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17 UNITED STATES DISTRICT COURT
 18 SOUTHERN DISTRICT OF CALIFORNIA

19 MULTIMEDIA PATENT TRUST,

20 Plaintiff,

21 v.

22 APPLE, INC.; CANON, INC.; CANON U.S.A.,
 23 INC.; LG ELECTRONICS, INC.; LG
 ELECTRONICS U.S.A., INC.; LG
 24 ELECTRONICS MOBILECOMM U.S.A., INC.;
 TIVO, INC.,

25 Defendants.

Case No. 10-CV-2618 H (KSC)

**DEFENDANTS' OPENING BRIEF
 RE CERTAIN AFFIRMATIVE
 DEFENSES**

Date: November 20
 Time: 9:00 am
 Courtroom: 13, 5th Floor

Hon. Marilyn L. Huff

1 **I. INTRODUCTION**

2 Although standards setting organization estoppel and patent misuse/unclean hands are
3 equitable defenses, they both contain factual underpinnings that are appropriate for an advisory
4 verdict under Rule 39(c) or a special verdict under Rule 49(a).

5 **II. ARGUMENT**

6 **A. Standards Setting Organization Estoppel**

7 A determination that a patent is unenforceable because the patent holder breached a duty to
8 disclose the patent to a standard setting organization includes questions of fact, suitable for a jury.
9 *Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1012 (Fed. Cir. 2008). (“The existence of a
10 disclosure duty is a legal question with factual underpinnings.”); *see also Rambus Inc. v. Infineon*
11 *Technologies Ag*, 318 F.3d 1081, 1107 (Fed. Cir. 2003) (Prost, J., dissenting-in-part) (“The species
12 of fraud are numberless, and like a chameleon, fraud is always colored by the context from which
13 it arises. For that reason, it is usually for the jury to determine from the facts of a specific case,
14 whether a fraud was committed... In this case, the jury heard direct and circumstantial evidence
15 supporting the conclusion that Rambus committed fraud in the context of its membership in the
16 JEDEC standard setting organization.”) (internal cites omitted). In *Qualcomm*, the district court
17 analyzed the consequences of Qualcomm’s failure to disclose patents to a standards setting
18 organization under the equitable framework of waiver. 548 F.3d at 1019. At trial, the *Qualcomm*
19 jury returned a unanimous advisory verdict as to the equitable issues, finding by clear and
20 convincing evidence that patents-in-suit were “unenforceable due to waiver.” *Id.* at 1009.
21 Similarly, in this case it is appropriate for the jury to render an advisory verdict under Rule 39(c)
22 on the factual underpinnings of Defendants’ standards setting organization estoppel defense.

23 **B. Patent Misuse and Unclean Hands**

24 Although unclean hands and patent misuse are equitable defenses, juries frequently decide
25 the underlying factual issues via a special verdict or an advisory verdict. *See e.g., C.R. Bard, Inc. v.*
26 *M3 Systems, Inc.*, 157 F.3d 1340, 1372–73 (Fed. Cir. 1998) (“When a jury has determined that
27 patent misuse occurred we review the underlying findings of fact for support by substantial
28 evidence, presuming that the jury resolved any factual disputes in favor of the verdict winner.”);

1 *Virginia Panel Corp. v. MAC Panel Co.*, 133 F.3d 860, 868 (Fed. Cir. 1997) (“When reviewing a
2 jury finding on an equitable issue normally reserved for the court such as patent misuse, we will
3 first presume that the jury resolved the underlying factual disputes in favor of the verdict winner
4 and leave those presumed findings undisturbed if they are supported by substantial evidence.”); *see*
5 *also Static Control Components, Inc. v. Lexmark Int’l, Inc.*, 749 F. Supp. 2d 542 (E.D. Ky. 2010)
6 (denying motion for new trial where jury returned advisory verdict on patent misuse). In *C.R.*
7 *Bard*, the jury returned special verdicts that Bard had misused the two asserted patents. 157 F.3d
8 at 1372. Similarly, in this case it is appropriate for the jury to render a special verdict under Rule
9 49(a) as to the factual underpinnings of Defendants’ unclean hands/patent misuse defenses, or, in
10 the alternative, to render an advisory verdict under Rule 39(c).

11 **III. CONCLUSION**

12 For the foregoing reasons, the Defendants request that the Court allow the jury to hear the
13 affirmative defenses of standards setting organization estoppel and patent misuse/unclean hands.
14

15 Dated: November 14, 2012

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on November 14, 2012 to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Fed. R. Civ. P. 5(b)(3). Any other counsel of record will be served by electronic mail, facsimile and/or overnight delivery.

Dated: November 14, 2012

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