

Nos. 2020-1793, 2020-1794

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

OMEGA PATENTS, LLC,

Plaintiff-Cross-Appellant,

v.

CALAMP CORP.,

Defendant-Appellant.

Appeals from the United States District Court for the Middle District of
Florida in Case No. 6:13-cv-01950-PGB-DCI, Judge Paul G. Byron

**OPENING BRIEF OF DEFENDANT-APPELLANT
CALAMP CORP.**

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U.S. Patent No. 6,756,885 Claim at Issue

1. A control system for a vehicle comprising a data communications bus and at least one vehicle device connected thereto, the control system comprising:

a transmitter, and a receiver for receiving signals from said transmitter; and

a multi-vehicle compatible controller cooperating with said transmitter and said receiver and for storing a set of device codes for a given vehicle device for a plurality of different vehicles, for reading a device code from the data communications bus, and for determining a match between a read device code and the stored device codes to thereby provide compatibility with a plurality of different vehicles.

U.S. Patent No. 8,032,278 Claim at Issue

1. A multi-vehicle compatible tracking unit for a vehicle comprising a vehicle data bus extending throughout the vehicle, the multi-vehicle compatible tracking unit comprising:

a vehicle position determining device;

a wireless communications device;

a multi-vehicle compatible controller for cooperating with said vehicle position determining device and said wireless communications device to send vehicle position information;

said multi-vehicle compatible controller to be coupled to the vehicle data bus for communication thereover with at least one vehicle device using at least one corresponding vehicle device code from among a plurality thereof for different vehicles; and

a downloading interface for permitting downloading of enabling data related to the at least one corresponding vehicle device code for use by said multi-vehicle compatible controller.

FORM 9. Certificate of Interest

Form 9
Rev. 10/17

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Omega Patents, LLC v. CalAmp Corp.Case No. 2020-1793, 20-1794

CERTIFICATE OF INTEREST

Counsel for the:

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certifies the following (use "None" if applicable; use extra sheets if necessary):

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
CalAmp Corp.	CalAmp Corp.	N/A

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court **(and who have not or will not enter an appearance in this case)** are:

Christopher S. Carver, Peter A. Chiabotti, Thomas R. Yaegers, David S. Wood, and Carrie Ann Wozniak of Akerman, Senterfitt, LLP

Charles R. Halloran, Eugene Chong, and Joel A. Kauth of KPPB LLP

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5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. *See* Fed. Cir. R. 47. 4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary).

N/A

7/13/2020

Date

/s/ Constantine L. Trela, Jr.

Signature of counsel

Constantine L. Trela, Jr.

Printed name of counsel

Please Note: All questions must be answered

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STATEMENT OF RELATED CASES

This appeal is from the United States District Court for the Middle District of Florida in Case No. 6:13-cv-01950-PGB-DCI. This case was the subject of a prior appeal to this Court. *Omega Patents, LLC v. CalAmp Corp.*, 920 F.3d 1337 (Fed. Cir. 2019) (Appeal No. 2018-1309). That appeal challenged a judgment holding that Defendant-Appellant CalAmp Corp. (“CalAmp”) willfully infringed four patents owned by Plaintiff-Appellee Omega Patents, LLC (“Omega”). This Court affirmed in part, reversed in part, and vacated in part and remanded for a new trial on various issues. The panel consisted of Chief Judge Prost, Judge Dyk, and Judge Wallach.

The current appeal involves two of the four patents originally asserted by Omega and at issue in the prior appeal: U.S. Patent Nos. 6,756,885 (“the ’885 patent”) and 8,032,278 (“the ’278 patent”). Omega is currently asserting the ’278 patent against an unrelated party in *Omega Patents, LLC v. DEI Holdings, Inc.*, No. 6:20-cv-00693-CEM-LRH (M.D. Fla.). The ’885 patent expired on August 22, 2016.

Counsel for CalAmp are unaware of any other case in this or any other court that will directly affect or be directly affected by this Court's decision in this appeal.

JURISDICTIONAL STATEMENT

The district court had jurisdiction under 28 U.S.C. §§ 1331 & 1338. It entered final judgment on November 26, 2019, and denied CalAmp’s timely combined motion for judgment as a matter of law, a new trial, and remittitur on March 20, 2020. The court awarded Omega an ongoing royalty of \$5 per unit on April 1, 2020. The court disposed of the last of the parties’ post-judgment motions on April 3, 2020. CalAmp filed its notice of appeal on April 30, 2020. Omega filed a notice of cross-appeal the same day. This Court has jurisdiction under 28 U.S.C. § 1295(a)(1).

INTRODUCTION

This appeal is from a re-trial ordered after a first trial this Court found riddled with fundamental errors. At the first trial, the district court improperly permitted Omega to present an infringement theory that was inconsistent with the proper construction of the claim terms “device code” and “vehicle device,” incorrectly prevented CalAmp from offering testimony regarding its extensive pre-launch review of the asserted patents (which would have helped defend against both willfulness and induced infringement), and awarded damages that lacked sufficient proof. This Court vacated and remanded the judgment

of infringement as to all but one patent, and the judgments of willfulness and damages as to all patents.

On remand, the re-trial repeated many of the errors from the first trial, reprised virtually identical (and hence deficient) infringement and damages proof, and added new, prejudicial errors. For example, Omega again was allowed to offer improper constructions and infringement theories with respect to the “device code” limitations in the asserted claims of the ’278 and ’885 patents. Omega again failed to present evidence that would permit a reasonable jury to conclude that CalAmp’s LMU-3000, LMU-3030, and LMU-3050 (the “Accused LMUs”) directly infringe those patents. And, again, Omega’s damages theory relied on the same non-comparable license agreements challenged in the first trial. Beyond those repeated errors, the court erroneously permitted Omega’s infringement expert to testify to opinions never presented in his expert report despite CalAmp’s objections and an explicit *in limine* order prohibiting such testimony, and compounded the error by improperly barring rebuttal testimony by CalAmp’s damages expert that had been expressly disclosed in his pre-trial report and had never been challenged by Omega.

Ultimately, the jury found that CalAmp customers who used the Accused LMUs directly infringed the '885 patent and that CalAmp itself directly infringes the '278 patent, and awarded a royalty of \$5 per unit for infringement of the '278 patent.¹ Those findings rest on the errors described above and therefore should be reversed; in the alternative, the infringement findings as to both patents should be vacated and a new trial ordered. At minimum, because the evidence supported damages of no more than \$1 per unit for any infringement of the '278 patent, the damages award should be vacated and remanded for a new trial.²

¹ The jury correctly determined that CalAmp's accused VPOD and VPOD2 products do not infringe the '885 or '278 patents. Appx27-33. The jury also correctly determined that CalAmp did not induce infringement of U.S. Patent No. 6,346,876 ("the '876 patent") or the '885 patent, and that Omega had proven only a single instance of direct infringement of U.S. Patent No. 7,671,727 ("the '727 patent"). *Id.* CalAmp does not seek this Court's review of these findings.

² As explained below, this Court previously determined that CalAmp does not directly infringe the '885 patent, 920 F.3d at 1345, and the jury correctly found CalAmp not liable for indirect infringement of the '885 patent because it lacked the requisite knowledge and intent (Appx27-33).

QUESTIONS PRESENTED

1. Is CalAmp entitled to judgment as a matter of law of non-infringement where no reasonable jury could have found that CalAmp's Accused LMUs practice the "device code" limitations of the asserted claims of the '885 and '278 patents?

2. Alternatively, because the jury was improperly invited to disregard the proper construction of the "device code" limitations of the asserted claims, should the findings of direct infringement be vacated and (a) as to the '885 patent, the case be remanded with instructions to dismiss Omega's indirect infringement claim and (b) as to the '278 patent, the case be remanded for a new trial?

3. Did the district court err by permitting Omega's expert to testify beyond the scope of his expert report, in violation of the court's own orders prohibiting such testimony and, if so, is reversal of the verdict with respect to the '278 patent, or alternatively vacatur and a new trial, warranted?

4. Is CalAmp entitled to a new trial on damages for any infringement of the '278 patent due to Omega's reliance on non-comparable license agreements, failure to identify the incremental

value of the claimed invention, and the improper exclusion of CalAmp's rebuttal damages expert?

STATEMENT OF THE CASE

I. The Parties, Accused Products, and Patents-in-Suit.

CalAmp is a leader in the telematics industry, helping businesses and government entities track and collect data from their remote and mobile assets. CalAmp's Accused LMU products facilitate such tracking and data collection. They connect to a vehicle's on-board diagnostics ("OBD") port, a standardized port required in all vehicles sold in this country since 1996. *See* Appx23459-23460(22:24-23:7); Appx23638-23639(17:5-18:1), Appx23696-23697(75:9-76:25). The Accused LMUs, which include a GPS receiver to track the vehicle's location and an accelerometer to track driver behavior, communicate over the vehicle's data bus to obtain data on, *inter alia*, fuel use, mileage, and running hours from the vehicle's engine control unit ("ECU"). *See* Appx21425-21426; Appx23459-23460(22:24-23:7). The LMUs can send this information to a central server, which enables the owner of a fleet of vehicles to monitor driver behavior, vehicle locations,

and other parameters. Appx21425-21426; Appx23459-23460(22:24-23:7).³

Different vehicle makes and models often utilize different data bus protocols, which means LMUs cannot communicate with all vehicles in the same way. Appx23899-23900(16:14-17:10). As this Court explained in the first appeal, “to be compatible with different vehicles, the [LMU] must determine the appropriate protocol to use in communicating with a particular vehicle data bus.” 920 F.3d at 1341. To do this, when CalAmp’s Accused LMUs are connected to a vehicle, they perform “bus discovery” according to the J1978 industry standard adopted by the Society of Automotive Engineers. Using the J1978 standard, the LMU determines which type of vehicle bus it is connected to and what types of messages to use to communicate with devices in that vehicle. *See* Appx22049-22051, Appx23697(76:10-25), Appx23746(125:1-17); Appx23894(11:1-4).

Each of the patents asserted in this case names Kenneth Flick, Omega’s president, as sole inventor. Appx23265(88:7-8); Appx23361-

³ CalAmp’s accused VPOD products—which were found not to infringe (Appx27-33)—are used to connect other CalAmp devices to a vehicle’s data bus. *See* Appx23473(36:8-20).

23362(55:17-56:1). Omega is a non-practicing patent assertion entity. Appx23362(56:2-4, 14-19). All of the asserted patent claims call for the claimed apparatus to be connected to a vehicle's data communications bus and to communicate with or monitor a vehicle device when connected to that bus.

Most relevant to this appeal, the asserted claims of both the '278 and '885 patents require the apparatus to utilize a "device code." More specifically, the claims of the '885 patent require the apparatus to store a set of "device codes," read a "device code" from a vehicle's data bus, and determine a match between a read "device code" and a stored "device code." Appx19767(11:13-25). The claims of the '278 patent require the apparatus to utilize a "corresponding vehicle device code" and download "enabling data related to the at least one corresponding vehicle device code." Appx19813(25:64-26:15).

II. Development of the Accused Products and the Prior Interaction Between the Parties.

Before launching the accused products, CalAmp, directly and through its outside counsel David Bailey, investigated the patent landscape relevant to its planned products and evaluated a large number of patents, including patents owned by Omega. *See*

Appx23706-23713(85:1-92:12). Through this process, and based on Bailey's advice, CalAmp concluded that its products as designed would not infringe any valid patent. Among other things, CalAmp relied on the fact that the J1978 standard its products would use to enable multi-vehicle compatibility long predates Omega's patents. *See, e.g.*, Appx23893-23894(10:15-11:4), Appx23897-23901(14:7-18:6).

CalAmp also intentionally designed its products to be unable to control any vehicle devices (*e.g.*, lock and unlock doors, arm security systems, start the engine, *etc.*) to avoid infringement of Omega's patents. *See, e.g.*, Appx22051, Appx23710(89:3-9), Appx23713-23716(92:16-95:18). Omega had described the control of such devices as the defining feature of these patents. *See, e.g.*, Appx23731(110:12-16), Appx23732-23733(111:23-112:3), Appx23786-23787(165:23-166:1). And while CalAmp's LMUs would include a speed-exceeded notification function similar to Omega's '727 patent, CalAmp designed its speed-exceeded notification function to use speed data from the GPS receiver on the LMU, rather than from the vehicle bus (as the claims of the '727 patent require). *See, e.g.*, Appx23716-23717(95:19-96:16); Appx23555-23556(118:17-119:3); *see also* 920 F.3d at 1344.

CalAmp then went even further. On November 17, 2010, because of prior litigation between the parties, CalAmp notified Omega's Flick of CalAmp's planned launch and explained CalAmp's view that the products at issue would not infringe Omega's patents. Appx22051. As CalAmp explained, it was "confident [its] new product will not be infringing any of [Omega's] patents" because, *inter alia*, "[t]he product will not control ANY devices on the vehicle" and "will not send commands through the OBD-II connector in response to receipt of a remote demand." Appx22051. CalAmp further asked Flick to inform CalAmp "[i]f there is other IP you hold that you think we should review." Appx22051.

Flick responded with inquiries regarding whether and how the CalAmp products would conduct bus discovery, and CalAmp explained that another company, B&B, would provide the bus discovery capability. Appx22050. CalAmp added that B&B had been selling products using its approach since April 1998, more than one year before the filing date of Omega's '885 patent, and accordingly "the B&B implementation cannot infringe this or any of the other Omega Research patents." Appx22050. Omega did not respond or otherwise

suggest that CalAmp's planned LMU products would infringe until after those products had launched, nearly two years later. Appx23735-23736(114:21-115:16).

III. The Proceedings Below.

A. The 2016 Trial.

Omega filed this action on December 20, 2013, alleging infringement of five patents: the '876, '885, '278, and '727 patents, and U.S. Patent No. 6,737,989 ("the '989 patent"). Appx264. After Omega dropped the '989 patent, the case proceeded to trial in February 2016 on 30 asserted claims across the remaining four patents. At this first trial, Omega presented inconsistent infringement theories. For example, the asserted claims of the '885 and '278 patents require that a "controller" communicate with a "vehicle device" using "device codes." On direct examination, Omega's expert argued that the LMU was the "controller," that the vehicle's ECU was the vehicle device, and that signals sent from the LMU to the ECU were the required device codes. *See, e.g.*, Appx15921-15922(77:24-78:8), Appx15930(86:8-19), Appx15940(96:9-21). That, however, was contrary to the court's claim construction, which defined "device code" as a "signal *from* a vehicle device." Appx798-800 (emphasis added). Confronted with that

discrepancy on cross-examination, Omega's expert switched theories and argued that the LMU itself was the vehicle device (Appx16096-16097(90:11-91:10), which meant that the LMU was both the accused "controller" and the vehicle device and that the LMU was, for unexplained reasons, communicating with itself.

To prove damages, Omega relied on purportedly comparable licenses to set a baseline rate for a hypothetical negotiation, asserting that CalAmp should pay \$20 per unit for the first 10,000 units annually and \$5 per unit thereafter. Appx16159-16162(153:21-156:17). The licenses on which Omega relied were settlement agreements that licensed broad portfolios of patents and technologies well beyond those covered by the four patents-in-suit. Appx16164-16165(158:14-159:7), Appx16167(161:15-25), Appx16198-16199(192:19-193:22).

CalAmp, for its part, contested all of Omega's claims, presenting testimony by a technical expert, as well as CalAmp personnel involved in developing and working with the accused products. CalAmp also attempted to refute Omega's claims of inducement and willful infringement by presenting evidence concerning its pre-suit review of Omega's patents, Bailey's oral opinions and written confirmations, and

CalAmp's conclusions based on that review and those opinions. But in a series of rulings later criticized by this Court, the district court allowed CalAmp's witnesses, Bailey and Gallin Chen (a CalAmp engineer involved in the patent analysis), to testify that a review had been performed and opinions had been provided, but excluded as hearsay the crucial testimony describing what Bailey's opinions *actually were* and what CalAmp *actually concluded* based on those opinions. Appx16332-16333(116:21-117:5). The court likewise excluded Bailey's written opinions as hearsay (Appx16334(118:9-11), Appx16337-16342(121:4-126:9)), and limited Bailey's testimony "to the fact that [he] gave the opinion to [his] client, but not the substance of [his] opinion." Appx16371(155:17-21). During closing argument, Omega seized on the evidentiary gap created by these rulings to argue that CalAmp either had conducted no real analysis of Omega's patents, or had conducted an analysis, concluded it infringed, and forged ahead anyway. Appx16744(24:4-5), Appx16753(33:18-24), Appx16755(35:9-19).

The jury returned a verdict finding that "the accused CalAmp devices infringed" each asserted claim of the '876, '885, '278, and '727 patents. Appx5642-5646. The jury also declined to find obviousness,

and found that CalAmp's infringement was willful. Appx5647, Appx5649-5650. The jury awarded damages of \$2,975,200 (Appx5650), the precise amount Omega requested (Appx8834).

After trial, Omega moved for enhanced damages, attorneys' fees, and a permanent injunction. Appx14723. On April 5, 2017, the court awarded treble damages and attorneys' fees, but denied the injunction. Appx17690-17691. The court entered final judgment on April 24, 2017 and an amended final judgment on July 19, 2017, awarding \$15 million and on-going royalties. Appx17703-17705; Appx18473-18476. After its post-judgment motions were denied, CalAmp appealed.

B. The First Appeal.

In a decision entered April 8, 2019, this Court affirmed the judgment of no invalidity, but vacated and remanded for a new trial on infringement, compensatory damages, and willful infringement. 920 F.3d at 1354.

In particular, the Court held that "CalAmp was entitled to JMOL of no direct infringement . . . for all of the asserted claims" of the '876 and '885 patents. *Id.* at 1345. As to indirect infringement of those patents, the Court vacated and remanded, because the district court

had “defined ‘device code’ to mean a ‘signal from a vehicle device,’” but had “improperly declined to define the term ‘vehicle device,’” which all parties agreed the patents defined as “electrical/electronic devices that can be controlled and/or the status thereof read via the data communications bus,” which excludes the LMU itself. *Id.* at 1346-47. Yet, “Omega’s primary theory at trial was that the LMU was a ‘vehicle device’ and the signals it sent to the ECU were infringing ‘device codes,’” which this Court held was “inconsistent with the proper claim construction to which Omega agreed.” *Id.* at 1347. Additionally, this Court held that the district court had erroneously excluded testimony regarding CalAmp’s pre-launch investigation, which “deprived CalAmp of the opportunity to support its defense that there was no inducement because it reasonably believed it did not infringe the patents at the time CalAmp launched the products at issue.” *Id.* at 1349.

With respect to the ’278 patent, only direct infringement was at issue, and the Court vacated and remanded as to that because the claims “have a ‘device code’ limitation, and, for the same reasons [as the ’876 and ’885 patents] a new trial [was] required.” *Id.*

The Court affirmed the finding of infringement of the '727 patent, because “testimony by CalAmp’s witnesses could reasonably be interpreted by the jury as indicating that some small percentage, less than 5%, of its devices infringed [the '727 patent] by being programmed to use vehicle speed data from the data bus to send a speed exceedance notification.” *Id.* at 1344. But the Court vacated the damages award and remanded to determine the “subset of CalAmp’s products that were programmed to function in an infringing manner.” *Id.* at 1350-51.

As to damages, the Court noted that the parties “differ[ed] as to whether Omega’s evidence of prior licenses was sufficient to establish damages” and that CalAmp challenged “the sufficiency of the evidence for the jury to award damages” based on Omega’s license agreements. *Id.* at 1350 n.12. However, the Court did not reach this question because, without an infringement finding for the '278, '885, and '876 patents, there was “insufficient evidence to support the damages award”; this Court therefore vacated and remanded for a new trial on damages. *Id.* at 1350.

The Court also vacated the willfulness verdict and remanded for a new trial. The Court held that the “exclusion of Chen’s testimony

relating to CalAmp's state of mind prior to the alleged acts of infringement," which included his "investigation of the patent landscape," "was an abuse of discretion" and that Chen "should have been allowed to present a limited summary of his conclusion[s] from this investigation and the basis for it." *Id.* at 1352. Likewise, the Court held that "the district court erred by preventing CalAmp's outside counsel, Bailey, from testifying as to the analysis he allegedly provided to CalAmp (Chen and his superior, Sarkissian) prior to the launch of the products at issue in the litigation," and that "Bailey should also have been allowed to present a reasonable explanation as to how he arrived at his conclusions." *Id.* at 1352-53. The Court instructed that Chen and Bailey should be permitted to testify as to the "conclusions [] reached from [their] independent investigation and a summary of the basis for that conclusion." *Id.* at 1353.

Finally, the Court instructed that "[o]n remand, the parties are urged to achieve clarity by clearly presenting evidence, objections, arguments, and jury instructions as to direct and indirect infringement, compensatory damages, and willful infringement . . . so that this court

may effectively fulfill its appellate function in any further review arising from the retrial.” *Id.* at 1354.

C. Proceedings on Remand and the Second Trial.

On April 19, 2019, before this Court’s mandate had issued (and before the deadline to seek rehearing had expired), the district court ordered the parties to appear for a status conference for the purpose of scheduling the re-trial as early as May 20, 2019. Appx18894(2:14-19), Appx18897(5:13-18), Appx18899(7:14-24). CalAmp directed the district court’s attention to this Court’s instruction that the parties “clearly present[] evidence, objections, arguments, and jury instructions” on remand, and thus requested the opportunity to brief certain *in limine* issues and other objections before the re-trial. Appx18900-18907(8:21-15:21). The district court summarily denied the request, stating that such objections had “been handled at the last trial” and would not be revisited, and that “[p]erhaps the Federal Circuit doesn’t appreciate how things are done here.” Appx18900-18907(8:21-15:21).

CalAmp’s further attempts to clarify the record for the re-trial were similarly rejected. Appx19131-19138 (seeking reconsideration regarding ability to raise new objections); Appx19261-19268(31:22-

38:13) (“[W]hat we’re not going to do is change fundamental objections to exhibits and other documents which were previously set forth pursuant to the Case Management and Scheduling Order.”);

Appx19410-19431; Appx24484(111:1-14) (denying CalAmp’s request to raise new objections to Omega license agreements and other exhibits).

CalAmp’s request to submit narrowly-tailored motions *in limine* was also denied. *See* Appx19139-19166; Appx19268-19270(38:14-40:1) (“As I already said, the time for filing motions in limine has already expired” prior to the first trial).

In the same vein, when CalAmp filed a motion seeking clarification that its damages expert—whose affirmative opinions had been excluded but whose rebuttal opinions had not even been challenged—could testify in rebuttal to Omega’s license-based damages theory (Appx19125-19126), the court acknowledged that “[t]he issue of whether [CalAmp’s expert] was challenging plaintiff’s damages expert was really not directly addressed in the [*Daubert*] motions or the order,” yet held that its order excluding CalAmp’s expert’s testimony in its entirety would “not be revisited at this time.” Appx19259-19261(29:3-31:21). Thus, CalAmp was left with no damages expert for the re-trial,

despite the fact that its expert's rebuttal opinions had been properly disclosed and admittedly not subject to any *Daubert* challenge.

The re-trial began on September 23, 2019. In contrast to the restrictions placed on CalAmp, the court allowed Omega to expand the scope of its technical expert's testimony beyond the opinions disclosed in his reports (Appx23531-23535(94:8-98:21)), offer a construction of "device code" (and an infringement theory based thereon) that contradicted the prior construction by the district court and this Court (Appx23553-23554(116:15-117:20), Appx23507(70:14-20), Appx23509(72:11-12), Appx23463-23464(26:25-27:13), Appx23514(77:5-7); Appx24055(85:12-25); Appx23660-23664(39:5-43:1), Appx23669-23670(48:24-49:7)), and falsely argue to the jury that CalAmp had committed discovery violations with respect to its pre-launch patent investigation (Appx23989(19:16-23), Appx23999(29:10-18), Appx24000(30:22-23), Appx24052(82:17-19); Appx24141-24146).

After a six-day trial, the jury returned a verdict finding that CalAmp's customers directly infringed the '885 patent by using the Accused LMUs, that the Accused LMUs directly infringe the '278 patent, that CalAmp had not induced infringement of or willfully

infringed any patent, and that the damages were \$5 per unit for infringement of the '278 patent and \$1 for the single unit found to infringe the '727 patent. Appx27-33. On November 26, 2019, the district court entered judgment in the amount of \$4,586,111.00 plus pre-judgment interest of \$778,315.40 through the date of the verdict and \$734.00 per day thereafter. Appx1-2.

On December 23, 2019, CalAmp filed a renewed motion for judgment as a matter of law with respect to the jury's direct infringement findings on the '278 and '885 patents, for a new trial with respect to the '278 patent and damages, and for remittitur of damages to \$1 per unit. On March 20, 2020, the district court summarily denied CalAmp's motion without explanation. Appx25-26.

Omega filed its own post-judgment motions seeking, among other things, a new trial on willfulness, judgment that CalAmp's VPOD units infringe the '278 patent, and an enhanced ongoing royalty for sales that infringe the '278 patent.⁴ The court denied the willfulness and VPOD

⁴ All asserted claims of the '727 patent were held unpatentable and canceled in an *ex parte* reexamination (*Ex parte Omega Patents, LLC*, Appeal No. 2020-000387, Decision on Appeal (PTAB Jan. 28, 2020)), so ongoing royalties for that patent were not at issue.

motions, and awarded Omega an ongoing royalty of \$5 per unit. Appx5-8, Appx14-24.

SUMMARY OF ARGUMENT

The re-trial of this case was plagued by many of the same fundamental errors that resulted in vacatur and remand after the first trial. This Court set aside the earlier judgments with respect to the '885 and '278 patents because Omega's infringement theories rested on constructions of "device code" and "vehicle device" that were contrary to the constructions adopted by the district court and dictated by the claim language and specifications. The "proper claim construction," this Court held, is that a "device code" is "a signal from a vehicle device" and a "vehicle device[]" is an "electrical/electronic device[]" that can be controlled and/or the status thereof read via the data communications bus" and therefore not an LMU. 920 F.3d at 1346-47.

Despite that clear claim construction, Omega again presented the jury with infringement theories that treated codes originating with the LMU, and not a "vehicle device," as "device codes" under the asserted claims. Omega did not even try to show that CalAmp's LMUs used any "stored device codes" that were "signals from a vehicle device" as

required by the claims of the '885 patent. The finding that CalAmp's customers directly infringed the '885 patent therefore should be reversed or, at minimum, vacated in light of Omega's improper theory and its contention that its claim is now moot given the finding that CalAmp did not induce any infringement of that patent.

The finding that CalAmp directly infringes the '278 patent likewise rests on Omega's legally improper claim construction arguments. In the first trial, because the asserted claims of the '278 patent "have a 'device code' limitation," Omega's arguments grounded on improper constructions of "device code" and "vehicle device" made it impossible to determine whether "the jury found infringement of the claims at issue based upon a theory of infringement inconsistent with the proper construction." 920 F.3d at 1347-49. That is equally true again, and requires that the judgment of infringement of the '278 patent be reversed or vacated.

Reversal or vacatur of that infringement judgment is also required because Omega failed to prove that the Accused LMUs include the "enabling data related to the corresponding vehicle device code" required by the asserted claims. Omega failed to identify any

“corresponding vehicle device code” at all and therefore could not identify “enabling data related to” such a device code. In addition, in attempting to show that the LMUs include “enabling data,” Omega’s expert was allowed to present an infringement theory far beyond anything disclosed in his report—contrary to Rule 26 and the district court’s own pre-trial orders and warnings—a new theory that substantially prejudiced CalAmp. Because the jury’s verdict necessarily rested on this previously-undisclosed infringement theory, the judgment should be reversed or, at minimum, vacated and remanded.

As for damages, Omega’s case rested entirely on license agreements that are not at all comparable to the one-patent hypothetical license that would have resulted here. The Omega license agreements cover dozens of patents, multiple different technologies, and capabilities far beyond the data-reading of CalAmp’s Accused LMUs. Most of the agreements were litigation settlements or settlements spurred by threats of litigation, and many involved only a handful of units, ensuring that, whatever the royalty rates stated in the agreements, the actual outlays by Omega’s counter-parties would be far less than the cost of even a cursory defense. Moreover, CalAmp’s LMUs

indisputably include substantial non-infringing features, not least of which is their use of an industry standard bus-discovery process that predates Omega’s inventions. Yet, Omega made no attempt to (1) account for the differences between the hypothetical license and its supposed “comparable” licenses, (2) determine the incremental value of the ’278 patent, or (3) show that the royalty it sought would not capture value attributable to the industry standard—all contrary to this Court’s clear directions regarding patent damages. A new trial on damages should be ordered.

STANDARD OF REVIEW

This Court “review[s] denial of post-trial motions for JMOL and new trial under regional circuit law.” *Wordtech Sys., Inc. v. Integrated Networks Sols., Inc.*, 609 F.3d 1308, 1312 (Fed. Cir. 2010). The Eleventh Circuit “review[s] the denial of a motion for judgment as a matter of law *de novo*,” *Thomas v. Alabama Home Constr.*, 271 F. App’x 865, 868 (11th Cir. 2008) (non-precedential), and reviews a “ruling on a motion for new trial for abuse of discretion,” *Hicks v. City of Tuscaloosa*, 870 F.3d 1253, 1257 (11th Cir. 2017). When reviewing a district court’s evidentiary rulings, this Court likewise applies the law of the regional

circuit. *Odetics, Inc. v. Storage Tech. Corp.*, 185 F.3d 1259, 1276 (Fed. Cir. 1999). The Eleventh Circuit reviews evidentiary rulings for abuse of discretion. *Seamon v. Remington Arms Co.*, 813 F.3d 983, 987 (11th Cir. 2016).

ARGUMENT

I. THE DISTRICT COURT ERRED BY REFUSING TO GRANT JMOL THAT CALAMP’S CUSTOMERS DID NOT DIRECTLY INFRINGE THE ’885 PATENT OR, AT MINIMUM, BY REFUSING TO VACATE THAT FINDING.

Omega asserted that CalAmp’s customers directly infringed the ’885 patent when they used the Accused LMUs and that CalAmp induced that infringement. CalAmp defended against the inducement claim (and sought a declaratory judgment) by arguing both that there was no direct infringement by its customers and that it did not induce any infringement. The jury found direct infringement by customers, but agreed that CalAmp did not induce any infringement. The jury’s direct infringement finding should be reversed because it rests on an infringement theory that contradicts the construction of “device code” adopted by the district court and by this Court in the prior appeal. At minimum, the finding should be vacated because, as Omega conceded

below, its claim against CalAmp with respect to the '885 patent is now moot.

A. Omega's Infringement Proof for the '885 Patent Rests on an Improper Construction of "Device Code."

To prove direct infringement of the '885 patent, Omega was required to demonstrate that the Accused LMUs contain

A control system for a vehicle comprising a data communications bus and at least one vehicle device connected thereto, the control system comprising:

a transmitter, and a receiver for receiving signals from said transmitter; and

a multi-vehicle compatible controller cooperating with said transmitter and said receiver and for storing a set of *device codes* for a given vehicle device for a plurality of different vehicles, for *reading a device code* from the data communications bus, and for *determining a match between a read device code and the stored device codes* to thereby provide compatibility with a plurality of different vehicles.

Appx19767(11:13-25) (emphases added). The district court construed "device code" as a "signal *from* a vehicle device" (Appx798-800 (emphasis added))—the construction this Court applied in the first appeal (920 F.3d at 1346)—and further instructed the jury that the Accused LMUs "are not vehicle devices" (Appx44-45).

But Omega and its expert, McAlexander, once again disregarded these constructions. Despite acknowledging that “[a] stored device code is a type of device code” (Appx23553(116:18-19)), McAlexander took the contradictory position that “[s]tored device codes would be codes that have been previously provided during the provisioning process, configuring process to the LMU, store[d in] flash. And so these would be the device codes that are particularly associated with particular vehicle devices and bus architecture.” Appx23507(70:15-20).⁵ He did not even attempt to demonstrate that any “stored device codes” in the LMUs originated from a vehicle device, as the construction of “device code” requires.

To the contrary, McAlexander confirmed on cross-examination that he was *not* relying on a “signal from a vehicle device” in opining that the Accused LMUs are controllers “for storing a set of device codes,” *i.e.*, that they include the required “stored device codes”:

Q. I think you said on direct that the stored device code is what you said was previously provided in the provisioning process. Did I take

⁵ As McAlexander explained, “[t]he stored device code is stored -- is stored in the LMU. It’s actually originally stored in the flash,” which is part of the LMU itself. Appx23509(72:11-12), Appx23463-23464(26:25-27:13), Appx23514(77:5-7).

that down correctly?

A. Yes. That's correct.

Q. And I think you said that it came from flash, correct?

A. Yes. That's correct.

Q. And the flash is part of the LMU, correct?

A. That is part of it. Yes.

Q. And the LMU is not a vehicle device, correct?

A. That is correct. For the purposes of this claim, it is not.

Appx23554(117:2-13) (emphases added).

Well aware of this problem, Omega contended in its closing argument that the court's construction of "device code" had nothing to do with the "stored device code" required by the claims of the '885 patent and that "[s]tored device code is a separate and distinct element." Appx24055(85:12-25). According to Omega, its expert McAlexander was the only witness who "advance[d] an infringement theory" consistent with its (newly-announced) view of "stored device code." Appx24055(85:12-25). That theory—that a "type of device code" (Appx23553(116:18-19)) can originate from the LMU rather than a vehicle device—was the sole basis for Omega's claim that CalAmp's customers infringed the '885 patent when they used the Accused LMUs.

But this is also the same theory that led this Court to set aside the jury's verdicts on the '885, '876, and '278 patents after the first trial.

See 920 F.3d at 1347 (Omega’s theory was that the “signals [the LMU] sent to the ECU were infringing ‘device codes.’ This theory was inconsistent with the proper claim construction to which Omega agreed”) (internal citations omitted). By again advancing a theory inconsistent with the proper construction of “device code,” Omega not only contravened the district court’s *Markman* order, but also this Court’s decision and thus the law of the case.⁶

Omega’s eleventh-hour assertion that a “stored device code” is not a “device code” finds no support in the district court’s *Markman* order and is contrary to this Court’s prior decision. As even McAlexander confirmed, there is no distinction among types of “device codes” for purposes of the asserted claims. Appx23553(116:18-19) (“Q. A stored device code is a type of device code, correct? A. It is a device -- it is a type, yes. I agree with that.”); *see also* Appx23506-23507(69:25-70:6) (“The device codes are what are actually generated by the vehicle device, which I have indicated for the purposes of this, I’m looking to

⁶ *See Banks v. United States*, 741 F.3d 1268, 1276 (Fed. Cir. 2014) (“The law-of-the-case doctrine posits that when a court decides upon a rule of law, that decision should continue to govern the same issues in subsequent stages in the same case.”) (internal quotation marks and citation omitted).

the ECU, the engine control unit. So those are the device codes.”).

Under the plain language of claim 1 of the '885 patent, the “stored device codes” are merely “a set of device codes for a given vehicle device for a plurality of different vehicles” that the claimed controller is configured to store. Appx19767(11:13-25).

Moreover, Omega waived any argument that a “stored device code” is something different than a “device code”: Omega never contended during the claim construction process or otherwise prior to trial that a “stored device code” does not have to meet the requirements of a “device code.” To the contrary, far from arguing that “device code” would have a different meaning if it was a “read device code” rather than a “stored device code,” Omega equated the two, arguing that “[d]evice codes are more properly understood to mean signals to or from a vehicle device, as this allows device codes to be read from the bus, as well as stored and processed by the controller, as required by the claims and described in the specification.” Appx719.

After the court construed “device code” to mean a “signal from a vehicle device,” Omega never sought further construction, instead waiting until after the first trial, an appeal, and the start of the retrial

to argue for the first time that the construction that governed the prior proceedings and that this Court applied on appeal “just doesn’t make any sense.” Appx23660(39:22-25). But Omega could not change directions in the midst of trial and offer the jury an infringement theory untethered to the court’s claim construction. *See, e.g., Cent. Admixture Pharmacy Servs., Inc. v. Advanced Cardiac Sols., P.C.*, 482 F.3d 1347, 1356 (Fed. Cir. 2007) (“The district court found that ACS waived any argument with respect to this term by failing to raise it during the claim construction phase. We agree.”); *Fenner Inv., Ltd. v. Microsoft Corp.*, 632 F. Supp. 2d 627, 638 (E.D. Tex. 2009) (“Because this argument is contrary to the claim construction order and was not raised prior to or even following the claim construction hearing it is waived.”), *aff’d*, 369 F. App’x 132 (Fed. Cir. 2010) (non-precedential).

Because the jury’s finding that CalAmp customers directly infringed the ’885 patent rests on a claim construction that is contrary to the construction adopted by the district court and that this Court described as the “proper claim construction” in the first appeal, that finding should be reversed.

B. At Minimum, the Finding that CalAmp's Customers Infringed the '885 Patent Should Be Vacated.

To attempt to avoid CalAmp's motion for JMOL on direct infringement of the '885 patent below, Omega argued that the district court lacked "subject matter jurisdiction to address the question whether third parties infringe" because the jury had found no inducement by CalAmp, and inducement claims against CalAmp were the only claims Omega asserted as to the '885 patent. Appx24105. But whether CalAmp's customers directly infringed the '885 patent when they used CalAmp's products was squarely presented: it was an essential element of Omega's indirect infringement claim against CalAmp and CalAmp's declaratory judgment counterclaim, and was contested and decided at trial. An erroneous finding on an essential element of a claim is not insulated from review merely because Omega failed to establish another essential element of that claim.

Omega also argued that "with the claims of infringement of the '885 patent by CalAmp resolved, there is no longer a case or controversy . . . with respect to the '885 patent." Appx24106. This argument rested on Omega's decision to abandon further pursuit of its

indirect infringement claim against CalAmp.⁷ But this Court has held on multiple occasions that a product supplier has standing to seek a declaratory judgment of non-infringement even where the patentee has not yet asserted any infringement claims, particularly where, as here (*e.g.*, Appx23350-23351(44:25-45:25)), the patentee has sued the supplier's customers in the past. *See Arkema Inc. v. Honeywell Int'l, Inc.*, 706 F.3d 1351, 1356-57 (Fed. Cir. 2013) (where patentee had asserted claims in the past, supplier had standing to seek declaratory judgment of no direct infringement).⁸ Therefore, whether an

⁷ Omega did not challenge the jury's no-inducement finding in post-judgment motions (*see* Appx24106), and its notice of cross-appeal (Appx24276) did not identify that decision as a ruling being appealed.

⁸ Among other things, a supplier has an interest in avoiding possible indemnification claims. *See, e.g., Arris Grp., Inc. v. British Telecomms. PLC*, 639 F.3d 1368, 1375 (Fed. Cir. 2011) (supplier has standing to seek declaration that customer does not infringe where there is a controversy between patentee and supplier regarding indirect infringement based on alleged acts of direct infringement by customers); *Iron Oak Techs., LLC v. Microsoft Corp.*, No. 19-1802, __ F. App'x __, 2020 WL 3042068, at *3 (Fed. Cir. June 8, 2020) (non-precedential) ("it makes sense that an indemnitor would have standing to file a declaratory judgment action to 'determin[e] whether it would be liable for indemnification' without waiting for suits to be filed" against customers) (*quoting ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1349 (Fed. Cir. 2011)). CalAmp also has an interest in addressing the "reputational injury" caused by Omega's claim that use of CalAmp's products results in infringement. *Cf., Shukh v. Seagate Tech., LLC*, 803

inducement claim is currently pending does not necessarily determine whether a case or controversy exists. Omega cannot procure an erroneous finding of direct infringement based on its assertion of an inducement claim and then prevent any challenge to that finding by dropping the claim. For the reasons explained above, the direct infringement finding should be reversed.

At minimum, that finding should be vacated. If, as Omega asserted, there is no longer a live case or controversy presenting the direct infringement issue, that alone is reason to vacate the finding. Whether a live case or controversy exists “must be evaluated on a claim-by-claim basis.” *Jervis B. Webb Co. v. S. Sys., Inc.*, 742 F.2d 1388, 1399 (Fed. Cir. 1984). As a general matter, if a claim becomes moot at any point while a case is pending, prior findings related to that claim should be vacated:

When a civil suit becomes moot pending appeal, we have the authority to ‘direct the entry of such appropriate judgment, decree, or order, or require such further proceedings to be had as may be just

F.3d 659, 663 (Fed. Cir. 2015) (inventor had standing to seek correction of inventorship despite lack of ownership or financial interest because of the “concrete and particularized reputational injury” of not being recognized as inventor).

under the circumstances.’ 28 U.S.C. § 2106. Our ‘established (though not exceptionless) practice in this situation is to vacate the judgment below. ‘A party who seeks review of the merits of an adverse ruling, but is frustrated by the vagaries of circumstance,’ we have emphasized, ‘ought not in fairness be forced to acquiesce in’ that ruling.

Camreta v. Greene, 563 U.S. 692, 712 (2011) (internal citations omitted).

No exception to this general proposition applies here.

To the contrary, under the circumstances here, CalAmp has a particularly compelling “personal stake” in overturning the direct infringement finding. *See id.* at 702. Omega has filed a motion seeking attorneys’ fees because, according to Omega, CalAmp did not have a legitimate non-infringement defense with respect to the ’885 patent. Appx23140. CalAmp therefore has a direct and substantial stake in the direct infringement issue. *See Dragon Intellectual Prop., LLC v. Apple, Inc.*, No. 13-2058-RGA, 2018 WL 4658208, *2 (D. Del. Sept. 27, 2018) (vacating non-infringement finding where plaintiff’s appeal became moot due to an intervening PTAB decision because leaving finding in place put plaintiff “at significant risk of harm from an unreviewed decision,” particularly in light of motion for attorneys’ fees). Where the failure to review a finding can have particular adverse consequences,

that finding cannot be allowed to stand simply due to the “vagaries of circumstance.” *Camreta*, 563 U.S. at 712 (citation omitted).

Accordingly, if the Court concludes either that the finding of direct infringement of the ‘885 patent is contrary to the manifest weight of the evidence or unsound due to Omega’s improper claim construction arguments, or that the Court cannot or should not address the question of direct infringement because Omega has abandoned its indirect infringement claim against CalAmp, the finding that CalAmp customers directly infringed that patent should be vacated, and the case should be remanded with instructions to dismiss Omega’s indirect infringement claim.

II. CALAMP IS ENTITLED TO JMOL THAT THE ACCUSED LMUs DO NOT INFRINGE THE ’278 PATENT OR, AT LEAST, A NEW TRIAL.

The invention of Claim 1 of the ’278 patent is:

A multi-vehicle compatible tracking unit for a vehicle comprising a vehicle data bus extending throughout the vehicle, the multi-vehicle compatible tracking unit comprising:

a vehicle position determining device;

a wireless communications device;

a multi-vehicle compatible controller for cooperating with said vehicle position

determining device and said wireless communications device to send vehicle position information;

said multi-vehicle compatible controller to be coupled to the vehicle data bus for communication thereover with at least one vehicle device using at least one *corresponding vehicle device code* from among a plurality thereof for different vehicles; and

a downloading interface for permitting downloading of *enabling data related to the at least one corresponding vehicle device code* for use by said multi-vehicle compatible controller.

Appx19813(25:64-26:15) (relevant limitations emphasized).

To establish infringement of the '278 patent, Omega therefore was required to demonstrate that the Accused LMUs utilize “at least one *corresponding vehicle device code* from among a plurality thereof for different vehicles” and that the LMUs further contain “a downloading interface for permitting downloading of *enabling data related to the at least one corresponding vehicle device code*.” Appx19813(25:64-26:15) (emphases added). Omega failed to make those showings. The jury’s finding that the Accused LMUs infringe the '278 patent can only rest on Omega’s improper “device code” theory and the district court’s error in allowing Omega’s expert to offer a theory regarding “enabling data”

that was not included in his expert report. Correction of either error requires JMOL of non-infringement or a new trial.

A. Omega’s Improper Claim Construction Arguments Tainted the Jury’s Consideration of the ’278 Patent’s “Corresponding Vehicle Device Code” Limitation.

After the first trial, this Court held that because the asserted claims of the ’278 patent “have a ‘device code’ limitation,” and because Omega’s device code “theory was inconsistent with the proper claim construction” of that limitation, a new trial was required on both the ’278 and ’885 patents. *Omega Patents*, 920 F.3d at 1347, 1349. The Court further explained that because Omega’s infringement theory had created potential juror confusion regarding whether a “device code” could come *from* the LMU (which is not a vehicle device), the Court could not “discern if the jury found infringement of the claims at issue based upon a theory of infringement inconsistent with the proper construction” and therefore had to “set aside the jury’s verdict of infringement.” *Id.* at 1347.

Virtually identical errors occurred at the retrial. As explained above with respect to the ’885 patent, Omega improperly argued that a “device code” (such as a stored device code) could originate from the

Accused LMUs, ignoring the claim constructions that a device code is a signal *from* a vehicle device and that the LMU is *not* a vehicle device. As a result, it is impossible to know whether, in finding infringement of the '278 patent, the jury found the required "corresponding vehicle device code" to be what Omega improperly identified as the "stored device code" that originates at the LMU itself. Accordingly, just as in the first appeal, because the jury could have been misled by Omega's improper claim construction position and infringement theory, at a minimum a new trial is required for the '278 patent. *Omega Patents*, 920 F.3d at 1347-48; *Litton Sys., Inc. v. Honeywell, Inc.*, 140 F.3d 1449, 1465 (Fed. Cir. 1998) ("[A]n appellate court must also vacate a jury verdict and remand for a new trial if a jury may have relied on an impermissible basis in reaching its verdict.") (citing *Richards v. Michelin Tire Corp.*, 21 F.3d 1048, 1055 (11th Cir. 1994)).

B. Omega Failed to Identify the Required "Corresponding Vehicle Device Code" and "Enabling Data Related to the Corresponding Vehicle Device Code" in the Accused LMUs.

McAlexander's misstatements regarding the proper construction of "device code" were the sum total of Omega's showing on the '278 patent's "corresponding vehicle device code" requirement (and,

necessarily, on the “enabling data related to” limitation as well). JMOL of non-infringement is therefore warranted.

On direct examination, McAlexander failed to identify a “corresponding vehicle device code” that the “enabling data” are “related to” in the Accused LMUs. Instead, when asked about what evidence Omega needed “to establish this element,” McAlexander referred generally to deposition testimony that supposedly “verified” that the element was present, but provided no explanation of how. Appx23527-23528(90:5-91:13). Then, when McAlexander was asked on cross-examination to identify exactly what “corresponds to” the enabling data—that is, what is the “corresponding vehicle device code” required by the claims—McAlexander ducked the question, saying that the bus discovery process “involve[s] some information that has to correspond to the particular bus and the device.” Appx23557-23558(120:24-121:10). When pressed further, he confirmed he was referring to “queries to the bus” (Appx23558(121:6-7))—*i.e.*, signals from the LMU—again ignoring the construction of “device code” as “a signal *from* a vehicle device.” McAlexander also claimed to have “outlined each one of those codes for the various buses in [the] flow chart” in his expert report. Appx23557-

23558(120:24-121:5). But there is no evidence that the flow chart showed a “corresponding vehicle device code,” and, more importantly, neither the expert report nor the underlying flow chart was admitted into evidence at trial. *Id.*; Appx21406, Appx21415 (showing that PL13 and PL104 were not admitted into evidence).

Because McAlexander’s testimony failed to identify a “corresponding vehicle device code,” it failed to establish that the Accused LMUs include that claim limitation and thus failed to establish that they infringe. And having failed to identify the “corresponding vehicle device code,” McAlexander’s testimony also necessarily failed to identify the “enabling data” that must be “related to the at least one corresponding vehicle device code” (Appx805-806)—without a “corresponding vehicle device code,” there can be no “enabling data related to” that code—thus failing to establish that the Accused LMUs include that claim limitation as well. The district court therefore erred in denying CalAmp’s motion for JMOL that the Accused LMUs do not infringe the ’278 patent.

C. Omega’s Expert Was Improperly Permitted to Testify Beyond the Scope of His Expert Report With Respect to the “Enabling Data” Limitation of the ’278 Patent.

JMOL of non-infringement of the ’278 patent, or at least a new trial, should be granted for another, independent reason: the jury’s verdict rests on evidence that should not have been admitted. CalAmp advised the jury during its opening statement that Omega would be unable to identify “enabling data . . . that is supposedly related to the device code.” Appx23254(77:3-8). CalAmp’s representation was based on the fact that McAlexander’s expert report failed to identify any alleged “enabling data,” “corresponding vehicle device code,” or any relationship between the two. Appx8609-8610, Appx8666-8667. The report merely recited that the LMU “can be configured using a serial port or over the air using PULS, which can upload firmware or scripts with programming instructions *or enabling data* to the LMU device.” Appx8666 (emphasis added). This statement—which does nothing more than recite the claim language—says nothing about what constitutes “enabling data,” or how any enabling data are related to a corresponding device code, and thus could not demonstrate infringement, even if it had been in evidence.

Despite the lack of disclosure in the expert report, at trial McAlexander purported to identify the supposed “enabling data.” He testified, for the first time and over CalAmp’s objection, that the “enabling data” are scripts downloaded to the LMU that contain a table of information that tells the LMU which responses to the LMU’s bus discovery queries are related to which bus protocols. Appx23531-23535(94:8-98:21). That was not disclosed in his expert report or even suggested by the report’s generic reference to uploading “firmware or scripts with programming instructions or enabling data.” Appx8666. It was a new position articulated for the first time in the midst of trial, and its untimely and unexpected emergence prejudiced CalAmp.

CalAmp was entitled to expect that McAlexander would be limited to the disclosures in his report. Under Rule 26, an expert’s report “must contain” “a complete statement of all opinions the witness will express and the basis and reasons for them,” and “the facts or data considered by the witness in forming them.” Fed. R. Civ. P. 26(a)(2)(B)(i)-(ii). Both this Circuit and the Eleventh Circuit hold that “[a]n expert witness may not testify to subject matter beyond the scope of the witness’s expert report unless the failure to include that information in the report was

‘substantially justified or harmless.’” *Rembrandt Vision Techs., L.P. v. Johnson & Johnson Vision Care, Inc.*, 725 F.3d 1377, 1381 (Fed. Cir. 2013) (citation omitted); *Guevara v. NCL (Bahamas) Ltd.*, 920 F.3d 710, 718 (11th Cir. 2019). “Because the expert witness discovery rules are designed to allow both sides in a case to prepare their cases adequately and to prevent surprise . . . compliance with the requirements of Rule 26 is not merely aspirational.” *Guevara*, 920 F.3d at 719 (quoting *Reese v. Herbert*, 527 F.3d 1253, 1266 (11th Cir. 2008)).

Here, the district court’s Case Management and Scheduling Order made clear that experts would be restricted to the information disclosed in their reports. Appx519; *see also* Appx4059 (same). The court also established a high standard for those expert disclosures, and applied that standard to exclude testimony by CalAmp’s expert, Andrews. The court held that Rule 26 “requires more than a mere recitation of exhibits which may—in some undefined manner and through numerous unspecified combinations—demonstrate obviousness.” Appx5486. Because of what the court viewed as “[t]he omission of critical analysis” from Andrews’ report, the court barred his “testimony relating to how

the prior art references relate to [his invalidity] opinions” and excluded any “opinions not clearly stated in the Rule 26 report.” Appx5486-5487.

CalAmp justifiably expected that Omega would be held to the same standard. Indeed, immediately prior to the start of the retrial, the court confirmed that the same rules would apply to McAlexander: “Well, Mr. McAlexander is going to be limited to the four corners of what he testified to either in deposition or in his expert opinion; and if his expert opinion is as limited as you suggest, then your cross-examination is going to be pretty swift, I would think.” Appx16954(42:3-10). Based on the court’s repeated pretrial warnings and the “omission of critical analysis”—indeed any analysis—regarding the enabling data limitation from McAlexander’s report, CalAmp decided not to bring its own expert to establish non-infringement of the ’278 patent.

Given the lack of any other evidence regarding “enabling data,” the jury’s infringement verdict for the ’278 patent can only rest on Omega’s improper introduction of McAlexander’s new “enabling data” theory (as well as his improper testimony regarding the “corresponding vehicle device code”). Rather than preclude that new theory as Rule 26 and its pretrial rulings required, the district court not only allowed

Omega to proceed, but magnified the impact of its error when it overruled CalAmp's objection by stating—in front of the jury—that CalAmp could have asked McAlexander what the enabling data were during his deposition. Appx23534(97:1-20) (CalAmp's counsel pointing out that McAlexander's report "makes the conclusory assertion that enabling data is downloaded, but [it] doesn't say what that enabling data is" and the court responding that "He could have been deposed on that topic" and overruling the objection).

The court's decision to change the rules mid-trial undermined CalAmp's credibility before the jury and allowed Omega to mask its own evidentiary shortcomings with undisclosed and unsupported expert speculation. Omega capitalized on this during closing arguments, highlighting McAlexander's new opinions and the fact that CalAmp had not offered rebuttal expert testimony regarding "enabling data." Appx23978(8:1-3), Appx24056(86:1-4). Of course, had CalAmp known the rules would change, it would have done just that.

If McAlexander had been held to the disclosures in his report, Omega would have had an even clearer failure of proof on the "enabling data" limitation: not only would it have failed to identify corresponding

device codes to which any enabling data could be related (*see supra* II.B), but it also would have failed to identify enabling data of any kind. On a proper record—a record without Omega’s new, undisclosed theory—no reasonable jury could have found that the Accused LMUs infringe the ’278 patent. CalAmp is entitled to JMOL that the Accused LMUs do not infringe or, in the alternative, a new trial.

III. THE DISTRICT COURT ERRED IN DENYING CALAMP’S MOTION FOR REMITTITUR OR A NEW TRIAL ON DAMAGES FOR THE ’278 PATENT.

Omega presented no evidence upon which a reasonable jury could find that \$5 per unit is a reasonable royalty for use of the ’278 patent, or that such a royalty bears any relation to the incremental value of that patent. The jury’s damages award therefore should have been remitted or a new trial granted. CalAmp also is entitled to a new trial on damages because the district court erroneously precluded CalAmp’s damages expert, McDuff, from testifying in rebuttal.

A. The Damages Award Does Not Reflect the ’278 Patent’s Incremental Value.

To be reasonable, a royalty must be “based on the incremental value that the patented invention adds to the product,” as apportioned from the value of any non-infringing features the accused product may

have. *See, e.g., Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1232 (Fed. Cir. 2014). Put differently, Omega was required to “carefully tie proof of damages to *the claimed invention’s footprint* in the market place.” *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 869 (Fed. Cir. 2010) (emphasis added). Omega failed to do so.

At trial, Omega did not even attempt to advance a damages theory that accounted for the incremental value of the ’278 patent. Instead, its expert, Tregillis, contended that the jury should award the same royalty for all accused products and all asserted patents, regardless of how many patents were infringed, purportedly because most favored nation (MFN) clauses in some Omega licenses required that result.

Appx23650-23651(29:18-30:16) (Tregillis confirming his opinion that the rate is \$5 or more “regardless of how many claims” are infringed “because there are these most-favored nations clauses”);

Appx23587(150:2-9) (“[W]hether it’s one patent or all the patents, the way that Omega licenses them is, it’s five bucks That’s the market rate for the data bus patents, be it one or two or three or four or 30.”);

Appx23595(158:2-5) (“I believe you’re saying that in terms of the rate, CalAmp should pay the same rate no matter how many claims or how

many of the patents it infringes; is that right? A. Right. That's what the agreements call for."); Appx23593(156:1-7), Appx23578-23580(141:9-143:21).⁹ Thus, rather than prove the incremental value of the '278 patent, Omega's MFN theory attempted to circumvent that requirement altogether. *See Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1317 (Fed. Cir. 2011); *Ericsson*, 773 F.3d at 1233.

Besides the legal inadequacy of its MFN theory, Omega failed to present any evidence that its MFN provisions would even be triggered by the hypothetical negotiation as a factual matter. For example, Tregillis acknowledged that the MFN provision of the Numerex agreement—which is representative of similar provisions in other

⁹ After trial, Omega attempted to downplay its MFN argument, claiming “[i]t is CalAmp, not Omega, who now characterizes the clause as somehow the only or most important evidence of how a hypothetical negotiation would have played out.” Appx24114. The record tells a different story. *See, e.g.*, Appx23573-23574(136:22-137:2) (Tregillis: “there’s particularly a clause in the license agreements, some of them.... It’s called a most-favored nations clause. And that’s something that would have been a very important part of the discussion”); Appx23584(147:13-20) (Tregillis: “obviously, the most-favored nations piece would have been huge” because if CalAmp paid less than \$5.00, Omega supposedly would be required to reduce rates for other licensees); *see also* Appx23578-23581(141:19-144:8), Appx23587(150:10-15), Appx23615-23616(178:23-179:7); Appx23997(27:13-22) (Omega’s counsel arguing that the MFN discussion was “[o]ne of the most important” parts of Tregillis’s testimony).

Omega agreements—is triggered only if two licensees have “comparable sales volumes, payment terms, and distribution channels.” Appx23616-23617(179:8-180:2). Yet Tregillis performed no analysis of these factors (Appx23617(180:3-13)), and it is undisputed that the sales volumes under agreements on which he relied—*e.g.*, Numerex, Cimble, and Mid City—were trivial compared to the volumes at issue here (*see infra* at 62). Ultimately, no witness testified that the MFN provisions would be triggered by a license with CalAmp (Appx23617-23620(180:3-183:10)), and, in opposing CalAmp’s post-judgment motion, Omega pointed to no evidence that the MFN provisions would be triggered by a one-patent license with CalAmp at a rate of less than \$5.00 per unit.

The jury rejected Omega’s MFN theory, awarding \$1 per unit for infringement of the ’727 patent, even though Omega classified the ’727 patent, like the ’278 patent, as a “data bus patent[]” under its licenses. *See, e.g.*, Appx23575-23576(138:24-139:8). The jury thus necessarily found—contrary to Omega’s theory (Appx24013(43:9-17))—that the proper royalty is *not* the same regardless of how many or which patents may be infringed or that MFN provisions would prevent Omega from entering into an agreement with CalAmp for any data bus patent at a

rate less than \$5 per unit. If that were the case, Omega could not agree to a \$1 rate for the '727 patent, yet the jury found it would have done just that.

But aside from its flawed and rejected MFN theory, Omega offered nothing to support a \$5 rate for the '278 patent. Nothing in the trial record enabled the jury to identify the incremental value of the '278 patent. *After* trial, Omega argued, for the first time, that “the infringing LMUs have no component parts outside what is found in the claimed inventions.” Appx24113. Not only was that belated contention not presented to the jury and therefore not support for its award, but the claim is refuted by myriad undisputed examples of the LMUs’ non-infringing components and features, including use of an industry standard for bus discovery that pre-dates the '278 patent (Appx23098), as well as features such as custom scripts, accelerometers, and GPS receivers (Appx21425-21426).¹⁰ And while Omega also claimed in post-

¹⁰ The evidence showed, among other things, that CalAmp’s Accused LMUs have a “3-axis accelerometer,” are able to “track vehicle speed and location, plus detect hard braking, cornering or acceleration,” and include other “key features” such as “CalAmp’s advanced industry leading on-board alert engine.” Appx21425-21426. These features allow the LMUs to “respond[] instantaneously to pre-defined threshold conditions related to time, date, motion, location, geo-zone, input and

trial briefing that “multi-vehicle functionality [is] found in the ’278 patent” (Appx24118), there was no evidence at trial explaining how the ’278 patent differed from any of the other asserted patents in this regard.

The district court denied Omega’s post-trial request for an enhanced ongoing royalty in part because the evidence was “insufficient” to show that the ’278 patent had any incremental value “over just connecting any module to the industry standard data bus.” Appx20. The court was right, and that same reasoning compels the conclusion that Omega failed to establish an evidentiary basis for determining the incremental value of the ’278 patent sufficient to support the damages award.

B. In Particular, Omega Failed to Apportion the ’278 Patent’s Value From the Value of Industry Standards.

Among other things, the incremental value of the ’278 patent must exclude the value of any industry standard reflected or incorporated in it. *Ericsson*, 773 F.3d at 1232-33 (holding “the patented feature must be

other event combinations” and to be updated “over-the-air once the unit has been fielded.” *Id.* Omega has never argued that any of these features are covered by the asserted claims of the ’278 patent.

apportioned from all of the unpatented features reflected in the standard” and reflect “the value of the patented invention (or at least the approximate value thereof), not the value of the standard as a whole”).¹¹ Omega made no attempt to do so.

Indeed, the record unequivocally demonstrates that Omega has sought to appropriate the value of industry standards for vehicle bus discovery that pre-date the patent. For example, McAlexander testified that the “queries to the bus” that he (improperly, *see supra* II.C) identified as the supposed “corresponding vehicle device code” for the

¹¹ Omega argued below that *Ericsson* applies only to RAND-encumbered patents (Appx24116), but this Court expressly rejected that reading of *Ericsson* in *Commonwealth Science & Industrial Research Organisation v. Cisco Systems, Inc.*, 809 F.3d 1295, 1304–05 (Fed. Cir. 2015) (“*CSIRO*”) (that reading “is wrong for several reasons”). As the Court recognized, nothing in *Ericsson* suggests that it does not apply to situations like this one, where Omega asserted that its patent reads on the industry-standard process for data bus discovery. *See* Appx23151 (“The patented technology has become the standard in the market and all businesses who want to be in the market must use the technology.”); *see also* Appx20 (court recognizing that “Omega claims the patented technology is the standard in the market and all businesses who desire to be in the market must use the technology”). Quite the contrary, *Ericsson* applies to all “SEPs,” defined in the decision as “patents that cover technology incorporated into the standard.” 773 F.3d at 1209. Under *Ericsson*, “reasonable royalties for SEPs generally—and not only those subject to a RAND commitment—*must not include any value* flowing to the patent from the standard’s adoption.” *CSIRO*, 809 F.3d at 1305 (emphasis added).

'278 patent are “part of the bus discovery process” that “itself preexisted” Omega’s patents. Appx23558(121:6-17). Likewise, Tregillis confirmed that, for purposes of his damages analysis, he assumed that “because CalAmp’s products use the OBD-II standard data port, they necessarily would infringe Mr. Flick’s patents,” even though the standard OBD-II data port and bus discovery process admittedly predate those patents. Appx23638-23639(17:5-18:1); Appx23392-23393(86:9-87:3), Appx23397(91:3-9) (Flick confirming that merely connecting to the data bus does not infringe his patents, and that he had no involvement in the design and implementation of the industry-standard OBD-II connector or bus discovery process). When asked to identify the value of the '278 patent separate and apart from the industry OBD-II standard, Tregillis replied that it “relates to codes that are stored and communicated ... through the data bus,” without articulating how that was different from the industry standard for bus discovery. Appx23642-23644(21:19-23:11). Ultimately, he conceded that he did not “know the technical details” of what (if any) improvement the '278 patent provides “over just connecting any module to the industry standard data bus.” Appx23645(24:1-4).

Quite simply, Omega made no attempt to identify the incremental value of the '278 patent as apportioned from the value of the industry standard for data bus discovery, and the jury's award of \$5 per unit for infringement of the '278 patent therefore cannot stand.

C. The License Agreements on Which Omega Relied Are Not Comparable to the License that Would Result from the Hypothetical Negotiation.

Omega also failed to account for the differences between the licenses upon which its damages theory rested and a hypothetical license to the '278 patent. *CSIRO*, 809 F.3d at 1303 (damages model may “begin[] with rates from comparable licenses and then ‘*account[] for differences* in the technologies and economic circumstances of the contracting parties”) (emphasis added) (citation omitted); *Uniloc*, 632 F.3d at 1317 (“[T]here must be a basis in fact to associate the royalty rates used in prior licenses to the particular hypothetical negotiation at issue in the case.”). As this Court has held, [t]estimony relying on licenses *must* account for . . . distinguishing facts when invoking them to value the patented invention.” *Ericsson*, 773 F.3d at 1227 (emphasis added). Where, as here, there is *no* evidence or analysis accounting for distinguishing facts or establishing that the proffered licenses are

sufficiently comparable to the hypothetical license, the licenses cannot support the jury's award. *See Uniloc*, 632 F.3d at 1316 ("This court noted that the licenses relied on by the patentee in proving damages must be [demonstrated to be] sufficiently comparable to the hypothetical license at issue in the suit, and that the patentee's failure to do so weighs strongly against the jury's award relying on such non-comparable licenses.") (internal quotation marks and citations omitted). All Omega offered were non-comparable licenses.

After allegedly reviewing all of Omega's licenses, Tregillis focused on Omega's agreements with Numerex, Mid City, Cimble, and Directed Electronics (DEI) as the basis for his damages opinion, with Numerex as his "base line." *See* Appx23599-23601(162:20-164:5), Appx23574-23577(137:12-140:17); Appx23628(7:7-10). But neither he nor Omega offered any basis upon which the jury could have accounted for the admitted significant differences between these license agreements—or any of Omega's other agreements, for that matter—and the hypothetical license for the '278 patent.

As Tregillis acknowledged, a "big difference[]" between the hypothetical license and the Omega licenses he relied upon is that

Omega's agreements cover portfolios of patents far beyond the '278 patent, including foreign patents, patents on unrelated technology, and patent applications. Appx23571-23572(134:21-135:10). Tregillis never explained how the jury could account for these differences when assessing damages. To take one example, under the Numerex agreement, Omega licensed a portfolio of 59 U.S. patents, 9 foreign patents, and several applications. Appx23601-23602(164:6-165:9). In exchange, Numerex paid Omega a royalty of \$5 per unit, the same royalty the jury awarded for infringement of the '278 patent alone. Appx23601-23602(164:23-165:1).

Each of Omega's other agreements suffers from this same problem. *See, e.g.*, Appx23608-23609(171:25-172:7) (Cimble agreement covers 36 U.S. patents, 12 foreign patents, and several applications); Appx23324(18:18-20) (DEI agreement includes Omega's entire data bus patent portfolio); Appx23411(105:12-25) (Trilogix agreement includes all the data bus patents); Appx23421-23423(115:22-117:10) (160031 Canada, Inc. license includes 10 U.S. patents and 3 foreign patents); Appx22185-22194 (Mid City license includes 23 U.S. patents, 9 U.S. applications, and 15 foreign patents and applications). The district

court—in addressing Omega’s post-judgment motion seeking an enhanced ongoing royalty—recognized this fundamental flaw in Omega’s license evidence, yet improperly ignored that same flaw in denying CalAmp’s motion to remit or vacate the damages award.

Appx18 (“Additionally, the scope of the one-patent license to the ’278 patent is narrower than Omega’s existing agreements, which typically license an entire portfolio of data bus patents in return for a royalty.”).

In addition, Omega’s license agreements—including the Numerex “base line” license (Appx22392-22406)—are the result of litigation settlements or the threat of litigation. *See, e.g.*, Appx23603(166:13-21) (Numerex was a litigation settlement); Appx23427(121:10-16) (Omega sued Fortin prior to license); Appx23319(13:5-18) (Omega sued DEI prior to license); Appx23410-23411(104:19-105:11) (Omega sued Trilogix prior to license); Appx23421-23422(115:22-116:21) (160031 Canada/Autostart license resulted from actual or threatened litigation). Flick confirmed that, even where Omega had not sued a licensee, he “expect[ed] that the companies that came to [him seeking a license] were aware that [he] had brought a lawsuit against one or more of their competitors,” and that lawsuits and potential lawsuits by Omega would

frequently “come up during [his] negotiations” with those licensees.

Appx23427-23428(121:17-122:6).

As Tregillis acknowledged, whether a license was entered into to avoid litigation costs “can be a consideration” when assessing its comparability. Appx23602(165:10-14); *Hanson v. Alpine Valley Ski Area, Inc.*, 718 F.2d 1075, 1078-79 (Fed. Cir. 1983) (“[L]icense fees negotiated in the face of a threat of high litigation costs may be strongly influenced by a desire to avoid full litigation.”) (citation omitted). Yet, Tregillis made no attempt to account for this “consideration.”

Appx23603(166:14-21) (“In your report, you did not indicate one way or the other whether the agreements that you relied on, such as the Numerex agreement, [were] entered into to avoid litigation costs, did you? A. Correct. Q. And the Numerex agreement was a settlement agreement reached after Omega sued them, true? A. I think that’s right.”); Appx23602(165:15-21) (Tregillis testifying “I don’t think I called out [in my report] whether there was pending litigation” for particular Omega license agreements).

Tregillis also made no attempt to account for the stark contrast between the functionality of CalAmp’s Accused LMUs and the products

licensed under Omega's license agreements. The value attributable to the particular infringing features of a product is a key consideration in a damages analysis. *E.g.*, *CSIRO*, 809 F.3d at 1301. That is particularly true here, where several of Omega's own license agreements provide different rates for different types of functionality. *See infra* at III.D. Under those agreements, products subject to a \$5 rate are those capable of performing certain specified functions. *See, e.g.*, Appx22439. Tregillis did not even consider whether CalAmp's Accused LMUs perform any of those functions (Appx23629-23630(8:16-9:1)), and it is undisputed that they do not.

To the contrary, Omega acknowledged that CalAmp's Accused LMUs only read and monitor data through the data bus, in contrast to Omega's other licensees, whose products can remotely-control vehicle functions, such as door locks, the engine starter, and the car alarm. *See* Appx23634(13:21-25); Appx23391(85:12-15) ("Q. And CalAmp's product does not control -- the LMUs that are at issue in this lawsuit do not control the starter, the door locks, or the car alarm; isn't that true? A. Correct."); Appx23459-23460(22:20-23:7), Appx23471-23472(34:16-35:21); *see also* Appx23714-23715(93:23-94:24) (CalAmp's Chen

explaining that the LMU-3000 cannot control devices like the car alarm, horn, door locks, and starter).

Despite acknowledging that differences between the products at issue in the hypothetical license and those covered by existing licenses can be an important consideration (Appx23603-23604(166:24-167:7)), Tregillis made no attempt to account for those differences. For example, Tregillis admitted he had no information regarding how the products Numerex licensed compared to the Accused LMUs, and therefore did not account for any differences. Appx23604-23605(167:15-168:4). The same was true of the Cimble, Mid City, and DEI agreements, which formed the other primary data points for Tregillis's opinion. Appx23608(171:3-24) (Tregillis had no information regarding the Cimble licensed products); Appx23611-23612(174:5-175:16) (despite knowing that Mid City's products performed remote start functions and CalAmp's did not, Tregillis did not include that distinction in his analysis); Appx23428(122:7-19) (DEI's data bus products operated car alarms and remote starters). Tregillis did confirm that he could not identify *any* licensed product that had functionality similar to CalAmp's Accused LMUs, and in fact did not know if *any* of Omega's licensees sold

products with the limited functionality of CalAmp's products.

Appx23605(168:19-25), Appx23606(169:14-19).

Many of the agreements on which Tregillis relied also reflected very low sales volumes. For example, Tregillis confirmed that Numerex's licensed sales were less than 10% of CalAmp's sales. Appx23618(181:15-19). Likewise, the Cimble agreement covered sales of less than 200 units, and Cimble had no current sales at the time of his report, so it was a "reasonable expectation" that Cimble would never pay the per-unit rates stated in that agreement, which were tied to sales volumes. Appx23609(172:8-23). Mid City is also a "very low-volume seller" that has never sold more than 5,000 units in a given year. Appx23612-23614(175:17-176:10, 176:23-177:3). At such low volumes, Tregillis acknowledged, the licensees might have agreed to the licenses merely to avoid litigation costs given that they knew they would never pay substantial royalties. Appx23614(177:5-17).

Based at least on the significant differences identified above—which Omega made no attempt to address at trial—the license agreements that form the entire basis for the jury's \$5 per unit award

are not comparable to the hypothetical license for the '278 patent. The damages award therefore should be vacated.

D. The Only Basis in the Record for an Award of Damages for the '278 Patent Is the \$1 Per-Unit Rate in Certain of Omega's License Agreements.

At least five of Omega's licenses provide a \$1 per unit rate for the functionality of reading tachometer data from the data bus. *See* Appx22439; Appx22216; Appx22302; Appx22389; Appx22286. As Flick confirmed, the \$1 per unit "data to tach" rate contained, for example, in the Trilogix agreement, is for the functionality of reading "information coming through the data bus module that came from the ECU." Appx23415-23416(109:13-110:10). This functionality maps closely to CalAmp's Accused LMUs, which—as Omega admitted—merely read data. *See, e.g.*, Appx23391(85:7-15); Appx23605(168:19-22). Flick confirmed that he regarded the \$1 rate as reasonable for that type of functionality, and that he had given the same \$1 rate to several other companies for use of that functionality. Appx23419-23420(113:24-114:6), Appx23421(115:3-21), Appx23423(117:11-20).¹²

¹² Flick confirmed that, even after allegedly "standardiz[ing]" his license agreements to adopt a flat \$5 per unit royalty structure, the \$1 rate for "data to tach" survived. Appx23430-23431(124:22-125:5).

“Data to tach” is the only function identified across all of Omega’s license agreements that corresponds to simply reading data in response to a query. And Flick confirmed that the “data to tach” “feature” equates to a one-patent license. Appx23298(121:6-7) (“each additional feature that was added that would be a different patent”); Appx23415(109:8-9) (“And each feature was pretty much a different patent.”). As such, Omega’s “data to tach” rate of \$1 per unit is the rate most relevant to the hypothetical one-patent license covering the ’278 patent for the Accused LMUs, which are only capable of reading data from the data bus. Yet, Tregillis did not even consider the \$1 rate. Appx23632(11:7-22) (\$1 rate for reading tachometer data contained in five separate Omega licenses was not addressed in expert report). He leapt directly to the \$5 rate, without even attempting to determine which rate would be most applicable to the hypothetical license at issue here. This was error.

Omega’s only response below to its \$1 per unit agreements was based on what it *wished* the record said. Appx24120-24121. Omega argued that “reading tach data was of nominal value and drew a royalty rate five times less than multi-vehicle compatibility patents”

(Appx24121), but that argument was never made to the jury. Nor did the jury hear evidence that “[r]eading tach data does not require a wireless communication device” or “does not require downloading enabling data related to vehicle device codes.” Appx24121. Omega may wish it had made these arguments, but it did not, and it is limited to the evidence and arguments actually presented at trial. Thus, the record at most would have supported a damages award of \$1 per unit for infringement of the ’278 patent. The jury’s award of \$5 per unit is wholly unsupported. A new trial on damages should be ordered.

E. CalAmp’s Damages Expert Was Erroneously Precluded From Providing Unchallenged Rebuttal Opinions That Were Disclosed in His Expert Report.

A new trial on damages is also warranted because the district court erred in precluding CalAmp’s damages expert, McDuff, from testifying in rebuttal to Tregillis’s comparable license analysis. In ruling on Omega’s *Daubert* challenge to McDuff prior to the first trial, the district court had excluded his opinions in their entirety (Appx5497), even though Omega’s motion challenged only his affirmative royalty calculations (Appx867-885) and raised no challenge to his qualifications as an expert on patent damages and no challenge to

his critique of Tregillis's comparable license analysis. Appx5488-5497 (Omega did "not contest that Dr. McDuff is qualified to render testimony regarding damages in this case."); *see also* Appx19260(30:6-7, 11-13) ("I addressed Dr. McDuff's qualifications, found he was qualified. . . . The issue of whether [McDuff] was challenging plaintiff's damages expert was really not directly addressed in the [*Daubert*] motions or the [*Daubert*] order.").

Before the retrial, CalAmp sought clarification on this issue. CalAmp explained that it should be permitted to call an expert whose rebuttal testimony had been timely disclosed and had not been challenged in Omega's *Daubert* motion. Appx19125-19130. The district court denied CalAmp's motion, ruling that the issue of McDuff's rebuttal testimony had been waived at the first trial because CalAmp had not sought reconsideration of the *Daubert* order and had not appealed that order. Appx19261(31:1-12). But even if the issue had been waived for the first trial, it was not for the second, given CalAmp's timely pretrial motion. Under Eleventh Circuit law, CalAmp's decision not to appeal the initial *Daubert* ruling was not a waiver of the issue on retrial. *Signal Oil & Gas Co. v. Barge W-701*, 654 F.2d 1164, 1169 (5th

Cir. 1981) (“Unlike *res judicata*, law of the case does not operate to bar subsequent consideration of matters that could have been, but were not, raised and resolved in the earlier proceeding.”).¹³ Nor did this Court’s opinion suggest that CalAmp would be precluded from raising the issue in advance of the new trial. *Omega Patents*, 920 F.3d at 1354.

Then, having precluded CalAmp from calling McDuff as a rebuttal witness, the court again changed the rules at trial, allowing *Omega* to provide testimony from McAlexander on infringement that had *never* been disclosed in an expert report. *See supra* at II.C; Appx23495-23496(58:17-59:2). The court justified that ruling by asserting that “reports are for his testimony in chief, not rebuttal” (Appx23495(58:18-19)), but that only underscored the fundamental unfairness of barring CalAmp from calling McDuff to provide fully-disclosed rebuttal opinions. And, once again, Omega capitalized on the unfairness by telling the jury in closing that Tregillis’s damages number was “the only evidence that you have. CalAmp didn’t offer anybody else to refute that

¹³ Decisions issued by the Fifth Circuit before September 30, 1981 are binding precedent in the Eleventh Circuit. *Bonner v. City of Pritchard*, 661 F.2d 1206 (11th Cir. 1981) (*en banc*).

number, didn't offer their own expert." Appx23997(27:3-6)). The erroneous and prejudicial exclusion of Dr. McDuff is another reason to vacate the damages award.

CONCLUSION

CalAmp respectfully requests that the finding that its customers infringed the '885 patent when they used the Accused LMUs be reversed or vacated, and that the judgment that CalAmp infringed the '278 patent be reversed. In the alternative, CalAmp requests that the judgment with respect to the '278 patent be vacated and the case remanded for a new trial. If the judgment of infringement with respect to the '278 patent is affirmed, the damages award should be vacated and remanded for a new trial.

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Respectfully submitted,
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