

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

CALLAWAY GOLF COMPANY,	)	
	)	
Plaintiff,	)	C.A. No. 06-91 (SLR)
	)	
v.	)	
	)	
ACUSHNET COMPANY,	)	<b>PUBLIC VERSION</b>
	)	
Defendant.	)	

**ACUSHNET'S OPENING BRIEF IN SUPPORT OF  
ITS MOTION FOR POST TRIAL RELIEF**

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## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	ACUSHNET SHOULD BE GRANTED JUDGMENT OF INVALIDITY, ON ALL THE ASSETED CLAIMS, AS A MATTER OF LAW.....	2
A.	Summary Of Argument.....	2
B.	Applicable Law To Rule 50(b) Motions Based On Obviousness.....	4
C.	The Claims At Issue Are Invalid As A Matter Of Law Under The “On The Ball” Claim Construction.....	5
1.	The Patents In Suit.....	5
2.	The Prior Art Generally .....	6
3.	Proudfit With Molitor ‘751 Or Wu Discloses All Claim Elements.....	7
a.	Proudfit ‘187 .....	8
b.	Molitor ‘751 Or Wu.....	9
4.	Motivation To Combine The References Existed.....	9
5.	Reasonable Expectation Of Success .....	11
6.	Polyurethane Shore D Hardness “On The Ball” .....	13
7.	The Asserted Claims Are Invalid Over The Wilson Ultra Tour Balata Ball In View Of Molitor Or Wu .....	15
D.	The PTO Did Not Consider All The Evidence In This Trial.....	16
E.	Secondary Considerations Do Not Save The Sullivan Patents.....	17
1.	Law Of Secondary Considerations .....	18
2.	Commercial Success .....	20
F.	Grant Of JMOL Invalidating The Sullivan Patents Is Proper.....	24
G.	The Claims Are Invalid Under The “Off The Ball” Construction.....	27
III.	IN THE ALTERNATIVE TO JUDGMENT AS A MATTER OF LAW, ACUSHNET SHOULD BE GRANTED A NEW TRIAL ON THE VERDICTS AGAINST IT, ON SEVERAL ALTERNATIVE GROUNDS .....	29
A.	The Verdicts Were Irreconcilably Inconsistent And Against The Clear Weight Of Evidence; A New Trial Should Be Granted For Either Or Both Of These Reasons .....	30
1.	The Verdicts For Callaway Cannot Be Reconciled With The Verdict For Acushnet.....	30
2.	The Great Weight Of The Evidence Stands Against The Verdict, And Manifest Injustice Calls For A New Trial.....	33

B.	A New Trial Should Be Granted At Which The Test Balls May Be Admitted Into Evidence .....	34
1.	The Excluded Test Ball Evidence Was Relevant .....	35
2.	The Court Erred In Excluding The Test Ball Evidence .....	36
C.	Other Evidentiary Errors And Resulting Prejudice To Acushnet Justify A New Trial .....	39
1.	Acushnet Was Prejudiced By The Court's Erroneous Admission Of Evidence Regarding Acushnet's Veneer Concept And Hebert Patent, And Related Errors .....	39
2.	Dr. Risen's Direct Exceeded The Scope Of His Report .....	43
3.	The Court Erred In Excluding <i>Ex Parte Sullivan</i> .....	45
4.	The Court Erred In Excluding The Reexamination Files From Evidence.....	48
5.	If Acushnet Is Not Granted Judgment As A Matter Of Law, As Argued Above, The Court's Erroneous Claim Construction Ruling Warrants At Least A New Trial .....	49
IV.	OTHER ISSUES .....	50
V.	CONCLUSION.....	50

## TABLE OF AUTHORITIES

### CASES

<i>Acumed LLC v. Stryker Corp.</i> , 483 F.3d 800 (2007).....	28
<i>Allied Chemical Corp. v. Daiflon, Inc.</i> , 449 U.S. 33 (1980).....	30
<i>Anderson's-Black Rock, Inc. v. Pavement Salvage, Co.</i> , 396 U.S. 57 (1969).....	3, 18
<i>Beech Aircraft Corp. v. Rainey</i> , 488 U.S. 153 (1988).....	46
<i>In re Berg</i> , 320 F.3d 1310 (Fed. Cir. 2003).....	46
<i>Blancha v. Thomas</i> , 972 F.2d 507 (3d Cir. 1992).....	36
<i>CVI/Beta Ventures v. Tura LP</i> , 112 F.3d 1146 (Fed. Cir. 1997).....	28
<i>Cabinet Vision v. Cabnetware</i> , 1998 U.S. Dist. LEXIS 22763 (S.D. Cal., Sept. 30, 1998).....	32
<i>Chandler v. Roudebush</i> , 425 U.S. 840 (1976).....	46
<i>Coleman v. Home Depo, Inc.</i> , 306 F.3d 1333 (3d Cir. 2002).....	38
<i>Collins v. Wayne Corp.</i> , 621 F.2d 777 (5th Cir. 1980).....	39
<i>In re Comisky</i> , 499 F.3d 1365 (Fed. Cir. 2007).....	41
<i>Custom Accessories, Inc. v. Jeffrey-Allan Industries, Inc.</i> , 807 F.2d 955 (Fed. Cir. 1986).....	26
<i>Daiichi Sankyo Co. v. Apotex, Inc.</i> , 501 F.3d 1254 (Fed. Cir. 2006).....	1

<i>Demaco Corp. v. F. Von Langsdorff Licensing Ltd,</i> 851 F.2d 1387 .....	19
<i>Dickinson v. Zurko,</i> 527 U.S. 150 (1999).....	46
<i>Dippin Dots Inc. v. Mosey,</i> 476 F.3d 1337 (Fed. Cir. 2007).....	4
<i>Dystar GmbH v. C.H. Patrick ,</i> 464 F.3d 1356 (Fed. Cir. 2006).....	17, 25
<i>Finch v. Hercules Inc.,</i> 941 F. Supp. 1395 (D. Del. 1996).....	35
<i>Fineman v. Armstrong World Industrial, Inc.,</i> 980 F.2d 171 (3d Cir. 1992).....	33
<i>Fresenius Medical,</i> 2006 WL 1330003 (N.D. Cal. May 15, 2006).....	26, 27, 49
<i>Frisket, Inc. v. RealNetworks, Inc.,</i> 2007 U.S. Dist. LEXIS 54192 (N.D. Cal. July 26, 2007).....	25
<i>Fromson v. Advance Offset Plate,</i> 755 F.2d 1549 (Fed. Cir. 1985).....	26
<i>GNB Battery Techn., Inc. v. Exide Corp.,</i> 876 F. Supp. 605 (D. Del. 1995).....	31
<i>Genzyme Corp. v. Atrium Corp.,</i> 315 F. Supp. 2d 552 (D. Del. 2004).....	30, 39
<i>Graham v. John Deere &amp; Co.,</i> 383 U.S. 1 (1963).....	17, 18
<i>Hartness International, Inc. v. Simplimatic Engineering Co.,</i> 819 F.2d 1100 (Fed. Cir. 1987).....	32
<i>Honeywell International, Inc. v. Universal Avionics System Corp.,</i> 289 F. Supp. 2d 493 (D. Del. 2003).....	44, 45
<i>ID Sec. System Can. v. Checkpoint System,</i> 249 F. Supp. 2d 622 (E.D. Pa. 2004).....	31

<i>In re Icon</i> , 496 F.3d 1374 (Fed. Cir. 2007).....	13
<i>In re Inland Steel</i> , 265 F.3d 1354 (Fed. Cir. 2001).....	18
<i>Joy Technologies, Inc. v. Manbeck</i> , 751 F. Supp. 225 (D.D.C. 1990).....	23, 24
<i>KSR v. Teleflex</i> , 127 S. Ct. 1727 (2007).....	<i>passim</i>
<i>Key Technology, Inc., v. Simco/Ramic Corp.</i> , 137 F.R.D. 322 (D. Or. 1991).....	40
<i>Knoster v. Ford Motor Co.</i> , 200 Fed. Appx. 106 (3d Cir. 2006).....	46
<i>Leapfrog Enterprises v. Fisher-Price, Inc.</i> , 485 F.3d 1157 (Fed. Cir. 2007).....	13, 25
<i>Life Technologies, Inc. v. Clontech Laboratory, Inc.</i> , 224 F.3d 1320 (Fed. Cir. 2000).....	40
<i>Lightning Lube, Inc. v. Witco Corp.</i> , 802 F. Supp. 1180 (D.N.J. 1992), <i>aff'd</i> , 4 F.3d 1153 (3d Cir. 1993).....	30
<i>Lind v. Schenley Industrial, Inc.</i> , 278 F.2d 79 (3d Cir. 1960).....	34
<i>In re Longi</i> , 759 F.2d 887 (Fed. Cir. 1985).....	31
<i>Loral Fairchild Corporation, v. Matsushita Electric Ind. Co. Ltd.</i> , 208 F. Supp. 2d 344 (E.D.N.Y. 2000) .....	47, 48
<i>Malek v. Federal Insurance Co.</i> , 994 F.2d 49 (2d Cir. 1993).....	39
<i>Malley-Duff &amp; Associate, Inc. v. Crown Life Insurance Co.</i> , 734 F.2d 133 (3d Cir. 1984).....	30, 31
<i>McMillan v. Weeks Marine, Inc.</i> , 478 F. Supp. 2d 651 (D. Del. 2007).....	45

<i>McNeil-PPC, Inc. v. Perrigo Co.</i> , 2007 U.S. Dist. LEXIS 50255 (S.D.N.Y. July 3, 2007) .....	19, 21
<i>McQueeney v. Wilmington Trust Co.</i> , 779 F.2d 916 (3d Cir. 1985).....	35, 36
<i>Monarch Knitting Machine Corp. v. Sulzer Morat GmbH</i> , 139 F.3d 877 (Fed. Cir. 1998).....	22
<i>Mycogen Plant Science, Inc. v. Monsanto Co.</i> , 243 F.3d 1316 (Fed. Cir. 2001).....	31
<i>Ormco Corp. v. Align Technology, Inc.</i> , 463 F.3d 1299 (Fed. Cir. 2006).....	8, 9, 10
<i>Pannu v. Iolab Corp.</i> , 155 F.2d 1334 (Fed. Cir. 1998).....	4
<i>Pentec, Inc. v. Graphic Controls Corp.</i> , 776 F.2d 309 (Fed. Cir. 1985).....	19
<i>Perkins-Elmer Corp. v. Computervision Corp.</i> , 732 F.2d 888 (Fed. Cir. 1984).....	4, 5
<i>Pfizer, Inc. v. Apoptex, Inc.</i> , 480 F.3d 1348 (Fed. Cir. 2007).....	25, 26
<i>Pharmastem Therapeutics, Inc., v. Viacell, Inc.</i> , 491 F.3d 1342 (Fed. Cir. 2007).....	4, 25, 47
<i>Repola v. Morebark Industrial, Inc.</i> , 934 F.2d 483 (3d Cir. 1991).....	30
<i>Richardson-Vicks Inc., v. Upjohn Co.</i> , 122 F.3d 1476 (Fed. Cir. 1997).....	1, 3, 4, 34
<i>Roebuck v. Drexel University</i> , 852 F.2d 715 (3d Cir. 1988).....	33
<i>Sandt Technology, Ltd. v. Resco Metal and Plastics Corp.</i> , 264 F.3d 1344 (Fed. Cir. 2001).....	19
<i>Schwinn Bicycle Co. v. Goodyear Tire &amp; Rubber Co.</i> , 444 F.2d 295 (9th Cir. 1970) .....	19

<i>Syngenta Seeds, Inc. v. Monsanto Co.</i> , 404 F. Supp. 2d 594 (D. Del. 2005), <i>aff'd</i> , 231 Fed. Appx. 954 (Fed. Cir. 2007).....	33
<i>Titanium Metals Corp., v. Banner</i> , 778 F.2d 775 (Fed. Cir. 1985).....	8
<i>In re Van Geuns</i> , 988 F.2d 1181 (Fed. Cir. 1993).....	41
<i>Young Dental Manufacturing Co., Inc. v. Q3 Special Products, Inc.</i> , 112 F.3d 1137 (Fed. Cir. 1997).....	37, 38

**STATUTES**

35 U.S.C. § 103.....	18
35 U.S.C. § 112.....	14, 15
Fed. R. Civ. P. 26(a)(2)(B) .....	45
Fed. R. Civ. P. 59(a) .....	30
Fed. R. Evid. 803(8).....	46

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<i>Ex Parte Sullivan</i> , 2004-0242 (B.P.A.I. 2004) .....	45
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## I. INTRODUCTION

On January 7, 2008, Acushnet Company (“Acushnet”) timely filed its renewed motion for judgment as a matter of law and moved for a new trial, following entry of the Court’s Judgment on December 20, 2007. D.I. 409, 404.<sup>1</sup> Under an agreed-upon schedule (D.I. 408), this is Acushnet’s opening brief in support of its motions.

Acushnet seeks judgment as a matter of law that claims 1 and 4 of Patent No. 6,210,293; claims 1-3 of Patent No. 6,503,156; claim 5 of Patent No. 6,506,130; and claims 1 and 3 of Patent No. 6,595,873 are invalid. The jury found claim 5 of the ‘293 patent invalid, and the Court entered judgment of invalidity as to that claim.

Acushnet will show that the evidence adduced at trial can support only one legal conclusion -- that all the claims-in-suit are obvious and invalid. Obviousness is a question of law based on underlying factual inquiries. *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007); *Richardson-Vicks Inc., v. Upjohn Co.*, 122 F.3d 1476, 1479 (Fed. Cir. 1997). Hence, the Court should grant Acushnet’s motion and find all the claims at issue invalid.

Alternatively, Acushnet seeks a new trial on the claims found valid by the jury’s verdict. A new trial is warranted because, among other things: (1) the jury’s verdict in favor of Callaway is irreconcilably inconsistent with its verdict in favor of Acushnet on claim 5 of the ‘293 patent; (2) the jury’s verdict is against the clear weight of evidence; and (3) evidentiary and other errors of the Court resulted in substantial prejudice to Acushnet’s ability to present its case at trial.

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<sup>1</sup> Acushnet moved at trial for Rule 50(a) judgment. The Court reserved ruling. T.Tr. 1295-1296.

## II. ACUSHNET SHOULD BE GRANTED JUDGMENT OF INVALIDITY, ON ALL THE ASSETED CLAIMS, AS A MATTER OF LAW

### A. Summary Of Argument

The Sullivan patents (DX 1-4) claim a multi-layer golf ball comprising a core, a low acid ionomer (or a blend of ionomers) as the inner cover, and a polyurethane outer cover. The claims specify the hardness, and sometimes the thicknesses, of the cover layers. In particular, the polyurethane is required to have a hardness of less than 64, measured on the Shore D scale.

The Proudfit '187 Patent (DX-10) discloses every element of the claims except the polyurethane cover. Polyurethane, however, is a common golf ball cover material, as shown for example in the Molitor '751 Patent (DX-11) or the Wu Patent (DX-13). The combination of the Proudfit patent with either Molitor '751 or Wu, discloses every element of the claims at issue.

An express motivation to combine the references exists, as Molitor '751 teaches that its polyurethane cover can be used on a multi-layer ball such as the Nesbitt '193 Patent (DX-9) or Proudfit. Likewise, Wu teaches that polyurethane can be used as a replacement for balata, the cover material on Proudfit. The content of these prior art references was not disputed at trial.

Moreover, a motivation to combine also exists in the nature of the claimed invention. Polyurethane has been used as a golf ball cover for decades. The use of polyurethane as a cover for a three-piece ball, instead of the balata or Surlyn covers found on Proudfit '187 or Nesbitt, was a routine replacement with no unexpected results. Indeed, in the months after the introduction of the successful Titleist Professional polyurethane-covered golf ball, and the issuance of the Wu patent covering the ball's new castable polyurethane formulation, at least **four** separate entities (Acushnet, Sullivan, Callaway, and Nike/Bridgestone), working independently, designed a multi-layer ball with a polyurethane cover. T. Tr. 241:12-244:15. This evidence adds further to the strong support for a finding of obviousness.

The only teaching of the prior art plaintiff seriously disputed at trial was whether Proudfit combined with Molitor '751 or Wu would result in a ball with a polyurethane cover having a Shore D hardness of less than 64 measured "on the ball," which is how the Court construed the claims. Based on the evidence introduced at trial, a reasonable juror could only have found that the "less than 64" limitation was met. Specifically:

- Molitor '751 taught that its polyurethane cover material should be used with a Shore C hardness of 72-76, measured "on the ball." DX-11, Col. 7, lines 27-29. It also states that the cover composition should be adjusted to ensure that the required hardness is met when the cover was molded on the ball. *Id.* lines 35-53.
- Shore hardness comparison charts of the time show that a 72-76 Shore C hardness corresponds to a Shore D hardness in a range less than 60 (and certainly well less than 64). *See* PX-804. The applicant used comparison charts in the PTO to get one of the patents-in-suit (*see* PX-8 at CW0309059-61), and cannot seriously dispute their usefulness and teaching in the art. T. Tr. 603:6-604:22
- Other evidence, including Dr. Risen's patents, showed that Shore C measurements of around 71 convert to Shore D of approximately 48-49. *E.g.*, DX-1108 at col. 51-52 (Table 34). So, while no perfect "one-to-one" or linear conversion from Shore C to D may exist, the evidence clearly shows that Shore C hardness of 72-76 will be less than 64 Shore D, by an appreciable amount, and that artisans knew that.
- Many measurements of polyurethane are in evidence and all show that polyurethane is a soft material, having a Shore D hardness in the 40s or low 50s off the ball. The evidence shows that while the hardness may increase some when measured on the ball, there is no evidence that an artisan would have believed the Shore D hardness to increase so much as to exceed 64 Shore D, on the ball. T. Tr. 615:15-617:24.

In light of this showing, and in the absence of any contrary evidence, no reasonable juror could conclude that the Shore D hardness of polyurethane on the cover of a ball having the Proudfit construction would have a hardness greater than 64.

Finally, the commercial success of the Pro V1 does not support a finding that the patents-in-suit are nonobvious. Where, as here, the obviousness of the claims is apparent over many pieces of prior art, secondary considerations cannot save the patents. *See Anderson's-Black Rock, Inc. v. Pavement Salvage, Co.*, 396 U.S. 57, 60 (1969). Further, the evidence shows that balls

such as the Callaway Rule 35 used the teaching of the Sullivan patents and yet “struggled” in the market. T.Tr. 1048:6-7 (admitting the Rule 35 was not a commercial success); PX-1185. In fact, Callaway has completely abandoned the claimed technology. Tr.T. 1012:18-1014:18. The evidence also shows that the Pro V1’s success is due to many factors unrelated to the patents-in-suit. Hence, its success does not support the “legal inference” that the patents are nonobvious.

**B. Applicable Law To Rule 50(b) Motions Based On Obviousness**

To prevail on a renewed motion for judgment as a matter of law, a party “must show that the jury’s findings, presumed or express, are not supported by substantial evidence or, if they were, that the legal conclusion(s) implied [by] the jury’s verdict cannot in law be supported by those findings.” *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1348 (Fed. Cir. 1998).

Obviousness is a question of law that requires the Court to decide “whether the subject matter of the claimed invention would have been obvious at the time the invention was made to a person of ordinary skill in the art to which the subject matter of the invention pertains.”

*Pharmastem Therapeutics, Inc., v. Viacell, Inc.*, 491 F.3d 1342, 1359 (Fed. Cir. 2007).

The jury’s determination that some claims were not proven invalid is reviewed *de novo*. *Dippin’ Dots Inc. v. Mosey*, 476 F.3d 1337, 1343 (Fed. Cir. 2007). The facts underlying the jury verdict, whether explicitly found or implicit in the verdict, are reviewed to determine if they are supported by substantial evidence. *Id.* See *Richardson-Vicks*, 122 F.3d at 1479 (“In analyzing the correctness of a JMOL overturning a jury verdict, we must consider the facts before the trial court, and then determine whether the trial court’s ultimate judgment on obviousness is correct as a matter of law.”). Substantial evidence means more than just a scintilla of it. The evidence must be relevant evidence “adequate to support the finding under review.” *Perkins-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 893 (Fed. Cir. 1984).

**C. The Claims At Issue Are Invalid As A Matter Of Law Under The “On The Ball” Claim Construction**

**1. The Patents In Suit**

The patents-in-suit relate to multi-layer golf balls that use polyurethane as the outer cover material. DX-1, Abstract. The patents have effective priority dates of November 9, 1995 for the ‘293, ‘156, and ‘873 patents, and October 13, 1995 for the ‘130 patent. D.I. 334, Ex. 1 at 3.

The patents all claim essentially the same basic subject matter. The ‘293 patent is exemplary of these patents. Claim 1 claims “[a] golf ball comprising:”

a core;

an inner cover layer having a Shore D hardness of 60 or more molded on said core, said inner cover layer having a thickness of 0.100 to 0.010 inches, said inner cover layer comprising a blend of two or more low acid ionomer resins containing no more than 16% by weight of an alpha, beta-unsaturated carboxylic acid; and

an outer cover layer having a Shore D hardness of 64 or less molded on said inner cover layer, said outer cover layer having a thickness of 0.010 to 0.070 inches, and said outer cover layer comprising a relatively soft polyurethane material.

Prior art golf balls used polyurethane covers which had Shore D hardness values of less than 64 “on the ball.” T.Tr. at 467:1-25. The idea to use polyurethane on a multilayer ball was not new. Rather, the use of polyurethane on a three piece construction was explicitly proposed in Molitor ‘751. DX-10, col. 3, lines 1-12.

The inventor’s lab notebook supports the obviousness of the claimed subject matter. The inventor wrote that his idea was “generally equivalent to [Nesbitt ‘193].” DX-972 at CW611786.01. He added that he intended merely to make a ball like Nesbitt’s using newer materials that were not available to Nesbitt in 1981. *Id.*

The Court should find that Sullivan’s work remaking Nesbitt’s ball in 1995, using cover materials already known in the art by 1995 is the application of only routine skill in the art.<sup>2</sup>

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<sup>2</sup> It was agreed that the critical date for the patents-in-suit is in late-1995. D.I. 334, Ex. 1 at 3.

This seems to be a straightforward application of the Supreme Court's directions in *KSR* that obviousness should be based on a more practical, common sense analysis and that the level of obviousness in an art increases over time. *KSR v. Teleflex*, 127 S. Ct. 1727, 1746 (2007).

Sullivan admitted that polyurethane had been used as a cover for solid balls for "decades." T. Tr. 793:24-794:6; DX-843 at 413. A practitioner of ordinary skill certainly can take known materials, like polyurethane, and assemble a ball following the directions of the prior art, such as the Nesbitt patent or Proudfit patent. To grant a patent to this routine practice retards progress in the art, as already known techniques are no longer available to competitors.

Nor did the inventor believe his polyurethane covers were a breakthrough in the art. Polyurethane covers were not even the inventor's preferred mode of making a three-piece golf ball in 1995, at the time he filed his application. T.Tr. 786:14-22. Spalding, the owner of the patents until it filed for bankruptcy, never used the patents and instead made balls, such as the "Strata," using Surlyn over Surlyn covers. *Id.* at 786:23-789:8; 1015:17-1016:5.

## 2. The Prior Art Generally

Solid-core, multi-layer golf balls have been described by the patent literature since the 1980s. For example, the Nesbitt patent (DX-9) that the inventor sought to mimic discloses a multi-layer ball with a core, an inner cover layer made of a hard Surlyn material, and an outer cover layer made of a soft Surlyn material. *See, e.g., id.*, Fig. 2; col. 3, lines 16-25. Similarly, Proudfit discloses a multi-layer ball with a core, an inner cover layer consisting of a blend of low-acid Surlins (as in the patents-in-suit), and an outer cover consisting of a synthetic balata blend. *See* DX-10 at Tables 5, 6, and 7.

Polyurethane covers have been known for decades, as Mr. Sullivan admitted. T.Tr. 793:24-794:6; *see also* DX-843 at AC0100935. Polyurethanes were discussed extensively as golf ball covers in patents and publications before the patents-in-suit were filed. *See, e.g., id.*;

Molitor '637 (DX-12, col. 18, line 33-col.19, line 10); Wu (DX-13, *passim*); and Molitor '751 (DX-11, col. 2, lines 33-57). These patents taught skilled artisans that polyurethane was a suitable cover material for all types of golf balls.<sup>3</sup>

Additionally, well before 1995, polyurethane had been widely-used as a cover material in commercial golf balls, with both solid and wound cores. The Spalding Executive golf ball, for example, was a solid core golf ball that used a cover with polyurethane and was sold years before Sullivan filed the '293 patent application in 1995. T.Tr. 789:18-790:1.

Acushnet launched its first urethane-covered ball in Japan in 1993. T.Tr. 351:20-352:6. This ball was renamed the Titleist Professional and launched in the U.S. later that year. *Id.* This ball used the "Wu polyurethane" described in DX-13. *Id.* 352:11-25. The cast polyurethane design in this patent was very successful. The Professional would become the No. 1 ball played on the PGA Tour during the 1990s. *Id.* 357:4-10.

### **3. Proudfit With Molitor '751 Or Wu Discloses All Claim Elements**

The Proudfit patent discloses all of the elements of the patents-in-suit except for the polyurethane outer cover. Molitor '751 (DX-11) and Wu (DX-13) disclose such a polyurethane cover, and the combination of Proudfit with Molitor '751 or Wu meets all of the elements of the claims-at-issue. Most of this evidence is entirely undisputed. Indeed, even Callaway's expert, Dr. Risen, agreed that the combination of Proudfit with either Molitor '751 or Wu discloses all of the claim elements except for the Shore D hardness of the polyurethane. T.Tr. 1212:11-1215:2. We review the evidence briefly here. *See also* D.I. 217, App. A-D (invalidity charts on file).

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<sup>3</sup> One 1976 patent noted that polyurethane-covered balls "had cut resistance comparable to Surlyn covered balls and were found to have even greater abrasion resistance than the Surlyn covered balls" and also that polyurethane-covered balls had "click and feel properties ... comparable to those of the balata covered ball." DX-267 at col. 5, lines 15-18, 20-22.

**a. Proudfit '187**

Proudfit discloses a three-piece solid golf ball that includes: a) a core; b) a hard ionomeric inner cover layer made of a blend of low acid ionomer resins; and c) a relatively soft outer cover layer made of balata or a balata-based material. DX-10, Abstract; col. 5, lines 43-52.

Proudfit discloses that the inner cover layer is a blend of low-acid ionomers, namely Surlyn® 8940 and Surlyn® 9910. Col. 8, lines 23-30. These grades of Surlyn are both low-acid ionomer resins containing no more than 16% by weight of an alpha, beta-unsaturated carboxyl acid. DX-1 at col. 8, lines 15-23. Surlyn® 8940 has a Shore D hardness of 65 and Surlyn® 9910 has a Shore D hardness of 64. T.Tr. 585:2-586:1. Therefore, the blend of materials disclosed by Proudfit has a Shore D hardness of 60 or more, measured off the ball. Its hardness would measure even higher “on the ball,” and was never in dispute. *Id.*

Proudfit discloses that the inner cover layer thickness can be “within the range of about 0.0250 to 0.2875 inch.” DX-10 col. 7, lines 37-40. The patent states that the “preferred dimensions are ... an inner layer thickness of 0.037 inch....” *Id.* col. 7:43-44. This preferred thickness falls within the claimed range. Hence, the inner cover limitations of the patents-in-suit are met by Proudfit. *See, e.g., Titanium Metals Corp., v. Banner*, 778 F.2d 775, 782 (Fed. Cir. 1985) (“[W]hen, as by a recitation of ranges or otherwise, a claim covers several compositions, the claim is ‘anticipated’ if *one* of them is in the prior art.”); *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311 (Fed. Cir. 2006) (overlap creates prima facie obviousness).

With respect to the outer cover thickness, Proudfit discloses that the “preferred dimensions are ... an outer layer thickness of 0.0525 inch....” DX-10 col. 7:40-46. This preferred thickness falls within the claimed range, and thus anticipates the claimed range. However, in the Proudfit patent, this cover material is a blend of synthetic balata (trans-polyisoprene) and polybutadiene. DX-10 col. 7, lines 46-55.



#### b. Molitor '751 Or Wu

Molitor '751 discloses a cover material made of a blend of polyurethane and an ionomer. DX-11, col. 2, lines 38-42. As detailed below, Molitor '751 contains an express teaching that its urethane can be used on a three-piece ball such as Nesbitt or Proudfit. *Id.*, col. 2, lines 7-12. It also teaches that the cover should have an "on the ball" Shore C hardness of 72-76. *Id.* at col. 7, lines 27-39. As described below, this corresponds to a hardness of far less than Shore D 64.

Wu discloses the novel, castable polyurethane used on the *Titleist* Professional ball, and later used on the Pro V1. T.Tr. 350:3-353:14. It is a soft, durable polyurethane that was very successful in the market place. T. Tr. 357:4-10. The patent also contains an express teaching that the Wu polyurethane could be used in place of balata or Surlyn as a cover material. The Wu polyurethane is soft and is measured at a Shore D hardness of 48 to 50 off the ball. *Id.* 493:23-494:3. On the Professional, the polyurethane had an "on the ball" Shore D hardness of 56. *Id.* 467:15-18. It would have a Shore D hardness of less than 64 as the cover of a three-piece ball as well. *Id.* 618:12-23.<sup>4</sup> Thus, the combination of Proudfit with either Molitor '751 or Wu disclosed all of the elements of the patents-in-suit.

#### 4. Motivation To Combine The References Existed

The evidence established a motivation and express teaching to combine the polyurethane references (Molitor '751 or Wu) with Proudfit to make the claimed combination.

First, Molitor '751 contains an express teaching to combine its polyurethane cover with a three piece ball, such as Nesbitt or Proudfit. It states that the polyurethane-based cover material should be used on "two-piece" golf balls, DX-11, col. 2, lines 58-64, and further explains:

The phrase "two piece ball" as used herein refers primarily to balls consisting of a molded core and a cover, **but also includes balls having a solid layer**

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<sup>4</sup> The Court excluded test ball data (D.I. 217, Ex. 34 at AC0131042) showing that the Wu polyurethane had a hardness of 56.8 when put on the core and inner cover of the Proudfit ball.

**beneath the cover as disclosed, for example, in U.S. Pat. No. 4,431,193 to Nesbitt, and other balls having non-wound cores.**

*Id.* at col. 2:7-12 (emphasis added). This description of “balls having a solid layer beneath the cover” describes Proudfit as well as Nesbitt.

Molitor ‘751 explains that using a cover including soft polyurethane material on such balls results in “playability properties as good or better than balata-covered wound balls” as well as making golf balls that are significantly more durable. *Id.* col. 2:61-68. Thus, Molitor explicitly teaches and motivates the art to apply the polyurethane cover described therein on balls like Proudfit and Nesbitt, namely that have a core, an inner cover layer, and an outer cover layer.

The Wu patent tells the art to use the Wu polyurethane cover material in place of balata covers, such as used on the Proudfit ball. Wu explains that there are advantages to using a polyurethane cover material as a substitute for Surlyn® ionomers or balata in a golf ball cover:

The problem with SURLYN-covered golf balls, however, is that they lack the “click” and “feel” which golfers had become accustomed to with balata. “Click” is the sound when the ball is hit by a golf club and “feel” is the overall sensation imparted to the golfer when the ball is hit.

It has been proposed to employ polyurethane as a cover stock for golf balls because, like SURLYN, it has a relatively low price compared to balata and provides superior cut resistance over balata. However, unlike SURLYN-covered golf balls, polyurethane-covered golf balls can be made to have the “click” and “feel” of balata.

DX-13, col. 1, lines 36-46. Hence, Wu expressly motivates an artisan to use the Wu polyurethane in place of a balata or Surlyn cover.

In addition, as in *KSR*, 127 S. Ct. 1727, the motivation to combine in this case is also found in teachings of the prior art itself. In *KSR*, the Court noted that when a technique had been used to improve one device, and if an artisan would recognize that it would “improve similar devices in the same way, using the technique is obvious ....” *Id.* at 1740.

Here, polyurethane was a well known cover material, used on wound and solid golf balls, and known to have good durability and resilience. T.Tr. 549:12-551:15; 611:19-612:3; DX-843 at AC0100935. Then in 1994 the Wu patent disclosed a castable polyurethane that was especially desirable and was used on the Professional golf ball, the leading tour-played ball in the 1990s. T.Tr. 357:4-10. By April 1995, Kevin Harris of Acushnet asked Ms. Wu to make several balls having the basic construction of the Pro V1 -- a solid center, hard ionomer inner cover, and Wu polyurethane outer cover. DX-830. Acushnet was testing such a ball with professional players in 1996. T.Tr. 362:7-16. In September 1995, Mr. Sullivan at Spalding, also after seeing the Wu patent, asked a technician to make the same type of balls. PX-614; T.Tr. at 782:2-784:8. This work apparently led to the filing of the patent application that led to the patents-in-suit. T.Tr. 782:18-783:8. Callaway too, working independently, had the same idea in 1997, and this led to the Rule 35 ball. *Id.* 1033:14-1034:13; *see* DX-886. Nike/Bridgestone also independently developed a polyurethane-covered three-piece ball called the Nike "Tour Accuracy" or Bridgestone "MC Tour Premium," which was on the market in the late-1990s. *Id.* 242:25-244:2.

Thus, all told, at least four separate companies had the same basic idea described in the Sullivan patents in a short period after the Wu patent was published and the Titleist Professional became successful. All worked independently. None saw or copied the patents-in-suit, which did not issue until years later, beginning in 2001. This close in time and independent adoption further demonstrates the obvious nature of the combination of polyurethane, a soft durable material, with a multi-layer construction. As undisputed evidence, it adds even more to the already compelling case for the obviousness of the patents-in-suit.

### **5. Reasonable Expectation Of Success**

It was simply the exercise of ordinary skill in the art in 1995 to apply polyurethane, such as taught by Wu's 1994 patent, to prior art three-piece balls to achieve the same results --

improved durability over balata and improved spin, click, and feel over Surllyn. *See KSR*, 127 S. Ct. at 1739, T. Tr. at 617:25-618:11. Also, one of ordinary skill would have a reasonable expectation that using polyurethane on a three-piece ball would give one a useful combination and have a Shore D hardness of less than 64, as the Sullivan claims require.

The evidence shows that polyurethane is a soft, flexible material with a Shore D hardness, measured “off the ball” in the 40s or low 50s. T.Tr. 615:17-616:2; *id.* at 467:1-468:14; *id.* at 493:23-494:3. While the hardness may go up some amount measured “on the ball,” polyurethane is sufficiently soft that the resulting “on the ball” hardness would be much less than 64. *Id.* 616:3-618:23. For example, the Wu polyurethane is measured at a Shore D hardness of around 48 Shore D off the ball. *Id.* 615:17-616:2. On the Professional ball, the Wu polyurethane had a Shore D hardness of 56 measured “on the ball.” *Id.* 467:15-18. There is no contrary evidence, and there is no question that in using a polyurethane cover on a three-piece ball, one would have a reasonable expectation of making a cover with a Shore D hardness of less than 64.<sup>5</sup>

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<sup>5</sup> Callaway elicited testimony from some witnesses to the effect that the golf ball art was an “unpredictable” art and that one has to try a combination to gauge its results. T.Tr. 941:18-942:1. The jury was entitled to credit this testimony as a general statement of golf ball design. But such “unpredictability” is of no moment on the question of combining polyurethane with a three piece ball. As to the combination itself, the motivation to combine is expressly taught in art such as Molitor ‘751. In addition, polyurethane was a known cover material, and its selection for an outer cover was a straightforward matter. DX-843 at AC0100934.

Similarly, as to the hardness “on the ball,” there is nothing “unpredictable” about this measurement. Soft materials “off the ball” generally stay soft on the ball. T.Tr. 617:15-24; *see also, e.g., id.* 461:5-465:6; 467:5-7; 467:8-468:19. Knowing the exact hardness on the ball requires only a routine measurement (*e.g., id.* Tr.T. 462:18-469:16; 494:5-495:10; 497:15-25; 500:18-503:1; 970:20-972:5), safely approximated with the knowledge that the hardness will be somewhat harder on the ball than off (*id.* 617:15-24; *e.g., id.,* 461:5-465:6; 467:5-7; 467:8-469:16). This is not at all “unpredictable.”

While some aspects of golf ball design may be unpredictable, that gnomonic utterance has no pertinence to the combination of polyurethane on a three-piece ball as claimed in these patents.

Similarly, it was the exercise of ordinary skill (and typical) to develop golf balls to achieve a Shore D hardness of less than 64. Prior art golf balls produced for the professional market were routinely designed to have a Shore D hardness of well below 64. T.Tr. 461:5-20; 464:22-469:7. A relatively soft outer cover was what was expected by the professional golfer, (*id.* 461:7-25; 462:10-14; 464:25-469:16; 237:23-238:2); it was no invention to produce a cover having the hardness value in a range already used and demanded by golfers.<sup>6</sup>

#### 6. Polyurethane Shore D Hardness “On The Ball”

The only limitation of the prior art disputed by Callaway was whether the prior art taught that the polyurethane cover material had a Shore D hardness of less than 64, measured “on the ball.” T. Tr.at 1212:11-1215:2. Significantly, however, Callaway offered **no evidence** that the “on the ball” hardness was in fact greater than 64. Rather, it merely questioned whether a hardness less than 64 Shore D was disclosed by the prior art, or whether a *specific* value from any conversion of Shore C to Shore D could be known with absolute certainty.

A reasonable juror could reach only one conclusion on this point -- namely that the Molitor ‘751 patent taught that the Shore C hardness “on the ball” should be in the range of 72-76, and that this range taught an “on the ball” hardness in a range less than 64 Shore D. Without dispute, Molitor ‘751 states that the preferred hardness for the polyurethane cover material is 72-76, Shore C, and that the content of the cover can be modified slightly to maintain the required Shore C hardness on the ball. DX-11, Col. 7, lines 25-43. Further, without dispute, hardness

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<sup>6</sup> Thus, even if one assumes, contrary to the evidence, that an “on the ball” hardness less than Shore D 64 was not knowable directly from the prior art references, the combinations of Proudfit with Molitor ‘751 or Wu nonetheless render the patents obvious under *KSR*. See, e.g., *Leapfrog Enters. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007) (while the combination argued lacked a reader, a reader was well-known and not uniquely challenging to implement, and thus the patent was obvious); *In re Icon Health & Fitness, Inc.*, 496 F.3d 1374, 1382 (Fed. Cir. 2007) (“[W]e do not ignore the modifications that one skilled in the art would make to a device borrowed from the prior art.”).

comparison charts used by ordinary artisans show that a hardness measurement in the 72-76 range, Shore C, is equivalent to a measurement on the Shore D scale in a range well less than 64.

While Callaway challenged whether the Shore C range of 72-76 of Molitor amounted to a Shore D hardness of less than 64, the substantial evidence of record proved otherwise. Dr. Risen, Callaway's expert witness and consultant, was of the view that "you can't make such a conversion." T.Tr. 1162:3-18. The evidence conclusively rebuts this conclusion—viz:

- The ASTM, the standards body that promulgates the Shore C and D standards, publishes "comparison charts" that allow users to compare values on the Shore C and D scales. (PX-804). A copy of the comparison chart is set forth below:

Type A	10	20	30	40	50	60	70	80	90	100
Type B	10	20	30	40	50	60	70	80	90	100
Type C	10	20	30	40	50	60	70	80	90	100
Type D	10	20	30	40	50	60	70	80	90	100
Type DO	10	20	30	40	50	60	70	80	90	100
Type O	10	20	30	40	50	60	70	80	90	100
Type OO	10	20	30	40	50	60	70	80	90	100

- As the chart and accompanying text explain, no simple, linear relation exists between Shore C and D measurements and a direct conversion from C to D cannot be done with the chart. But the comparison charts do show an approximate relation between the scales. A Shore C of 72-76 compares to a Shore D in the 50s, and certainly less than 60 and less than 64 on the chart. While we may not know if 72C "converts" exactly to 50D or 51D, an artisan knew from the chart that the range 72-76C would be less than 60 Shore D.
- During the prosecution of the '873 Patent, Callaway used one of these comparison charts to argue that Shore C values in the specification could be "converted" to Shore D values as claimed in the claims. PX-8 at CW0309061. Clearly, one skilled in the art would understand that such a comparison could be made, as Callaway did so itself in order to get the patents in the first instance.<sup>7</sup>

<sup>7</sup> Callaway's very misleading trial argument that the PTO did not accept this argument is belied by the facts. T.Tr. 1238:23-1241:4. The record shows that the PTO maintained its rejection under 35 U.S.C. § 112 not because the C to D conversion could not be made, but because the specification did not support the entire range of the claims (i.e., it did not disclose hardnesses for the *entire range* up to 64 Shore D, but only to 45, to which 65 Shore C corresponds). This is a point completely unrelated to the Shore C to D conversion. PX-8 at CW0309065. The PTO rejected these claims because they were too broad given their modest disclosures -- not because the Shore C values did not disclose a Shore D value less than 64.

- The patents-in-suit correlate Shore C to Shore D in several places. The “Summary of the Invention” section states that polyurethane has “a Shore D hardness of about 45 (i.e., Shore C hardness of about 65).” *E.g.*, DX-1, Col. 3, lines 53-54. Thus, by reading the patents themselves one learns that a Shore C of 65 is a Shore D of about 45. Again, by looking at the comparison charts one sees that a slightly higher Shore C of 72-76 will be much less than Shore D 64. Table 9 of the patent contains similar data.
- Dr. Statz, and the inventor, Mr. Sullivan, both testified from their experience that a Shore C of 72-76 was much less than a Shore D of 64. T.Tr. 601:7-602:3; *id.* 802:20-803:17.
- Dr. Risen’s patents showed materials having Shore C measurements in the 70s that were converted to Shore D measurements of much less than 64, often to values in the high-40s on the Shore D scale, which is consistent with the patents-in-suit, the comparison charts, and the testimony of Dr. Statz and Mr. Sullivan. *E.g.* DX-1108 table 27.

**There is no contrary evidence.** Callaway offered no evidence that a Shore C measurement of 72-76 could correspond to a Shore D measurement greater than 64. It argued only that a direct “conversion” could not be done. The evidence showed irrefutably, however, that a comparison could be done, and that artisans did use such comparison charts to compare Shore C and Shore D measurements. T.Tr. at 601:7-19.<sup>8</sup>

Every element of the claims-in-suit is present in the combination of Proudfit’s three-piece golf ball with either Molitor ‘751 or Wu. As a result, the patents are invalid as obvious.

**7. The Asserted Claims Are Invalid Over The Wilson Ultra Tour Balata Ball In View Of Molitor Or Wu**

Judgment of invalidity as a matter of law should also be granted with respect to the Wilson Ultra Tour Balata in view of either the Molitor ‘751 or Wu patents. Acushnet proved with ample clear and convincing evidence that the Wilson Ultra Tour Balata ball that was on sale in 1993 (DX-145.3) had all of the features of the asserted claims with the exception of a polyurethane outer cover. T.Tr. at 339:14-21; 340:20-23; 341:10-345:13; 497:15-498:2; 499:5-

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<sup>8</sup> Of course, the Court excluded actual measurements of the hardness of Molitor’s polyurethane which showed that the hardness was indeed less than 64. D.I. 217, Ex. 34 at AC0131042; D.I. 362. Nonetheless, the evidence in the record supports no other conclusion.

11; 500:6-25; 502:1-503:1; 507:22-508:22; 528:18-25; 532:1-533:22; DX-1030; DX-68 at AC0072945; DX-1044; DX-1033; DX-1035; DX26.1. This evidence included testimony (including that of the inventor of the Wilson ball, Mr. Proudfit), contemporaneous testing documents, and recent testing documents. Callaway did not dispute any of this evidence, nor did it offer any contrary evidence. In addition, Dr. Statz testified that it would be obvious to use the polyurethane of Molitor '751 or Wu as the outer cover of the Wilson Ultra Tour Balata ball itself (as distinct from the Proudfit patent). T.Tr. 594:13-595:24; 619:5-8. Dr. Risen did not address these prior art combinations in his testimony. Indeed, he could not do so, since his report contained no opinions with respect to these combinations, as he confirmed in his deposition. Ex. 1, Risen Tr. at 243:25-244:9; 16:14-17. Since the evidence and opinions offered by Acushnet with respect to these combinations were wholly uncontroverted, and they establish clearly and convincingly the obviousness of the asserted claims, judgment as a matter of law is appropriate.

**D. The PTO Did Not Consider All The Evidence In This Trial**

Contrary to the arguments plaintiff made to the jury, the evidence was much more detailed and complete than the record before the PTO during the initial examination. As a result, the rationale for applying a presumption of validity is diminished. *See KSR*, 127 S. Ct. at 1745.

Plaintiff argued that the key prior art references, Proudfit, Wu, and Molitor '751 were before the PTO during the prosecution of the Sullivan patents. While this is true so far as it goes, it overlooks many factors. First, Sullivan removed Proudfit as prior art with an improper declaration in the '585 application. DX-27 at CW0300437-442, 449. Moreover, the PTO did not have before it the information on the hardness of the Proudfit inner cover layers, nor the fact that the inner layers were low acid ionomers. While Proudfit discloses the brand of Surlyns used in the inner layer, the applicant never submitted data sheets or other information that would allow the PTO to understand the relevance of the Proudfit patent, and in particular to let the PTO



know that Proudfit disclosed a low acid inner cover with a Shore D harness greater than 60D. In fact, Spalding likely misled the Examiner about Proudfit's inner cover, arguing erroneously that Proudfit "does not disclose an inner cover layer with a carboxylic acid." PX-8 at CW 0309032.

Likewise, while the patents-in-suit mention the Molitor '751 patent in their specification (e.g., DX-1, Col. 5, lines 13-15), the applicant never told the PTO that Molitor discloses a polyurethane cover or that it contained an express teaching to combine polyurethane with the three-piece Nesbitt ball. Indeed, the citation of Molitor '751 in the specification, as teaching that soft covers allow accomplished golfers to impart spin to the ball, seems intended to discourage the examiner from reading the reference.

Also, the real world evidence of the Wilson Ultra Tour Balata and Professional golf balls was not before the PTO, nor was the evidence of multiple, near simultaneous development of polyurethane covered three-piece balls by four independent groups. T.Tr. 614:3-25. In all these respects, the Court heard much more evidence bearing on this issue than did the PTO.

#### **E. Secondary Considerations Do Not Save The Sullivan Patents**

The evidence demonstrated that the *Titleist Pro V1* was a very successful product. Callaway asserted that this success was objective evidence that the patents-in-suit are non-obvious, both because of how successful the ball was and because the success was unexpected. These secondary considerations, Callaway maintained, demonstrate nonobviousness.

While the existence or not of so called "secondary considerations" is a question of fact, the weight to be accorded these secondary considerations is part of the ultimate determination of obviousness as a matter of law. *Graham v. John Deere & Co.*, 383 U.S. 1, 35-36 (1966); *Dystar GmbH v. C.H. Patrick*, 464 F.3d 1356, 1371 (Fed. Cir. 2006). In this case, the Court should accord the secondary consideration evidence little or no weight. In all events, the secondary considerations do not save the patents in suit from the conclusion that they are obvious.

## 1. Law Of Secondary Considerations

In *Graham v. John Deere & Co.*, the Supreme Court addressed for the first time the standard for obviousness under 35 U.S.C. § 103. In focusing on what it called “secondary considerations” relating to non-obviousness, the Court stated:

Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc. might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or non-obviousness, these inquiries may have relevancy.

383 U.S. at 17-18.

One of the patents in *Graham* covered a spray nozzle used on aerosol containers. The patentee argued that the invention was a great commercial success, that the patentee had succeeded where others failed to make the invention, and that these facts support patentability. *Id.* at 35. The Court noted that these “legal inferences” or “subtests” for obviousness may be helpful in certain cases. *Id.* at 35-36. However, in *Graham*, the great commercial success could not overcome the fact that the prior art was too close and the patented idea was obvious. Hence, the Supreme Court held the patent invalid, despite the commercial success.

Similarly, in *Anderson's-Black Rock, Inc. v. Pavement Salvage, Co.*, 396 U.S. 57 (1969), the Supreme Court recognized that secondary considerations cannot convert an obvious idea into a patentable one. *Anderson's-Black Rock*, like this case, involved a combination of two known elements -- a radiant heater and a paving machine -- that had no unexpected results but functioned in combination just as a heater and paving machine would be expected to function. Despite the enormous success of the invention, the patent was still found invalid. *Id.* at 62-63.

Since *Anderson's-Black Rock*, Federal Circuit cases have followed the principle that secondary considerations cannot save a patent that is clearly obvious in light of the prior art. *See, e.g., In re Inland Steel*, 265 F.3d 1354, 1366 (objective indicia of non-obviousness were

“insufficient to overcome the strong prima facie obviousness case”); *Sandt Tech, Ltd. v. Resco Metal and Plastics Corp.*, 264 F.3d 1344 (Fed. Cir. 2001) (secondary considerations, including commercial success, could not overcome obviousness). *See also KSR*, 127 S. Ct. at 1745.

Furthermore, the patentee must establish a nexus between a claimed invention and any secondary considerations before they can be given weight. *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 315 (Fed. Cir. 1985). In other words, there must be some connection between the commercial success and the claims of the patent, before the commercial success can be considered probative of whether the patent is non-obvious. *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392 (Fed. Cir. 1988).

Where the patentee cannot establish such a nexus, the alleged secondary consideration is given little or no weight. For example, the commercial success of a product sponsored by the preexisting market leader is of limited probative value, as the success of then products is likely attributable to brand reputation. *See Pentec*, 776 F.2d at 316 (“Because GC was clearly the market leader well before the introduction of [the product covered by the patent], its sales figures cannot be given controlling weight ... in this case on the question of obviousness.”). *See also Schwinn Bicycle Co. v. Goodyear Tire & Rubber Co.*, 444 F.2d 295, 300 (9th Cir. 1970) (same). This is especially true when the commercial success of a new product results largely from the cannibalization of sales of the market leader’s previous products. *See McNeil-PPC, Inc. v. Perrigo Co.*, 516 F. Supp. 2d 238, 254 (S.D.N.Y. 2007).

Finally, when a commercially successful product is covered by multiple patents, it makes it very difficult to attribute commercial success to any one of those patents. *See id.* at 254-55 (finding no nexus between commercial success and asserted patent where patented product was covered by three different patents).

## 2. Commercial Success

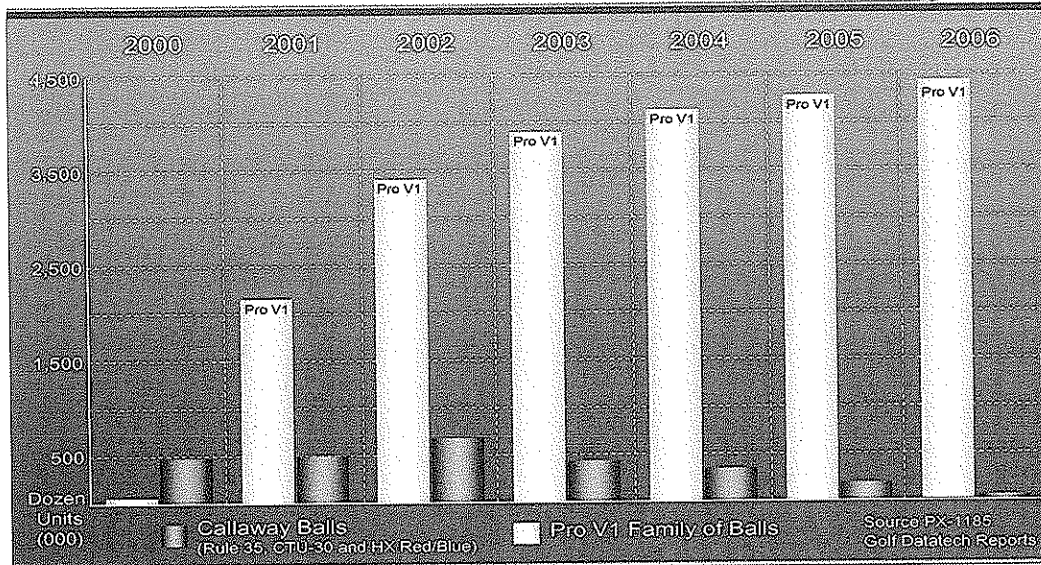
The commercial success of the Pro V1 does not establish that claims at issue are non-obvious for three compelling reasons. First, the prior art is too close and the obviousness too clear for any secondary considerations evidence to change the result. Second, the required nexus is not present; plaintiff proved only that the Pro V1 was a success, not that this success was due in any quantifiable way to the use of the patents as opposed to existing ideas in the art, or other technology or patents. Third, it is undisputed that many other factors unrelated to technology and performance played a major role in the success of the Pro V1. Hence, the legal inference of validity that plaintiff seeks to draw from the Pro V1 success is not warranted.

First, the evidence of obviousness in this case, discussed above, is compelling. Secondary considerations, even if present, cannot save a clearly invalid patent, as the Supreme Court makes clear in *Graham v. John Deere* and *Anderson v. Black Rock*.

Second, the absence of a nexus between the success of the Pro V1 and anything novel in the Sullivan patents further precludes the inference of non-obviousness that plaintiff seeks to draw. The core of the problem with Callaway's commercial success argument is that the patent claims are overbroad (and hence invalid). Putting polyurethane on a three-piece ball was not even a new idea (Molitor taught it), much less the critical ingredient in commercial success. Many balls had polyurethane covers. Some, such as the Pro V1, succeeded. Some, like the Callaway Rule 35, Callaway's own commercial embodiment, "struggled" and failed outright.

For example, the data from PX-1185 compares the sales of the Pro V1 to the combined sales of **all** the Callaway balls that ever practiced the Sullivan patents. The evidence shows that the Pro V1 was vastly more successful than all of the Callaway balls combined. As all of the balls on this chart practiced at least one of the patents-in-suit, it seems self-evident that the success of the Pro V1 is due to factors other than those patents.

Pro V1 vs. Callaway: Unit Sales 2000-2006  
U.S. On/Off Course



In addition, Nike and Bridgestone also introduced three-piece, solid core balls with polyurethane covers to the market, and the Nike ball (the Tour Accuracy) was even adopted by Tiger Woods. T.Tr. 251:8-251:18. Despite his support, these balls still had only limited success on tour and in the market. *Id.* 244:15-245:21. Once again, the evidence suggests that the success of the Pro V1 is due to factors other than practicing the invention. If Spalding and Callaway truly believed that practicing the claims of the Sullivan patents was the reason the Pro V1 was successful, one wonders why Spalding never chose to use this claimed technology in its products, and why Callaway has since abandoned it completely.

The evidence of contemporaneous, independent adoption of the same basic idea by other companies is strong evidence of obviousness. Callaway (Rule 35), Nike (Tour Accuracy), Bridgestone (Precept Tour Premium), and Titleist (Pro V1) all introduced polyurethane covered, multi-layer solid construction balls in the market before the patents-in-suit even issued.<sup>9</sup>

<sup>9</sup> The Callaway Rule 35 was introduced in early 2000. T.Tr. 244:3-244:7. The Bridgestone MC Tour Premium was introduced in October 1999. *Id.* 242:22-243:9.

None of these companies copied or appropriated the patents to make their commercial products. Indeed, Titleist had been working on a solid construction ball with a urethane cover as early as 1995, many years before the Pro VI was launched, and all of that work was done without any knowledge of the patents-in-suit. T.Tr. 367:24-368:21; DX-830. The fact that four companies launched a solid construction ball with a urethane multi-layer cover at about the same time, and all well before the patents-in-suit even issued, strongly suggests the patents are invalid. *See, e.g., Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 883-84 (Fed. Cir. 1998) (considering contemporaneous invention by others in obviousness analysis).

In addition, the actual construction of the Pro V1 is nowhere disclosed in the Sullivan patents. The patents claim broadly any polyurethane and any low acid ionomers. The patents claim broadly ranges of hardnesses (greater than 60, less than 64) and thicknesses of the covers (outer covers can be as small as 0.010 inches (which is thinner than the dimples of most balls) to 0.070 inches (more than twice the size of the Pro V1 cover)). As Mr. Yagley and others testified, small changes in design can have a large influence on the final commercial product. T.Tr. 1038:5-1039:9. Moreover, Mr. Yagley showed that many vastly different balls (over 3000) can use the claimed technology, many having poor, undesirable playing characteristics. *Id.* 1036:10-1038-9. All of this work thus falls within the claims of the Sullivan patents. Hence, the broad, very general disclosure of these patents in no way discloses the actual construction of the Pro V1.

The Pro VI design possesses many attributes that are not even remotely suggested by the disclosure of the patents-in-suit. It combines a very thin inner cover with a super thin (0.030") veneer outer layer of castable, Wu polyurethane. T.Tr. 361:8-24. The patents do not teach this combination. Instead, they claim broad, general ranges of thicknesses.

The claims also omit many features important to the Pro V1, such as size of the core and the castable polyurethane cover material patented by Acushnet. Because the ranges in the patent claims are both broad in some respects, and at the same time omit important features of the Pro V1, it is not possible to attribute the success of the Pro V1 to the patents in suit. *See Joy Techs., Inc. v. Manbeck*, 751 F. Supp. 225, 229-30 (D.D.C. 1990) (“The claims are broader in scope than the objective evidence [of non-obviousness] if a limitation or element recited in the claim is broader than the limitation or element in the objective evidence ... or if the objective evidence ... contains limitations or elements not recited in the claims (citing *White v. Jeffrey Mining Mach. Co.*, 723 F.2d 1553, 1559 (Fed. Cir. 1983); *In re Fenn*, 639 F.2d 762, 765 (CCPA 1981).).

Finally, the evidence established that many factors other than the patents-in-suit led to the success of the Pro V1. Other factors, such as brand loyalty, Titleist’s leading position in the market, and external market forces also contributed greatly to the success of the Pro V1. These other factors further diminish any connection between the Pro V1’s success and the patents.

For example, the Pro V1 is sold under the Acushnet premier brand Titleist. As Callaway’s own personnel testified, Titleist’s Pro V1 success is due in large part to its brand reputation, tour acceptance, greater distribution and penetration, and are in many more pro shops. T.Tr. at 897:4-25; 1073:11-1074:11. Titleist’s mission has long been to be the leading brand of the golf professional and the golf pro shop because this represents and reinforces Titleist’s reputation for premium quality and performance. *Id.* 221:18-227:20. In the golf ball market, brand is one of the most important factors affecting the commercial success of a golf ball. *Id.* 892:17-893:1. Spalding also recognized the power inherent in the Titleist brand and identified it as one of Titleist’s key strengths. *Id.* 871:4-872:7.

Titleist balls, of various constructions, have been the most played ball at the U.S. Open each year for decades. T.Tr. 224:9-227:20. For the past 25 years, Titleist has been played by the majority of professional players on the U.S. PGA Tour and more than all other golf balls combined. *Id.* Professional golfers have always preferred Titleist balls (of many different constructions) by a wide margin over other balls. Titleist's strong market position, and golfers' allegiance to brands rather than technology, further attenuates Callaway's claim of commercial success as an indicia of non-obviousness. T. Tr. 891:14-892:6; 896:7-898:13.

In addition, external market forces clearly played an important role in the adoption of solid construction, urethane covered golf balls. In 1999 Tiger Woods switched to a solid, three-piece polyurethane Nike golf ball. He won nine tournaments in 2000. Mr. Woods' use of this ball almost certainly sparked an interest in solid construction golf balls. *Id.* 251:8-18. Several other factors also contributed to this shift in the type of ball sought by tour professionals. Newer and improved golf equipment such as oversized metal woods and titanium drivers allowed golfers to hit the ball farther with acceptable spin off the tee. Additionally, golfer's today are physically stronger and have the power to strike the ball with high club speeds, and thus benefit from a distance-oriented ball. *Id.* at 249:22-251:2.

Indeed, Callaway's own marketing personnel have testified that there are many factors that have been primary driving forces behind the commercial success of the Pro VI other than the performance of the ball itself, including the factors set forth above. T.Tr. 1074:11:-1075:2. This further demonstrates the futility of any effort to ascribe the success of the Pro VI and similar balls to the patents-in-suit.

#### **F. Grant Of JMOL Invalidating The Sullivan Patents Is Proper**

Clear and convincing evidence demonstrates that the Sullivan patents are invalid. The combination of the Proudfit and Molitor '751 or Proudfit and Wu references, for example,



disclose every element of the claims; the motivation to combine the references exists, and the use of polyurethane on a three piece ball was shown to be the exercise of routine skill in the art.

The Supreme Court's analysis of the obviousness question in *KSR* is directly on point with the facts in this case. In *KSR*, the Supreme Court held that summary judgment of obviousness was appropriate where the claims constituted no more than a combination of old elements in a predictable way to yield predictable results. "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR*, 127 S. Ct. at 1739. See also *Leapfrog Enters.*, 485 F.3d at 1162; *Pharmastem Therapeutics*, 491 F.3d at 1359-65; *Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1364-71 (Fed. Cir. 2007); *Dystar*, 464 F.3d at 1371; *Frisket, Inc. v. RealNetworks, Inc.*, 2007 499 F.Supp. 2d 1145, 1147-49 (N.D. Cal. 2007).

Like in *KSR*, the patents-in-suit do no more than combine familiar elements (a three-piece solid construction golf ball and a polyurethane cover) to yield predictable results. The combination is suggested explicitly in the prior art and requires nothing more than routine skill. "[I]f a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill." *KSR*, 127 S. Ct. at 1740. Here, both Wu and Molitor '751 provide conclusive evidence that a ordinary artisan would know to use a polyurethane cover to replace the balata or ionomer outer cover layer of a three-piece solid construction golf ball. Similarly, as discussed above, the prior art shows that it was known that tour-played golf balls were soft (less than 64). T.Tr. 461:17-462:14; *id.* at 465:4-468:19.

In this case, a grant of judgment as a matter of law that the claims at issue are invalid is proper. The jury found one claim invalid. The evidence before the Court demonstrates that the

patents are invalid. There are no material facts that are disputed or where unique deference is due the jury verdict. What is at issue in this case is the legal question of whether the patents are invalid based on a weighing of all the relevant facts. The Court conducts this inquiry as a matter of law, and should find the claims at issue are invalid as obvious.

In addition, the Court may give due consideration to the PTO's actions in connection with the patents-in-suit. The Federal Circuit has stated that a district court, in addressing patent invalidity, should give regard to a PTO reexamination proceeding as part of the evidence bearing on the validity of the patent. *See Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 961 (Fed. Cir. 1986) (district court failed to "give any credence to the PTO reexamination proceeding"); *Pfizer, Inc.*, 480 F.3d at 1360 (basis of an "examiner's initial finding of prima facie obviousness of an issued patent" is a consideration "the trial court must consider in context of the totality of the evidence 'in determining whether the party asserting invalidity has met its statutory burden ....'" (quoting *Fromson v. Advance Offset Plate*, 755 F.2d 1549, 1555 (Fed. Cir. 1985) (examination proceedings are "evidence the court must consider")). A case in point is *Fresenius Medical Care Holdings v. Baxter Int'l, Inc.*, wherein the district court was urged in summary judgment proceedings to ignore both pending reexamination proceedings and a final Board decision of the PTO in a related application to the patents-in-suit. 2006 WL 1330003 (N.D. Cal. May 15, 2006). The district court rejected such argument, determining this evidence relevant and admissible on the question of validity of the patents at issue. *Id.* at \*4.

Here, at least two different patent examiners have found the patents-in-suit to be invalid during the pending reexaminations, over the same prior art that was before the jury. Additionally, as required during *inter partes* reexamination, these Examiners conferred with two other Examiners prior to issuing each office action. MPEP § 2660 IV. The other two Examiners also

signed-on to these office actions. *See, e.g.* Ex. 2 ('873 reexam) at 170. The record in those proceedings is voluminous, and attests to the care and expertise the Patent Examiners have given to this work. *See* D.I. 185 Exs. A-D; D.I. 118, Exs. 1-4; D.I. 328 Ex. 1 & Ex. 2 (make exhibit of latest '873 action). While these actions are not final, it would be a mistake, Acushnet submits, not to give due consideration to the fact that the PTO has consistently found these patents to be invalid during the reexaminations over the same prior art. The actions of this body, charged by Congress with responsibility and expertise in these matters, tend to confirm the result proven in this Court, namely that the claims at issue are invalid.

Likewise, the Court may note the final, unappealed January 2004 decision of the Patent Office Board of Appeals in *Ex parte Sullivan*. D.I. 217, Ex. 41. There the Board of Appeals rejected as obvious over Nesbitt in view of Wu claims nearly the same as those in the claims at issue here. Callaway sought such claims as part of a continuation application for the '873 patent. *See* Ex. 3 (U.S. P.T.O. Patent Continuity Data). The PTO Board stated:

[T]he [1994] teachings of Wu clearly would have made it obvious at the time the invention ... to a person of ordinary skill in the art to have modified Nesbitt's golf ball by using polyurethane as the outer cover material to achieve the expected benefits therefrom taught by Wu (i.e., to have the "click" and "feel" of balata; improved shear resistance and cut resistance; durability; and resiliency). Thus, it would have been obvious to one skilled in the art to have modified Nesbitt's three-piece golf ball having a spherical core, an inner cover layer of type 1605 Surlyn and an outer cover layer type of 1855 Surlyn by replacing the type 1855 Surlyn in the outer cover layer with polyurethane as suggested and taught by Wu.

D.I. 217, Ex. 41 at 11(emphasis added); *id.* at 8-9. Here as well, the Board of Appeals' decision supports the combination of the Wu polyurethane reference with the references showing a three-piece ball, such as Nesbitt and Proudfit, and also supports the obviousness of the patents-in-suit.

#### **G. The Claims Are Invalid Under The "Off The Ball" Construction**

In its claim construction ruling (D.I. 345), the Court ruled that while there was support in the specification for measurements made both "on" and "off" the ball, the "semantics" of the

claim supported an “on the ball” construction, as the claim specified the hardness of a layer, rather than the material of which the cover layer was made.

Acushnet respectfully suggests that this construction was in error. First, the construction the Court adopted simply cannot be correct. Other claims, such as claim 4 of the ‘293 Patent, similarly claim “a cover layer” having a modulus within a specified range. (DX-1 at Col. 24, lines 29-33). However, it is undisputed that the flexural modulus of a cover layer material cannot be measured “on the ball.” D.I. 207 at 14-16. Hence, the reference to a “cover layer” in this claim must mean a reference to the material of which the cover layer is made. As the term “cover layer” must be construed consistently in each claim, *see CVI/Beta Ventures v. Tura LP*, 112 F.3d 1146, 1159 (Fed. Cir. 1997), the intrinsic evidence of the claims themselves dictate that the Shore D measurements refer to the properties of the cover layer material, an “off the ball” measurement.

Likewise, the Court’s approach ignores a plain specification definition for the hardness measurement. The specification states that Shore D measurements are made using the ASTM D-2240 standard. DX-1, col. 16, lines 49-50. This is a measurement “off the ball,” and on a plaque. The specification definition should control under established precedent. *See, e.g., Acumed LLC v. Stryker Corp.*, 483 F.3d 800, 805 (Fed. Cir. 2007) (“[T]he specification may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess. In such cases, the inventor’s lexicography governs.”)

We respectfully submit that the evidence at trial demonstrated another flaw in the “on the ball” construction. As the evidence at trial demonstrates, the “on the ball” hardness measurement often is dependent on the thickness of the cover layer. T. Tr. 615:22-617:2. In particular, at cover thicknesses of less than 0.050”, the hardness measurement will depend on the thickness of the cover, as a thinner cover causes the measurement to be effected by the substrate of the ball. T. Tr.

615:15-616:20. As the patents cover a broad range of thicknesses, from 0.01 to 0.07” for the outer cover, for example, the reference to an “on the ball” hardness is simply ambiguous. This ambiguity is avoided by construing the measurement, as defined in the patent, to be the measurement of the material hardness of a plaque, made off the ball. The plaque measurement is fixed, and is not dependent on cover thickness. Based on this additional evidence, the Court should revise its claim construction and find the hardness should be measured “off the ball.”

If the Court corrects the claim construction to allow the Shore D hardness of various layers to be measured “off the ball,” then judgment as a matter of law for Acushnet is required. As with other evidence, the Shore D measurements of all the various materials “off the ball” is undisputed and all meet the claims at issue. The dispute about whether a Shore C measurement on the ball can be converted to a Shore D value is no longer an issue, as the “off the ball” hardnesses of the Molitor ‘751 and Wu polyurethanes are not in dispute and meet the limitations at issue.

Either way, Acushnet maintains that it should be granted judgment as a matter of law that the claims at issue are invalid. In the alternative, if the Court believes it would be more appropriate to grant a new trial under the corrected claim construction, Acushnet so moves.

### **III. IN THE ALTERNATIVE TO JUDGMENT AS A MATTER OF LAW, ACUSHNET SHOULD BE GRANTED A NEW TRIAL ON THE VERDICTS AGAINST IT, ON SEVERAL ALTERNATIVE GROUNDS**

For each of the claims for which the jury found in Callaway’s favor, Acushnet seeks a new trial as an alternative to judgment as a matter of law.<sup>10</sup> The jury’s verdicts in favor of Callaway are against the great weight of the evidence presented at trial, and are furthermore

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<sup>10</sup> The claims on which Acushnet seeks a new trial are claims 1 and 4 of the ‘293 patent, 1-3 of the ‘156 patent, 5 of the ‘130 patent, and 1 and 3 of the ‘873 patent. The jury’s verdict on claim 5 of the ‘293 patent is unchallenged and should stand. Callaway did not renew within ten days of the judgment its Rule 50(a) motion, nor request a new trial, on this claim.

inconsistent with the verdict on claim 5 of the '293 patent. Several erroneous evidentiary rulings, which substantially prejudiced Acushnet, also justify a new trial.

Rule 59 of the Federal Rules of Civil Procedure allows a court, in its discretion, to grant a new trial "on all or some of the issues" in an action in which there has been a trial jury "for any reason for which new trial has heretofore been granted in an action at law in Federal Court...." Fed. R. Civ. P. 59(a). *See Allied Chem. Corp. v. Daiiflon, Inc.*, 449 U.S. 33, 36 (1980). New trials are commonly granted in at least the following circumstances: (1) where the verdict is against the clear weight of the evidence, and a miscarriage of justice must be prevented; (2) where the verdict is facially inconsistent, and cannot reasonably be reconciled based on the evidence heard by the jury; (3) where improper arguments unfairly influenced the verdict outcome; and/or (4) where substantial (i.e., prejudicial) errors were made in the admission or rejection of evidence. *See generally Lightning Lube, Inc. v. Witco Corp.*, 802 F. Supp. 1180, 1186 (D.N.J. 1992), *aff'd*, 4 F.3d 1153 (3d Cir. 1993); *Genzyme Corp. v. Atrium Med. Corp.*, 315 F. Supp. 2d 552, 562 (D. Del. 2004).

**A. The Verdicts Were Irreconcilably Inconsistent And Against The Clear Weight Of Evidence; A New Trial Should Be Granted For Either Or Both Of These Reasons**

**1. The Verdicts For Callaway Cannot Be Reconciled With The Verdict For Acushnet**

Inconsistent jury verdicts warrant a new trial. *See, e.g., Malley-Duff & Assoc. v. Crown Life Ins. Co.*, 734 F.2d 133, 145-46 (3d Cir. 1984); *Repola v. Morebark Indus.*, 934 F.2d 483, 485 (3d Cir. 1991) (remanding for a new trial where the verdict was "inconsistent and utterly irreconcilable"). While a court should endeavor to interpret a jury's findings as consistent whenever possible, a verdict that is inexplicably inconsistent, or reflects confusion on the part of the jury, should be set aside and a new trial granted.

If a jury returns an apparently inconsistent verdict, “the district court [should first] carefully review the different portions of the jury’s verdict for a means to reconcile them” on any reasonable theory consistent with the evidence and jury instructions. *Mycogen Plant Sci., Inc. v. Monsanto Co.*, 243 F.3d 1316, 1326 (Fed. Cir. 2001).<sup>11</sup> If, however, after undertaking a careful review, there exists no “legal basis, supported by the evidence” upon which the inconsistent verdict might reasonably be based, a new trial should be given. *GNB Battery Tech., Inc. v. Exide Corp.*, 876 F. Supp. 605, 608, 610 (D. Del. 1995) (citations omitted). On the other hand, a jury verdict is *not* reconcilable by reference to theories or evidence not advanced, or by reference to speculative arguments or wild inferences. *See Malley-Duff*, 734 F.2d at 145-46; *ID Sec. Sys. Can. v. Checkpoint Sys.*, 249 F. Supp. 2d 622, 652 (E.D. Pa. 2004).

Here, the verdict of invalidity on claim 5 of the ‘293 patent demonstrates that Acushnet proved by clear and convincing evidence that this patent claim is obvious over prior art. It is impossible to reconcile the validity verdicts in favor of Callaway with the invalidity verdict on claim 5 of the ‘293 patent in favor of Acushnet. Secondary considerations were not advanced on a claim by claim basis. **Moreover, the claims-in-suit are not patentably distinguishable.**

In fact, in the original examinations, PX-5 to PX-8, the PTO issued double patenting rejections on all of these patent claims. The ‘130, ‘156 and ‘873 patent claims were rejected for double patenting in view of the ‘293 patent claims. *See* PX-5 at CW0308327-28; PX-6 at CW0308062; DX-8 at CW0309017. To get the patents despite the double patenting, Spalding agreed to file terminal disclaimers in each case. PX-5 to PX-8. A rejection for double patenting means that the Patent Office determined that the claims were not patentably distinct from claims of the earlier patent or applications. *See In re Longi*, 759 F.2d 887, 893 (Fed. Cir. 1985).

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<sup>11</sup> Resolution of an actual or apparent inconsistency may be achieved, for example, by properly granting a JMOL motion for Acushnet as to the verdicts in Callaway’s favor, thus resolving the inconsistency. *See Mycogen*, 243 F.3d at 1326.

The opposing verdicts on claims 4 and 5 of the '293 patent are fundamentally irreconcilable as a matter of law. Since claim 5 of the '293 is dependent from claim 4, claim 4 must be invalid if claim 5 is invalid. *See, e.g., Cabinet Vision v. Cabnetware*, 1998 U.S. Dist. LEXIS 22763, at \*25 (S.D. Cal. Sept. 30, 1998) *aff'd in relevant part, rev'd in part*, 2000 U.S. App. LEXIS 2030, at \*13-14 (Fed. Cir. Feb. 14, 2000) (verdict that rendered broader independent claim valid, but dependent claim invalid, was inherently inconsistent). *See also generally Hartness Int'l, Inc. v. Simplimatic Eng'g Co.*, 819 F.2d 1100, 1108 (Fed. Cir. 1987).

Similarly, claim 3 of the '873 patent, which the jury upheld, has nearly the identical scope as claim 5 of the '293 patent that was found invalid. There are only minor, semantical distinctions between these two claims, such as that claim 3 of the '873 patent applies the term "disposed on" versus "molded over" and does not use "about" in reference to "at least 60" Shore D hardness. None of the differences between these two claims was at issue in the trial.

In the same vein is claim 5 of the '130 patent. It is again broader than claim 5 of the '293 and virtually the same as claim 4 of that patent. No legally sufficient and plausible basis can reconcile this verdict with the verdict on claim 5 of the '293 patent. All of these verdicts, seemingly distinguishing the obviousness of claim 5 of the '293, over that of claim 4 of the '293 patent, claim 3 of the '873 patent, and claim 5 of the '130 patent, cannot be allowed to stand.

The remaining claims (claim 1 of the '293 patent, claims 1-3 of the '156 patent, and claim 1 of the '873 patent) differ from the above claims only by claiming a *blend* of ionomers for the inner cover. However, this cannot matter to the jury's determination of obviousness. Proudfit discloses such a blend of ionomers. *See DX-10*, col. 8, lines 23-30; *see supra* at 7-9. In fact, Callaway's expert never disputed that Proudfit taught an inner cover layer blend that satisfies the ionomer elements of all of the claims; nor did he opine that there was a patentable



difference between some of the claims over the body of prior art due to the presence or absence of a blend of ionomers. *E.g.*, T.Tr. 1158:7-59:8; 1212:11-1213:17. Thus, there is no legal basis, supported by the evidence and arguments, upon which the differing verdicts on the “blend of ionomer” claims can be reconciled.

In short, if claim 5 of the ‘293 patent is obvious, then the other claims must also be obvious. None of the evidence can support a scenario that rationally, and within the bounds of a proper obviousness determination, reconciles the verdicts. The inconsistencies in the jury’s determination warrant a new trial.

## **2. The Great Weight Of The Evidence Stands Against The Verdict, And Manifest Injustice Calls For A New Trial**

A court may also grant a new trial if the verdict is against the great weight of evidence, and if it would result in a manifestly unjust verdict to allow it to stand. This is just the situation.

A new trial can be granted even when judgment as a matter of law on the issue of the claim would be inappropriate. *See, e.g., Fineman v. Armstrong World Indus.*, 980 F.2d 171, 211 (3d Cir. 1992); *Roebuck v. Drexel Univ.*, 852 F.2d 715, 735 (3d Cir. 1988). “Unlike a JMOL motion, the court need not view the evidence in the light most favorable to the verdict winner ....” *Syngenta Seeds, Inc. v. Monsanto Co.*, 404 F. Supp. 2d 594, 600 (D. Del. 2005), *aff’d*, 231 Fed. Appx. 954 (Fed. Cir. 2007). While in some cases the evidence may even logically present a number of inferences supporting the verdict, if the great weight of it falls the other way, the court does not abuse its discretion to grant a new trial. *See Fineman*, 980 F.2d at 211.

In the context of a jury’s *factual* findings, the cases of course teach that the district court must proceed cautiously in granting a new trial based on manifest injustice, so as not to substitute its judgment for the jury’s independent evaluation of the facts. Nevertheless, “[w]here a trial is long and complicated and deals with subject matter not lying within the ordinary

knowledge of jurors a verdict should be scrutinized more closely by the trial judge than is necessary where the litigation deals with material which is familiar and simple ....” *Lind v. Schenley Indus.*, 278 F.2d 79, 90-91 (3d Cir. 1960) (identifying a patent case as example).

Here, judgment as a matter of law should be granted, as briefed above. *See supra* at 2-29. However, even if that motion is not granted, the evidence reviewed on that motion should indicate to the Court that the verdicts in Callaway’s favor are against the clear weight of evidence and manifestly unjust. To allow these claims to stand on the present jury verdict, when especially, in view of the irreconcilable inconsistencies cited above it appears that the jury was confused, arbitrary, or hopelessly conflicted, would allow a serious miscarriage of justice.

Further, the ultimate question of obviousness is a question of law. *Richardson-Vicks, Inc. v. Upjohn Co.*, 122 F.3d 1476, 1479 (Fed. Cir. 1997). Hence, the Court must also be careful not to “abdicate [its] role as the ultimate decision maker on the question of obviousness.” *Id.* In this case, the content of the prior art, the scope of the patent claims, and the level of ordinary skill in the art were not in material dispute. The evidence favored a legal finding of obviousness on every claim tried to the jury, not merely claim 5 of the ‘293 patent. If judgment as a matter of law is not appropriate, it is at least appropriate for the Court to grant a new trial.

**B. A New Trial Should Be Granted At Which The Test Balls May Be Admitted Into Evidence**

A new trial is warranted based on the improper exclusion of the golf balls Acushnet made from the teachings of the prior art combinations Dr. Statz relied on. *See* D.I. 346 & 362. The Court erred by precluding Acushnet from introducing this clearly relevant evidence. The Court further erred when it essentially provided a road map for Callaway to avoid the admission of this evidence while cross examining Dr. Statz. These errors were highly prejudicial to Acushnet.

The inquiry in evaluating a motion for new trial on the basis of evidentiary errors requires that the Court determine: “(1) whether an error was in fact committed, and (2) whether [it] was so prejudicial that denial of a new trial would be ‘inconsistent with substantial justice.’” *Finch v. Hercules Inc.*, 941 F. Supp. 1395, 1414 (D. Del. 1996). With respect to the second prong of this, a new trial should be granted on an erroneous evidentiary ruling unless “it is ‘highly probable’ that [it] did not affect [the objecting party’s] substantial rights.” *McQueeney v. Wilmington Trust Co.*, 779 F.2d 916, 924 (3d Cir. 1985) (holding standard same in civil cases as in criminal cases).

### 1. The Excluded Test Ball Evidence Was Relevant

The excluded ball test evidence was clearly relevant. The claim construction required Acushnet to prove that the polyurethanes of the asserted prior art combinations would have a hardness less than 64 Shore D, as measured on the ball. The test balls proved exactly this. Indeed, it is hard to imagine more probative evidence of what the Shore D hardness of the combinations would be than measurements of balls made according to those combinations. Even Callaway’s expert, Dr. Risen, admitted that the best way to determine what the Shore D hardness of a ball disclosed in the prior art would be is to “make the ball and measure it.” D.I. 297, Ex. 1, Risen Dep. Tr. at 133:23-134:8. Acushnet’s substantial rights were prejudiced by not being able to offer this most relevant evidence.

The issue of the outer cover Shore D hardness of the prior art combinations was the single most important and disputed issue in the case. The test evidence would have demonstrated that the combinations of prior art that Acushnet asserts yielded balls whose outer cover Shore D hardness is well under the claimed 64 Shore D. The tests demonstrated, for example, that balls made with the cover of the Molitor ‘751 patent and the core and inner cover of the Proudfit patent (as suggested by Molitor ‘751) had an average outer cover Shore D hardness of 51.2 measured “on the ball.” D.I. 217, Ex. 23 ¶ 113; D.I. 217, Ex. 30 at ¶ 33, *id.*, Ex.

34 at AC0131412. Similarly, the Wu cover applied to Proudfit yielded an average outer cover Shore D hardness of 56.8 measured “on the ball.” D.I. 217, Ex. 23 ¶ 106; D.I. 217, Ex. 30 at ¶ 33, *id.*, Ex. 34 at AC0131412.

The test balls could have come into evidence through percipient witnesses, namely Messrs. Dalton and Galipeau. Mr. Dalton directly supervised every aspect of the creation of the golf balls, and could have testified that they in fact were made according to the specifications set forth in the prior art references. D.I. 265, Ex. 63 ¶¶ 4-9. Mr. Galipeau, who works at the testing lab PTLI, directly supervised the measurements that were made on the balls, which resulted in the test report. *Id.* at ¶¶ 11-14; Ex. 6., Galipeau Dep. Tr. 1-45.

Given the focus on the issue of the Shore D hardness of the outer cover of the prior art combinations, as measured on the ball, the exclusion of Acushnet’s evidence of precisely those measurements was highly prejudicial. *See also Blancha v. Raymark Indus.*, 972 F.2d 507, 516 (3d Cir. 1992) (“Evidence should be excluded under Rule 403 only sparingly since the evidence excluded is concededly probative. The balance under the rule should be struck in favor of admissibility.”).

## **2. The Court Erred In Excluding The Test Ball Evidence**

Initially, the Court’s exclusion of Dr. MacKnight’s testimony seemed to be based on a misperception of his role with respect to Acushnet’s invalidity case. It appears that the Court was under the impression that Acushnet would offer the testing evidence without the supporting testimony of an expert, such as Dr. Statz, who could explain the relevance of the evidence. *See* Pretrial Conf. Tr. 34:15-20; 36:24-37:4. But Dr. Statz had discussed in his report each prior art combination he relied on for his opinion that the patents are invalid, and why the test results for those combinations were relevant. *See, e.g.* D.I. 217, Ex. 23 ¶¶ 84, 93, 102, 106 and 113 (discussing obviousness of claim 1 of the ‘293 patent with reference to the testing of the balls).

The Court's conclusion that that the test balls were created at the behest of lawyers is not a persuasive reason to exclude the evidence. As evident from the face of Dr. MacKnight's declaration, the testing evidence generated by him was initially created and submitted to the Patent Office for purposes of the reexamination shortly before Dr. Statz's expert report was served in this case. D.I. 217, Ex. 30 at ¶ 1. Lawyers are often involved in the preparation of tests submitted to the PTO. In addition, the balls created were based on those combinations of prior art argued to the PTO in the reexamination and that Dr. Statz intended to rely on in his expert report. Lawyers are often involved in the coordination of testing between two experts.

Dr. MacKnight was retained for his expertise in testing, to assure that the test data submitted to the PTO and to this Court was done properly and fairly. He was not retained as an invalidity expert, despite what the Court may have thought. It was not proper to exclude his testimony because he was not also the invalidity expert in the case, and hence he did not select the balls to tested. His expertise in testing and supervision of the testing would have been helpful and relevant. That he was directed (by counsel or by anyone else for that matter) as to what balls to test is utterly immaterial to his ability to properly oversee the testing and to opine as to the appropriateness of the testing.

The only case relied on by Callaway for the exclusion of the test golf balls, *Wesley Jessen Corp. v. Bausch & Laumb, Inc.*, was not on point. 209 F. Supp.2d 348 (D. Del. 2002). There the testing in question (which was not even excluded) departed from and was inconsistent with the teachings of the prior art. *Id.* at 373, 393. Here, however, the combination balls were made by following the directions of the prior art combinations that Dr. Statz addresses.

The evidence here is similar to that admitted in *Young Dental Mfg. Co., Inc. v. Q3 Special Prods., Inc.*, 112 F.3d 1137 (Fed. Cir. 1997). There, the Federal Circuit affirmed the

admissibility of a model of prior art over objections that it did not accurately represent the prior art. *Id.* at 1145. The Federal Circuit noted that any such arguments could be developed in cross-examination, and that the probative value of the evidence was not outweighed by potential prejudice. *Id.* at 1146. Similarly here, Acushnet's testing evidence should have been admitted.

Even if Dr. MacKnight's testimony itself was properly excluded, the test balls themselves were independently admissible and should have been admitted. As set forth above, the test balls, no matter how or why created, are highly probative evidence of what the Shore D hardness of the polyurethane covers of Molitor '751 and Wu would have been when applied to the Proudfit ball.

Any Rule 403 concerns over prejudice or confusion that might have resulted from the admission of the test balls could have been cured in any number of ways. For instance, Acushnet offered that the balls themselves need not be shown to the jury, to avoid any Callaway's concern that the jury might think the balls actually existed in 1995. T. Tr. at 753:21-22 ("If it helps to not actually display the balls, we could do that.") In addition, curative instructions could have been given, explaining that the balls are not prior art and were not in existence in 1995, but instead were created as test evidence for this case. In addition, direct examination and cross examination would have reduced any potential for confusion or prejudice. *See also Coleman v. Home Depo, Inc.*, 306 F.3d 1333, 1343-44 (3d Cir. 2002) ("There is a "strong presumption that relevant evidence should be admitted." Under Rule 403, "probative value of evidence must be 'substantially outweighed' by the problems in admitting the evidence. As a result, evidence that is highly probative is exceptionally difficult to exclude.").

The Court's order, conditioning the admissibility of the test balls on Callaway's cross-examination of Dr. Statz, was a further prejudicial error. Since the balls were relevant evidence, their admissibility should not have been conditioned on Callaway's cross-examination of Dr.

Statz. Acushnet had the burden of proof at trial. It should have been allowed to use the test ball evidence to meet its burden. Yet the Court put the issue in Callaway's hands, and provided a road map for Callaway to follow to ensure the exclusion of this evidence. The ultimate result was materially prejudicial. Dr. Statz relied on the test ball evidence to support his conclusions regarding obviousness under an "on the ball" construction. It was error and prejudicial to deny Dr. Statz the right to rely on materials cited in his expert report and independently admissible.

The Court in effect ruled that Acushnet may only prove obviousness by showing the "on the ball" Shore D hardness of prior art combinations, but at the same time excluded the most probative evidence of what that "on the ball" hardness would be. Those rulings were in error, and caused Acushnet extreme prejudice, that could be addressed via a new trial.

### **C. Other Evidentiary Errors And Resulting Prejudice To Acushnet Justify A New Trial**

The prejudicial exclusion of the test ball evidence was magnified by other evidentiary errors. These additional errors -- and Callaway's further ability to exploit them -- provide still additional reasons for a new trial. "[T]he combination of several errors may require reversal even though each error by itself would have been harmless." *Collins v. Wayne Corp.*, 621 F.2d 777, 786 n.6 (5th Cir. 1980); *see also Malek v. Federal Ins. Co.*, 994 F.2d 49, 55 (2d Cir. 1993). Likewise, the extent of argument based or in reliance on tainted rulings may also factor into whether an evidentiary ruling was prejudicial. *See Genzyme Corp.*, 315 F. Supp. 2d at 561 n.5.

#### **1. Acushnet Was Prejudiced By The Court's Erroneous Admission Of Evidence Regarding Acushnet's Veneer Concept And Hebert Patent, And Related Errors**

The Court erred in admitting testimony about the Acushnet Hebert Patent (PX-17), the Hebert Invention record, and testimony that Acushnet employees "believed they invented something" with the Veneer concept. Such subjective testimony did great violence to the jury's

understanding and application of the person of ordinary skill in the art standard and prejudiced Acushnet because the jury could not thereafter properly apply the obviousness test.

Obviousness must be determined from the objective perspective of the hypothetical person of ordinary skill in the art. *See, e.g. KSR*, 127 S. Ct. at 1742 (“The question is not whether the combination was obvious to the patentee but whether the combination was obvious to a person with ordinary skill in the art.”); *Life Techs., Inc. v. Clontech Lab, Inc.*, 224 F.3d 1320, 1325 (Fed. Cir. 2000). Thus, the question of whether the inventors of the Hebert patent, a patent not in suit and having different claims and a different specification, thought they “invented something” was utterly irrelevant to this case and it was error to admit it. *See, e.g., Key Tech., Inc., v. Simco/Ramic Corp.*, 137 F.R.D. 322, 324-25 (D. Or. 1991) (“Whether or not [the infringer] subjectively believed that any product of [patentee] was patentable is irrelevant to the [infringer’s] defense that the patents of [patentee] are not valid.”).

Further, even assuming that subjective testimony regarding obviousness is appropriate (which it is not), the statements of Messrs. Morgan and Hebert regarding their belief as to the novelty of the veneer concept merely applied a layperson’s understanding of that term. Obviously, neither Messrs. Morgan nor Hebert were offered or qualified as experts in this case. Despite his extensive experience in making golf balls, the Court stated, in the presence of the jury, that Mr. Morgan was not a person of ordinary skill in the art (T. Tr. at 456:2-8). Then, despite denigrating Mr. Morgan’s experience, the Court nevertheless allowed Callaway to elicit testimony as to what Mr. Morgan thought was novel or obvious:

Q: And you thought your Veneer concept was different and new because it had a solid-core three-piece construction with an ionomer inner cover and a polyurethane, a cast polyurethane outer cover. Right?

A: A thin cast-polyurethane cover of the new composition, yes.



T. Tr. at 439:12-15. Neither of these witnesses are attorneys or patent law experts, nor otherwise qualified to render an expert opinion as to the patentability, novelty, or non-obviousness of an invention. Thereafter, Callaway argued that these individuals belief that they “thought they invented something” was relevant to the obviousness of the Sullivan patents.

Further still, the differences between the veneer concept, the Hebert patent, and the patents-in-suit were never explained to the jury. In fact, the Court prohibited this. The claims of the Hebert patent differ from those of the patents-in-suit, and thus cover different inventions. The jury did not learn this. Callaway would try to sidestep this issue by arguing that the fact that Acushnet thought the Hebert *concept* was patentable is enough to show that the Sullivan patents are non-obvious. But it is black letter law that concepts are not patentable. *See In re Comiskey*, 499 F.3d 1365, 1377 (Fed. Cir. 2007). Not only do such arguments about so-called “patentable concepts” fail to demonstrate that the Hebert patent is comparable to the Sullivan patents, they provide another example of the dangers inherent to having an inventor testify regarding patentability -- the inventors clearly did not understand that mere concepts are never patentable and that the claims define the patentable aspects of an invention. *See, e.g., In re Van Geuns*, 988 F.2d 1181 (Fed. Cir. 1993). Thus, Callaway’s argument that the claims can be ignored in any comparison between the veneer concept and the Sullivan patents is wrong, and directly contrary to the Supreme Court’s *KSR* decision. *See* 127 S. Ct. at 1742 (“[w]hat matters is the objective reach of the claim. If the claim extends to what is obvious, it is invalid under § 103”). Thus, the only way to make a legally meaningful comparison is by performing a detailed claim analysis.

The differences between the Hebert patent claims and those of the patents-in-suit are significant. The Sullivan claims, which only require that the cover “comprise polyurethane,” are so broad as to encompass any of the hundreds of types of polyurethane in any amount

whatsoever, including thermoplastic polyurethanes. The Hebert claims are limited specifically to cast outer cover layers, which would exclude thermoplastic polyurethanes. *See, e.g.*, PX-17, claim 1. Callaway's own witnesses noted the importance of the distinction between thermoplastic and cast urethane covers. T. Tr. 1051:13-1052:10. The Sullivan claims, however, make no such distinction. Similarly, the inner cover layer of Hebert requires that the flexural modulus of the inner cover layer be so high that many claims are limited to high-acid ionomers (PX-17, claims 4-6). The Sullivan claims, on the other hand, all explicitly claim low-acid ionomers. To explain these differences to a jury would have required a detailed analysis and time-consuming satellite litigation of exactly the type the Court indicated it would not allow. Hence, Callaway's arguments created the appearance of a similarity between the Hebert patent and the patents-in-suit that Acushnet could not effectively rebut.

The prejudice to Acushnet created by Callaway's arguments was compounded by repeated reference to the Hebert patent during Callaway's opening in ways not allowed by the Court at trial. No fewer than 7 slides from Callaway's opening statement featured the Hebert patent. *See* Ex. 4, slides 31, 32, 33, 39, 40, 56, and 57. For example, in its argument, Callaway referred to the license Callaway took to the Hebert patent, suggesting that Callaway had acted appropriately by taking the license, while Acushnet was now acting improperly. T.Tr. at 186:10; 187:2; Opening Statement, slide 39. However, this license was never offered or admitted at trial. Such statements considerably prejudiced Acushnet. Similarly, Callaway featured the Hebert patent, and arguments that Acushnet employees believed that they had "invented something" extensively in its closing argument as well. T.Tr. at 1341:2-22; 1342:18-1344:15.

The prejudice to Acushnet was further amplified by the Court's decision not to allow Acushnet to introduce that Callaway [REDACTED] -- a patent actually in suit

-- at the time it was owned by Spalding. *See* D.I. 373; *see, e.g.*, D.I. 217, Ex. 21 (Callaway letter to Spalding asserting patent invalid [REDACTED]). If the jury heard that Callaway licensed the Hebert patent, because they thought there was an invention, the jury should have also heard that Callaway [REDACTED], because Callaway thought it invalid.

The Hebert evidence, which constituted an excessive amount of Callaway's case, was irrelevant. Furthermore, the way it was handled during the trial proceedings greatly prejudiced Acushnet and prevented the jury from properly applying the test for obviousness. A new trial is thus warranted in which the evidence of the Hebert patent and the subjective beliefs of inventors as to whether they "invented something" should be excluded.

## **2. Dr. Risen's Direct Exceeded The Scope Of His Report**

Dr. Risen's testimony on direct examination went outside the scope of his expert report and Acushnet timely objected pursuant to the Court's procedures. Since Acushnet was unduly prejudiced by Dr. Risen's undisclosed testimony, a new trial is warranted.

Specifically, Dr. Risen testified that there was no motivation to combine Nesbitt with Molitor '751 or Proudfit with Molitor '751. T.Tr. at 1171:4-9 ("I don't know of any motivation to do it"); 1168:13-1170:4 ("I don't know of any motivation to combine it or try it"). These opinions, however, are nowhere set forth in Dr. Risen's expert report, submitted on July 6, 2007. Acushnet objected during Dr. Risen's testimony to these questions. *Id.* 1171:10; 1168:17-21.

Dr. Risen's opinions with respect to the combination of Nesbitt in view of Molitor '751 are set forth in paragraphs 133-156 of his report. At his deposition, he testified that these paragraphs set forth *all* of his opinions as to why he thinks that Nesbitt in view of Molitor '751 does not render the asserted claims obvious. Ex. 1, Risen Tr. at 209:10-14. His opinions with respect to that combination consisted entirely of alleged technical distinctions between the

combination and the asserted claims, rather than an opinion that someone of ordinary skill would not have been motivated to combine the references. *See* Ex. 5, Risen Rep. ¶¶ 133-156.

Similarly, Dr. Risen did not state in his report that there would be no motivation to combine Proudfit with Molitor '751. Dr. Risen's opinions with respect to that combination are set forth in paragraphs 179-189 of his report. *See* Ex. 1, Risen Tr. at 225:3-10. Again, Dr. Risen's opinions with respect to that combination consisted entirely of alleged technical distinctions between the combination and the asserted claims; he does not opine that the motivation to combine the references was absent in the art. *See* Ex. 5 ¶¶ 179-189.

It was not surprising that Dr. Risen did not contest that there was motivation to combine these references in his report. Molitor '751 teaches these combinations on the face of the patent. In his deposition, Dr. Risen *agreed* that the reference to Nesbitt in Molitor '751 was a suggestion to use the cover of Molitor '751 on the ball of Nesbitt. Ex. 1, Risen Tr. at 81:20-82:5. It was not until Dr. Risen took the stand (after Dr. Statz had already testified) that he first expressed the opinion that there was a lack of motivation to combine these references.

Since the opinions Dr. Risen expressed were not in his expert report, the jury should not have heard them. "As noted in the case law of this jurisdiction, the testimony of expert witnesses is limited to the information contained in their expert reports." *Honeywell Int'l, Inc. v. Universal Avionics Sys. Corp.*, 289 F. Supp.2d 493, 500 (D. Del. 2003). The procedure for dealing with objections to expert testimony outside the scope is set forth under the Court's guidelines:

If a party objects on the record to an expert's Testimony based on claims that the testimony falls beyond the scope of his/her expert report, such objections shall be addressed during post-trial proceedings. If the court determines that the expert's testimony was impermissibly broad, the party proffering such testimony may be sanctioned, *inter alia*, by having to assume the costs for a new trial.

Guidelines for Civil Trials Before Judge Robinson at 3.

Dr. Risen's testimony outside the scope of his report warrants a new trial here. A fundamental question presented to the jury was whether the asserted claims were obvious over certain combinations of prior art. Dr. Risen was permitted to testify, for the first time and after Acushnet had already presented Dr. Statz's testimony, that certain of those combinations were not motivated in the art. Had Acushnet known that Dr. Risen would present such testimony, it would have focused on the motivation issue during Dr. Statz's direct examination, and would have been prepared to cross-examine Dr. Risen on that topic. Indeed, as set forth above, Dr. Risen's inconsistent statements in his deposition (where he admitted that Molitor '751 explicitly suggests a combination with Nesbitt) could have been employed to impeach Dr. Risen's opinion if Acushnet had advance notice, as was required under the Federal Rules.

It is this very purpose that underlies the requirement that an expert's testimony cannot exceed the scope of his or her report. "The purpose of this disclosure rule is to give opposing parties a reasonable opportunity to prepare for effective cross examination or to secure their own expert witness." *McMillan v. Weeks Marine, Inc.*, 478 F. Supp.2d 651, 659-660 (D. Del. 2007) (citing Advisory Committee Notes to Fed. R. Civ. P. 26(a)(2)(B)).

Since Acushnet has demonstrated that Dr. Risen's motivation-related testimony exceeded the scope of his expert report and it was unduly prejudiced, a new trial is warranted.

### **3. The Court Erred In Excluding *Ex Parte Sullivan***

The Court erred in preventing Acushnet from introducing the patent prosecution history of an important continuing application of the '873 patent -- in particular, the *Ex Parte Sullivan*, 2004-0242 (B.P.A.I. 2004) decision. D.I. 217, Ex. 41, identified as DX-15. As discussed above, in *Ex Parte Sullivan*, the Board of Patent Appeals found in a *final* decision that one of skill in the art would have been motivated to combine polyurethane with three-piece golf balls. See D.I. 217, Ex. 41 at 11. Callaway was a party to this decision, and did not appeal from it.

In deciding that Acushnet could not introduce this piece of prosecution history for the jury's consideration, the Court excluded highly germane evidence of the PTO's considered view of pertinent prior art and the motivation to combine a three-piece ball, such as Nesbitt with Wu, in a related application. At the trial, Callaway disputed whether one of skill would be motivated to combine polyurethane and three-piece references. *E.g.*, T.Tr. 1141-46, 1149-1153, 1170. The excluded decision shows that the PTO found that exact combination was motivated and proper. *See supra* 9-11. Thus, it was error and prejudicial to exclude the evidence.

Conclusions, findings and opinions in government reports are admissible, if relevant, absent a showing of untrustworthiness. *See Beech Aircraft Corp. v. Rainey*, 488 U.S. 153, 161-70 (1988); *Chandler v. Roudebush*, 425 U.S. 840, 863 n.39 (1976) ("Prior administrative findings made with respect to [a relevant issue in the case] may, of course, be admitted as evidence at a federal-sector trial de novo."); *Knoster v. Ford Motor Co.*, 200 Fed. Appx. 106 (3d Cir. 2006) (findings are "presumed trustworthy" and opposing party "bear[s] the burden of coming forward enough negative factors [to show] that the report should not be admitted"); Fed. R. Evid. 803(8). In the case of the PTO, courts are bound to respect with some deference the PTO's administrative findings, and to give appropriate deference especially to its expertise findings under which it is charged by Congress. *See Dickinson v. Zurko*, 527 U.S. 150, 152 (1999). As observed in *In re Berg*, 320 F.3d 1310, 1315 (Fed. Cir. 2003):

As persons of scientific competence in the fields in which they work, examiners and administrative patent judges on the Board are responsible for making findings, informed by their scientific knowledge, as to the meaning of prior art references to persons of ordinary skill in the art and the motivation those references would provide to such persons. Absent legal error or contrary factual evidence, those findings can establish a prima facie case of obviousness.

Further, as two Federal Circuit judges have each observed, "a reasonable jury may give weight to the examiner's view of [a] reference when deciding whether invalidity has been proved

by clear and convincing evidence.” *Pharmastem*, 491 F.3d at 1371 (J. Newman, dissenting op.). “When the party asserting invalidity relies on references that were considered during examination or reexamination, that party ‘bears the added burden of the deference that is due to a qualified government agency presumed to have done its job.’” *Id.* at 1366 (J. Bryson, majority).

It was error to exclude the PTO’s other determinations in the file history of these patents, particularly where, in the case of *Ex Parte Sullivan*, a final board decision had been reached in a matter in which Callaway had fully participated. A case especially on point, briefed to the Court at trial, is *Loral Fairchild Corp., v. Matsushita Electr. Indus. Co.*, 208 F. Supp. 2d 344 (E.D.N.Y. 2000). Here, Circuit Judge Rader, sitting by designation, concluded that a claim rejection in applications related to the patents-in-suit were admissible in a jury trial on validity.

As in *Loral*, the rejections at issue in *Ex Parte Sullivan* were on claims closely related and similar to the patents-in-suit, and went to an issue in the trial (the obviousness of combining Wu with three-piece golf balls). *See Loral*, 208 F. Supp. 2d at 360. Allowing the evidence would have added substantial weight to Acushnet’s case on Wu’s teachings and a combination of Nesbitt with Wu. As Callaway was quick to remind the jury repeatedly, “to find the claims invalid, there must be clear and convincing evidence that the PTO should not have issued the patent.” Ex. 4 at 26.

The Court’s decision not only affected the evidence actually seen by the jury, but also the jury’s interpretation of the evidence. Drummed in by Callaway from the start of its opening through to its closing argument, the jury’s perception of the PTO’s “blessing” upon the patents-in-suit, as somehow tried-and-true-valid over all of the prior art in the trial, was surely distorted as Callaway took full advantage of the Court’s disposition on this issue. Callaway made these remarks, for example, just a minute into its opening:

Now, you have the patents in front of you, and in deciding that issue it really boils down to something simple: [T]here are three patent examiners who looked at the four patents collectively. Okay? Did those three patent examiners, different people, make a mistake when they looked at exactly the same prior art that Acushnet now says invalidates these patent ... So that's what the validity issue boils down to in this case.

T.Tr. 161:8-17. Callaway went on to feature as many as six slides on this point, featuring the "three patent examiners" who had once passed on the validity of the patents-in-suit. *See* Ex. 4 at 21-26; T.Tr. 181:4-182:25.

Then, at the trial's end, the theme was played again, still longer. *See, e.g.* T.Tr. 1139, 1353-55, 1358-59. Most egregiously, Callaway began the body of its discussion concerning the validity of the patents with this statement:

Now, can the Patent Office make a mistake? Sure. ... We're all human and a mistake could have been made. ***But you have not actually heard from Acushnet. They're not arguing the Patent Office made a mistake. They are just arguing that you should see things their way instead of the way the Patent Office did.***

*Id.* 1339:14-19. As a whole, it is clear that these arguments were designed to suggest repeatedly that the PTO had done its analysis of the prior art correctly when issuing the patents-in-suit. Yet we know that not to be true -- we know that the PTO itself would strongly disagree with Callaway. Acushnet could have rebutted and erased the sting of these lopsided, half-truth arguments if it had been permitted to introduce evidence such as the *Ex Parte Sullivan* decision. The end result of the Court's error was prejudicial, warranting a new trial.

#### **4. The Court Erred In Excluding The Reexamination Files From Evidence**

The reexamination evidence supporting the invalidity of the patents-in-suit, including the file histories of the reexaminations, DX-340 to DX-343 (*see* D.I. 115, Exs. A-D, D.I. 118; Exs. 1-4; D.I. 328, Ex. 1), should have been allowed to be mentioned and admitted in the trial as well, and for many of the same reasons noted above. The Court, in error, did not allow it.



Again, Callaway made the most of the Court's decisions not allowing either or both the Board decision or the reexaminations to be admitted or mentioned. Callaway's opening statement illegitimately *strengthened* a presumption of validity, a strengthening it had no right to impress upon the jury, in view of the PTO's decisions already. *See* T.Tr. 161:6-17; *see also* T.Tr. 181:4-182:25 & Ex. 4 at 21-26. Acushnet filed an overnight objection to this, and asked again that Court consider allowing evidence of the reexamination proceedings and the Board of Patent Appeals decision into the trial. D.I. 379 & 380. The Court did not agree. T.Tr. 257:12-261:1, 354:15-24. In the closing argument, Callaway then took advantage once again. *See* T.Tr. 1139, 1353-55, 1358-59. *See also Fresenius Medical*, 2006 WL 1330003 at \*4 (considering reexaminations and noting that patentee cannot have it both ways: "it cannot be overlooked that, when it suits it, [plaintiff] relies on numerous PTO documents" and "repeatedly refers to the fact that the decisions of the patent examiner are given great deference" and allowed the patents).

**5. If Acushnet Is Not Granted Judgment As A Matter Of Law, As Argued Above, The Court's Erroneous Claim Construction Ruling Warrants At Least A New Trial**

Acushnet has argued respectfully above that the Court should reconsider its "on the ball" claim construction and, in adopting Acushnet's claim construction, grant judgment as a matter of law in Acushnet's favor on all claims-in-suit. *See supra* 5-16. However, should the Court reconsider and reverse its prior claim construction ruling, but for any reason not grant judgment as a matter of law, Acushnet submits that, at a minimum, a new trial is warranted in which the proper "off the ball" claim construction is used. A proper claim construction here would have affected the outcome of the trial, given that one of the central issues before the jury revolved around Callaway questioning whether hardness less than Shore D 64, "on the ball," was disclosed by the prior art. The Court's pre-trial *Markman* ruling, which Acushnet respectfully submits was in error, was thus prejudicial to Acushnet's ability to present its case at trial.

#### IV. OTHER ISSUES

Finally, Acushnet also renews its objections to the Court's denial of Acushnet's Motion for Partial Summary Judgment that Nesbitt incorporates Molitor by Reference (D.I. 348), as a further basis for post-trial relief. As this issue related to validity of the claims tried, the validity of such claims should be determined as a matter of law, or else retried, in view of the prior art reference Nesbitt incorporating Molitor '637. This has been briefed already, and Acushnet will not repeat its arguments here, but refers the Court to its prior briefing. See D.I. 217, 238, 265.

Likewise, Acushnet continues to maintain that the Court erred to dismiss on summary judgment and just before trial the issue of invalidity of claims 1-2 of the '130 patent. D.I. 348, 373. Contrary to the Court's decision before trial, a case and controversy must surely still exist in view of the present litigation itself on the '130 patent. Pretrial Conf. Tr. 6:8-9:20. If summary judgment is not given outright on these claims, they should be included in any new trial.

#### V. CONCLUSION

Acushnet respectfully requests that the Court grant JMOL under Rule 50(b) that the claims at issue in this case are invalid as obvious, or in the alternative order a new trial under Rule 59.

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

CERTIFICATE OF SERVICE

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