION WAS OBVIOUS OR NOT OBVIOUS.

102. EACH OF THESE FACTORS MUST BE EVALUATED, ALTHOUGH THEY MAY BE ANALYZED IN ANY ORDER, AND YOU MUST

PERFORM A SEPARATE ANALYSIS FOR EACH OF THE ASSERTED CLAIMS.

103. I WILL NOW EXPLAIN EACH OF THE FOUR OBVIOUSNESS FACTORS IN MORE DETAIL.

SCOPE AND CONTENT OF PRIOR ART

104. IN CONSIDERING WHETHER THE CLAIMED INVENTION WAS OBVIOUS, YOU MUST FIRST DETERMINE THE SCOPE AND CONTENT OF THE PRIOR ART. THE SCOPE AND CONTENT OF PRIOR ART FOR DECIDING WHETHER THE INVENTION WAS OBVIOUS INCLUDES PRIOR ART IN THE SAME FIELD AS THE CLAIMED INVENTION, REGARDLESS OF THE PROBLEM ADDRESSED BY THE ITEM OR REFERENCE, AND PRIOR ART FROM DIFFERENT FIELDS THAT A PERSON OF ORDINARY SKILL IN THE ART USING COMMON SENSE MIGHT COMBINE IF FAMILIAR SO AS TO SOLVE THE PROBLEM, LIKE FITTING TOGETHER THE PIECES OF A PUZZLE.

105. THE PRIOR ART THAT YOU CONSIDERED PREVIOUSLY FOR ANTICIPATION PURPOSES IS ALSO PRIOR ART WHICH YOU MAY CONSIDER FOR OBVIOUSNESS PURPOSES, IN ADDITION TO THE FISHER PATENT.

Differences Between the Claimed Invention and the Prior Art

106. YOU SHOULD ANALYZE WHETHER THERE ARE ANY RELEVANT DIFFERENCES BETWEEN THE PRIOR ART AND THE CLAIMED INVENTION FROM THE VIEW OF A PERSON OF ORDINARY SKILL IN THE ART AT THE TIME OF THE INVENTION. YOUR ANALYSIS MUST DETERMINE THE IMPACT, IF ANY, OF SUCH DIFFERENCES ON THE OBVIOUSNESS OR NONOBVIOUSNESS OF THE INVENTION AS A WHOLE, AND NOT MERELY SOME PORTION OF IT. YOU MAY ALSO CONSIDER IN YOUR EVALUATION WHETHER THE UNITED STATES PATENT AND TRADEMARK OFFICE CONSIDERED THE PRIOR ART WHEN IT REVIEWED THE ‘063 PATENT.

107. IN DETERMINING WHETHER THE CLAIMED INVENTION WAS OBVIOUS, CONSIDER EACH CLAIM SEPARATELY. DO NOT USE HINDSIGHT. IN OTHER WORDS, CONSIDER ONLY WHAT WAS KNOWN AT THE TIME OF THE INVENTION.

108. IN ANALYZING THE RELEVANCE OF THE DIFFERENCES BETWEEN THE CLAIMED INVENTION AND THE PRIOR ART, YOU DO NOT NEED TO LOOK FOR PRECISE TEACHING IN THE PRIOR ART DIRECTED TO THE SUBJECT MATTER OF THE CLAIMED INVENTION. YOU MAY

TAKE INTO ACCOUNT THE INFERENCES AND CREATIVE STEPS THAT A PERSON OF ORDINARY SKILL IN THE ART WOULD HAVE EMPLOYED IN REVIEWING THE PRIOR ART AT THE TIME OF THE INVENTION. FOR EXAMPLE, IF THE CLAIMED INVENTION COMBINED ELEMENTS KNOWN IN THE PRIOR ART AND THE COMBINATION YIELDED RESULTS THAT WERE PREDICTABLE TO A PERSON OF ORDINARY SKILL IN THE ART AT THE TIME OF THE INVENTION, THEN THIS EVIDENCE WOULD MAKE IT MORE LIKELY THAT THE CLAIM WAS OBVIOUS. ON THE OTHER HAND, IF THE COMBINATION OF KNOWN ELEMENTS YIELDED UNEXPECTED OR UNPREDICTABLE RESULTS, OR IF THE PRIOR ART TEACHES AWAY FROM COMBINING THE KNOWN ELEMENTS, THEN THIS EVIDENCE WOULD MAKE IT MORE LIKELY THAT THE CLAIM THAT SUCCESSFULLY COMBINED THOSE ELEMENTS WAS NOT OBVIOUS.

109. IMPORTANTLY, A CLAIM IS NOT PROVED OBVIOUS MERELY BY DEMONSTRATING THAT EACH OF THE ELEMENTS WAS INDEPENDENTLY KNOWN IN THE PRIOR ART. MOST, IF NOT ALL, INVENTIONS RELY ON BUILDING BLOCKS LONG SINCE UNCOVERED, AND CLAIMED DISCOVERIES WILL LIKELY BE COMBINATIONS OF WHAT IS ALREADY KNOWN. IN OTHER WORDS, A CLAIM IN A PATENT IS NOT

OBVIOUS AND INVALID SIMPLY BECAUSE THE CLAIM COMBINES ELEMENTS THAT CAN ALL BE FOUND AMONG THE PRIOR ART REFERENCES.

110. YOU SHOULD CONSIDER WHETHER A REASON EXISTED AT THE TIME OF THE INVENTION THAT WOULD HAVE PROMPTED A PERSON OF ORDINARY SKILL IN THE ART IN THE RELEVANT FIELD TO COMBINE THE KNOWN ELEMENTS IN THE WAY THE CLAIMED INVENTION DOES. THE REASON COULD COME FROM THE PRIOR ART, THE BACKGROUND KNOWLEDGE OF ONE OF ORDINARY SKILL IN THE ART, THE NATURE OF THE PROBLEM TO BE SOLVED, MARKET DEMAND, OR COMMON SENSE, WITHOUT ANY SPECIFIC HINT OR SUGGESTION IN A PARTICULAR REFERENCE. ANY NEED OR PROBLEM KNOWN IN THE FIELD OF ENDEAVOR AT THE TIME OF INVENTION AND ADDRESSED BY THE PATENT CAN PROVIDE A REASON FOR COMBINING THE ELEMENTS OF THE CLAIM IN THE MANNER CLAIMED.

111. YOU MUST UNDERTAKE THIS ANALYSIS SEPARATELY FOR EACH CLAIM THAT REALAUCTION CONTENDS IS OBVIOUS.

Level of Ordinary Skill

112. AS I ALREADY DISCUSSED, THE DETERMINATION OF WHETHER A CLAIMED INVENTION IS OBVIOUS IS BASED ON THE PERSPECTIVE OF A PERSON OF ORDINARY SKILL IN THE FIELD OF THE ART. THE PERSON OF ORDINARY SKILL IS PRESUMED TO KNOW ALL PRIOR ART THAT YOU HAVE DETERMINED TO BE REASONABLY RELEVANT. THE PERSON OF ORDINARY SKILL IS ALSO A PERSON OF ORDINARY CREATIVITY THAT CAN USE COMMON SENSE TO SOLVE PROBLEMS.

113. THE PARTIES DISAGREE AS TO THE LEVEL OF ORDINARY SKILL IN THE ART. GRANT STREET CONTENDS THAT "A PERSON OF ORDINARY SKILL IN THE ART BETWEEN NOVEMBER, 1996 AND MAY, 1997 WOULD HAVE A BACHELOR'S DEGREE IN BUSINESS, ECONOMICS OR FINANCE AND AT LEAST THREE YEARS OF EXPERIENCE WORKING WITH THE AUCTIONS OF FINANCIAL AND LEGAL INSTRUMENTS. IN ADDITION, THAT PERSON EITHER WOULD HAVE APPROXIMATELY SIX MONTHS TO ONE YEAR OF EXPERIENCE WITH DEVELOPMENT AND IMPLEMENTATION OF WEB-BASED E-COMMERCE SITES (A RELATIVELY NEW FIELD AT THE TIME) OR ACCESS TO SUCH A PERSON." IN

CONTRAST, REALAUCTION ARGUES THAT THE “PERSON OF ORDINARY SKILL IN THE ART IN 1996 WOULD HAVE HAD A BACHELOR OF SCIENCE IN ELECTRICAL ENGINEERING, COMPUTER SCIENCE, OR COMPUTER ENGINEERING, AND HAVE EXPERIENCE IN DEVELOPING ELECTRONIC COMMERCE SYSTEMS, INCLUDING NETWORKED AUCTION SYSTEMS.”

114. WHEN DETERMINING THE LEVEL OF ORDINARY SKILL IN THE ART, YOU SHOULD CONSIDER ALL THE EVIDENCE SUBMITTED BY THE PARTIES, INCLUDING EVIDENCE OF:

- THE LEVEL OF EDUCATION AND EXPERIENCE OF PERSONS ACTIVELY WORKING IN THE FIELD AT THE TIME OF THE INVENTION, INCLUDING THE INVENTOR;
- THE TYPES OF PROBLEMS ENCOUNTERED IN THE ART AT THE TIME OF THE INVENTION AND PRIOR ART SOLUTIONS TO THOSE PROBLEMS; AND
- THE SOPHISTICATION OF THE TECHNOLOGY IN THE ART AT THE TIME OF THE INVENTION, INCLUDING THE RAPIDITY WITH WHICH INNOVATIONS WERE MADE IN THE ART AT THE TIME OF THE INVENTION.

Factors Indicating Nonobviousness

115. IN DECIDING THE ISSUE OF OBVIOUSNESS, YOU MUST ALSO CONSIDER CERTAIN FACTORS, WHICH, IF ESTABLISHED, MAY INDICATE THAT THE INVENTION WOULD NOT HAVE BEEN OBVIOUS. NO SUCH FACTOR ALONE IS DISPOSITIVE, AND YOU MUST CONSIDER THE OBVIOUSNESS OR NONOBVIOUSNESS OF THE INVENTION AS A WHOLE.

A. WERE PRODUCTS COVERED BY THE CLAIM COMMERCIALLY SUCCESSFUL DUE TO THE MERITS OF THE CLAIMED INVENTION RATHER THAN DUE TO ADVERTISING, PROMOTION, SALESMANSHIP, OR FEATURES OF THE PRODUCT OTHER THAN THOSE FOUND IN THE CLAIM?

B. WAS THERE LONG FELT NEED WHICH WAS SATISFIED BY THE CLAIMED INVENTION?

C. DID OTHERS TRY, BUT FAIL, TO SOLVE THE PROBLEM SOLVED BY THE CLAIMED INVENTION?

D. DID OTHERS COPY THE CLAIMED INVENTION?

E. DID THE CLAIMED INVENTION ACHIEVE UNEXPECTEDLY SUPERIOR RESULTS?

F. DID OTHERS HAVING ORDINARY SKILL IN THE ART OF THE PATENT PRAISE THE CLAIMED INVENTION OR EXPRESS SURPRISE AT THE MAKING OF THE CLAIMED INVENTION?

G. DID OTHERS SEEK OR ACCEPT LICENSES UNDER THE ‘063 PATENT BECAUSE OF THE MERITS OF THE CLAIMED INVENTION?

116. ANSWERING ANY, OR ALL, OF THESE QUESTIONS “YES” MAY SUGGEST THAT THE CLAIM WAS NOT OBVIOUS.

117. NO FACTOR ALONE IS DISPOSITIVE, AND YOU MUST CONSIDER THE OBVIOUSNESS OR NONOBVIOUSNESS OF THE INVENTION AS A WHOLE.

118. EVIDENCE OF THESE CONSIDERATIONS IS RELEVANT TO OBVIOUSNESS ONLY IF THEY ARE CLOSELY TIED TO THE FEATURES OF THE PRODUCT THAT HAVE BEEN PATENTED. IF THEY ARE NOT, THEY MAY NOT BE CONSIDERED. COMMERCIAL SUCCESS, PRAISE, COPYING, ET CETERA OF A PRODUCT MAY BE ATTRIBUTED TO THE PATENTED INVENTION ONLY WHERE SUCH PRODUCT EMBODIES THE CLAIMED FEATURES. WITHOUT SUCH A CONNECTION BETWEEN THE REASONS FOR THE COMMERCIAL SUCCESS, PRAISE, ET CETERA, AND THE INVENTION AS IT WAS CLAIMED, THE EVIDENCE IS NOT RELEVANT

TO THE OBVIOUSNESS ANALYSIS. IT IS NOT NECESSARY THAT THE PATENTED INVENTION BE SOLELY RESPONSIBLE FOR THE COMMERCIAL SUCCESS, PRAISE, ETC. FOR THE EVIDENCE TO BE CONSIDERED.

INVALIDITY BY INADEQUATE WRITTEN DESCRIPTION

119. A PATENT MUST CONTAIN A WRITTEN DESCRIPTION OF THE FULL SCOPE OF THE INVENTION CLAIMED IN THE PATENT. THE WRITTEN DESCRIPTION REQUIREMENT HELPS ENSURE THAT THE NAMED INVENTORS ACTUALLY INVENTED THE CLAIMED SUBJECT MATTER.

120. IT IS NOT IMPROPER FOR AN APPLICANT TO AMEND ITS PATENT CLAIMS TO COVER A COMPETITOR'S PRODUCT AFTER THE APPLICATION IS FILED AS LONG AS THE WRITTEN DESCRIPTION REQUIREMENT IS MET.

121. TO SATISFY THE WRITTEN DESCRIPTION REQUIREMENT, THE PATENT MUST DESCRIBE EACH AND EVERY LIMITATION OF A PATENT CLAIM, IN SUFFICIENT DETAIL, ALTHOUGH THE EXACT WORDS FOUND IN THE CLAIM NEED NOT BE USED. THE WRITTEN DESCRIPTION REQUIREMENT IS SATISFIED IF A PERSON OF ORDINARY SKILL IN THE

FIELD READING THE PATENT AS IT WAS ORIGINALLY FILED WOULD RECOGNIZE THAT IT DESCRIBES THE FULL SCOPE OF THE INVENTION CLAIMED IN THE ISSUED CLAIMS. IT IS UNNECESSARY TO SPELL OUT EVERY DETAIL OF THE INVENTION IN THE PATENT'S SPECIFICATION, BUT ENOUGH MUST BE INCLUDED TO CONVINCE A PERSON OF SKILL IN THE ART THAT THE INVENTOR POSSESSED THE FULL SCOPE OF THE INVENTION.

122. REALAUCTION CONTENDS THAT CLAIMS 1 THROUGH 42 OF GRANT STREET'S PATENT ARE INVALID BECAUSE THE SPECIFICATION OF THE PATENT DOES NOT CONTAIN AN ADEQUATE WRITTEN DESCRIPTION OF THE CLAIMED INVENTION. TO SUCCEED, REALAUCTION MUST SHOW BY CLEAR AND CONVINCING EVIDENCE THAT THE SPECIFICATION FAILS TO MEET THE REQUIREMENTS FOR WRITTEN DESCRIPTION OF THE INVENTION.

DAMAGES

123. IF YOU FIND THAT REALAUCTION'S USE OF ITS REALFORECLOSE AND/OR REALTAXLIEN PRODUCTS INFRINGES AT LEAST ONE OF THE ASSERTED CLAIMS OF THE '063 PATENT, AND THAT

SUCH CLAIM OR CLAIMS ARE NOT INVALID, THEN YOU MUST DETERMINE THE AMOUNT OF DAMAGES TO BE AWARDED TO GRANT STREET FOR THE INFRINGEMENT.

124. IF YOU NEED TO DETERMINE DAMAGES, THE AMOUNT OF THOSE DAMAGES MUST BE ADEQUATE TO COMPENSATE GRANT STREET FOR THE INFRINGEMENT. YOUR DAMAGE AWARD SHOULD PUT GRANT STREET IN APPROXIMATELY THE SAME FINANCIAL POSITION IT WOULD HAVE BEEN HAD THERE BEEN NO INFRINGEMENT. BUT, IN NO EVENT MAY THE DAMAGE AWARD BE LESS THAN A REASONABLE ROYALTY.

125. GRANT STREET HAS THE BURDEN OF PROVING ITS DAMAGES CLAIM BY A PREPONDERANCE OF THE EVIDENCE. GRANT STREET IS NOT REQUIRED TO PROVE DAMAGES WITH ABSOLUTE CERTAINTY, BUT IT MUST MEET THIS STANDARD OF PREPONDERANCE OF THE EVIDENCE. GRANT STREET IS NOT ENTITLED TO DAMAGES THAT ARE REMOTE OR SPECULATIVE, OR BASED ON SYMPATHY OR GUESSWORK. IN DETERMINING THE AMOUNT OF DAMAGES, THERE SHOULD BE NO ATTEMPT BY YOU TO PUNISH OR REWARD ANY PARTY AND YOUR VERDICT SHOULD NOT BE INFLUENCED BY SYMPATHY OR

PREJUDICE FOR OR AGAINST ANY PARTY. THE MERE FACT THAT THE PLAINTIFF SUSTAINED HARM DOES NOT PROVE OR GIVE RISE TO ANY INFERENCE THAT THE DEFENDANTS ARE RESPONSIBLE FOR THOSE DAMAGES.

126. THE FACT THAT I AM INSTRUCTING YOU ON DAMAGES SHOULD NOT BE UNDERSTOOD AS SUGGESTING ANY VIEW OF THE COURT AS TO WHICH PARTY IS ENTITLED TO PREVAIL IN THIS CASE, OR THAT ANY AMOUNT OF DAMAGES, OR ANY DAMAGES AT ALL, SHOULD BE AWARDED. THESE INSTRUCTIONS ARE GIVEN FOR YOUR GUIDANCE IN THE EVENT YOU FIND THE EVIDENCE IN FAVOR OF GRANT STREET. I WILL NOW EXPLAIN TO YOU HOW YOU SHOULD DETERMINE AN APPROPRIATE DAMAGES AWARD.

TWO TYPES OF DAMAGES: LOST PROFITS AND REASONABLE ROYALTY

127. THERE ARE TWO TYPES OF DAMAGES FOR PATENT INFRINGEMENT. THE FIRST TYPE OF PATENT DAMAGES IS LOST PROFITS. BRIEFLY, LOST PROFITS DAMAGES COMPENSATE THE PATENT OWNER FOR ADDITIONAL PROFITS THAT IT WOULD HAVE MADE IF THE ACCUSED INFRINGER HAD NOT INFRINGED. THE SECOND

TYPE OF PATENT DAMAGES IS CALLED REASONABLE ROYALTY. A REASONABLE ROYALTY IS DEFINED AS THE MONEY AMOUNT GRANT STREET AND REALAUCTION WOULD HAVE AGREED UPON AS A FEE FOR USE OF THE INVENTION AT THE TIME JUST PRIOR TO WHEN INFRINGEMENT BEGAN.

128. THE MINIMUM AMOUNT OF DAMAGES THAT GRANT STREET MAY RECOVER FOR INFRINGEMENT OF A VALID PATENT IS A REASONABLE ROYALTY. GRANT STREET MUST PROVE IT IS ENTITLED TO LOST PROFITS.

129. TO RECOVER LOST PROFITS (AS OPPOSED TO A REASONABLE ROYALTY), GRANT STREET MUST SHOW A CAUSAL RELATIONSHIP BETWEEN THE INFRINGEMENT AND GRANT STREET'S LOSS OF PROFIT. IN OTHER WORDS, GRANT STREET MUST PROVE THAT, BUT FOR THE INFRINGEMENT, THERE IS A REASONABLE PROBABILITY THAT GRANT STREET WOULD HAVE EARNED HIGHER PROFITS.

130. TO SHOW THIS, GRANT STREET MUST PROVE THAT IF THERE HAD BEEN NO INFRINGEMENT IT WOULD HAVE MADE SOME OR

ALL OF THE SALES REALAUCTION MADE OF THE INFRINGING PRODUCT.

131. THUS, PART OF YOUR JOB IS TO DETERMINE WHAT THE CUSTOMERS WHO PURCHASED REALAUCTION'S REALFORECLOSE AND/OR REALTAXLIEN PRODUCTS WOULD HAVE DONE IF REALAUCTION HAD NOT SOLD THOSE PRODUCTS.

132. GRANT STREET MUST PROVE THE AMOUNT OF LOST PROFITS BY A PREPONDERANCE OF THE EVIDENCE. IF IT IS MORE LIKELY THAN NOT THAT GRANT STREET WOULD HAVE MADE SOME OR ALL OF THE INFRINGING SALES MADE BY REALAUCTION, AND WHAT AMOUNT GRANT STREET WOULD HAVE NETTED FROM THE SALES THAT WENT TO REALAUCTION INSTEAD IS FOUND BY YOU BY A PREPONDERANCE OF THE EVIDENCE, THEN REALAUCTION IS LIABLE FOR THE LOST PROFITS ON THOSE INFRINGING SALES.

133. THE PROFITS I HAVE BEEN REFERRING TO ARE THE PROFITS ALLEGEDLY LOST BY GRANT STREET, NOT THE PROFITS, IF ANY, MADE BY REALAUCTION.

LOST PROFITS: MARKET SHARE

134. IF A PATENT HOLDER ESTABLISHES IT WOULD HAVE MADE SOME, BUT NOT ALL, OF AN ALLEGED INFRINGER'S SALES BUT FOR THE INFRINGEMENT, THE AMOUNT OF SALES THAT THE PATENT HOLDER LOST MAY BE SHOWN BY PROVING THE PATENT HOLDER'S SHARE OF THE RELEVANT MARKET, EXCLUDING INFRINGING PRODUCTS. A PATENT HOLDER MAY BE AWARDED A SHARE OF PROFITS EQUAL TO ITS MARKET SHARE EVEN IF THERE WERE NONINFRINGING SUBSTITUTES AVAILABLE. IN DETERMINING A PATENT HOLDER'S MARKET SHARE, THE MARKET MUST BE ESTABLISHED FIRST, WHICH REQUIRES DETERMINING WHICH PRODUCTS ARE IN THAT MARKET. PRODUCTS ARE CONSIDERED IN THE SAME MARKET IF THEY ARE CONSIDERED "SUFFICIENTLY SIMILAR" TO COMPETE AGAINST EACH OTHER. TWO PRODUCTS ARE SUFFICIENTLY SIMILAR IF ONE DOES NOT HAVE A SIGNIFICANTLY HIGHER PRICE THAN, OR POSSESS CHARACTERISTICS SIGNIFICANTLY DIFFERENT FROM, THE OTHER.

LOST PROFITS: *PANDUIT* FACTORS

135. GRANT STREET IS ENTITLED TO LOST PROFITS IF YOU FIND THAT GRANT STREET HAS PROVEN EACH OF THE FOLLOWING FACTORS, CALLED THE PANDUIT FACTORS, BY A PREPONDERANCE OF THE EVIDENCE:

A. DEMAND FOR THE PATENTED PRODUCT OR SYSTEM OR METHOD;

B. THERE WERE NO ACCEPTABLE NON-INFRINGING SUBSTITUTES;

C. GRANT STREET HAD THE MANUFACTURING AND MARKETING CAPACITY TO MAKE THE INFRINGING SALES ACTUALLY MADE BY REALAUCTION – IN OTHER WORDS, THAT GRANT STREET WAS CAPABLE OF SATISFYING THE DEMAND; AND

D. THE AMOUNT OF PROFIT THAT GRANT STREET WOULD HAVE MADE BUT FOR REALAUCTION'S SALES.

136. I WILL NOW EXPLAIN EACH OF THESE FACTORS.

Lost Profits *Panduit* Factors: Demand

137. FIRST, YOU SHOULD CONSIDER DEMAND FOR THE PATENTED PRODUCT. DEMAND FOR THE PATENTED PRODUCT CAN BE

PROVEN BY SALES OF GRANT STREET'S PATENTED PRODUCT. DEMAND FOR THE PATENTED PRODUCT ALSO CAN BE PROVEN BY SIGNIFICANT SALES OF REALAUCTION'S PRODUCT CONTAINING THE PATENTED FEATURES.

Lost Profits Panduit Factors: Acceptable Non-Infringing Alternatives

138. THE EXISTENCE OF A COMPETING METHOD OR PRODUCT DOES NOT MAKE THAT METHOD OR PRODUCT AN ACCEPTABLE SUBSTITUTE. IN ORDER TO BE AN ACCEPTABLE SUBSTITUTE, THE PRODUCT MUST HAVE ONE OR MORE OF THE ADVANTAGES OF THE PATENTED INVENTION THAT WERE IMPORTANT TO CUSTOMERS. IF PURCHASERS OF AN ALLEGED INFRINGER'S PRODUCT WERE MOTIVATED TO BUY THAT PRODUCT BECAUSE OF THE PATENT HOLDER'S PATENTED METHOD OR PRODUCT, THEN SOME OTHER, ALTERNATIVE METHOD OR PRODUCT IS NOT AN ACCEPTABLE SUBSTITUTE, EVEN IF IT OTHERWISE COMPETED WITH A PATENT HOLDER'S AND AN ALLEGED INFRINGER'S PRODUCTS. IF, HOWEVER, THE REALITIES OF THE MARKETPLACE ARE THAT COMPETITORS OTHER THAN GRANT STREET WOULD LIKELY HAVE CAPTURED SOME

OR ALL OF THE SALES MADE BY REALAUCTION, EVEN DESPITE A DIFFERENCE IN THE PRODUCTS, THEN GRANT STREET IS NOT ENTITLED TO LOST PROFITS ON THOSE SALES.

139. IN ORDER TO ASSESS WHETHER THERE IS AN ABSENCE OF ACCEPTABLE NON-INFRINGING SUBSTITUTES, YOU MUST CONSIDER WHETHER NON-INFRINGING SUBSTITUTES EXISTED THAT WERE ACCEPTABLE TO THE SPECIFIC PURCHASERS OF THE INFRINGING PRODUCTS, NOT PURCHASERS GENERALLY.

140. AN ACCEPTABLE NONINFRINGING SUBSTITUTE MUST BE A PRODUCT THAT DOES NOT INFRINGE THE PATENT. A PRODUCT DOES NOT INFRINGE A PATENT WHEN EITHER (A) IT IS SOLD BASED ON A LICENSE UNDER THAT PATENT OR (B) IT DOES NOT INCLUDE ALL THE FEATURES REQUIRED BY THE PATENT. GRANT STREET CONTENDS THAT THE PRODUCTS OFFERED BY BID4ASSETS, D&T VENTURES/VISUALGOV, PACIFIC BLUE, TAXLIENBIDS.COM, WEST FLORIDA BUSINESS SYSTEMS AND SRI INFRINGE AT LEAST ONE CLAIM OF THE ‘063 PATENT AND THUS ARE NOT NONINFRINGING SUBSTITUTES. YOU MUST DETERMINE WHETHER GRANT STREET HAS

PROVEN BY A PREPONDERANCE OF THE EVIDENCE THAT ANY OF THOSE PRODUCTS ARE NON-INFRINGING SUBSTITUTES.

Lost Profits Panduit Factors: Capacity

141. GRANT STREET IS ONLY ENTITLED TO LOST PROFITS FOR SALES IT COULD HAVE ACTUALLY MADE. YOU SHOULD CONSIDER WHETHER GRANT STREET HAS PROVEN THAT IT HAD THE CAPABILITY OF PROVIDING THE SERVICES AND THE MARKETING CAPABILITY TO MAKE THE SALES THAT IT SAYS IT WOULD HAVE MADE BUT FOR REALAUCTION. GRANT STREET MUST PROVE THAT IT WAS MORE PROBABLE THAN NOT THAT IT COULD HAVE MADE THE ADDITIONAL SALES IT SAYS IT COULD HAVE MADE BUT FOR THE INFRINGEMENT.

Lost Profits Panduit Factors: Incremental Profit

142. GRANT STREET MAY CALCULATE ITS LOST PROFITS ON LOST SALES BY COMPUTING THE REVENUE IT WOULD HAVE MADE ON THOSE SALES AND SUBTRACTING FROM THAT FIGURE THE AMOUNT OF ADDITIONAL COSTS OR EXPENSES THAT IT WOULD HAVE INCURRED IN MAKING THOSE LOST SALES, INCLUDING BUT NOT LIMITED TO SALES COSTS. CERTAIN FIXED COSTS SUCH AS TAXES, INSURANCE, RENT AND ADMINISTRATIVE OVERHEAD MAY NOT VARY

WITH INCREASES IN PRODUCTION OR SCALE. THESE ARE CALLED FIXED COSTS.

143. ANY COSTS WHICH DO NOT VARY WITH INCREASED PRODUCTION SHOULD NOT BE SUBTRACTED FROM THE LOST REVENUE WHEN DETERMINING DAMAGES. THUS, IN DETERMINING GRANT STREET'S LOST PROFITS, YOU ARE NOT TO SUBTRACT FROM ITS LOST REVENUE THE AMOUNT OF ANY FIXED COSTS.

144. THE AMOUNT OF LOST PROFITS CANNOT BE SPECULATIVE BUT IT DOES NOT NEED TO BE PROVED WITH UNERRING CERTAINTY.

REASONABLE ROYALTY - ENTITLEMENT

145. IF YOU FIND THAT GRANT STREET HAS ESTABLISHED INFRINGEMENT OF A VALID PATENT, GRANT STREET IS ENTITLED TO AT LEAST A REASONABLE ROYALTY TO COMPENSATE IT FOR THAT INFRINGEMENT. IF YOU FIND THAT GRANT STREET HAS NOT PROVED ITS CLAIM FOR LOST PROFITS, THEN YOU MUST AWARD GRANT STREET A REASONABLE ROYALTY FOR ALL INFRINGING SALES FOR WHICH YOU HAVE NOT AWARDED LOST PROFITS DAMAGES.

REASONABLE ROYALTY - DEFINITION

146. A ROYALTY IS A PAYMENT MADE TO A PATENT HOLDER IN EXCHANGE FOR THE RIGHT TO USE THE CLAIMED INVENTION. A REASONABLE ROYALTY IS THE AMOUNT OF ROYALTY PAYMENT THAT THE PATENT HOLDER AND THE INFRINGER WOULD HAVE AGREED TO IN A HYPOTHETICAL NEGOTIATION TAKING PLACE AT A TIME PRIOR TO WHEN THE INFRINGEMENT FIRST BEGAN.

147. IN CONSIDERING THIS HYPOTHETICAL NEGOTIATION, YOU SHOULD FOCUS ON WHAT THE EXPECTATIONS OF THE PATENT HOLDER AND THE INFRINGER WOULD HAVE BEEN HAD THEY ENTERED INTO AN AGREEMENT AT THAT TIME, AND HAD THEY ACTED REASONABLY IN THEIR NEGOTIATIONS. IN DETERMINING THIS, YOU MUST ASSUME THAT BOTH PARTIES BELIEVED THE PATENT WAS VALID AND INFRINGED AND THE PATENT HOLDER AND INFRINGER WERE WILLING TO ENTER INTO AN AGREEMENT.

148. THE REASONABLE ROYALTY YOU DETERMINE MUST BE A ROYALTY THAT WOULD HAVE RESULTED FROM THE HYPOTHETICAL NEGOTIATION, AND NOT SIMPLY A ROYALTY EITHER PARTY WOULD HAVE PREFERRED.

Reasonable Royalty: Time of the Hypothetical Negotiation

149. IN THIS CASE, THE PARTIES AGREE THE HYPOTHETICAL NEGOTIATION WOULD HAVE OCCURRED JUST PRIOR TO APRIL 21, 2009.

Reasonable Royalty: Relevant Factors

150. IN DETERMINING THE REASONABLE ROYALTY, YOU SHOULD CONSIDER ALL THE FACTS KNOWN AND AVAILABLE TO THE PARTIES AT THE TIME THE INFRINGEMENT BEGAN. SOME OF THE KINDS OF FACTORS THAT YOU MAY CONSIDER IN MAKING YOUR DETERMINATION ARE:

(A) ANY ROYALTIES RECEIVED BY GRANT STREET FOR THE LICENSING OF THE '063 PATENT, PROVING OR TENDING TO PROVE AN ESTABLISHED ROYALTY.

(B) ANY RATES PAID BY REALAUCTION FOR THE USE OF OTHER PATENTS COMPARABLE TO THE '063 PATENT.

(C) THE NATURE AND SCOPE OF THE LICENSE, AS EXCLUSIVE OR NON-EXCLUSIVE; OR AS RESTRICTED OR NON-RESTRICTED IN TERMS OF TERRITORY OR WITH RESPECT TO WHOM THE PATENTED METHOD OR MANUFACTURED PRODUCT MAY BE SOLD.

(D) GRANT STREET'S ESTABLISHED POLICY OR MARKETING PROGRAM TO MAINTAIN THE RIGHT TO EXCLUDE OTHERS FROM USING THE PATENTED INVENTIONS BY NOT LICENSING OTHERS TO USE THE INVENTIONS, OR BY GRANTING LICENSES UNDER SPECIAL CONDITIONS DESIGNED TO PRESERVE THAT EXCLUSIVITY.

(E) ANY COMMERCIAL RELATIONSHIP BETWEEN GRANT STREET AND REALAUCTION, SUCH AS WHETHER OR NOT THEY ARE COMPETITORS IN THE SAME TERRITORY IN THE SAME LINE OF BUSINESS.

(F) THE EFFECT OF SELLING THE PATENTED PRODUCTS IN PROMOTING SALES OF OTHER PRODUCTS OR INVENTIONS OF REALAUCTION; THE EXISTING VALUE OF THE INVENTIONS TO GRANT STREET AS A GENERATOR OF SALES OF ITS NON-PATENTED GOODS OR SERVICES; AND THE EXTENT OF SUCH DERIVATIVE OR CONVOYED SALES.

(G) THE DURATION OF THE PATENTS AND THE TERM OF THE LICENSE.

(H) THE ESTABLISHED PROFITABILITY OF PRODUCTS MADE UNDER THE ‘063 PATENT; THEIR COMMERCIAL SUCCESS; AND THEIR CURRENT POPULARITY.

(I) THE UTILITY AND ADVANTAGES OF THE PATENTED INVENTIONS OVER THE OLD MODES OR DEVICES, IF ANY, THAT HAD BEEN USED FOR WORKING OUT SIMILAR RESULTS.

(J) THE NATURE OF THE PATENTED INVENTIONS; THE CHARACTER OF THE COMMERCIAL EMBODIMENT OF THEM AS OWNED AND PRODUCED BY GRANT STREET; AND THE BENEFITS TO THOSE WHO HAVE USED THE INVENTIONS.

(K) THE EXTENT TO WHICH REALAUCTION HAS MADE USE OF THE INVENTIONS; AND ANY EVIDENCE THAT SHOWS THE VALUE OF THAT USE.

(L) THE PORTION OF THE PROFIT OR OF THE SELLING PRICE THAT MAY BE CUSTOMARY IN THE PARTICULAR BUSINESS OR IN COMPARABLE BUSINESSES TO ALLOW FOR THE USE OF THE INVENTIONS OR ANALOGOUS INVENTIONS.

(M) THE PORTION OF THE PROFIT THAT ARISES FROM THE PATENTED INVENTIONS THEMSELVES AS OPPOSED TO PROFIT

ARISING FROM FEATURES UNRELATED TO THE PATENTED INVENTIONS, SUCH AS THE MANUFACTURING PROCESS, BUSINESS RISKS, OR SIGNIFICANT FEATURES OR IMPROVEMENTS ADDED BY REALAUCTION.

(N) THE OPINION TESTIMONY THAT YOU HEARD FROM MR. HOFMANN AND MS. RINKE.

(O) THE AMOUNT THAT A LICENSOR AND A LICENSEE (SUCH AS REALAUCTION) WOULD HAVE AGREED UPON (AT THE TIME THE INFRINGEMENT BEGAN) IF BOTH SIDES HAD BEEN REASONABLY AND VOLUNTARILY TRYING TO REACH AN AGREEMENT; THAT IS, THE AMOUNT WHICH A PRUDENT LICENSEE—WHO DESIRED, AS A BUSINESS PROPOSITION, TO OBTAIN A LICENSE TO MANUFACTURE AND SELL A PARTICULAR ARTICLE EMBODYING THE PATENTED INVENTION—WOULD HAVE BEEN WILLING TO PAY AS A ROYALTY AND YET BE ABLE TO MAKE A REASONABLE PROFIT AND WHICH AMOUNT WOULD HAVE BEEN ACCEPTABLE BY A PATENTEE WHO WAS WILLING TO GRANT A LICENSE.

151. NO ONE FACTOR IS DISPOSITIVE AND YOU CAN AND SHOULD CONSIDER THE EVIDENCE THAT HAS BEEN PRESENTED TO

YOU IN THIS CASE ON EACH OF THESE FACTORS. YOU MAY ALSO CONSIDER ANY OTHER FACTORS WHICH IN YOUR MIND WOULD HAVE INCREASED OR DECREASED THE ROYALTY THE INFRINGER WOULD HAVE BEEN WILLING TO PAY AND THE PATENT HOLDER WOULD HAVE BEEN WILLING TO ACCEPT, ACTING AS NORMALLY PRUDENT BUSINESS PEOPLE. FACTOR "O" ESTABLISHES THE FRAMEWORK WHICH YOU SHOULD USE IN DETERMINING A REASONABLE ROYALTY, THAT IS, THE PAYMENT THAT WOULD HAVE RESULTED FROM A NEGOTIATION BETWEEN THE PATENT HOLDER AND THE INFRINGER TAKING PLACE AT A TIME JUST PRIOR TO WHEN THE INFRINGEMENT BEGAN.

DATE DAMAGES BEGIN

152. FOR PURPOSES OF YOUR DAMAGES CALCULATION, I INSTRUCT YOU THAT ANY PATENT DAMAGES TO WHICH GRANT STREET MAY BE ENTITLED BEGAN TO ACCRUE ON APRIL 21, 2009.

GENERAL INSTRUCTIONS

153. NOW, AS YOU RETIRE TO THE JURY ROOM TO DELIBERATE, YOU MAY TAKE WITH YOU YOUR NOTES, AND YOU WILL BE PROVIDED WITH COPIES OF THESE INSTRUCTIONS AND THE EXHIBITS THAT THE COURT HAS ADMITTED INTO EVIDENCE.

154. YOU SHOULD SELECT ONE MEMBER OF THE JURY AS YOUR FOREPERSON. THAT PERSON WILL PRESIDE OVER THE DELIBERATIONS AND SPEAK FOR YOU HERE IN OPEN COURT.

155. YOU HAVE TWO MAIN DUTIES AS JURORS. THE FIRST ONE IS TO DECIDE WHAT THE FACTS ARE FROM THE EVIDENCE THAT YOU SAW AND HEARD HERE IN COURT. DECIDING WHAT THE FACTS ARE IS YOUR JOB, NOT MINE, AND NOTHING THAT I HAVE SAID OR DONE DURING THIS TRIAL WAS MEANT TO INFLUENCE YOUR DECISION ABOUT THE FACTS IN ANY WAY.

156. YOUR SECOND DUTY IS TO TAKE THE LAW THAT I GIVE YOU, APPLY IT TO THE FACTS, AND DECIDE IF, UNDER THE APPROPRIATE BURDEN OF PROOF, THE PARTIES HAVE ESTABLISHED THEIR CLAIMS. IT IS MY JOB TO INSTRUCT YOU ABOUT THE LAW, AND YOU ARE BOUND BY THE OATH THAT YOU TOOK AT THE BEGINNING OF THE TRIAL TO FOLLOW THE INSTRUCTIONS THAT I GIVE YOU, EVEN IF YOU PERSONALLY DISAGREE WITH THEM. THIS INCLUDES THE INSTRUCTIONS THAT I GAVE YOU BEFORE AND DURING THE TRIAL, AND THESE INSTRUCTIONS. ALL THE INSTRUCTIONS ARE IMPORTANT, AND YOU SHOULD CONSIDER THEM TOGETHER AS A WHOLE.

157. LADIES AND GENTLEMEN, DURING THE COURSE OF THE TRIAL, YOU MAY HEAR THE LAWYERS, OR PERHAPS EVEN WITNESSES, SAY SOMETHING THAT SOUNDS AS THOUGH THEY ARE GIVING A STATEMENT OR OPINION, OR POINT OF VIEW, ON WHAT THE LAW IS, OR WHAT LEGAL RULES APPLY TO THIS CASE, OR WHAT THE LAW DOES OR DOES NOT REQUIRE SOMEONE TO DO OR NOT DO.

158. SO THAT THERE CAN BE NO MISUNDERSTANDING, I INSTRUCT YOU NOW THAT IT IS FOR THE COURT, AND THE COURT ALONE, TO INSTRUCT YOU ON WHAT THE LAW IS THAT WILL APPLY TO YOUR DELIBERATIONS, AND YOUR CONSIDERATION OF THE EVIDENCE, AND THAT IN ALL EVENTS, YOU ARE TO RELY ONLY ON THE INSTRUCTIONS THAT I HAVE GIVEN YOU AT THE END OF THE TRIAL, AND AS NECESSARY, DURING THE TRIAL, AS TO WHAT THE LEGAL RULES ARE THAT YOU MUST APPLY. TO THE EXTENT YOU BELIEVE THAT A LAWYER OR EVEN A WITNESS HAS MADE A STATEMENT THAT CONFLICTS WITH THOSE INSTRUCTIONS, YOU ARE TO CONSIDER ONLY THE INSTRUCTIONS ON THE LAW PROVIDED BY THE COURT.

159. PERFORM THESE DUTIES FAIRLY. DO NOT LET ANY BIAS, SYMPATHY OR PREJUDICE THAT YOU MAY FEEL TOWARD ONE SIDE OR THE OTHER INFLUENCE YOUR DECISION IN ANY WAY.

160. AS JURORS, YOU HAVE A DUTY TO CONSULT WITH EACH OTHER AND TO DELIBERATE WITH THE INTENTION OF REACHING A VERDICT. EACH OF YOU MUST DECIDE THE CASE FOR YOURSELF, BUT ONLY AFTER A FULL AND IMPARTIAL CONSIDERATION OF ALL OF THE EVIDENCE WITH YOUR FELLOW JURORS. LISTEN TO EACH OTHER CAREFULLY. IN THE COURSE OF YOUR DELIBERATIONS, YOU SHOULD FEEL FREE TO RE-EXAMINE YOUR OWN VIEWS AND TO CHANGE YOUR OPINION BASED UPON THE EVIDENCE. BUT YOU SHOULD NOT GIVE UP YOUR HONEST CONVICTIONS ABOUT THE EVIDENCE JUST BECAUSE OF THE OPINIONS OF YOUR FELLOW JURORS. NOR SHOULD YOU CHANGE YOUR MIND JUST FOR THE PURPOSE OF OBTAINING ENOUGH VOTES FOR A VERDICT.

161. WHEN YOU START DELIBERATING, DO NOT TALK TO THE JURY OFFICER, TO ME OR TO ANYONE BUT EACH OTHER ABOUT THE CASE. DURING YOUR DELIBERATIONS, YOU MUST NOT COMMUNICATE WITH OR PROVIDE ANY INFORMATION TO ANYONE BY ANY MEANS

ABOUT THIS CASE. YOU STILL MAY NOT USE ANY ELECTRONIC DEVICE OR MEDIA, SUCH AS A CELL PHONE, SMART PHONE LIKE BLACKBERRIES OR IPHONES, OR COMPUTER OF ANY KIND; THE INTERNET, ANY INTERNET SERVICE, OR ANY TEXT OR INSTANT MESSAGING SERVICE OR SERVICE LIKE TWITTER; OR ANY INTERNET CHAT ROOM, BLOG, WEBSITE, OR SOCIAL NETWORKING SERVICE SUCH AS FACEBOOK, MYSPACE, LINKEDIN, OR YOUTUBE, TO COMMUNICATE TO ANYONE ANY INFORMATION ABOUT THIS CASE OR TO CONDUCT ANY RESEARCH ABOUT THIS CASE UNTIL I ACCEPT YOUR VERDICT.

162. IF YOU HAVE ANY QUESTIONS OR MESSAGES FOR ME, YOU MUST WRITE THEM DOWN ON A PIECE OF PAPER, HAVE THE FOREPERSON SIGN THEM, AND GIVE THEM TO THE JURY OFFICER. THE OFFICER WILL GIVE THEM TO ME, AND I WILL RESPOND AS SOON AS I CAN. I MAY HAVE TO TALK TO THE LAWYERS ABOUT WHAT YOU HAVE ASKED, SO IT MAY TAKE SOME TIME TO GET BACK TO YOU.

163. ONE MORE THING ABOUT MESSAGES. NEVER WRITE DOWN OR TELL ANYONE HOW YOU STAND ON YOUR VOTES. FOR EXAMPLE, DO NOT WRITE DOWN OR TELL ANYONE THAT A CERTAIN NUMBER IS

VOTING ONE WAY OR ANOTHER. YOUR VOTES SHOULD STAY SECRET UNTIL YOU ARE FINISHED.

164. YOUR VERDICT MUST REPRESENT THE CONSIDERED JUDGMENT OF EACH JUROR. IN ORDER FOR YOU AS A JURY TO RETURN A VERDICT, EACH JUROR MUST AGREE TO THE VERDICT. YOUR VERDICT MUST BE UNANIMOUS.

165. THERE ARE FOUR BASIC ISSUES FOR YOU TO ADDRESS IN THE QUESTIONS WE ARE PUTTING TO YOU:

(A) WHETHER REALAUCTION INFRINGED ANY OF THE ASSERTED CLAIMS OF GRANT STREET'S '063 PATENT;

(B) IF THERE WAS SUCH INFRINGEMENT, WHETHER IT WAS WILLFUL;

(C) WHETHER ANY CLAIMS ARE INVALID; AND

(D) WHAT MONEY DAMAGES SHOULD BE AWARDED TO GRANT STREET AS COMPENSATION FOR ANY INFRINGEMENT OF A VALID PATENT. IF YOU DECIDE THAT ANY INFRINGEMENT WAS WILLFUL, THAT DECISION SHOULD NOT AFFECT ANY DAMAGE AWARD YOU MAKE. I WILL TAKE WILLFULNESS INTO ACCOUNT LATER.

166. IN ORDER TO RESOLVE THE PARTIES' DISPUTE OVER THESE BASIC ISSUES WE NEED THE ANSWERS TO CERTAIN SPECIFIC QUESTIONS. AS YOU CAN IMAGINE IT WOULD BE POSSIBLE FOR THE PARTIES TO DISPUTE A LONG LIST OF QUESTIONS. BUT DURING THE COURSE OF THE TRIAL THEY HAVE SHARPENED THE FOCUS TO THE LIST OF QUESTIONS ON THE VERDICT FORM. YOU SHOULD NOT CONCERN YOURSELVES WITH ISSUES BEYOND THESE QUESTIONS; FOR EXAMPLE, WHAT THE CONSEQUENCES OF YOUR ANSWERS MIGHT BE. PLEASE FAMILIARIZE YOURSELF WITH THE ENTIRE FORM BEFORE YOU BEGIN COMPLETING IT. THE QUESTIONS YOU ARE TO ANSWER ARE AS FOLLOWS: (READ FORM, COPIES TO JURORS)

167. YOU WILL TAKE THIS FORM TO THE JURY ROOM AND WHEN YOU HAVE REACHED UNANIMOUS AGREEMENT AS TO YOUR VERDICT, YOU WILL FILL IT IN, SIGN IT, AND YOUR FOREPERSON WILL DATE THE FORM. YOU WILL THEN SIGNAL MR. BABIK THAT YOU ARE READY TO RETURN TO THE COURTROOM AND DELIVER YOUR VERDICT. UNLESS I DIRECT YOU OTHERWISE, DO NOT REVEAL YOUR ANSWERS UNTIL YOU ARE DISCHARGED. AFTER YOU HAVE REACHED A VERDICT, YOU ARE

NOT REQUIRED TO TALK WITH ANYONE ABOUT THE CASE UNLESS I WOULD ORDER YOU TO DO SO.

168. ONCE AGAIN, I WANT TO REMIND YOU THAT NOTHING ABOUT MY INSTRUCTIONS AND NOTHING ABOUT THE VERDICT FORM IS INTENDED TO SUGGEST OR CONVEY IN ANY WAY OR MANNER WHAT I THINK YOUR VERDICT SHOULD BE. IT IS YOUR SOLE AND EXCLUSIVE DUTY AND RESPONSIBILITY TO DETERMINE THE VERDICT.

169. IF YOU HAVE NOT REACHED A VERDICT BY 4:30 P.M. TODAY (AND IT IS POSSIBLE THAT YOU WILL NOT), YOU MAY CONTINUE TO DELIBERATE LATER TODAY, BUT ONLY IF ALL OF YOU UNANIMOUSLY AGREE AND YOUR FOREPERSON SO ADVISES ME IN WRITING.

170. IF YOU DO NOT UNANIMOUSLY AGREE TO CONTINUE DELIBERATIONS PAST THAT TIME TODAY, THEN YOU MAY LEAVE AT 4:30 P.M. AND REPORT MONDAY MORNING AT 9:00 A.M. DIRECTLY TO THE JURY ROOM. PLEASE SIGNAL MR. BABIK IF YOU ARE DOING SO, OR IF YOU HAVE UNANIMOUSLY DECIDED TO STAY LONGER TODAY. DURING YOUR DELIBERATIONS, YOU MUST NOT COMMUNICATE WITH OR PROVIDE ANY INFORMATION TO ANYONE BY ANY MEANS ABOUT THIS CASE. YOU MAY NOT USE ANY ELECTRONIC DEVICE OR MEDIA,

SUCH AS THE TELEPHONE, A CELL PHONE, SMART PHONE, IPHONE , BLACKBERRY OR COMPUTER, THE INTERNET, ANY INTERNET SERVICE, ANY TEXT OR INSTANT MESSAGING SERVICE, ANY INTERNET CHAT ROOM, BLOG OR WEBSITE SUCH AS FACEBOOK, MYSPACE, LINKED-IN, YOU-TUBE, OR TWITTER, TO COMMUNICATE TO ANYONE ANY INFORMATION ABOUT THIS CASE OR TO CONDUCT ANY RESEARCH ABOUT THIS CASE UNTIL I ACCEPT YOUR VERDICT. IN OTHER WORDS, YOU CANNOT TALK TO ANYONE ON THE PHONE, CORRESPOND WITH ANYONE, OR ELECTRONICALLY COMMUNICATE WITH ANYONE ABOUT THIS CASE. YOU CAN ONLY DISCUSS THE CASE IN THE JURY ROOM WITH YOUR FELLOW JURORS DURING DELIBERATIONS. I EXPECT YOU WILL INFORM ME AS SOON AS YOU BECOME AWARE OF YOUR OR ANOTHER JUROR'S VIOLATION OF THESE INSTRUCTIONS, EVEN IF INADVERTENT. YOU MAY NOT HAVE ANY SUCH DEVICE WITH YOU DURING DELIBERATIONS. MR. BABIK WILL KEEP THEM SECURE WHILE YOU ARE DELIBERATING.

171. YOU MAY NOT USE THESE ELECTRONIC MEANS TO INVESTIGATE OR COMMUNICATE ABOUT THE CASE BECAUSE IT IS IMPORTANT THAT YOU DECIDE THE CASE BASED SOLELY ON THE

EVIDENCE PRESENTED IN THIS COURTROOM. INFORMATION ON THE INTERNET OR AVAILABLE THROUGH SOCIAL MEDIA MIGHT BE WRONG, INCOMPLETE, OR INACCURATE. YOU ARE ONLY PERMITTED TO DISCUSS THE CASE WITH YOUR FELLOW JURORS DURING DELIBERATIONS BECAUSE THEY HAVE SEEN AND HEARD THE SAME EVIDENCE YOU HAVE. IN OUR JUDICIAL SYSTEM, IT IS IMPORTANT THAT YOU ARE NOT INFLUENCED BY ANYTHING OR ANYONE OUTSIDE OF THIS COURTROOM. OTHERWISE, YOUR DECISION MAY BE BASED ON INFORMATION KNOWN ONLY BY YOU AND NOT YOUR FELLOW JURORS OR THE PARTIES IN THE CASE. THIS WOULD UNFAIRLY AND ADVERSELY IMPACT THE JUDICIAL PROCESS.

172. PLEASE REMEMBER MY INSTRUCTION TO NOT READ ABOUT THE CASE SHOULD THERE BE ANY ARTICLES IN THE NEWSPAPER AND DO NOT LISTEN TO ANY RADIO BROADCASTS OR TELEVISION BROADCASTS SHOULD THERE BE ANY CONCERNING THIS CASE.

173. YOU WILL NOTE FROM THE OATH ABOUT TO BE TAKEN BY MY COURTROOM DEPUTY, MR. BABIK, AND OTHER MEMBERS OF MY STAFF THAT THEY TOO, AS WELL AS ALL OTHERS, ARE FORBIDDEN TO

COMMUNICATE IN ANY WAY OR MANNER WITH ANY MEMBER OF THE JURY ON ANY SUBJECT TOUCHING THE MERITS OF THE CASE.

174. AT THIS TIME, YOU MAY RETIRE TO THE JURY ROOM TO DELIBERATE.

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