

# **APPENDIX A**

ZF Meritor LLC and Meritor Transmission Corporation

v.

Eaton Corporation.

Civ. No. 06-623-SLR

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## PRELIMINARY JURY INSTRUCTIONS

Members of the Jury:

Now that you have been sworn in, I have the following preliminary instructions for guidance on your role as jurors in this case.

This is a lawsuit arising under the federal antitrust laws known as the Sherman Act and the Clayton Act. The purpose of the antitrust laws is to preserve free and unfettered competition in the marketplace. The antitrust laws rest on the central premise that competition produces the best allocation of our economic resources, the lowest prices, the highest quality, and the greatest material progress.

The lawsuit was filed in 2006 by two related companies, ZF Meritor LLC and Meritor Transmission Corporation. I will refer to both of them together as “plaintiffs.” Plaintiffs sued Eaton Corporation, which I will refer to as “defendant.” Plaintiffs and defendant manufactured and sold heavy duty truck transmissions in North America.

The trial of this case has been split into two parts, with a different jury for each part. This is the second part, the damages phase. After the first part, the liability phase, the first jury decided in favor of plaintiffs. The jury found the following unlawful conduct: Defendant willfully acquired or maintained monopoly power in the heavy duty truck transmissions market in North America (“the relevant market”) by engaging in anticompetitive conduct, in violation of Section 2 of the Sherman Act. Defendant

entered into contracts with others that unreasonably restrained trade or foreclosed competition in a substantial portion of the relevant market, in violation of Section 1 of the Sherman Act. Defendant's contracts with others constituted de facto exclusive dealing contracts, and defendant entered into a sufficient number of such contracts so as to substantially lessen competition or tend to create a monopoly in the relevant market, in violation of Section 3 of the Clayton Act. The jury also found that plaintiffs suffered antitrust injuries as a result of defendant's unlawful conduct.

Your job, as the damages phase jury, is to decide (according to these instructions and the instructions that I will give you at the end of the trial) the amount of damages, if any, that plaintiffs should recover. The law provides that plaintiffs should be fairly compensated for all damages to their business that were a direct result or likely consequence of defendant's unlawful conduct.

The purpose of awarding damages in an antitrust action is to put an injured plaintiff as near as possible to the position in which it would have been if the antitrust violation had not occurred. The law does not permit you to award damages to punish a wrongdoer -- what we sometimes refer to as punitive damages -- or to provide a windfall to someone who has been the victim of an antitrust violation. Antitrust damages are compensatory only. In other words, they are designed to compensate a plaintiff for the particular injuries it suffered as a result of the violation of the law.

#### Duty of Jury

It will be your duty to find what the facts are from the evidence as presented at trial. You, and you alone, are the judges of the facts. You will have to apply those facts to the law as I will instruct you at the close of evidence. You must follow that law

whether you agree with it or not.

You are the judges of the facts. I will decide which rules of law apply to this case.

Nothing I say or do during the course of the trial is intended to indicate what your verdict should be.

#### Evidence

The evidence from which you will find the facts will consist of the testimony of witnesses, and documents and other things admitted into evidence. Some of the documents and testimony that were admitted as evidence in the liability phase trial will also be used as evidence during this damages phase trial. Evidence from the liability phase trial is entitled to the same consideration and is to be judged, insofar as possible, in the same way as evidence being admitted for the first time during this damages phase trial. In addition, the evidence may include certain facts as agreed to by the parties or as I instruct you.

Certain things are not evidence.

1. Statements, arguments and questions by lawyers are not evidence.
2. Objections to questions are not evidence. Lawyers have an obligation to their clients to make an objection when they believe testimony or exhibits being offered into evidence are not admissible under the rules of evidence. You should not be influenced by a lawyer's objection or by my ruling on the objection. If I sustain or uphold the objection, and find the matter is not admissible, you should ignore the question or other item of evidence. If I overrule an objection and allow the matter in evidence, you should consider the testimony or other item of evidence as you would any evidence. If I

instruct you during the trial that some item of evidence is admitted for a limited purpose, you must follow that instruction and consider the evidence for that purpose only. If this does occur during the trial, I will try to clarify this for you at that time.

3. You should not consider testimony and documents I have excluded and not admitted into evidence.

4. Anything you see or hear outside the courtroom is not evidence and must be disregarded. You are to decide this case solely on the evidence presented here in the courtroom.

#### Causation and Damages

Plaintiffs bear the burden of showing that their injuries were caused by defendant's unlawful conduct, described above, as opposed to any other factors. ~~If you find that plaintiffs' injuries were caused by factors other than defendant's unlawful conduct, then you must return a verdict for defendant.~~ If you find that plaintiffs' injuries were caused in part by defendant's unlawful conduct and in part by other factors, then you may award damages only for that portion of plaintiffs' injuries that were caused by defendant's unlawful conduct. Plaintiffs bear the burden of providing a just and reasonable basis to calculate damages ~~proving damages with reasonable certainty,~~ including apportioning damages between lawful and unlawful causes. If you find that there is no reasonable basis to apportion plaintiffs' injuries between lawful and unlawful causes, or that apportionment can only be accomplished through speculation or guesswork, then you may not award any damages at all. If you find that plaintiffs have provided a just and reasonable basis to calculate ~~proven with reasonable certainty~~ the amount of damage caused by defendant's unlawful conduct, then you must return a

verdict for the plaintiff.

## Conduct of the Jury

Now, a few words about your conduct as jurors.

First, during the trial and until you have heard all of the evidence and retired to the jury room to deliberate, you are not to discuss the case with anyone, not even among yourselves. If anyone should try to talk to you about the case, bring it to my attention promptly. Until you retire to the jury room at the end of the case to deliberate on your verdict, you simply are not to talk about the case.

The jury foreperson is the juror seated in the first chair in the first row closest to the door leading to the jury room.

The proceedings during trial will be transcribed by a court reporter; however, it is not the practice of this court to make the trial transcripts available to jurors. You must rely on your own recollection of what testimony was presented and how credible that testimony was.

If you wish, you may take notes to help you remember what witnesses said. My courtroom deputy will arrange for pens, pencils, and paper. If you do take notes, please keep them to yourself until the end of trial when you and your fellow jurors go to the jury room to decide the case. Here are some other specific points to keep in mind about note taking:

(1) Note-taking is permitted, but it is not required. You are not required to take notes. How many notes you want to take, if any, is entirely up to you.

(2) Please make sure that note-taking does not distract you from your tasks as jurors. You must listen to all the testimony of each witness. You also need to decide whether and how much to believe each witness. That will require you to watch the

appearance, behavior, and manner of each witness while he or she is testifying. You cannot write down everything that is said and there is always a fear that a juror will focus so much on note-taking that he or she will miss the opportunity to make important observations.

(3) Your notes are memory aids; they are not evidence. Notes are not a record or written transcript of the trial. Whether or not you take notes, you will need to rely on your own memory of what was said. Notes are only to assist your memory; you should not be overly influenced by notes.

We also ask you to wear your juror identification tags where people can see them, so persons involved in the case do not accidentally engage you in conversation. Even if it is innocent conversation, it might draw into question your impartiality. So please make sure that people can identify you as jurors in the case.

Do not read or listen to anything touching on this case or on the antitrust laws generally that is not admitted into evidence. By that I mean, if there may be a newspaper article, internet story or radio or television report relating to this case or on the antitrust laws generally, do not read the article or story, or watch or listen to the report. In addition, do not try to do any independent research or investigation on your own into matters relating to the case. This means, for example, that you must not consult reference works or dictionaries, or search the internet for additional information or use a computer, cellular phone, or other electronic devices, or any other method, to obtain information about this case, this type of case, the parties in this case, or anyone else involved in this case.

You may not communicate with anyone about the case on your cell phone,



through email, Blackberry, iPhone, text messaging, or on Twitter, through any blog or website, through any internet chat room, or by way of any other social networking websites, including Google+, Facebook, My Space, Linkedin and YouTube. You may not use any similar technology or social media, even if I have not specifically mentioned it.

#### Course of the Trial

Once the trial has begun, the attorneys will have three opportunities to talk to you. The first opportunity is the opening statement. During the opening statements, the attorneys will introduce their respective stories to you. As I have already instructed, however, what the lawyers say is not evidence. It will be up to you to determine whether the evidence - the testimony of the witnesses and the admitted documents - supports what the lawyers say in their opening statements. The second opportunity that the lawyers have to talk to you is during transition statements. Lawyers are permitted to make transition statements whenever they call a witness to the stand, to introduce the witness and to briefly explain the relevance of the witness's anticipated testimony. Finally, after all the evidence is in, the lawyers will offer closing arguments to summarize and interpret the evidence for you, and to tie the evidence to their story. I will then give you instructions on the law and describe for you the matters you must resolve. You will then retire to the jury room to deliberate on your verdict.

I have given you a tentative schedule for this trial. You should generally expect that we will start the trial each morning at 9:00 a.m. and finish at 4:30 p.m., with two 15-minute breaks (morning and afternoon), and one break for lunch. As I said earlier, I time my civil trials, meaning each party is given a certain number of hours in which to

present its evidence. This assures that trials will be completed on a predictable basis.

This system can only work, however, if you, as jurors, report to the courtroom on a punctual basis as well.