

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
TEXAS, MARSHALL DIVISION

Vasu Holdings, LLC v. Samsung Electronics Co., Ltd., Samsung
Electronics America, Inc.

Vasu Holdings v. Samsung · No. 2:24-cv-00034-JRG-RSP · Decided February 5, 2026

SUMMARY

The court denied Defendants’ motion to strike portions of Vasu Holdings’ damages expert Jim W. Bergman’s report. The court held that Bergman’s use of an SEC-SEA profit-sharing agreement as a starting point for his hypothetical-negotiation analysis was sufficiently reliable and did not create an impermissible analytical gap. The court also declined to strike portions of the report relying on another expert’s report.

CASE DETAILS

COURT	United States District Court for the Eastern District of Texas, Marshall Division
WRITING FOR THE COURT	Roy S. Payne
JURISDICTION	United States District Court for the Eastern District of Texas, Marshall Division
DECIDED	February 5, 2026
DOCKET	2:24-cv-00034-JRG-RSP
DISPOSITION	denied
PROCEDURAL POSTURE	Defendants moved to strike portions of Plaintiff's damages expert Jim W. Bergman's report under Federal Rule of Evidence 702 and Daubert.
STANDARD OF REVIEW	Abuse-of-discretion review generally applies to Rule 702 admissibility determinations; at the district-court stage, the court acts as a gatekeeper to determine whether expert testimony is sufficiently reliable and relevant to assist the factfinder without weighing the testimony so extensively as to usurp the jury's role.
PRECEDENTIAL VALUE	unknown

TOPICS

- expert testimony
- daubert standard
- damages
- patent law
- civil procedure

PRACTICE AREAS

patent litigation

evidence

expert testimony

damages

civil procedure

QUESTIONS PRESENTED

1. Whether portions of Vasu damages expert Jim W. Bergman's report should be stricken under Federal Rule of Evidence 702 and Daubert because his reliance on the SEC-SEA profit-sharing agreement was allegedly arbitrary, unreliable, and insufficiently connected to the hypothetical license negotiations.
2. Whether portions of Bergman's report relying on Dr. Groehn's report should be stricken on the same grounds asserted in the separate motion challenging Groehn's report.

HOLDINGS

1. The opinions were sufficiently reliable and relevant for admission because the SEC-SEA agreement served as a starting point rather than the sole basis for the conclusions, and Bergman used additional evidence and analysis to bridge the connection to the hypothetical negotiations.
2. The challenged portions were not stricken because the court had denied the motion challenging Dr. Groehn's extra-profit-per-unit calculation, and Defendants offered the same grounds against Bergman's reliance on that report.

KEY QUOTATIONS

“Vigorous cross-examination, presentation of contrary evidence, and careful instruction on the burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence.”

“the trial judge must have considerable leeway in deciding in a particular case how to go about determining whether particular expert testimony is reliable”

FACTUAL BACKGROUND

Vasu asserted patents against Samsung and offered Jim W. Bergman as a damages expert. Bergman's report valued the asserted patents, tied them to accused product features, and calculated damages using financial benefits, hypothetical negotiations, and the Georgia-Pacific factors. His analysis used a profit-sharing agreement between Samsung Electronics Corporation and Samsung Electronics America as a starting point, along with additional evidence and adjustments concerning margins, commercialization efforts, and allocation of incremental benefits.

PROCEDURAL HISTORY

In this patent-infringement action, Samsung moved to strike portions of Vasu's damages expert report, including analysis relying on an agreement between Samsung affiliates and portions relying on another expert's report. The court denied the motion, concluding that Bergman's opinions were sufficiently reliable and relevant for admission and that the challenged reliance on Dr. Groehn's report did not independently warrant striking the opinions.

DISPOSITION

denied

CASES CITED

- Kumho Tire Co. v. Carmichael, 526 U.S. 137, 149 (1999)
- Daubert v. Merrell Dow Pharmaceuticals, Inc., 509 U.S. 579, 592-93, 596 (1993)
- United States v. Valencia, 600 F.3d 389, 424 (5th Cir. 2010)
- Micro Chemical, Inc. v. Lextron, Inc., 317 F.3d 1387, 1391-92 (Fed. Cir. 2003)
- Pipitone v. Biomatrix, Inc., 288 F.3d 239, 249-50 (5th Cir. 2002)
- Mathis v. Exxon Corp., 302 F.3d 448, 461 (5th Cir. 2002)
- Sonos v. Google, 2023 WL 3933071 (N.D. Cal. June 9, 2023)
- Fundamental Innovation Systems International LLC v. Anker Innovations Ltd., 2025 WL 459916 (D. Del. Feb. 11, 2025)
- Headwater Research v. Verizon
- Droplets Inc. v. Yahoo! Inc., 2022 WL 2670163 (Jan. 12, 2022)

OPINION

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION VASU HOLDINGS, LLC, § Plaintiff, § v. § § Case No. 2:24-cv-00034-
JRG-RSP SAMSUNG ELECTRONICS CO., LTD., § SAMSUNG ELECTRONICS AMERICA, §
INC., § Defendants. § MEMORANDUM ORDER Before the Court is Defendants' Motion to
Strike the Opinions of Vasu's Damages Expert Jim W. Bergman.

Dkt. No. 126. For the reasons discussed below, the Motion is DENIED. I. BACKGROUND
Defendant Samsung seeks to strike portions of the report of Plaintiff's damages expert Jim W.
Bergman. Bergman's report considers the approximate value of the asserted patents and ties them
to accused features of Defendants' products. Dkt. No. 126-2. His report then calculates damages.

Considerations in his calculation include Defendants' financial benefit, hypothetical negotiations,
and the Georgia Pacific factors. Mr. Bergman's Report considers the profit-sharing agreement
between Samsung Electronics Corporation ("SEC") and Samsung Electronics America ("SEA").
Id. at ¶ 298. His analysis considers the differences between an agreement between internal
affiliates, and an outside licensor, such as Vasu.

Id. II. LEGAL STANDARD An expert witness may provide opinion testimony if "(a) the expert's
scientific, technical, or other specialized knowledge will help the trier of fact to understand the
evidence or to determine a fact in issue; (b) the testimony is based on sufficient facts or data; (c)
the testimony is the product of reliable principles and methods; and (d) the expert has reliably
applied the principles and methods to the facts of the case." Fed.

R. Evid. 702. Rule 702 requires a district court to make a preliminary determination, when requested, as to whether the requirements of the rule are satisfied with regard to a particular expert's proposed testimony. See *Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 149 (1999); *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579, 592-93 (1993). District courts are accorded broad discretion in making Rule 702 determinations of admissibility.

Kumho Tire, 526 U.S. at 152 (“the trial judge must have considerable leeway in deciding in a particular case how to go about determining whether particular expert testimony is reliable”). Although the Fifth Circuit and other courts have identified various factors that the district court may consider in determining whether an expert's testimony should be admitted, the nature of the factors that are appropriate for the court to consider is dictated by the ultimate inquiry—whether the expert's testimony is sufficiently reliable and relevant to be helpful to the finder of fact and thus to warrant admission at trial.

United States v. Valencia, 600 F.3d 389, 424 (5th Cir. 2010). Importantly, in a jury trial setting, the Court's role under *Daubert* is not to weigh the expert testimony to the point of supplanting the jury's fact-finding role; instead, the Court's role is limited to that of a gatekeeper, ensuring that the evidence in dispute is at least sufficiently reliable and relevant to the issue before the jury that it is appropriate for the jury's consideration.

See *Micro Chem., Inc. v. Lextron, Inc.*, 317 F.3d 1387, 1391-92 (Fed. Cir. 2003) (applying Fifth Circuit law) (“When, as here, the parties' experts rely on conflicting sets of facts, it is not the role of the trial court to evaluate the correctness of facts underlying one expert's testimony.”); *Pipitone v. Biomatrix, Inc.*, 288 F.3d 239, 249-50 (5th Cir. 2002) (“[t]he trial court's role as gatekeeper [under *Daubert*] is not intended to serve as a replacement for the adversary system.’...”).

Thus, while exercising its role as a gate-keeper, a trial court must take care not to transform a *Daubert* hearing into a trial on the merits,” quoting Fed. R. Evid. 702 advisory committee note). As the Supreme Court explained in *Daubert*, 509 U.S. at 596, “Vigorous cross-examination, presentation of contrary evidence, and careful instruction on the burden of proof are the traditional and appropriate means of attacking shaky but admissible evidence.” See *Mathis v. Exxon Corp.*, 302 F.3d 448, 461 (5th Cir.

2002). III. ANALYSIS In their Motion, Defendants contend that Mr. Bergman's consideration of the profit-sharing agreement between SEC and SEA is “arbitrary and unreliable”, because it is unrelated to the negotiations for a hypothetical license between Defendants and Plaintiff. Dkt. No. 126 at 1. Defendants argue that these reports rest on the expert's own speculation, and they are not sufficiently tied to the case.

Id. at 6. To support this proposition, Defendants primarily rely on two cases. Defendants first cite to *Sonos v. Google* where an expert report was stricken for its lack of connection to the case. 2023

WL 3933071 (N.D. Cal. June 9, 2023). Defendants also cite to *Fundamental Innovation Sys. v. Anker Innovations Ltd.*, where an expert report was excluded because the report failed to connect its primary authority to the case's facts.

2025 WL 459916 (D. Del. Feb. 11, 2025). Defendants argue that in addition to the differences in parties to this agreement, the agreement is substantially different, because it lacks any conferral of Intellectual Property rights, exists primarily for tax reasons, includes non-accused products, and discusses other services to be performed between the parties.

Dkt. No. 163 at 1-2. In their response, Plaintiff argues that the SEC-SEA agreement is merely a "starting point" for Mr. Bergman's analysis, and that he considers numerous other factors when forming his opinions. Dkt. No. 149 at 4. Plaintiff argues that this agreement, the "only agreement in the record" is relevant to his profit-sharing analysis because it illustrates the approximate "expectation" of profit between the parties and thus can stand in for negotiations with a third party.

Id. at 6. Plaintiff cites to *Headwater Research v. Verizon* to support its proposition, that this agreement is merely a "starting point" to Mr. Bergman's analysis. *Id.* In its sur-reply, Plaintiff lists five examples of additional evidence Mr. Bergman considered in his analysis, and that Defendants' analysis failed to consider.¹ Finally, Plaintiff rejects Defendants' cited *Sonos* and *Droplets* cases as too extreme, because in both, there was either no connection, or "too great an analytical gap" between the expert's cited material and the case's facts.

Id. at 7-8; *Droplets Inc. v. Yahoo! Inc.*, 2022 WL 2670163 (January 12, 2022). Here, the Court finds Mr. Bergman's opinions sufficiently reliable for admission. While Mr. Bergman's primary authority is the SEC-SEA agreement, his analysis does not stop at that agreement. Instead, this agreement forms the basis for considering further evidence, which he relies on to adjust the figures to his final conclusion.

Defendants' cited caselaw is likewise not persuasive. In *Sonos*, the court rejected a damages apportionment analysis that relied on Google's 30% "cut" taken against sales in Google's own app store. The court reasoned that this analysis was inappropriate, because the 30% cut was effectively non-negotiable, and because app developers

1 The evidence considered is: • His analysis of the Georgia-Pacific Factors 4, 5, 6 and 13 (Opp. at 3-4); • The parties' recognition "that the available incremental benefit calculated above would be unavailable to either party if no agreement was reached, thereby making each party worse off" (Dkt.

No. 126-2 (Bergman Rpt.) ¶ 284; Ex. 372 (7/23/2025 Bergman Dep. Tr.) at 37:13-38:3); • The SEC-SEA Distributorship Agreement as a means to understand the typical anticipation of SEC and SEA regarding profit sharing (Opp. at 8); • His calculation of the gross margins of SEC and SEA for the Accused Products during the damages period (*id.*); and, • His adjustments, such as noting specifically that Vasu and Defendants would consider "the resources necessary to commercialize

the Accused Products” and therefore crediting commercialization efforts, allocating 10% of the revenue over the entire damages period to Defendants and recognizing that Defendants would be primarily responsible for commercializing Vasu’s patents, and therefore awarding Defendants the majority of the incremental benefit (55%), as compared to Vasu (45%) (id. at 3).

Dkt. No. 182 at 1. and patent licensors enter negotiations with too disparate goals. Defendants’ other cited case, Droplets, supports this contention, finding that an expert opinion is outside the realm of relevance when there is “too great an analytical gap between the data and opinion proffered.” Droplets, 2022 WL 2670163 at *3.

The relationship between the SEC-SEA agreement and the hypothetical negotiations between Plaintiff and Defendants does not form an insurmountable “analytical gap,” because it forms the starting point for Mr. Bergman’s analysis, rather than the sole basis for his conclusion. Like *Headwater v. Verizon*, where the report bridged the gap with further analysis and information, Mr. Bergman’s report uses the SEC-SEA agreement to allocate profits between the parties.

He then calculates the total damages, using separate information. Therefore, there exists no “analytical gap” between the SEC-SEA agreement sufficient to strike Mr. Bergman’s report. Finally, Defendants move to strike portions of Mr. Bergman’s report that rely on Dr. Groehn’s report.

Because Defendants advance the same reasons in the Motion to Strike Dr. Groehn’s report, and because the Court denied this Motion with respect to his “extra profit per unit” calculation, Defendants Motion to Strike cannot succeed on these grounds.

Therefore, Defendants’ Motion to Strike is likewise denied with respect to the portions of Mr. Bergman’s report that rely on Dr. Groehn’s report. IV. CONCLUSION For the reasons discussed above, Mr. Bergman’s report is sufficiently reliable Therefore, the Defendants’ Motion to Strike is DENIED. SIGNED this 1st day of February, 2026. ROY 8S. PAYNE UNITED STATES MAGISTRATE JUDGE