

No Matter How You Slice and Dice It, Conclusory Evidence Can't Support Entire Market Value Damages

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The US Court of Appeals for the Federal Circuit concluded that the entire market value rule was not applicable where conclusory expert testimony was the only evidence that a product's infringing features drove consumer demand, and therefore reversed. *Provisur Techs., Inc. v. Weber, Inc.*, Case No. 23-1438 (Fed. Cir. Oct. 2, 2024) (**Moore**, C.J.; Taranto, Cecchi, JJ.)

Provisur sued Weber in the Western District of Missouri over three patents related to slicing and packaging meats and cheeses. The jury determined that Weber willfully infringed several claims of the three asserted patents and awarded damages. Following the trial, Weber moved for judgment as a matter of law (JMOL) on the issues of infringement and willfulness, and a new trial on infringement, willfulness, and damages. The district court denied Weber's motion in its entirety. Weber appealed.

The Federal Circuit affirmed the district court's judgment with respect to two of the asserted patents but reversed the infringement finding on the sole asserted claim of the third patent. Provisur's infringement theory was that the consumer could program the device to infringe the limitations of the claim. However, at trial, Provisur provided no evidence that it was actually possible for the consumer to configure the device to practice the claim or that any consumer had ever done so. Some of the software necessary to be configured in an infringing manner was not accessible to the consumer. Instead, only Weber service technicians could access it. Provisur also proffered no evidence that the devices had ever actually been configured to infringe the claims, instead only offering evidence that the claims could have been infringed.

Next, the Federal Circuit assessed willfulness. Weber's primary argument was that the district court improperly allowed expert testimony in violation of 35 U.S.C. § 298, which states that a party's failure "to obtain the advice of counsel with respect to any allegedly infringed patent . . . may not be used to prove that the accused infringer willfully infringed the patent." Provisur's expert, who testified about industry standards for intellectual property management, "did not distinguish between legal and non-legal services when testifying about consulting a third party." The Court concluded that that portion of the testimony was inadmissible and the remaining evidence could not support a finding of willfulness.

Finally, the Federal Circuit addressed the damages issue, specifically focusing on the reasonable royalty award. The infringing features were subparts of a larger accused product – which had many non-infringing features. The accused product contained multiple separate machines unrelated to the

alleged invention.

Provisur's royalty award was predicated on its use of the entire market value rule, where the base to which the royalty rate is applied is the cost of the entire accused product as opposed the cost of just the infringing part. The Federal Circuit noted that the entire market value rule is an acceptable theory, but it requires a showing that the infringing part "is the basis for customer demand."

Provisur's damages expert used the entire market value rule in calculating the damages, relying on another expert who testified that "the patented features drive the demand or substantially create the value of Weber's accused products." That expert noted that the non-infringing features "are considered conventional, and the patented features are unique selling points." However, the expert did not cite any evidence suggesting that the patented features drive the sales of the entire multi-machine product. The expert did not explain why the non-infringing features – no matter how "conventional" they may be – did not drive consumer demand. The Court concluded that Provisur proffered no evidence, save for conclusory, unsupported expert testimony, that the infringing features drove consumer demand.

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