

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

DOUGLAS DYNAMICS, LLC,

Plaintiff,

v.

OPINION AND ORDER

09-cv-261-wmc

BUYERS PRODUCT COMPANY,

Defendant.

The purpose of this Opinion and Order is to address a few pending matters in advance of trial on which the court has received further briefing from the parties.

First, the parties have both briefed their position as to Mr. Finger's offering an opinion at trial as to (1) an appropriate starting point for determining a reasonable royalty rate or (2) an ending point for a reasonable royalty rate. The court agrees with Douglas that in light of Mr. Finger having produced *no* report using the royalty rates for products using the '530 and '978 patents arrived at by the first jury, that it would be unfair to allow him to now adopt those rates as his starting point for a hypothetical negotiation since (1) these rates have been known since 2010 and (2) the court's possible exclusion of the rate in the Curtis Agreement was certainly foreseeable.

At the same time, since Mr. Bero relies heavily upon those same rates in reverse-engineering a reasonable royalty rate for the '700 patented product, the court will neither preclude Mr. Finger from criticizing that approach consistent with his expert reports, nor prevent him from pointing to those rates as an appropriate ending point for a reasonable royalty rate, to the extent his opinion is consistent with this court's ruling on plaintiff's

motion *in limine* #15. Similarly, the court will not prevent Mr. Finger from commenting on Mr. Bero's "analysis of the approximately 2% cost benefit of the '700 patent technology," provided it is first the subject of cross-examination of Mr. Bero.

Acknowledging that even these limited modifications constitute a departure from Mr. Finger's original and supplemental expert reports, the court will allow Douglas to take a supplemental deposition of Mr. Finger on these subjects for up to 90 minutes on Tuesday evening, April 15th, should it so choose.

Second, Douglas continues to object to the court's inclusion of two sentences from the standard jury instruction regarding calculating of lost profits for non-infringing substitutes in light of its stipulation that non-infringing substitutes were acceptable and available during the applicable damages period. Upon reflection, the court agrees that the entire instruction is better removed to avoid any risk of confusion as to the basis of Douglas's lost profits claim and the role of other competing products, as well as to focus the jury on the court's instruction on plaintiff's claim for lost profits based on market share. The court rejects the notion, however, that Buyers is precluded from arguing a lack of sufficient similarity between Douglas's patented products and what Buyers claims was a separate market for lower-priced snowplows like the infringing products. For the same reasons, the court will not deviate from the standard instructions with respect to lost profits by placing a further gloss on the burden of proof, as it is more likely to confuse than assist the jury.¹

¹ Douglas also objects to the inclusion of the word "valid" in the patent background section, which appears to be a solution in search of a problem. The court is confident that neither side will attempt to confuse the jury over the issue of validity. As to Douglas's final objection, the

Third, the court previously reserved on the admissibility of certain manuals of Douglas's products (PTX 329, 489 and 519)² for purposes of showing that Douglas properly marked those products pursuant to 35 U.S.C. § 287(a). Section 287(a) provides that a patentee must give notice to the public of its patent rights by marking the article itself "or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice." Patentees generally have significant discretion to mark an article's packaging rather than the article itself. *See Rutherford v. Trim-Tex, Inc.*, 803 F. Supp. 158, 162 (N.D. Ill. 1992) (citing *Sessions v. Romadka*, 145 U.S. 29 (1892)). "Where the patented article has markings or printing on it," however, "then the alternate form of patent markings on the package is not sufficient compliance with the statute." *Rutherford*, 803 F. Supp. at 163.

Here, Douglas contends that it *does* mark its products, making the question of alternative marking, and in large part the manuals, irrelevant. (*See* Pl.'s Notice re: Relevancy (dkt. #715) 2.) Since Douglas also points out that the manuals include depictions of the instruction labels as they appear on the snowplow assemblies, and that those labels include notice of the '700 patent, this evidence, at least arguably, is additional proof of proper marking under 35 U.S.C. § 287(a). Accordingly, the court overrules Buyers' objections to those portions of the manuals and Douglas may introduce those excerpted depictions as PTX 329a, 489a and 519a, respectively.

court has already addressed it and sees no reason to revisit its conclusion.

² Douglas has withdrawn PTX 450 and 534A. (*See* Pl.'s Notice re: Relevancy (dkt. #715) 1 n.1.)

ORDER

IT IS ORDERED that:

- (1) Douglas's motion for clarification (dkt. #703) is GRANTED IN PART and DENIED IN PART as set forth above, so that Mr. Finger may not use the earlier royalty rates assigned to the '530 and '978 patents by the first jury as his starting point for a hypothetical negotiation;
- (2) the two remaining sentences from the standard jury instruction for calculating of lost profits based on non-infringing substitutes will be removed from the jury instructions; and
- (3) Douglas may introduce excerpted depictions in product manuals purporting to show that Douglas's products were properly marked as depicted in PTX 329a, 489a and 519a, respectively.

Entered this 14th day of April, 2014.

BY THE COURT:

/s/

William M. Conley
District Judge