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COPY

January 7, 1985

Algy Tamoshunas, Esquire
North American Philips Corporation
580 White Plains Road
Tarrytown, New York 10591

Re: Magnavox v. Activision

Dear Algy:

On December 21 we filed a memorandum concerning the Order of Proof in the Activision case. A copy is enclosed for your files.

Very truly yours,

NEUMAN, WILLIAMS, ANDERSON & OLSON

By _____
James T. Williams

JTW/krs
Enclosure

cc: Thomas A. Briody, Esq. - w/o encl.
Louis Etlinger, Esq. - w/encl.
Theodore W. Anderson, Esq. - w/o encl.

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Attorneys for Plaintiffs
The Magnavox Company and
Sanders Associates, Inc.

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA

THE MAGNAVOX COMPANY, a corporation, and SANDERS ASSOCIATES, INC., a corporation, Plaintiffs, v. ACTIVISION, INC., a corporation, Defendant.	No. C 82 5270 CAL PLAINTIFFS' MEMORANDUM RE ORDER OF PROOF

The defendant, Activision, seeks leave to present its case at trial first, thus reversing the normal order of

presentation of trial evidence. The burden is upon Activision to demonstrate why such a procedure should be followed in this action. It has failed to do so. The authority it relies upon, Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530 (C.A.F.C. 1983), is inapposite. The relevant authorities support the wisdom of the plaintiff-patentee proceeding first in a patent infringement action.

Activision is perfectly correct in arguing that it bears the burden of putting forth evidence to show that plaintiffs' patent is invalid, and it bears the risk of nonpersuasion on that issue. The assignment of burden results from the statutory mandate that "(a) patent shall be presumed valid." 35 U.S.C. §282. That same statutory section states that invalidity and other items "shall be defenses in any action involving the validity or infringement of a patent ...." 35 U.S.C. §282; emphasis added. Indeed, Activision set forth its contention of patent invalidity in its answer under the heading "Affirmative Defenses." The only logical conclusion to draw is that plaintiffs should present their case on infringement first, and defendant should then attempt to establish patent invalidity as a defense.

Indeed, the normal practice is to permit the patent owner to present his evidence first. This is true even where the formal positions of plaintiff and defendant are reversed, the plaintiff/infringer having brought an action for a declaratory judgment that the defendant/patentee's patent is not infringed and is invalid.

> In the trial of a patent case it is convenient for the patent owner always to assume the role of plaintiff. Even when the parties are reversed because the action was initiated by the accused infringer under the Declaratory Judgments Act, it will be a most unusual case in which the declaratory judgment defendant does not present a counterclaim for infringement, and he will have the burden with respect to this basic issue. Although the accused infringer always will have the burden with respect to proving invalidity, a more orderly procedure usually will result from the patent owner's presenting his case first, and for purposes of discussion it is assumed that this practice normally will be followed.

3 White, Patent Litigation: Procedure & Tactics, §8.01[1].

> "It would seem more suitable for the patentee to initially present the patent in an affirmative manner to the Court before plaintiff is given the opportunity to attack its valididy."

John Wood Co. v. Metal Coating Corp., 148 U.S.P.Q. 246 (N.D. Ill. 1966).

The Stratoflex case is not pertinent. It says absolutely nothing about the order in which the patentee and infringer shall present their evidence on infringement and validity. Activision's intimation to the contrary (Activision memo., page 2, first paragraph) is simply in error. That same case specifically states that the statutory presumption of patent validity is in no way dissipated by rebuttal evidence; the presumption remains and must be overcome by the party asserting invalidity. 713 F.2d, 1534.

With respect to civil actions generally, the party against whom judgment would be entered if no evidence were introduced at trial is the party that has the right to open.

> The test is that the party against whom judgment would be rendered on the pleadings if no evidence were introduced, has the right to open and close.

Hunter, Federal Trial Handbook 2d (1984) §22.2.

> The question is usually determined by ascertaining the party who would prevail, or be entitled to verdict or judgment if no evidence were introduced by either party, or by ascertaining the party who, under the pleading, is required first to produce evidence.
>
> * * *
>
> The one entitled to open and close is the party who has the burden of proof on the whole case under the pleadings, and not the one who has the burden of proof on the charge or the special issues.

88 C.J.S. Trial §43b; footnotes omitted

Plaintiffs have the burden of proving infringement. Activision so acknowledges in its memorandum. (Page 4, footnote 2.) If no evidence is introduced by either party, plaintiffs will have failed to carry that burden, and judgment will be entered

against them. Thus, on principles applicable even in nonpatent cases, plaintiffs should be permitted to present their evidence first at trial.

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