

No. 18-600

In the Supreme Court of the United States

TEXAS ADVANCED OPTOELECTRONIC SOLUTIONS, INC.,
PETITIONER

v.

RENESAS ELECTRONICS AMERICA, INC.,
FKA INTERSIL CORPORATION

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

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

NOEL J. FRANCISCO
*Solicitor General
Counsel of Record*

JOSEPH H. HUNT
Assistant Attorney General

MALCOLM L. STEWART
Deputy Solicitor General

MICHAEL R. HUSTON
*Assistant to the Solicitor
General*

SCOTT R. MCINTOSH
CASEN B. ROSS
Attorneys

*Department of Justice
Washington, D.C. 20530-0001
SupremeCtBriefs@usdoj.gov
(202) 514-2217*

QUESTION PRESENTED

The Patent Act of 1952, as amended, provides that “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.” 35 U.S.C. 271(a). The question presented is as follows:

Whether the “offers to sell” clause of Section 271(a) imposes liability on a person who offers, within the United States, to consummate a subsequent sale of a U.S.-patented invention outside the United States.

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BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

This brief is submitted 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. A United States patent confers on the patentee the right to exclude others from “making, using, offering for sale, or selling the invention throughout the United States” or “importing the invention into the United States.” 35 U.S.C. 154(a)(1). But Congress has granted the patentee exclusive rights “only over the United States market” for its invention. *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 523 (1972). A U.S. patent does not protect the patentee against the sale of its invention in foreign markets, even by American competitors. See *id.* at 531.

(1)

To enforce the exclusive rights granted by a U.S. patent, the Patent Act of 1952 (Patent Act), ch. 950, 66 Stat. 792 (35 U.S.C. 1 *et seq.*), provides that “[a] patentee shall have remedy by civil action for infringement of his patent.” 35 U.S.C. 281. The Patent Act specifies a variety of actions that, if performed without the patent holder’s authorization, constitute infringement. The Patent Act provision at issue in this case states that infringement occurs when a person without authority “makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor.” 35 U.S.C. 271(a).

a. As originally enacted, Section 271 defined infringement to encompass the acts of making, using, or selling a patented invention. See Patent Act § 271, 66 Stat. 811. In 1994, Congress amended the patent laws to implement the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement),¹ as part of the Uruguay Round Agreements Act (1994 Act), Pub. L. No. 103-465, 108 Stat. 4809. The TRIPS Agreement stated that a patent should confer the right to “prevent third parties not having the owner’s consent from the acts of: making, using, *offering for sale*, selling, or *importing*” the patented invention. Art. 28(1)(a), H. Doc. No. 316, at 1634, 1869 U.N.T.S. 312 (emphases added). To bring U.S. law into conformity with that provision of the TRIPS Agreement, Congress amended Section 271(a) “to include offers for sale and importation of a patented good.” S. Rep. No. 412, 103d

¹ Marrakesh Agreement Establishing the World Trade Organization, *done* April 15, 1994, Annex 1C, H. Doc. No. 316, 103d Cong., 2d Sess. 1621 (1994), 1869 U.N.T.S. 299.

Cong., 2d Sess. 10 (1994); see 1994 Act § 533(a)(1)(A), 108 Stat. 4988. The 1994 amendment reflects the fact that, even if no actual sale is completed, an offer to make an infringing sale may impose economic harm on a patent holder, including by inducing the patentee to lower its own price for the patented invention. See Timothy R. Holbrook, *Liability for the “Threat of a Sale,”* 43 Santa Clara L. Rev. 751, 789-797 (2003).

b. As amended, Section 271(a) makes it an act of infringement to “offer[] to sell * * * any patented invention, within the United States,” without the patent owner’s authorization. 35 U.S.C. 271(a). When the offer occurs within the United States and contemplates sales in the United States, the offer clearly constitutes infringement. Conversely, when the offer occurs abroad and contemplates sales abroad, it is clear that no infringement occurs. Litigation has arisen, however, over the applicability of Section 271(a) in two intermediate scenarios: a foreign offer for a domestic sale, and a domestic offer for a foreign sale.

In *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296 (Fed. Cir. 2010), the Federal Circuit addressed the first of those scenarios and held that an unauthorized offer made abroad to sell a U.S.-patented invention within the United States constitutes infringement under Section 271(a). *Id.* at 1308-1310. The court of appeals stated that, to determine whether the defendant has unlawfully “offer[ed] to sell . . . within the United States,” “[t]he focus should not be on the location of the offer, but rather the location of the future sale that would occur pursuant to the offer.” *Id.* at 1309

(citation omitted). The defendant in *Transocean* filed a petition for a writ of certiorari, and this Court invited the Solicitor General to file a brief expressing the views of the United States. See *Maersk Drilling USA, Inc., v. Transocean Offshore Deepwater Drilling, Inc.*, No. 13-43 (2013). The parties settled the case, however, and the petition was dismissed before the United States responded to the invitation. 572 U.S. 1131 (2014).

The Federal Circuit subsequently addressed the converse scenario in which a person offers within the United States to sell a U.S.-patented invention in a foreign market. *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 769 F.3d 1371 (2014), vacated and remanded on other grounds, 136 S. Ct. 1923 (2016). Consistent with the *Transocean* court's focus on the location of the contemplated sale, the court of appeals in *Halo Electronics* found no infringement, holding that "[a]n offer to sell, in order to be an infringement [under Section 271(a)], must be an offer contemplating sale in the United States." *Id.* at 1381. The court explained that, "[i]f a sale outside the United States is not an infringement of a U.S. patent, an offer to sell, even if made in the United States, when the sale would occur outside the United States, similarly would not be an infringement of a U.S. patent." *Ibid.*; see *Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd.*, 807 F.3d 1283, 1306 n.5, 1308-1309 (Fed. Cir. 2015) (applying *Halo Electronics* and *Transocean*).

2. Petitioner Texas Advanced Optoelectronic Solutions, Inc. and respondent Renesas Electronics America, Inc. (formerly Intersil Corp.) both develop and sell ambient light sensors. Pet. App. 2a. Petitioner is the assignee of United States Patent No. 6,596,981, which

claims an ambient light sensor with specified technical characteristics. *Id.* at 2a, 4a.

In the course of abortive merger discussions, petitioner disclosed to respondent the technical aspects of an ambient light sensor that petitioner was developing, which relied on technology from the '981 patent. Pet. App. 5a-7a. Respondent subsequently reverse engineered petitioner's sensor, and then entered into contracts with Apple Inc. to supply respondent's reverse-engineered sensor for the Apple iPod and Apple iPhone 3G. *Id.* at 7a. Petitioner alleges that respondent negotiated these contracts with Apple in California. Pet. 5-6. It is now undisputed, however, that 98.8% of the sales under these contracts were completed outside the United States by respondent's affiliated companies in Hong Kong and Kuala Lumpur. See Pet. App. 64a; *id.* at 49a (observing that petitioner "did not dispute" on appeal the district court's factual finding that 98.8% of the products were manufactured and delivered outside the United States); see also Pet. 20 (arguing that this case presents a pure question of law).

3. Petitioner filed this infringement action in the United States District Court for the Eastern District of Texas. Petitioner alleged, among other things, that respondent's reverse-engineered sensor was covered by the '981 patent, and that all of respondent's sales to Apple, or its offers to make those sales, constituted infringement. Pet. App. 7a.²

The district court granted summary judgment to respondent with respect to the 98.8% of sales that the

² Petitioner also pleaded claims under Texas law for trade-secret misappropriation, breach of contract, and tortious interference with contractual relations. Pet. App. 7a. None of those claims is at issue here.

evidence showed had been completed outside the United States. Pet. App. 57a-65a. The court held, as a matter of law, that respondent's alleged offer in California to make those sales did not constitute infringement under Section 271(a) because petitioner had introduced no evidence that the offers had contemplated sales in the United States as opposed to sales abroad. *Id.* at 64a-65a (citing *Halo Electronics*, 769 F.3d at 1379). A jury found respondent liable for patent infringement with respect to the remaining 1.2% of sales that had occurred within the United States. *Id.* at 8a. Both parties appealed, though only petitioner's cross-appeal is relevant here.

The court of appeals affirmed in relevant part. Pet. App. 48a-52a. Citing *Halo Electronics* and *Transocean*, the court reiterated its holding that an alleged offer made within the United States to sell a U.S.-patented product outside this country does not constitute infringement under Section 271(a). *Id.* at 50a-51a; see *id.* at 50a n.12 ("An offer to sell in the United States must be an offer to make a sale that will occur in the United States; it is not enough that the offer is made in the United States."). The court accordingly held that petitioner had not shown infringement on the 98.8% of sales at issue, because "the undisputed facts show manufacture and packaging abroad, and shipping of the units to locations abroad." *Id.* at 51a.³

³ Circumstances could arise in which a vendor offers to perform a sale that would occur within the United States, but after further negotiations the sale is ultimately performed abroad. Thus, the fact that 98.8% of respondent's sales to Apple occurred outside the United States does not logically foreclose the possibility that respondent initially offered to make those sales in the domestic market. The petition for a writ of certiorari, however, does not take issue with the lower courts' determination that respondent offered to make domestic sales of only 1.2% of the goods. See Pet. 7-9.

In response to petitioner’s request for rehearing, the court of appeals made limited modifications to its original opinion but did not change its substantive conclusions. Pet. App. 68a-69a. The court denied a petition for rehearing en banc. *Id.* at 66a-67a.

DISCUSSION

Any person who “without authority * * * offers to sell * * * any patented invention[] within the United States” is liable for infringement under 35 U.S.C. 271(a). The geographic scope of this clause is subject to three possible interpretations. Section 271(a) might be read to establish infringement liability for (1) an offer made anywhere to sell a patented invention within the United States; (2) an offer made within the United States to sell an invention anywhere; or (3) an offer made within the United States to sell an invention within the U.S. market.

The Federal Circuit has adopted the first of those interpretations. See *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296 (2010); *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 769 F.3d 1371 (2014), vacated and remanded on other grounds, 136 S. Ct. 1923 (2016); pp. 3-4, *supra*. Petitioner advocates the second interpretation. See Pet. 16-19. In the view of the United States, however, the third interpretation, which requires a domestic offer for a domestic sale, is the best construction of the “offers to sell” clause. The Federal Circuit therefore was correct in this case when it held that respondent is not liable for infringement on its offer to make the 98.8% of sales that occurred outside the U.S. market.

Interpreting Section 271(a) to require both a domestic offer and a contemplated sale within the United States is the most reasonable construction of that pro-

vision’s text in light of the surrounding statutory context, applicable canons of construction, and this Court’s presumption against extraterritorial application of U.S. law. “The presumption that United States law governs domestically but does not rule the world applies with particular force in patent law.” *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 454-455 (2007). The Patent Act grants exclusive rights “only over the United States market” for the patented invention; U.S. law does not regulate sales in foreign markets. *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 523 (1972); *id.* at 531. Petitioner’s understanding of Section 271(a)’s “offers to sell” clause is especially problematic because that interpretation would make it unlawful to offer to perform an act—the sale of a U.S.-patented invention in a foreign market—that does not violate U.S. law and may not violate the foreign country’s law.

Although the government does not agree with the Federal Circuit’s interpretation of Section 271(a) in all respects, the court’s rule produces the correct result in a case like this one, where a defendant offers in the United States to make sales in a foreign market. And this case does not present an opportunity for the Court to address the converse scenario that was at issue in *Transocean*, where a defendant makes an offer abroad to undertake sales within the United States. The petition for a writ of certiorari therefore should be denied.

A. Section 271(a)’s “Offers To Sell” Clause Does Not Impose Infringement Liability On A Person, Like Respondent, Who Offers Within The United States To Sell A U.S.-Patented Product In A Foreign Market

Section 271(a) imposes infringement liability on any person who “without authority makes, uses, offers to sell, or sells any patented invention, within the United

States, or imports into the United States any patented invention during the term of the patent therefor.” 35 U.S.C. 271(a). As the court below correctly held, Section 271(a)’s “offers to sell” clause does not impose infringement liability where the contemplated sale would occur outside the United States, even if the offer is made in this country.

1. That reading of the “offers to sell” clause comports with common usage. In the context of assertions that “X offered to do Y at location Z,” Z will often be understood to refer to the intended place of the activity in which X has offered to engage. The statement “He offered to meet me at the airport,” for example, would naturally be understood to identify the airport as the site of the anticipated meeting.

2. The statutory context reinforces the inference that Congress intended to restrict the “offers to sell” clause to offers for domestic sales. Since the first Patent Act, the unauthorized sale of a patented invention has been an act of infringement only when the sale occurred within the United States. See, *e.g.*, Act of Apr. 10, 1790, ch. 7, § 4, 1 Stat. 111 (imposing liability on persons who without authorization “vend [a patented invention] within these United States”); see also *Microsoft*, 550 U.S. at 455 (describing “[t]he traditional understanding that our patent law ‘operates only domestically and does not extend to foreign activities’”) (brackets and citation omitted). By 1994, when Congress added the “offers to sell” clause to Section 271(a) in order to implement the TRIPS Agreement, see 1994 Act § 533(a)(1)(A), 108 Stat. 4988, it was well settled that the statute’s imposition of infringement liability on a person who “sells any patented invention,” 35 U.S.C. 271(a), applied only to sales in the United States. See

Deepsouth Packing, 406 U.S. at 527 (infringement occurs only if the patent holder shows that the defendant “‘makes,’ ‘uses,’ or ‘sells’ the patented product within the bounds of this country”).

That limitation reflects the fundamental principle of American patent law that “[o]ur patent system makes no claim to extraterritorial effect; these acts of Congress do not, and were not intended to, operate beyond the limits of the United States.” *Deepsouth Packing*, 406 U.S. at 531 (citation and internal quotation marks omitted). “The presumption that United States law governs domestically but does not rule the world applies with particular force in patent law,” *Microsoft*, 550 U.S. at 454-455, in part because other countries’ patent regimes “may embody different policy judgments about the relative rights of inventors, competitors, and the public in patented inventions,” *id.* at 455 (citation omitted). Indeed, the Patent Act itself specifically demarks the territorial limits of a patent’s protection by specifying that a patent confers exclusive rights “throughout the United States.” 35 U.S.C. 154(a)(1).

Petitioner does not contend that the completed foreign sales of its U.S.-patented invention violated U.S. patent law. In the context of a statutory provision where the term “offers to sell” appears immediately before the term “sells,” the words “sell” and “sells” are naturally understood to refer to the same category of sales, *i.e.*, those that occur within the United States. Cf. *Brown v. Gardner*, 513 U.S. 115, 118 (1994) (This Court ordinarily “presum[es] that a given term is used to mean the same thing throughout a statute, a presumption surely at its most vigorous when a term is repeated within a given sentence.”) (internal citation omitted). Under petitioner’s

reading of the “offers to sell” provision, however, respondent could be held liable for *offering* to consummate foreign sales that fall outside Section 271(a) and that may not violate the law of any other country if petitioner does not hold a valid patent abroad for the same invention. Petitioner identifies no other federal statute, and we are aware of none, that makes it illegal to offer to perform a lawful act. Such a prohibition would be sufficiently unusual that this Court should not construe ambiguous language as dictating that result.⁴

3. Two other aspects of Section 271 reinforce the conclusion that Section 271(a)’s “offers to sell” clause does not apply when the contemplated sale would occur outside the United States.

a. Section 271(i), which was added to the statute in the same 1994 amendment that added the “offers to sell” clause to Section 271(a), defines an “offer for sale” or “offer to sell” as an offer “in which the sale will occur before the expiration of the term of the patent.” 35 U.S.C. 271(i); see 1994 Act § 533(a)(5), 108 Stat. 4988; cf. 35 U.S.C. 271(a) (infringement liability occurs if a person performs a prohibited act “during the term of the patent therefor”). The obvious significance of a patent’s expiration is that a sale that occurs after that time will no longer be infringing, even if it is performed without the patent owner’s authorization. Section 271(i) ensures that there will be no infringement liability for offering to perform lawful post-expiration sales, even if

⁴ Among other signatories to the TRIPS Agreement that was the genesis of the “offers to sell” clause in Section 271(a), see pp. 2-3, *supra*, there appears to be no uniform practice on whether an offer to sell a patented invention in a foreign market constitutes an act of infringement.

the offer is made while the patent is still in force. Section 271(i) thus strongly suggests that Congress intended an infringing offer to be one for which the contemplated sale would itself be an infringing sale.

Under petitioner's view of Section 271(a)'s "offers to sell" clause, the contemplated sale would need to be infringing in time (*i.e.*, occurring before the patent expires, per Section 271(i)), but would not need to be infringing in location (*i.e.*, occurring within the United States market). Petitioner offers no persuasive reason to believe that Congress would have intended the "offers to sell" clause to incorporate temporal but not geographic limits on the scope of U.S. patent protection. See *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1259-1260 (Fed. Cir. 2000) (Newman, J., concurring in the judgment) ("Section 271(a) can not be read in isolation from § 271(i). * * * [A]n infringing offer to sell, § 271(a), must be of an item that would infringe the United States patent upon the intended sale, § 271(i)."); see also *Wing Shing Prods. (BVI), Ltd. v. Simatelex Manufactory Co.*, 479 F. Supp. 2d 388, 407 (S.D.N.Y. 2007) (citing Section 271(i) and concluding that "a prohibited 'offer to sell' made within the United States must contemplate a prohibited sale, that is, a sale that would also occur in the United States").

b. When Congress has concluded that domestic preparatory activities will have deleterious foreign consequences for U.S. patent holders, and has found it appropriate to ban the preparatory activities in order to prevent those ill effects, Congress has precisely and narrowly defined the relationship between the prohibited domestic conduct and the foreign effects to be avoided. Congress took that course when it enacted 35 U.S.C. 271(f)(1) and (2) in response to this Court's decision in

Deepsouth Packing. See Patent Law Amendments Act of 1984, Pub. L. No. 98-622, § 101(a), 98 Stat. 3383; see also *Microsoft*, 550 U.S. at 442-445 (summarizing this history). The Court in *Deepsouth Packing* held that the defendant (Deepsouth) was not liable for infringement when it shipped a patented product’s component parts from the United States for assembly and use abroad. 406 U.S. at 523-529. The Court explained that Deepsouth’s domestic conduct did not constitute infringement because the company had neither manufactured nor sold the completed patented machine within the United States. *Id.* at 527-528. And because the foreign actors who completed the assembly process did so outside the United States, their conduct did not infringe the U.S. patent either, with the result that Deepsouth could not be held liable for inducing that conduct. See *id.* at 526-527; *Microsoft*, 550 U.S. at 443.

By enacting Section 271(f)(1), Congress created infringement liability for “suppl[ying] in or from the United States all or a substantial portion of the components of a patented invention” so “as to actively induce the combination of such components outside of the United States.” 35 U.S.C. 271(f)(1). Section 271(f)(2) created liability for persons who knowingly supply from the United States a specially designed component of a U.S.-patented invention with the “inten[t] that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States.” 35 U.S.C. 271(f)(2). Sections 271(f)(1) and (2) thus set forth finely crafted prohibitions on a narrow range of preparatory domestic conduct that Congress determined would facilitate unfair competition abroad against U.S. patent

holders. No similarly clear indication appears in Section 271(a).

B. The Federal Circuit’s Application Of Section 271(a)’s “Offers To Sell” Clause To The Circumstances Of This Case Appropriately Prevents The Use Of U.S. Patent Law To Impede Lawful Foreign Commerce

Petitioner contends that Section 271(a)’s “offers to sell” clause prohibits offering to sell a patented product in any foreign market, so long as the offer is made in the United States. That approach would create untoward obstacles to lawful foreign commerce, without furthering the purposes of U.S. patent law.

Petitioner asserts (Pet. 10a-11a) that the Federal Circuit’s decision in this case “makes it simple to entirely avoid U.S. patent law. A company that wishes to escape liability for infringement need only do exactly what [respondent] did here: negotiate offers in the United States, but arrange for the infringing products to be sold abroad.” Petitioner’s argument overlooks “the general rule under United States patent law that no infringement occurs when a patented product is made and sold in another country.” *Microsoft*, 550 U.S. at 441. In patent law as elsewhere, forgoing U.S. regulation of foreign markets is how “we correspondingly reject the claims of others to such control over our markets.” *Deepsouth Packing*, 406 U.S. at 531; see *Western-Geco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129, 2136 (2018) (presumption against extraterritorial application of U.S. laws prevents “unintended clashes between our laws and those of other nations which could result in international discord”) (quoting *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991)).

Where particular goods are covered by a United States patent, making and selling those goods abroad is

a way of avoiding U.S. patent law, but not an illegitimate one. Except where Congress has specifically banned particular domestic preparatory conduct that is designed to facilitate foreign manufacture and sales of U.S.-patented inventions (see pp. 12-14, *supra*), U.S. patent law does not limit “the right of American companies to compete with an American patent holder in foreign markets.” *Deepsouth Packing*, 406 U.S. at 531. Under petitioner’s interpretation, however, Section 271(a) would impose liability for negotiations over sales that may be entirely lawful in the foreign country where the sales are to occur, simply because those negotiations take place in the United States.

To be sure, petitioner’s approach would not result in the actual extraterritorial application of U.S. patent law. The negotiating activities that petitioner views as triggering liability (*i.e.*, respondent’s offers of sale) occurred within the United States. But applying Section 271(a) to those activities would risk the same sort of interference with lawful foreign commerce that the presumption against extraterritoriality is intended to prevent. At the very least, petitioner’s rule would deter the use of the United States as a negotiating site for contracts to sell U.S.-patented inventions anywhere else in the world. That disincentive would inconvenience the negotiating parties and impede lawful foreign commerce without advancing the purposes of U.S. patent law.

If a competitor makes any unauthorized sales of petitioner’s patented product in the United States, or imports petitioner’s invention into the United States, then petitioner will have a claim for infringement. Indeed, petitioner prevailed in its current infringement suit against respondent with respect to the sales to Apple that respondent completed in the United States. Pet. App. 8a.

And if the sales that the competitor offers to carry out would occur only in a foreign market, then they are not the concern of U.S. patent law, even if they inflict some economic harm on petitioner. “To the degree that the inventor needs protection in markets other than those of this country, the wording of 35 U.S.C. §§ 154 and 271 reveals a congressional intent to have him seek it abroad through patents secured in countries where his goods are being used.” *Deepsouth Packing*, 406 U.S. at 531. By rejecting petitioner’s interpretation of Section 271(a), the Federal Circuit thus appropriately preserved the traditional understanding that U.S. patent law applies only to the U.S. market.

C. Although The Federal Circuit’s Decision In *Transocean* Was Erroneous, This Case Is Not A Suitable Vehicle For Resolving The Question That Was Presented There, Which Concerned The Application Of Section 271(a) To Foreign Offers To Make Domestic Sales

In *Transocean*, the Federal Circuit construed the “offers to sell” clause in Section 271(a) by reading the phrase “within the United States” to modify only the infinitive verb “to sell,” not the verb “offers.” See 617 F.3d at 1309 (citation omitted). The court accordingly held that an offer communicated abroad to make infringing sales within the United States is an act of infringement under Section 271(a). See *ibid.*

The petition for a writ of certiorari suggests that the Federal Circuit’s decisions in this case and in *Transocean* must stand or fall together. Indeed, petitioner portrays this case as an opportunity for the Court to resolve the same question that was presented in *Transocean*. See, e.g., Pet. 2, 12-13. The government agrees with petitioner that *Transocean* was wrongly decided. Contrary to petitioner’s contention, however, it does not

follow that the Federal Circuit erred in this case. And this case does not provide a suitable vehicle for deciding the issue that was presented in *Transocean*, which concerned the application of Section 271(a) to an offer that was made abroad.

1. As petitioner explains (Pet. 16-17), Section 271(a) sets forth a series of sequential verbs: “makes,” “uses,” “offers to sell,” and “sells.” 35 U.S.C. 271(a). It is undisputed that the adverbial phrase “within the United States” modifies the first, second, and fourth of those verbs, as if the provision said, “makes within the United States,” “uses within the United States,” or “sells within the United States.” See *Deepsouth Packing*, 406 U.S. at 527 (“The statute makes it clear that it is not an infringement to make or use a patented product outside of the United States.”). Reading the phrase “within the United States” to also modify the remaining sequential verb “offers” maintains the overall parallelism of the series. See Antonin Scalia & Bryan A. Garner, *Reading Law: The Interpretation of Legal Texts* 147 (2012) (“When there is a straightforward, parallel construction that involves all nouns or verbs in a series,” a modifier at the end of the list “normally applies to the entire series”); see also *Porto Rico Ry., Light & Power Co. v. Mor*, 253 U.S. 345, 348 (1920) (“When several words [in a statute] are followed by a clause which is applicable as much to the first and other words as to the last, the natural construction of the language demands that the clause be read as applicable to all.”).

The text of Section 271(a) should therefore be read to impose liability only when a defendant “offers,” “within the United States,” to sell a U.S.-patented invention within the U.S. market. That reading also

respects the presumption against extraterritorial application of U.S. patent law, by treating the “offers to sell” clause as inapplicable to offers made abroad. And that concern is especially acute because the “offers to sell” clause can be violated even if the offer is not accepted and no actual sale is consummated. See pp. 2-3, *supra*. Under the Federal Circuit’s decision in *Transocean*, by contrast, a violation of Section 271(a) can occur even though *no* relevant conduct takes place within the United States.

2. Although petitioner identifies sound bases for concluding that *Transocean* was wrongly decided, those arguments do not cast doubt on the Federal Circuit’s decision in this case. A court could accept petitioner’s argument that the adverbial phrase “within the United States” in Section 271(a) modifies the verb “offers,” while at the same time giving effect to the abundant textual and contextual evidence that the phrase *also* modifies “to sell.” See pp. 8-14, *supra*. And while the presumption against extraterritorial application of U.S. patent law provides an additional reason to reject the *Transocean* rule (see Pet. 18-19), that presumption does not support petitioner’s position here. To the contrary, the Federal Circuit’s decision in this case, which construed Section 271(a) as inapplicable to domestic offers to make foreign sales, furthers the policy interests that the presumption against extraterritoriality is intended to protect. See pp. 9-11, 14-16, *supra*. The problems with both the Federal Circuit’s *Transocean* decision and petitioner’s interpretation of Section 271(a) can be avoided by construing the “offers to sell” clause to cover only domestic offers to make sales in the United States.

3. In any event, because this case does not involve a foreign offer for a contemplated domestic sale, it does not

provide a suitable vehicle for clarifying the proper analysis of the distinct fact pattern involved in *Transocean*. While the court below relied in part on *Transocean* (see Pet. App. 50a n.12), its ultimate disposition of the “offers to sell” issue in this case was correct, and “[t]his Court reviews judgments, not statements in opinions.” *California v. Rooney*, 483 U.S. 307, 311 (1987) (per curiam) (citation and internal quotation marks omitted). The petition for a writ of certiorari therefore should be denied. If the Court wishes to address the application of Section 271(a) to offers made abroad, it should await a case that presents that factual circumstance.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

NOEL J. FRANCISCO
Solicitor General
JOSEPH H. HUNT
Assistant Attorney General
MALCOLM L. STEWART
Deputy Solicitor General
MICHAEL R. HUSTON
*Assistant to the Solicitor
General*
SCOTT R. MCINTOSH
CASEN B. ROSS
Attorneys

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