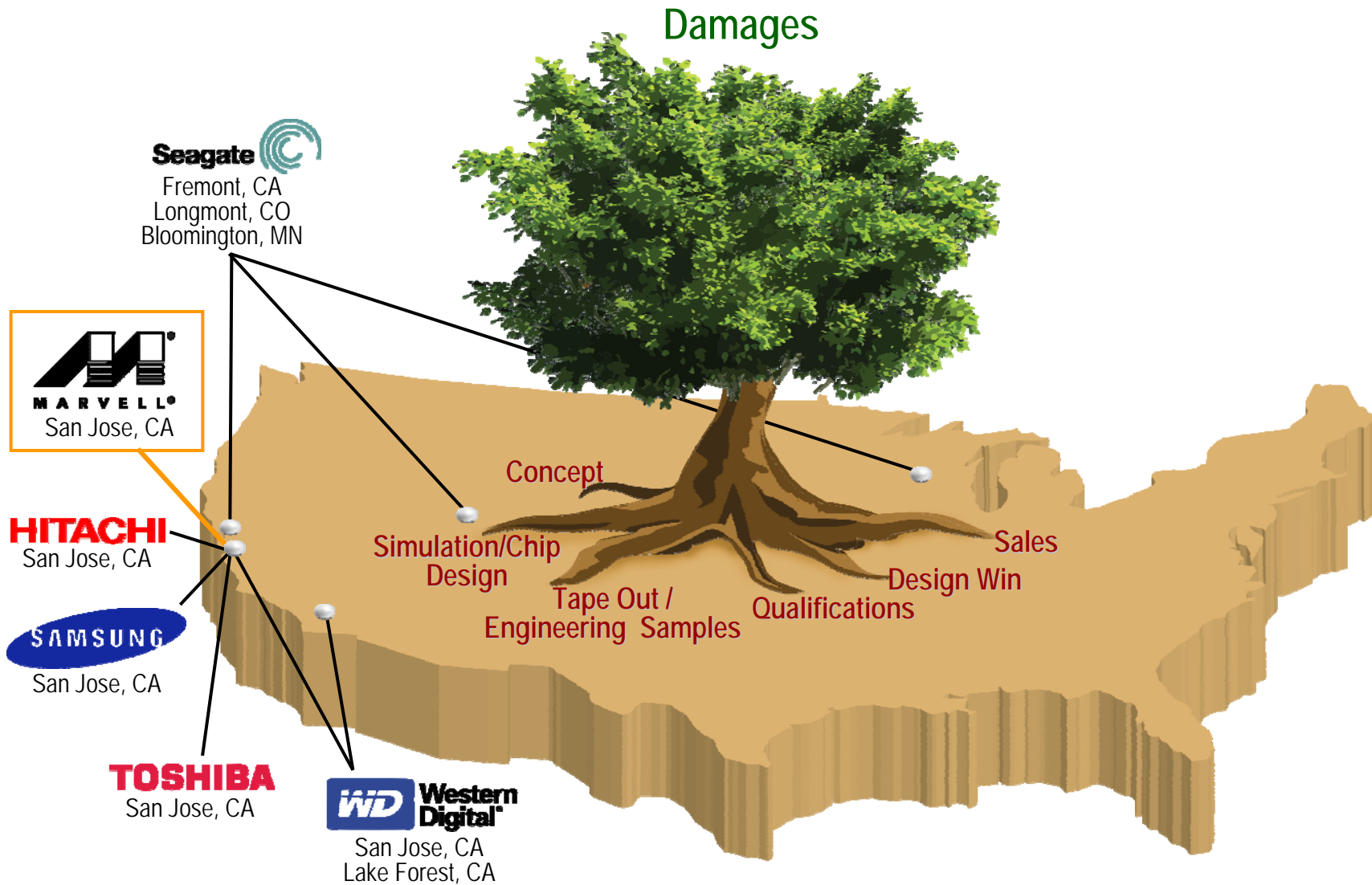


EXHIBIT C Part 3

The Damages Award is “Rooted In” Marvell’s Conduct in the U.S.



Power Integrations Supports the Verdict



Dr. Bajorek

“... all the activities related to designing, simulating, designing, testing, evaluating, qualifying the chips by Marvell as well as by its customers occurs *in the United States.*”

“Marvell and its customers had to use ... the MNP and NLD technologies during the sales cycle.”

If you fail during the sales cycle, “you can’t sell a single chip.”

12/4/12 Tr. at 67, 72, 105

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Cathy Lawton

“... the damages analysis in this case is predicated on Marvell’s use of the claimed inventions *in the United States*, and the benefits that flow from that.”

12/10/12 Tr. at 198:14-16

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Jury Instructions

“*Marvell cannot be found to have directly or indirectly infringed in connection with chips that are never used in the United States.* To the extent, however, that Marvell achieved sales resulting from Marvell’s alleged infringing use during the sales cycle, you may consider them in determining the value of the infringing use....”

“In this case CMU seeks a reasonable royalty. A reasonable royalty is defined as the monetary amount CMU and Marvell would have agreed upon as *a fee for use of the invention in the United States* at the time prior to when the infringement began.”

12/21/12 Tr. at 63:1-6, 81:7-11



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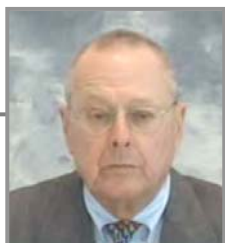
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Verdict



Power Integrations Supports the Verdict

Power Integrations is distinguishable



Dr. Bajorek

STARK DIFFERENCES

“Marvell had to go through what we call a, winner take all sales cycle ... to sell even a single chip to the drive makers,” and Marvell and its customers “definitely” have to use MNP/NLD circuits during the sales cycle.

12/4/12 Tr. at 66, 70, 72; see also *id.* at 76-77, 95-97, 191; P-1916, P-1917

“... all the activities related to designing, simulating, designing, testing, evaluating, qualifying the chips by Marvell as well as by its customers occur *in the United States.*”

MNP and NLD technology was “must have” and “a life or death matter” for Marvell.

Tr. 12/4/12 Tr. at 66-67, 73, 115-24, 126-27, 130-37, 140; P-Demo 8 at 43-61

“[T]here’s a *direct link between Marvell’s alleged use of the patented technology and its sales of accused products.*”

Tr. 12/4/12 at 162

Troxel’s Admissions in *Power Integrations v. Fairchild*

Dr. Troxel’s damages calculation included ***damages entirely unrelated to any potentially infringing activity (make, use, sell, offer sale or import) within the United States:***

Q. And this \$30 million difference of alleged damages are ***not related to parts that were used in the United States;*** is that correct?

A. That’s right. These would be worldwide. These would be ***sales outside the U.S.***

Q. And now this \$30 million of alleged damages are ***not related to parts that were sold in the United States;*** is that correct?

A. Not directly. That’s correct. The total computation would not include – would ***exclude the dollars of sales that remain in the U.S.***

10/4/06 Troxel Tr. at 838 – 839

Troxel’s damages opinion was *not “rooted in Fairchild’s activity in the United States.”*

711 F.3d at 1372

Power Integrations Supports the Verdict

Power Integrations is distinguishable



Cathy Lawton

STARK DIFFERENCES

Q. ...the royalty base for the 1.169 billion includes chips used outside the US that are not infringing; is that right?

A. Well, it includes the, *the base of chips that resulted from Marvell's use of these patented methods*, as Dr. Bajorek testified, without the use of the methods, and during the design cycle, the sales cycle, Marvell would not have sold a single chip. So *it uses the entire base as a valuation of the benefit and value that Marvell achieved.* 12/10/12 Tr. at 201:1-10

Q. And how does that relate to your opinion?

A. It relates to my opinion in that it's my opinion that *but for the use of the MNP in the United States, as Dr. Bajorek explained, Marvell would not have achieved a single chip sale* because they needed to be able to use the methods themselves and they needed for their customers to be able to use them as well in order to successfully *get through that sales cycle and achieve those design [wins].*

12/10/12 Tr. at 258:20 – 259:2

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Power Integrations Supports the Verdict



Marvell's sales are a proper measure of the value of its infringing use

***Power Integrations* did *not* overrule precedent that it is proper to consider non-infringing acts to determine reasonable royalty for related infringing conduct**



Evidence of *non-infringing bundling and convoyed sales* is relevant to the *royalty base and royalty rate*.

Fujifilm Corp. v. Benun, 605 F.3d 1366, 1372-73 (Fed. Cir. 2010), *cert. denied*, 131 S.Ct. 829 (2010)



“The fact that bundling and convoyed sales affected [the] estimate of both the *royalty base* and the royalty rate is thus not sufficient reason to nullify the jury’s award.”

Interactive Pictures v. Infinite Pictures, 274 F.3d 1371, 1385 (Fed. Cir. 2001)

Power Integrations Supports the Verdict



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Profits from the *non-infringing sale of eyeglasses* are relevant to the determination of a reasonable royalty for *infringing use of patented eyeglass display*.

Trans-World Mfg. Corp. v. Al Nyman & Sons, Inc., 750 F.2d 1552, 1568 (Fed. Cir. 1984)



It is proper to permit jury to consider “evidence of non-infringing bundling and convoyed sales into a determination of the scope of the royalty base” where infringement directly increased non-infringing sales.

Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co., 425 F.3d 1366, 1378 (Fed. Cir. 2005) (Rader, C.J.).

Power Integrations Supports the Verdict



Marvell's sales are a proper measure of the value of its infringing use

- **Marvell attempts to shift the focus from its own infringing conduct; it never discusses the benefits from its own infringement**
- ***Power Integrations* does not require the Court to suspend common sense and divorce Marvell and its customers' use of CMU's invention during the U.S. sales cycle from the value of that use (Marvell's profits)**
- **Even if the principles of "full compensation" and extraterritoriality were in conflict (and here they are not), the purpose of the U.S. patent laws makes it appropriate to focus on the location of the conduct that would exhaust the patent**