

No. 16-1102

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**In the Supreme Court of the United States**

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SAMSUNG ELECTRONICS CO., LTD., ET AL., PETITIONERS

*v.*

APPLE INC.

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*ON PETITION FOR A WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT*

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**BRIEF FOR THE UNITED STATES AS AMICUS CURIAE**

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NATHAN K. KELLEY  
*Solicitor*  
THOMAS W. KRAUSE  
*Deputy Solicitor*  
SARAH E. CRAVEN  
LORE A. UNT  
MICHAEL S. FORMAN  
*Associate Solicitors*  
*United States Patent and*  
*Trademark Office*  
*Alexandria, Va. 22313*

NOEL J. FRANCISCO  
*Solicitor General*  
*Counsel of Record*  
CHAD A. READLER  
*Acting Assistant Attorney*  
*General*  
MALCOLM L. STEWART  
*Deputy Solicitor General*  
ZACHARY D. TRIPP  
*Assistant to the Solicitor*  
*General*  
MARK R. FREEMAN  
DANA KAERSVANG  
*Attorneys*  
*Department of Justice*  
*Washington, D.C. 20530-0001*  
*SupremeCtBriefs@usdoj.gov*  
*(202) 514-2217*

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## QUESTIONS PRESENTED

1. Whether, in a patent-infringement suit where a jury is impaneled and no objection is made to the jury instructions, the jury's verdict that the defendant failed to establish a defense of obviousness is reviewed deferentially on appeal.
2. Whether a prevailing patent owner can obtain a permanent injunction against a competitor's continued infringement without showing that the patented feature is the sole driver of consumer demand for the product.
3. Whether the jury's verdict of infringement in this case was supported by substantial evidence.

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**INTEREST OF THE UNITED STATES**

This brief is filed in response to the Court's order inviting the Solicitor General to express the views of the United States. In the view of the United States, the petition for a writ of certiorari should be denied.

**STATEMENT**

1. Under the Patent Act of 1952, 35 U.S.C. 101 *et seq.*, the patentability of an invention generally "is dependent upon three explicit conditions: novelty and utility as articulated and defined in § 101 and § 102, and non-obviousness \* \* \* , as set out in § 103." *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966). Section 103 provides that a patent cannot be obtained "if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains." 35 U.S.C. 103(a).

Section 103 codifies the longstanding principle that a new and useful invention is not patentable unless it embodies a “degree of skill and ingenuity” beyond that of “an ordinary mechanic acquainted with the business.” *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248, 267 (1851); see *Graham*, 383 U.S. at 11-18.

“A patentee shall have remedy by civil action for infringement of his patent.” 35 U.S.C. 281. In general, “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States \* \* \* during the term of the patent therefor, infringes the patent.” 35 U.S.C. 271(a). To prove infringement, a patentee must demonstrate that the accused device satisfies each element of the asserted patent claim. See *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, 134 S. Ct. 2111, 2117 (2014).

The defendant may raise an affirmative defense that the asserted patent claim is invalid, including on the ground that the claim is obvious. 35 U.S.C. 282(b)(2). A patent is presumed valid, 35 U.S.C. 282(a), and the defendant must prove invalidity by “clear and convincing evidence,” *Microsoft Corp. v. i4i Ltd. P’ship*, 564 U.S. 91, 95 (2011). A prevailing patentee is entitled to damages adequate to compensate for the infringement, 35 U.S.C. 284, and to injunctive relief if warranted “in accordance with the principles of equity,” 35 U.S.C. 283; see *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

2. Petitioners and respondent “compete directly in the market for smartphones.” Pet. App. 168a. Respondent brought suit in the United States District Court for the Northern District of California, alleging that petitioners’ smartphones infringed several of its utility patents. As relevant here, respondent asserted infringement of U.S. Patent Nos. 8,046,721 (“the slide-

to-unlock patent”), related to a touchscreen device that a user can unlock by sliding an image across the screen; 8,074,172 (“the word-correction patent”), related to a method of correcting spelling errors when entering text in a smartphone; and 5,946,647 (“the quick-links patent”), related to a method of detecting certain data structures, such as phone numbers, within a body of text and converting them to useful links. Petitioners defended on the grounds, *inter alia*, that the slide-to-unlock and word-correction patents were invalid as obvious and that their smartphones did not infringe the quick-links claim. The case was tried to a jury, and both sides presented expert testimony.

a. With respect to the validity of the slide-to-unlock patent, petitioners’ expert testified that two prior-art references (Neonode and Plaisant) together disclosed every element of the claim, and that combining the two would be “very routine.” Pet. App. 237a-238a. Respondent’s expert, by contrast, testified that Neonode did not disclose “key” features of its invention; that Plaisant was addressed to a wall-mounted touchscreen for controlling home appliances; and that, in the expert’s opinion, a person of ordinary skill in the art would not have looked to such a device to address “the ‘pocket dialing’ problem specific to mobile devices.” *Id.* at 239a-240a.

Respondent also highlighted secondary evidence of nonobviousness. Cf. *Graham*, 383 U.S. at 17. This included petitioners’ internal documents praising respondent’s slide-to-unlock feature as a “[c]reative way[] of solving [user interface] complexity,” and recommending that petitioners copy it. Pet. App. 242a-243a (first and second set of brackets in original). Respondent also presented evidence of a “long-felt need” to solve the pocket-dialing problem. *Id.* at 243a. And respondent

presented evidence of “industry praise,” including a video of an audience cheering when Steve Jobs, respondent’s Chief Executive Officer at the time, first demonstrated the slide-to-unlock feature to the public. *Id.* at 242a.

b. With respect to the word-correction patent, petitioners’ expert testified that two prior-art references (Robinson and Xrgomics) together disclosed every element of the claim, and that a person of ordinary skill in the art would have combined them. Pet. App. 257a. Respondent’s expert testified, *inter alia*, that Xrgomics did not disclose replacing the text in the document because it merely completed partially-typed words and did not replace anything. *Ibid.*

c. With respect to the alleged infringement of the quick-links patent, the parties’ experts disputed, *inter alia*, whether petitioners’ software used an “analyzer server,” an element of respondent’s claim. Pet. App. 228a-230a.

3. The parties elected to have the case submitted to a jury to render a general verdict. As relevant here, petitioners did not object to the jury instructions. See App., *infra*, 1a-5a (reproducing obviousness instructions). The jury found infringement of all three patents and returned a verdict for respondent.

Petitioners moved for judgment as a matter of law, and the district court denied the motion in relevant part. Pet. App. 218a-290a. The court also denied respondent’s motion for a permanent injunction. *Id.* at 291a-359a. Applying the traditional four-factor test, the court held that respondent had not demonstrated an irreparable injury or that legal remedies would be inadequate. In particular, the court concluded that respondent had not demonstrated that the patented features

“drive consumer demand” for petitioners’ infringing smartphones. *Id.* at 327a.

4. Respondent appealed the district court’s refusal to grant a permanent injunction; petitioners appealed the judgment entered on the jury’s verdict. The appeals were docketed separately and assigned to different panels of the Federal Circuit. Both panels reversed.

a. With respect to the injunction, a divided panel of the court of appeals held that, “in a case involving phones with hundreds of thousands of available features, it was legal error for the district court to effectively require [respondent] to prove that the infringement was the sole cause of the lost downstream sales.” Pet. App. 170a. Rather, “[t]he district court should have determined whether the record established that a smartphone feature impacts customers’ purchasing decisions.” *Ibid.* To make this showing, the court of appeals concluded, respondent was required to prove “‘some connection’ between the patented features and the demand for the infringing products.” *Ibid.* (citation omitted). The court concluded that respondent had carried this burden. *Id.* at 176a.

Chief Judge Prost dissented. She concluded that the district court had not improperly required respondent to show that the patented features were the sole or predominant driver of sales, but rather had applied the correct test and had found the evidence lacking. Pet. App. 203a-217a.

b. On petitioners’ appeal from the judgment on the merits, a different Federal Circuit panel set aside the jury verdict, concluding that the verdict was not supported by substantial evidence. The panel held that no reasonable jury could find that the slide-to-unlock and

word-correction patents were not obvious in light of Ne-node plus Plaisant and Robinson plus Xrgomics. Pet. App. 126a-147a. With respect to the quick-links patent, the panel held that substantial evidence did not support the jury's verdict that a software library routine could be considered a server because that determination was inconsistent with the plain meaning of the term "server." *Id.* at 117a-124a.

5. a. The Federal Circuit granted rehearing en banc of the panel's decision reversing the jury verdict, and it issued a new decision upholding the verdict. Pet. App. 1a-55a. The en banc majority stated that it had granted rehearing "to affirm our understanding of the appellate function as limited to deciding the issues raised on appeal by the parties, deciding these issues only on the basis of the record made below, and as requiring appropriate deference be applied to the review of fact findings." *Id.* at 4a.

With respect to the slide-to-unlock patent, the court of appeals concluded that the jury's implicit finding of nonobviousness was supported by substantial evidence, including the conflicting expert testimony concerning whether a person of skill in the art would have looked to wall-mounted touchscreens to solve the problem of pocket-dialing in touchscreen smartphones. Pet. App. 31a. The court further explained that substantial evidence concerning secondary factors—industry praise, copying, commercial success, and long-felt need—supported the jury's determination. *Id.* at 32a-43a.

With respect to the word-correction patent, the court of appeals likewise concluded that the jury's verdict was supported by expert testimony that the prior art did not disclose all of the elements of respondent's claim, and

that this determination was further supported by secondary evidence in the form of surveys, petitioners' internal documents, and comments from carriers. Pet. App. 52a-53a.

Finally, with respect to the quick-links patent, the court of appeals explained that the claim required an "analyzer server," which the court had previously defined as "a server routine separate from a client that receives data having structures from the client." Pet. App. 15a (citation omitted). The court held that, in light of conflicting expert testimony as to whether a shared software library was "separate" in the relevant sense, substantial evidence supported the jury's verdict. *Id.* at 15a-17a.

b. Chief Judge Prost and Judges Dyk and Reyna dissented. Chief Judge Prost argued that the majority had "misapplie[d] the substantial evidence standard of review" by "finding evidence in the record when there is none." Pet. App. 57a.

Judge Dyk objected to the en banc procedure. Pet. App. 79a-82a. He also argued that the en banc majority had "turn[ed] the legal question of obviousness into a factual issue for a jury to resolve," *id.* at 82a-84a; had erroneously required evidence of a specific motivation to combine prior-art references, *id.* at 85a; had disregarded the relevance of advances in other devices, *id.* at 87a-91a; and had given too much weight to secondary considerations, *id.* at 91a-94a. With respect to the quick-links patent, he would have held that the shared library code could not be a separate server, even if stored in separate memory. *Id.* at 97a-101a.

Judge Reyna also objected to the en banc procedure, stating that en banc review was inappropriate, particularly without argument and briefing. Pet. App. 103a-

107a. He further concluded that the majority had misapplied substantial-evidence review. *Id.* at 108a-109a.

#### DISCUSSION

Petitioners contend that the Federal Circuit should have reviewed de novo the jury's ultimate determination that petitioners had failed to establish their defense of obviousness. Petitioners further contend that the Federal Circuit gave too much weight to secondary evidence of nonobviousness and departed from this Court's guidance in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). Petitioners agreed to seek a general jury verdict in this case, however, and did not object to the jury instructions on obviousness. In the absence of an objection to the instructions, the court of appeals correctly reviewed the jury's verdict deferentially.

The court of appeals also correctly held, consistent with *eBay Inc. v. MercExchange L.L.C.*, 547 U.S. 388 (2006), that the propriety of a suitably tailored permanent injunction did not depend on proof that the patented features were the sole cause of consumer demand for petitioners' infringing products. Finally, the court's decision upholding the jury's verdict of infringement of the quick-links patent is entirely fact-bound and raises no legal issue warranting this Court's review. The petition for a writ of certiorari should be denied.

#### **I. Petitioners' Challenge To The Court of Appeals' Obviousness Ruling Does Not Warrant Review**

Petitioners contend (Pet. 21-24) that the Federal Circuit incorrectly treated aspects of the obviousness inquiry as factual rather than legal and therefore gave unwarranted deference to the jury's resolution of a legal question. That argument misapprehends the proper

standard for review of a judgment entered on a jury verdict. The parties tried to the jury, *inter alia*, the disputed question whether petitioners had proved their affirmative defense of obviousness by clear and convincing evidence. Petitioners did not object to the jury instructions on that question, and the jury returned a general verdict in respondent's favor. The court of appeals therefore correctly reviewed that verdict—including the jury's implicit finding that petitioners had failed to establish their obviousness defense—only for substantial evidence. See Fed. R. Civ. P. 50(a) and (b)(3). The court's decision affirming the jury's verdict in turn is highly fact-bound. Further review is not warranted.

1. Petitioners' argument appears to rest on the premise that juries decide only purely factual questions, and that ultimate legal determinations—including whether a patent claim is obvious, see *KSR*, 550 U.S. at 427—are always reserved for a court to decide *de novo*. That premise reflects a misunderstanding of the jury's role.

a. When a jury is empaneled, its role extends well beyond that of “mere factfinder.” *United States v. Gaudin*, 515 U.S. 506, 514 (1995). In criminal and civil cases alike, juries are regularly called upon to decide cases that “involve[] the application of a legal standard.” *Hana Fin., Inc. v. Hana Bank*, 135 S. Ct. 907, 911 (2015) (*Hana*). Indeed, “the application-of-legal-standard-to-fact sort of question . . . , commonly called a ‘mixed question of law and fact,’ has typically been resolved by juries.” *Ibid.* (quoting *Gaudin*, 515 U.S. at 512). The jury's role “is not merely to determine the facts, but to apply the law to those facts and draw the ultimate conclusion.” *Gaudin*, 515 U.S. at 514.

For example, a jury in a criminal case does not “come forth with ‘findings of fact’ pertaining to each of the essential elements, leaving it to the judge to apply the law to those facts and render the ultimate verdict of ‘guilty’ or ‘not guilty.’” *Gaudin*, 515 U.S. at 512-513. Rather, the jury makes any factual findings *and* the ultimate determination of whether they establish the defendant’s guilt of the charged offense. *Id.* at 513. Similarly in tort cases, “the question whether the defendant has conformed to the standard of conduct required of him by the law is for the jury.” 2 Restatement (Second) of Torts § 328B cmt. g, at 154 (1965). Although “customarily regarded as a question of fact,” answering that question “involves an application of the legal standard, and to a considerable extent a decision as to its content and meaning.” *Ibid.*

In *Hana*, this Court recently applied this familiar mode of judicial review in an intellectual-property case, holding that, “when a jury trial has been requested and when the facts do not warrant entry of summary judgment or judgment as a matter of law,” the question of trademark “tacking” “must be decided by a jury.” 135 S. Ct. at 911. To decide whether “tacking” is appropriate in a particular case, the jury must compare an original and a revised trademark and apply the governing legal standard—*i.e.*, whether an “ordinary purchaser or consumer” would view the marks as creating “the same, continuing commercial impression.” *Id.* at 909. The Court explained that this ultimate question was “no different” from other mixed questions that juries have traditionally resolved. *Id.* at 911.

b. This Court has applied the same mode of review when reviewing patent-infringement cases involving a jury, including when reviewing the issue of invalidity.

In *Tucker v. Spalding*, 80 U.S. (13 Wall.) 453 (1872), the Court held that, in jury trials at law, the defense that a patented invention was not novel was a question for the jury. *Id.* at 455. The Court explained that, although “the principles by which the question must be decided may be very largely propositions of law, it still remains the essential nature of the jury trial that while the court may on this mixed question of law and fact, lay down to the jury the law which should govern them” and “may, if they disregard instructions, set aside their verdict, the ultimate response to the question must come from the jury.” *Ibid.*

This Court has repeatedly followed that approach in jury cases at law involving a defense that a patent was invalid because it was obvious (or, in the parlance of the time, not inventive). In *Keyes v. Grant*, 118 U.S. 25 (1886), the Court reversed a decision granting a directed verdict to the defendant on obviousness in a jury trial on infringement, where there was conflicting evidence about the significance of differences between a claimed furnace and the prior art. *Id.* at 37. Applying the ordinary approach to reviewing a directed verdict, see *id.* at 36 (citing a negligence case, *Randall v. Baltimore & Ohio R.R.*, 109 U.S. 478 (1883)), the Court held that “there was evidence upon both sides of the issue sufficient to require that it should be weighed and considered by the jury,” *id.* at 37. And the Court stated that, if obviousness “had been submitted to the jury and the verdict had been for the plaintiffs, it would not have been the duty of the court to have it set aside as not supported by sufficient evidence.” *Ibid.*

Many other decisions reflect a similar approach. *E.g.*, *United States v. Esnault-Pelterie*, 299 U.S. 201, 205 & n.6 (1936) (stating that “[v]alidity and infringement”

are “to be decided by the jury” and collecting cases); *Thomson Spot Welder Co. v. Ford Motor Co.*, 265 U.S. 445, 446 (1924) (“in an action at law for infringement,” the question of inventiveness “is to be left to the determination of the jury”); *Bischoff v. Wethered*, 76 U.S. (9 Wall.) 812, 814-815 (1870) (similar “where a patent under consideration is attempted to be invalidated by a prior patent”); see also Mark A. Lemley, *Why Do Juries Decide If Patents Are Valid*, 99 Va. L. Rev. 1673, 1674-1718 (2013) (tracing involvement of juries in patent-infringement suits); Albert H. Walker, *Text-Book of the Patent Laws* § 42, at 45 (3d ed. 1895) (jury makes ultimate determination of obviousness); 3 William C. Robinson, *Law of Patents for Useful Inventions* § 1075, at 373 (1890) (same). While these authorities predate Section 103, that provision codifies “judicial precedents embracing” the inventiveness requirement, *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966), and it contains no hint that Congress intended to break from these precedents regarding review of jury verdicts.

Accordingly, when a patent-infringement case is tried to a jury and the defendant contends that the asserted claims are invalid as obvious, the district court must resolve any disputes about how to articulate the applicable legal standard and must “lay down to the jury the law which should govern them.” *Tucker*, 80 U.S. (13 Wall.) at 455. The court also may decline to submit the issue to the jury if the evidence is such that no reasonable jury could find the asserted claims invalid. See Fed. R. Civ. P. 50(a), 56(a) and (g); *Hana*, 135 S. Ct. at 911. But if the court does not resolve the issue on summary judgment or in a pre-verdict motion for judgment as a matter of law, the question is submitted to the jury, whose task is to assess the relevant evidence and apply

the governing legal standard (set forth in the court's instructions) to the facts as it finds them.

The proper way to address concerns that “a jury may improperly apply the relevant legal standard” thus is not to take the obviousness question away from the jury, but to “craft careful jury instructions that make that standard clear.” *Hana*, 135 S. Ct. at 911-912. If a party makes a timely objection to those instructions, see Fed. R. Civ. P. 51(c), then it will obtain de novo review of the instructions given or refused. But if the instructions are correct or if no objection is preserved, the only question for the court of appeals is whether, on the record before the jury, “a reasonable jury would \* \* \* have a legally sufficient evidentiary basis to find for the [prevailing] party.” Fed. R. Civ. P. 50(a) and (b)(3).

c. Petitioners do not argue that questions regarding the validity of a patent are categorically unsuitable for determination by a jury. Petitioners contend (Pet. 21-24), however, that an appellate court must conduct de novo review of the jury's ultimate determination as to obviousness (although not of any factual findings that may underlie the jury's determination). This unusual exception to usual appellate practice (which petitioners would apparently limit to questions of obviousness) finds no support in the Federal Rules of Civil or Appellate Procedure or in the Patent Act, and many of this Court's decisions indicate that it does not exist. See pp. 9-12, *supra*.

Petitioners rely (Pet. 21-23) on the Court's statement in *KSR* that “[t]he ultimate judgment of obviousness is a legal determination.” 550 U.S. at 427. But the *KSR* Court had no occasion to address the standard of review that applies to a jury verdict addressing obviousness because the district court in that case had granted

summary judgment. See *id.* at 413. The Court made the statement on which petitioners rely in the course of rejecting the argument that a “conclusory affidavit” from an expert is sufficient to preclude summary judgment on obviousness. See *id.* at 426-427. The Court explained that, where “the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate.” *Ibid.* That statement appears simply to reflect the Court’s recognition that a question of obviousness, like other contested issues in federal civil litigation, can be resolved on summary judgment if a reasonable jury could decide the issue in only one manner. Cf. *Hana*, 135 S. Ct. at 911. The Court’s recognition of that principle does not logically imply that the usual rules for reviewing jury verdicts are subject to any obviousness exception.<sup>1</sup>

2. a. Petitioners’ remaining contentions about obviousness likewise rest on a misapprehension of the governing standard of review. Petitioners assert, for example, that the jury’s rejection of their obviousness defense was erroneous, Pet. 21-24, and that the Federal Circuit “created a new rule whereby a jury can disregard prior art if it is embodied in a different device,”

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<sup>1</sup> The Court in *KSR* relied on *Graham*, which states that “the ultimate question of patent validity is one of law.” 383 U.S. at 17. *Graham* similarly sheds little light on the standard for reviewing a jury verdict on obviousness because it arose from bench trials. See *id.* at 4-5. Although review of a jury verdict is uniformly deferential, see Fed. R. Civ. P. 50(a), deferential review after a bench trial applies only to findings of fact, and not to questions of law, see Fed. R. Civ. P. 52(a)(6).

Pet. 24. But petitioners failed to object to the jury instructions on obviousness. The district court instructed the jury, *inter alia*, that it could consider a prior-art reference like the Plaisant paper as pertinent for obviousness purposes if the jury found that the reference was “in the same field as the claimed invention or [was] from another field to which a person of ordinary skill in the field would look to solve a known problem.” App. *infra*, 3a. The court further instructed the jury that it could “consider whether the alleged infringer ha[d] identified a reason that would have prompted a person of ordinary skill in the field to combine the elements or concepts from the prior art in the same way as in the claimed invention.” *Id.* at 4a.

In the absence of any preserved objection to these instructions, the court of appeals properly reviewed the jury’s implicit finding on obviousness—*i.e.*, that petitioners had failed to establish obviousness by clear and convincing evidence—only to ensure that sufficient evidence supported the verdict. In upholding the jury’s verdict under that deferential standard, the court explained that conflicting testimony was presented concerning whether a person of skill in the art would have “been motivated to combine” the toggle from a wall-mounted touchscreen to solve the problem of pocket-dialing in touchscreen smartphones, as well as the probative weight of various secondary considerations (such as industry praise and commercial success). Pet. App. 31a; see *id.* at 31a-43a. The court likewise concluded that substantial evidence supported the jury’s implicit finding that the invention claimed in respondent’s word-correction patent was sufficiently distinct from prior-art word-replacement and word-completion systems. *Id.* at 52a-53a.

Contrary to petitioners' contention, that mode of appellate review was wholly consistent with this Court's decisions. The sufficiency-of-the-evidence question presented on appeal was a close one, and the court of appeals may have erred in concluding that substantial evidence supported aspects of the jury's verdict. But that judgment is highly fact-bound and does not warrant this Court's review.

b. Petitioners dispute (Pet. 26-28) the proper weight that should be given to secondary considerations such as "commercial success, long felt but unsolved needs, failure of others, etc." *Graham*, 383 U.S. at 17. But again, petitioners did not object to the jury instructions on this issue. After listing the *Graham* secondary considerations, the district court cautioned the jury that, "[a]lthough you should consider any evidence of these factors, the relevance and importance of any of them to your decision on whether the claimed invention would have been obvious *is up to you*." App., *infra*, 3a-4a (emphasis added). By failing to object to that instruction, petitioners forfeited any argument that the jury was permitted to ascribe too much weight to secondary considerations.

c. Decisions in other cases give some reason for concern that the Federal Circuit may be drifting back toward "rigid and mandatory formulas" of the type this Court rejected in *KSR*, 550 U.S. at 419. The Federal Circuit has asserted, for example, that a showing of obviousness "*requires finding both* 'that a skilled artisan would have been motivated to combine the teachings of the prior art . . . *and* that the skilled artisan would have had a reasonable expectation of success in doing so.'" *In re Stepan Co.*, No. 2016-1811, 2017 WL 3648528, at \*2 (Fed. Cir. Aug. 25, 2017) (emphases added) (quoting

*Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367-1368 (Fed. Cir. 2016)) (reversing the U.S. Patent and Trademark Office’s determination of obviousness for failure to make these specific findings, and rejecting as inadequate the agency’s explanation that, in the technical field at issue, the claimed invention would result from the “routine optimization” of known parameters). That mandatory two-part inquiry is at least in tension with *KSR*’s admonition that, while it “can be important” to identify reasons why a skilled artisan would have combined elements in the prior art, such insights “need not become rigid and mandatory formulas; and when it is so applied, the [Federal Circuit’s approach] is incompatible with our precedents.” 550 U.S. at 418-419; see *id.* at 420-422.

If the Federal Circuit continues to develop and enforce rigid rules for demonstrating obviousness, this Court’s review may ultimately be warranted. This case, however, would be an unsuitable vehicle for addressing that issue. Because petitioners did not preserve any objection that the jury instructions conflicted with *KSR*, the case does not provide the Court an opportunity to clarify the legal standards that should guide judges and juries in making obviousness determinations.

## **II. Petitioners’ Challenge To The Court Of Appeals’ Standard For Patent Injunctions Does Not Warrant Review**

Petitioners contend (Pet. 28-31) that the court of appeals departed from this Court’s decision in *eBay* by significantly lowering the bar for patent injunctions. That argument lacks merit.

Under the Patent Act, district courts have discretion “in accordance with the principles of equity to prevent the violation of any right secured by patent, on such

terms as the court deems reasonable.” 35 U.S.C. 283. If a defendant is found to have infringed the plaintiff’s patent, the district court should determine the propriety of injunctive relief using the traditional four-factor test that governs injunctions in other areas of the law. *eBay*, 547 U.S. at 391.

In this case, the district court denied respondent’s request for a permanent injunction on the ground that respondent had failed to show that the patented features “drive consumer demand” for petitioners’ infringing smartphones. Pet. App. 327a. The court of appeals explained that this test was too restrictive: “[I]n a case involving phones with hundreds of thousands of available features, it was legal error for the district court to effectively require [respondent] to prove that the infringement was the sole cause of the lost downstream sales.” *Id.* at 170a. The appropriate question, the court of appeals concluded, was whether respondent had demonstrated “‘some connection’ between the patented features and the demand for the infringing products.” *Ibid.* (citation omitted). The court explained that this connection “may be shown in ‘a variety of ways,’” such as through “‘evidence that a patented feature is one of several features that cause consumers to make their purchasing decisions,’ ‘evidence that the inclusion of a patented feature makes a product significantly more desirable,’ and ‘evidence that the absence of a patented feature would make a product significantly less desirable.’” *Id.* at 170a n.1 (citations omitted).

Although the phrase “some connection” may be infelicitous, the court of appeals correctly held that a prevailing patentee who seeks injunctive relief is not required to show that a patented feature is the *exclusive*

driver of consumer demand for a multi-featured product. Petitioners contend (Pet. 29) that requiring anything less “would make patent injunctions available even in the absence of a causal nexus to irreparable harm.” But general principles of legal causation do not require *sole* causation. For example, “[i]n order that a negligent actor may be liable for harm resulting to another from his conduct, it is only necessary that it be a legal cause of the harm. It is not necessary that it be *the* cause, using the word ‘the’ as meaning the sole and even the predominant cause.” 2 Restatement (Second) of Torts § 430, cmt. d, at 428; see W. Page Keeton et al., *Prosser and Keeton on the Law of Torts* § 41, at 263 (5th ed. 1984) (“some reasonable connection between the act or omission of the defendant and the damage which the plaintiff has suffered”).

To be sure, the strength of the connection between the defendant’s infringement and the plaintiff’s harm is relevant to the determination whether injunctive relief is warranted. As the Federal Circuit correctly explained, the fact that an infringing feature is not the only cause of lost sales “may well lessen the weight of any alleged irreparable harm.” Pet. App. 170a. This measured approach allows courts to take into account all relevant circumstances in a particular case, including both the fact that the patented feature is only part of a multi-component device *and* the fact that the infringement still causes some amount of lost sales. Under petitioners’ approach, by contrast, the presence of additional sales drivers would be a binary on-off switch, making injunctions categorically unavailable whenever infringement is not the primary or sole driver of lost sales. That would make injunctions particularly diffi-

cult to obtain in cases involving multi-component devices, even in a suit between direct competitors where an infringing feature of the defendant's product is a significant (but not the only) driver of sales and all the other factors strongly favor an injunction.

This case illustrates the merit of the Federal Circuit's approach. "Although the evidence may not make a strong case of irreparable harm," Pet. App. 182a, petitioners are respondent's "biggest rival, its fiercest competitor"; respondent "established that customers wanted, preferred, and would pay extra for [the infringing] features"; petitioners "believed these features were important"; and the lost sales were "very difficult to calculate." *Id.* at 176a-177a. The injunction was "narrowly tailored" to apply only to the patented features, and not to petitioners' smartphones as a whole. *Id.* at 179a. Moreover, petitioners "assured the jury that design-arounds to the infringing features would be 'simple or already exist,'" and respondent established that petitioners could remove "the patented features without recalling any products or disrupting customer use of its products." *Id.* at 179a, 182a. The court of appeals therefore did not err in ordering entry of the tailored injunction here.

### **III. Petitioners' Challenge To The Finding Of Infringement Of The Quick-Links Patent Does Not Warrant Review**

Petitioners contend (Pet. 24-28) that the court of appeals erred in affirming the jury's verdict that petitioners had infringed the quick-links patent—a finding that accounted for nearly \$100 million in damages. See Pet. 31. Petitioners contend that this decision conflicts with the "all-elements" rule, *i.e.*, the principle that infringement occurs only when an accused device embodies all elements of the asserted patent claim. Pet. 34. But the

court of appeals did not hold that infringement could be proved *without* satisfying all elements of the claim; it simply sustained the jury's infringement verdict on substantial-evidence review. The parties disputed whether petitioners' accused devices satisfied the requirement of the quick-links patent that the devices contain an "analyzer server," Pet. App. 9a, and the court held that substantial evidence supported the jury's verdict of infringement, *id.* at 15a. Petitioners' fact-bound challenge to that ruling does not warrant further review.

Petitioners contend (Pet. 32-34) that the court of appeals did not discuss all of petitioners' arguments on this matter. But a court may "consider[] every detail" of the briefs and record without finding it "necessary to mention many of those details or to protract [its] judgment to an equal length." *Colombia v. Cauca Co.*, 190 U.S. 524, 532 (1903). In any event, as petitioners seem to recognize (Pet. 31), the question whether the court correctly upheld the jury's verdict as to the "analyzer server" limitation is not a legal issue worthy of this Court's review. Petitioner's argument on this point also is not intertwined with the other questions presented in the petition, but instead is a freestanding attack on the validity of a jury verdict in a single case. Further review is not warranted.

**CONCLUSION**

The petition for a writ of certiorari should be denied.  
Respectfully submitted.

NATHAN K. KELLEY  
*Solicitor*  
THOMAS W. KRAUSE  
*Deputy Solicitor*  
SARAH E. CRAVEN  
LORE A. UNT  
MICHAEL S. FORMAN  
*Associate Solicitors*  
*United States Patent and*  
*Trademark Office*

NOEL J. FRANCISCO  
*Solicitor General*  
CHAD A. READLER  
*Acting Assistant Attorney*  
*General*  
MALCOLM L. STEWART  
*Deputy Solicitor General*  
ZACHARY D. TRIPP  
*Assistant to the Solicitor*  
*General*  
MARK R. FREEMAN  
DANA KAERSVANG  
*Attorneys*

OCTOBER 2017

**APPENDIX**

UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

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Case No.: 12-CV-00630-LHK

APPLE, INC., A CALIFORNIA CORPORATION,  
PLAINTIFF AND COUNTERDEFENDANT

*v.*

SAMSUNG ELECTRONICS Co., LTD., A KOREAN  
CORPORATION; SAMSUNG ELECTRONICS AMERICA, INC.,  
A NEW YORK CORPORATION; AND SAMSUNG  
TELECOMMUNICATIONS AMERICA, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY,  
DEFENDANTS AND COUNTERCLAIMANTS

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Filed: Apr. 28, 2014

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**FINAL JURY INSTRUCTIONS**

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**IT IS SO ORDERED.**

DATED: APR. 27, 2014

/s/ LUCY H. KOH  
LUCY H. KOH  
United States District Judge

\* \* \* \* \*

**FINAL JURY INSTRUCTION NO. 34**  
**PATENTS—OBVIOUSNESS**

Not all innovations are patentable. A patent claim is invalid if the claimed invention would have been obvious to a person of ordinary skill in the field at the time of invention. This means that even if all of the requirements of the claim cannot be found in a single prior art reference that would anticipate the claim or constitute a statutory bar to that claim, a person of ordinary skill in the field who knew about all this prior art would have come up with the claimed invention.

The ultimate conclusion of whether a claim is obvious should be based upon your determination of several factual decisions.

First, you must decide the level of ordinary skill in the field that someone would have had at the time the claimed invention was made. In deciding the level of ordinary skill, you should consider all the evidence introduced at trial, including:

- (1) the levels of education and experience of persons working in the field;
- (2) the types of problems encountered in the field;  
and
- (3) the sophistication of the technology.

Second, you must decide the scope and content of the prior art. The parties disagree as to whether certain prior art references should be included in the prior art you use to decide the validity of claims at issue. In order to be considered as prior art to a particular patent at issue here, these references must be reasonably related

to the claimed invention of that patent. A reference is reasonably related if it is in the same field as the claimed invention or is from another field to which a person of ordinary skill in the field would look to solve a known problem.

Third, you must decide what differences, if any, existed between the claimed invention and the prior art.

Finally, you should consider any of the following factors that you find have been shown by the evidence:

- (1) commercial success of a product due to the merits of the claimed invention;
- (2) a long felt need for the solution provided by the claimed invention;
- (3) unsuccessful attempts by others to find the solution provided by the claimed invention;
- (4) copying of the claimed invention by others;
- (5) unexpected and superior results from the claimed invention;
- (6) acceptance by others of the claimed invention as shown by praise from others in the field or from the licensing of the claimed invention; and
- (7) independent invention of the claimed invention by others before or at about the same time as the named inventor thought of it.

The presence of any of factors 1-6 may be considered by you as an indication that the claimed invention would not have been obvious at the time the claimed invention was made, and the presence of factor 7 may be considered by you as an indication that the claimed invention would have been obvious at such time. Although you should

consider any evidence of these factors, the relevance and importance of any of them to your decision on whether the claimed invention would have been obvious is up to you.

A patent claim composed of several elements is not proved obvious merely by demonstrating that each of its elements was independently known in the prior art. In evaluating whether such a claim would have been obvious, you may consider whether the alleged infringer has identified a reason that would have prompted a person of ordinary skill in the field to combine the elements or concepts from the prior art in the same way as in the claimed invention. There is no single way to define the line between true inventiveness on the one hand (which is patentable) and the application of common sense and ordinary skill to solve a problem on the other hand (which is not patentable). For example, market forces or other design incentives may be what produced a change, rather than true inventiveness. You may consider whether the change was merely the predictable result of using prior art elements according to their known functions, or whether it was the result of true inventiveness. You may also consider whether there is some teaching or suggestion in the prior art to make the modification or combination of elements claimed in the patent. Also, you may consider whether the innovation applies a known technique that had been used to improve a similar device or method in a similar way. You may also consider whether the claimed invention would have been obvious to try, meaning that the claimed innovation was one of a relatively small number of possible approaches to the problem with a reasonable expectation of success by those skilled in the art. However, you must be careful not to determine obviousness using

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the benefit of hindsight; many true inventions might seem obvious after the fact. You should put yourself in the position of a person of ordinary skill in the field at the time the claimed invention was made and you should not consider what is known today or what is learned from the teaching of the patent.

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