

Nos. 11-127 and 11-128

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

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SPANSION, INC., ET AL., PETITIONERS

*v.*

INTERNATIONAL TRADE COMMISSION, ET AL.

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QUALCOMM INCORPORATED, PETITIONER

*v.*

INTERNATIONAL TRADE COMMISSION, ET AL.

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*ON PETITIONS FOR WRITS OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT*

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**BRIEF FOR THE FEDERAL RESPONDENT  
IN OPPOSITION**

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## QUESTIONS PRESENTED

1. Whether the court of appeals correctly affirmed the International Trade Commission's ruling that the infringed claims of the patents at issue are not invalid for indefiniteness under 35 U.S.C. 112, ¶ 2.
2. Whether the court of appeals' affirmance of the International Trade Commission's ruling that petitioners contributorily infringed one of the patents at issue, see 35 U.S.C. 271(c), should be summarily reversed or vacated and remanded in light of *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011).

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**OPINIONS BELOW**

The opinion of the court of appeals (Pet. App. 1a-49a<sup>1</sup>) is reported at 629 F.3d 1331. The Final Determination of the United States International Trade Commission (Pet. App. 59a-146a) is unreported. The Initial

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<sup>1</sup> Unless otherwise noted, petition and appendix citations are to the petition in No. 11-127.

Determination of the Administrative Law Judge (Pet. App. 147a-297a) is unreported.

#### JURISDICTION

The judgment of the court of appeals was entered on December 21, 2010. Petitions for rehearing were denied on March 29, 2011 (Pet. App. 298a-299a). On June 9, 2011, the Chief Justice extended the time within which to file petitions for a writ of certiorari to and including July 27, 2011, and the petitions were filed on that date. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

#### STATEMENT

This case arises from the final determination of the International Trade Commission (Commission) in Investigation No. 337-TA-605, *Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same*. The Commission instituted the proceeding on May 21, 2007, in response to a complaint filed by respondent Tessera, Inc. (Tessera), pursuant to Section 337 of the Tariff Act of 1930, 19 U.S.C. 1337, as amended (Section 337). 72 Fed. Reg. 28,521 (May 21, 2007). The Commission determined that certain of petitioners' products—semiconductor chips designed to withstand heat-related stresses—infringed Tessera's patents, and it accordingly ordered the products at issue excluded from entry into and sale within the United States, see 19 U.S.C. 1337(d) and (f). Pet. App. 59a-146a. The patents at issue, and the relief granted by the Commission, expired in 2010. The court of appeals affirmed the Commission's decision. *Id.* at 1a-49a.

1. a. The Patent Act provides that “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States,” may be liable

for patent infringement. 35 U.S.C. 271(a). The Patent Act further provides that parties who encourage or contribute to another's direct infringement may be liable for either or both of two types of secondary infringement. Under Section 271(b), "[w]hoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. 271(b). And under Section 271(c), "[w]hoever offers to sell or sells within the United States or imports into the United States a component of a patented machine \* \* \* for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer." 35 U.S.C. 271(c).

A defendant alleged to have directly or indirectly infringed a patent may challenge the patent's validity on a number of grounds. 35 U.S.C. 282(2). One such ground arises from the Patent Act's requirement that the claims of the patent be definite. Under Sections 111 and 112 of the Patent Act, each written application for a patent must include a specification that describes the invention and enables its production and use, and that "conclude[s] with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. 112, ¶ 2. This latter provision is known as the "definiteness" requirement: each patent must contain specific "claims" that, when construed in light of the specification and the relevant prosecution history, communicate to persons skilled in the art the legal scope of the patent grant. See *Markman v. Westview Instruments, Inc.*, 517 U.S. 370,

373 (1996); *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U.S. 403, 432, 437 (1902).

b. Section 337(a)(1)(B)(i) of Title 19 prohibits “[t]he importation into the United States, the sale for importation, or the sale within the United States after importation \* \* \* of articles that \* \* \* infringe a valid and enforceable United States patent.” 19 U.S.C. 1337(a)(1)(B)(i). The Tariff Act authorizes the Commission to investigate any alleged violation of Section 337. 19 U.S.C. 1337(b)(1). If the Commission finds a violation, it may order that the relevant articles be excluded from entry into the United States. 19 U.S.C. 1337(d). Final determinations of the Commission under Section 337 are subject to review by the Federal Circuit. 28 U.S.C. 1295(a)(6); 19 U.S.C. 1337(c).

2. The technology at issue in this case is a semiconductor chip assembly configuration. Semiconductor chips are used in many electronic devices, usually in the form of a semiconductor chip “package” that is mounted on a printed circuit board (PCB). A semiconductor chip package contains, *inter alia*, the chip itself; a package “substrate,” or backing element, on which the chip is mounted; electrical leads connecting the chip to the backing element; and an overmold encasing the chip and leads. Pet. App. 3a-4a, 68a. The package is electrically connected to the PCB through the bottom side of the backing element (*i.e.*, the side facing away from the chip), which has terminals that are electrically attached to the PCB using solder balls. *Id.* at 4a.

Semiconductor devices generate heat during operation and subsequently cool when operation ceases. The different materials in the chip package, as well as the PCB itself, expand and contract at different rates in response to temperature changes. For that reason, re-

peated cycles of heating and cooling can place stress on the electrical interconnections in a semiconductor assembly, leading ultimately to breakage and electrical failure in the package. See Pet. App. 4a-5a, 69a (illustrating thermal expansion of chip package assemblies).

Tessera owns the patents in suit, U.S. Patent Nos. 5,852,326 (the '326 patent) and 6,433,419 (the '419 patent), which address the stress caused by the heating and cooling of the different materials in semiconductor chip packages. Pet. App. 2a-3a. The patents, which share a common specification, disclose a semiconductor chip package that employs a layer of compliant, flexible material between the semiconductor chip and its backing element. *Id.* at 5a. The compliant layer allows the electrical terminals on the backing element to move relative to the chip when the package is heated and cooled. Thus, the '326 and '419 patents state that the backing element's terminals must be "movable with respect to the semiconductor chip." *Id.* at 7a-8a. This relieves some of the stress on the solder balls that occurs when the PCB and the chip package expand and contract at different rates. *Id.* at 6a-9a. The '326 patent claims a semiconductor chip package having these characteristics, while the '419 patent claims a similar chip package that is mounted on a PCB. *Id.* at 6a-8a.

3. a. In April 2007, Tessera filed a complaint with the Commission, alleging that petitioners were importing into the United States unmounted semiconductor chip packages that infringed its patents.<sup>2</sup> Pet. App. 2a;

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<sup>2</sup> In addition to petitioners, Tessera named Motorola, Inc., in its complaint. Motorola used petitioners' chip packages, which it purchased and mounted on PCBs, in its products. Motorola subsequently settled its dispute with Tessera and was dismissed from the case. Pet. App. 2a, 36a.

see 19 U.S.C. 1337. The Commission initiated an investigation. Pet. App. 13a. In response to Tessera's allegations, petitioners contended, *inter alia*, that the relevant claims of the patents were indefinite and therefore invalid. See 35 U.S.C. 112, ¶ 2.

b. In December 2008, after a trial, the Administrative Law Judge (ALJ) issued his final initial determination. The ALJ rejected petitioners' contention that the relevant claims of the '326 and '419 patents were invalid, but he found that petitioners' products did not infringe the patents in suit. Pet. App. 147a-297a.

In particular, the ALJ rejected petitioners' argument that the patent claims' limitation that the terminals be "movable" with respect to the chip was invalid for indefiniteness under 35 U.S.C. 112, ¶ 2. Pet. App. 268a-271a. The ALJ first construed the "movable" limitation to require that "in the operation of the assembly, the terminals are capable of being displaced relative to the chip by external loads applied to the terminals"—*i.e.*, by stresses on the chip package caused by the differential thermal expansion and contraction of the PCB—"to the extent that the displacement appreciably relieves mechanical stresses, such as those caused by differential thermal expansion which would be present in the electrical connections absent such displacement." *Id.* at 208a. The ALJ then concluded that this construction of the "movable" limitation distinguished between the claimed movement—which is caused by an external load and which "appreciably relieves mechanical stresses \* \* \* [that] would be present \* \* \* absent such [movement]"—and non-claimed movement. *Id.* at 270a. The ALJ also found that the requirement that the claimed movement "*appreciably relieves*" mechanical stresses is sufficient to allow a person of ordinary skill in the art to

delineate the metes and bounds of the invention. *Id.* at 270a-271a. The ALJ noted that two of petitioners' own experts, in addition to Tessera's expert, had testified that they were able to discern "a dividing line between what is an appreciable relief of stress and what is not." *Id.* at 271a.

c. The parties sought review by the Commission. The Commission declined to review the ALJ's indefiniteness determination, thereby adopting the ALJ's conclusions with respect to that issue. Pet. App. 63a. The Commission decided to review, and reversed, the ALJ's finding of non-infringement. *Id.* at 53a, 59a-146a.

The Commission first concluded that petitioners' chip packages directly infringed the '326 patent, which claims unmounted chip packages. Pet. App. 99a-114a. The Commission next addressed whether petitioners had engaged in indirect infringement of the '419 patent, which claims chip packages mounted on a PCB. The Commission observed that, because petitioners had not mounted their own products on PCBs, they could not be liable for direct infringement of the '419 patent. *Id.* at 116a. Rather, petitioners' customers, including Motorola, had incorporated the accused packages into their products, thus creating products that directly infringed the '419 patent. *Id.* at 114a-123a. The Commission determined that petitioners had not "actively induce[d]" their customers' direct infringement of the '419 patent under Section 271(b).

The Commission explained that, under Federal Circuit precedent, Section 271(b) requires proof that "the alleged infringer had a specific intent to induce infringement, not merely an intent to cause the infringing acts." Pet. App. 117a. The Commission further explained that, under the same circuit precedent, an alleged infringer

cannot be held liable under Section 271(b) if it does “not believe that its accused products infringed the asserted patent.” *Id.* at 118a. The Commission concluded that Tessera “ha[d] not proven that [petitioners] had the necessary intent.” *Ibid.*

The Commission next held that petitioners had engaged in contributory infringement under 35 U.S.C. 271(c). See Pet. App. 115a, 118a-123a. The Commission stated that “[w]ith respect to contributory infringement, after showing that there is direct infringement, a complainant must show that the accused contributory infringer knows that its component is included in a combination that is patented and infringing.” *Id.* at 118a-119a. The Commission determined, however, that the “threshold scienter requirement is lower” for contributory infringement under Section 271(c) than for inducement liability under Section 271(b). *Id.* at 119a. The Commission stated that, “to prevail on contributory infringement, the complainant must show that the alleged infringer made and sold the accused device, that the accused device has no substantial non-infringing uses, and that the alleged infringer engaged in conduct within the United States that contributed to another’s direct infringement.” *Ibid.* (citing *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1303 (Fed. Cir. 2006)). The Commission reviewed the record evidence and concluded that Tessera had satisfied those requirements. *Id.* at 119a-123a.

d. The Commission issued a limited exclusion order prohibiting all of petitioners’ infringing semiconductor chip packages from entering the country without a license, and cease-and-desist orders prohibiting the sale of imported infringing products. See 19 U.S.C. 1337(d); Pet. App. 57a. In determining the scope of the order,

the Commission explained that because the '326 patent covers chip packages with the movable-terminal technology whether or not the chips are mounted on a PCB, the order would apply to all of petitioners' "unlicensed infringing chip packages," both mounted and unmounted. *Id.* at 137a-138a.

e. Under Section 337(j), the Commission's remedial orders are subject to presidential review for a period of 60 days following the issuance of the orders. 19 U.S.C. 1337(j). During that period, articles that are subject to a limited exclusion order or a cease-and-desist order may be imported pursuant to a bond in an amount set by the Commission. 19 U.S.C. 1337(j)(3). If the Commission's violation and remedy determinations become final, the bond may be forfeited to the complainant—here, Tessera—subject to terms and conditions set by the Commission. *Ibid.*

The Commission accordingly set a bond for temporary importation during the presidential review period. Pet. App. 57a. In October 2009, after petitioners appealed the Commission's decision to the Federal Circuit, Tessera moved for forfeiture of the bond. The ALJ denied the motion as premature because petitioners had appealed the Commission's determination to the Federal Circuit, but it invited Tessera to refile its motion following the conclusion of the appeals process. Comm'n Notice, Jan. 22, 2010, [http://www.usitc.gov/secretary/fed-reg/notices/337/337\\_605\\_Notice01222010sgl.pdf](http://www.usitc.gov/secretary/fed-reg/notices/337/337_605_Notice01222010sgl.pdf); see 19 C.F.R. 210.50(d).

4. The court of appeals affirmed. Pet. App. 1a-49a.

a. The court rejected petitioners' indefiniteness challenge, holding that substantial evidence supported the ALJ's factual findings, and that the ALJ had correctly concluded that "one of ordinary skill in the art

would readily be able to understand the scope of the asserted claims of the '326 and '419 patents when read in light of the specifications.” Pet. App. 17a-19a. The court explained that the specification clearly identified the problem to be addressed—mechanical stress in the electrical connections resulting from thermal expansion and contraction—and explained that the problem could be solved using materials that allow the terminals on the backing element to be displaced with respect to the chip. *Id.* at 18a. The court also held that the ALJ was entitled to credit the testimony of the parties’ experts, all of whom testified that they, as persons of ordinary skill in the art, were able to determine the boundaries of the claims. *Id.* at 18a-19a.

b. The court of appeals also affirmed the Commission’s ruling that petitioners had contributorily infringed the '419 patent. Pet. App. 34a-39a. With respect to the scienter element of Section 271(c), the court stated that “because license negotiations indicated that [petitioners] were aware of the '419 patent, and Tessera successfully showed that the accused devices did not have any substantial non-infringing uses, the Commission presumed the requisite knowledge for contributory infringement.” *Id.* at 39a. The court held that “[t]his conclusion was not erroneous.” *Ibid.*

5. On September 24, 2010, while petitioners’ appeal was pending before the Federal Circuit, the '326 and '419 patents expired, and the Commission’s limited exclusion order and cease-and-desist orders also expired. Petitioners therefore are no longer barred from importing the chips covered by the Commission’s orders, and the only live issue remaining in the case concerns the proper disposition of the bond for temporary importation that petitioners posted pursuant to Section 337(j).

The proper resolution of that issue turns on whether the Commission's orders were properly entered.

#### ARGUMENT

Petitioners contend that (1) the court of appeals erred in holding that the claims of the '326 and '419 patents are not indefinite; and (2) the court's holding that petitioners had the knowledge required for contributory infringement of the '419 patent is inconsistent with this Court's subsequent decision in *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011) (*Global-Tech*). With respect to indefiniteness, the court of appeals applied the correct legal standard and correctly concluded that the claims are not indefinite. Review of that fact-bound conclusion is not warranted. And if that conclusion is allowed to stand, further review of the scienter question would be inappropriate, since the Court's resolution of that question (or further consideration of the issue by the court of appeals in light of *Global-Tech*) would have no practical effect on the parties' rights in light of the expiration of the relevant patents.

1. Petitioners contend (Pet. 14-15; 11-128 Pet. 17-26) that the court of appeals erred in holding that the claims of the '326 and '419 patents are not indefinite. A patent is sufficiently definite to satisfy 35 U.S.C. 112 if a person of ordinary skill in the art, construing the patent's claims in light of the specification and the prosecution history, is able to discern the boundaries of the claims. See *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U.S. 403, 437 (1902); *Halliburton Energy Servs., Inc. v. M-I LLC*, 514 F.3d 1244, 1249-1250 (Fed. Cir. 2008) (*Halliburton*). The court of appeals correctly articulated that governing standard. See Pet. App. 16a (stating that "[i]ndefiniteness requires a determination whether those

skilled in the art would understand what is claimed”) (quoting *Enzo Biochem, Inc. v. Applera Corp.*, 599 F.3d 1325, 1332 (Fed. Cir. 2010), cert. denied, 131 S. Ct. 3020 (2011)). Petitioners thus challenge only the application of settled principles to the language of the specification and claims at issue here, as well as the ALJ’s factual conclusions based on his evaluation of expert testimony.

a. In an effort to portray the decision below as raising a recurring question of law, petitioners contend (Pet. 14-15; 11-128 Pet. 17-26) that the “movable” limitation of the asserted claims is indefinite because it contains purely functional language, and that the court of appeals’ approval of the claims departed from “the rule against functional claiming.” 11-128 Pet. 20. Before the court of appeals, petitioners stated in passing that the claim limitation was “functional,” see, *e.g.*, *Qualcomm C.A. Reply Br.* 31, but they did not develop the argument that the “movable” limitation was purely functional and therefore necessarily indefinite. As a result, the court below did not pass on it. This Court generally does not consider issues raised for the first time on certiorari review. See *Cutter v. Wilkinson*, 544 U.S. 709, 718 n.7 (2005) (“[W]e are a court of review, not of first view.”).

In any event, petitioners are incorrect in contending (11-128 Pet. 21) that the ’326 and ’419 patent claims use purely functional language. Purely functional claims typically recite the purpose of a structure (*e.g.*, providing electrical conduction without breaking under stress), without describing the structure that accomplishes that purpose. See *Halliburton*, 514 F.3d at 1255 (explaining that a limitation is purely functional when it defines something “by what it does rather than what it is”) (quoting *In re Swinehart*, 439 F.2d 210, 212 (C.C.P.A. 1971)).

In contrast, the claims at issue here contain detailed descriptions of the claimed “semiconductor assembly” and its components, including a semiconductor chip, bonding wires, and “a backing element having electrically conductive terminals and lead portions thereon,” “wherein said terminals are movable with respect to said chip.” Pet. App. 6a-7a (emphasis omitted). Although petitioners characterize the requirement that the terminals be “moveable with respect to said chip” (*id.* at 8a) as purely functional, when read in the context of the entire claim, that language further defines a physical characteristic of the terminals. It does not claim a result without reference to the means of producing it. Compare, *e.g.*, *Inventio AG v. ThyssenKrupp Elevator Ams. Corp.*, 649 F.3d 1350, 1357-1359 (Fed. Cir. 2011) (claim for “modernizing device” was not “purely functional” where the claims delineated the components to which the device was connected and the interactions among the components in addition to the device’s function), with *Holland Furniture Co. v. Perkins Glue Co.*, 277 U.S. 245, 256 (1928) (claim for starch glue having “substantially the properties of animal glue,” without further elaboration, failed to provide a meaningful limitation).

Even if the “movable” language were functional, moreover, it would not necessarily follow that the claims are indefinite. “[T]here is nothing intrinsically wrong with using functional language in claims.” *Halliburton*, 514 F.3d at 1255 (internal quotation marks and citation omitted); see *General Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364, 371 (1938) (stating that a “limited use of terms of effect or result \* \* \* may in some instances be permissible and even desirable”). Rather, even when a claim uses some functional language, the definiteness inquiry ultimately depends on whether a

person skilled in the art would be able to discern the boundaries of the claim. That question is “highly dependent on context (e.g., the disclosure in the specification and the knowledge of a person of ordinary skill in the relevant art area).” *Halliburton*, 514 F.3d at 1255. Thus, even if it were clear that the “movable” limitation in Tessera’s claims is properly viewed as functional, the definiteness determination would require a highly fact-specific inquiry that does not warrant this Court’s review.

b. The court of appeals’ application of the settled indefiniteness standard—whether a person of ordinary skill in the art would be able to determine the boundaries of the claimed invention—is correct.

*First*, petitioners argue (11-128 Pet. 23) that the Commission’s construction of the claims, as requiring that the movement of the terminals “appreciably relieve mechanical[] stresses,” renders the claims indefinite because there is no standard by which to “determine *appreciable* stress relief” (emphasis added). The court of appeals correctly rejected that contention, explaining that no more quantitative measure of stress relief was necessary because the patents’ claims were intended to cover the use of the invention with different materials. Pet. App. 19a. As this Court has held, the use of terms of degree in order to allow an invention to be used with different materials does not render a claim indefinite, so long as a person skilled in the art would understand what the terms require. In *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45 (1923), for example, the Court approved the patentee’s use of the term “substantial,” explaining that it would have been “difficult” for the patentee to be “more definite, due to the varying conditions of speed and stock” involved, and

that a person skilled in the art of using the relevant machines would have had “no difficulty” determining what was meant. *Id.* at 65-66; see *Young v. Lumenis, Inc.*, 492 F.3d 1336, 1346-1347 (Fed. Cir. 2007) (holding that the term “near” to describe where to make an incision on an animal was not indefinite because a person skilled in the art would understand where to make the cut).

As the court of appeals correctly held, a person of skill in the art would be able to interpret the phrase “appreciable stress relief” in the ’326 and ’419 patents because the patents’ specification provides specific details of the mechanical stresses that the claimed structure is designed to mitigate and explains the manner in which the compliant layer reduces those stresses. Pet. App. 18a. In addition, the ALJ credited the testimony of petitioners’ and Tessera’s experts to the effect that they, as persons skilled in the art, were “able to determine the boundaries of the claims” and “to discern a dividing line between what an appreciable relief of stress is and what [it] is not.” *Id.* at 19a. Although petitioners challenge (11-128 Pet. 24-25) the Commission’s assessment of the experts’ testimony, the court of appeals held that substantial evidence supported the Commission’s conclusions, and that fact-bound holding does not warrant review.

*Second*, the court of appeals correctly rejected petitioners’ argument that the claims do not adequately distinguish between the claimed terminal movement, which results from “external loads,” and unclaimed movement. The court concluded that the prosecution history made clear that Tessera claimed only external-load movement. Pet. App. 20a; see *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 741 (2002) (prosecution history is relevant in construing claims). The court

also emphasized that the parties' experts, in conducting tests to determine whether petitioners' products infringed the patents in suit, were able to determine whether movement resulting from external loads was present. Pet. App. 20a-21a. The court's conclusion that a person skilled in the art would be able to tell whether the claimed movement was present is correct and raises no legal issue of broad significance.

2. Petitioners contend (Pet. 8-13; 11-128 Pet. 12-17) that the court of appeals' contributory-infringement analysis is inconsistent with this Court's subsequent decision in *Global-Tech, supra*. Petitioners urge this Court either to summarily reverse the judgment of the court of appeals (11-128 Pet. 17), or to grant the petitions, vacate the judgment, and remand to permit the court of appeals to reconsider its decision in light of *Global-Tech*. Neither of those dispositions is warranted.

The thrust of petitioners' argument is that, although they had knowledge of the '419 patent and of the *possibility* that the finished products would infringe that patent, they lacked the scienter required by Section 271(c) because they believed in good faith that the finished products would not actually be infringing. The Court in *Global-Tech* had no occasion to address Section 271(c)'s scienter requirement at that level of specificity. In any event, the court of appeals' judgment affirming the Commission's orders is independently supported by the court's holding that petitioners had directly infringed the '326 patent. Although petitioners contend that the '326 patent is invalid for indefiniteness, the court of appeals rejected that argument, and the court's definiteness holding (for the reasons set forth above) does not warrant this Court's review. So long as that holding remains intact, further consideration of the contributory-

infringement issue (either by this Court or by the court of appeals) would have no tangible effect on the parties to this case.

a. In upholding the Commission’s finding of liability under Section 271(c), the court of appeals concluded that, “because license negotiations indicated that [petitioners] were aware of the ’419 patent, and Tessera successfully showed that the accused devices did not have any substantial non-infringing uses, the Commission” had correctly “presumed the requisite knowledge for contributory infringement.”<sup>3</sup> Pet. App. 39a. That analysis was consistent with prior Federal Circuit decisions holding that Section 271(c)’s scienter requirement is satisfied if the defendant had knowledge of the patent and the infringing product did not have substantial non-infringing uses. See, e.g., *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1303 (Fed. Cir. 2006). Subsequent to the court of appeals’ decision, this Court decided *Global-Tech*, which concerned the knowledge necessary for active inducement of infringement under Section 271(b). In delineating Section 271(b)’s scienter requirement, the Court relied heavily on *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964) (*Aro II*), in which the Court had discussed the scienter requirement of Section 271(c). See *Global-Tech*, 131 S. Ct. at 2067-2068. The Court explained that its prior con-

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<sup>3</sup> Although there were no explicit licensing negotiations between Qualcomm and Tessera (11-128 Pet. 16), the Commission’s finding that Qualcomm was aware of the patented technology is, as the Federal Circuit found, Pet. App. 39a, supported by substantial evidence, including evidence of conversations between Tessera and Qualcomm related to the technology covered by the ’419 patent. See *i4i Ltd. P’ship v. Microsoft Corp.*, 598 F.3d 831, 851 (Fed. Cir. 2010), aff’d, 131 S. Ct. 2238 (2011).

struction of Section 271(c) shed significant light on the proper understanding of Section 271(b) because “the two provisions have a common origin in the pre-1952 understanding of contributory infringement, and the language of the two provisions creates the same difficult interpretive choice.” *Id.* at 2068.

Some language in *Global-Tech* supports petitioners’ view that liability under Section 271(c) requires knowledge that the finished product will infringe a patent. Thus, the Court characterized *Aro II* as holding that “a violator of § 271(c) must know ‘that the combination for which his component was especially designed was both patented and infringing.’” *Global-Tech*, 131 S. Ct. at 2067 (quoting *Aro II*, 377 U.S. at 488). And, after noting the similarities between Section 271(b) and Section 271(c), the Court stated: “[W]e now hold that induced infringement under § 271(b) requires knowledge that the induced acts constitute patent infringement.” *Id.* at 2068. Other portions of the opinion, however, describe Section 271(c)’s scienter element as a requirement that the defendant have knowledge of the *patent*. See *id.* at 2067 (noting that Section 271(c) “may be read to require \* \* \* knowledge of the patent’s existence”); *id.* at 2067-2068 (stating that, “[i]n a badly fractured decision, a majority [in *Aro II*] concluded that knowledge of the patent was needed” to impose liability under Section 271(c)); *id.* at 2068 (“[W]e proceed on the premise that § 271(c) requires knowledge of the existence of the patent that is infringed.”). Under those formulations, Section 271(c)’s scienter requirement was clearly satisfied here, since the Commission found, and the court of ap-

peals affirmed, that petitioners were aware of the '419 patent.<sup>4</sup> Pet. App. 118a; see *id.* at 39a.

The circumstances of *Global-Tech* gave the Court no occasion to parse the differences between those two potential understandings of Section 271(c)'s scienter requirement. In *Global-Tech*, petitioner Pentalpha Enterprises, Ltd., had “purchased an SEB fryer in Hong Kong and copied all but its cosmetic features” before inducing sales of Pentalpha’s fryers in the United States. 131 S. Ct. at 2064. Pentalpha argued that it could not be held liable under Section 271(b) because it was unaware that SEB’s fryer was patented under United States law. See *ibid.* Petitioner did not assert, however, that it believed in good faith that its own fryers would not infringe SEB’s patent. Any such contention would have been implausible, since SEB’s patent covered the very fryer that Pentalpha had deliberately copied. See *ibid.* The Court therefore had no occasion to discuss (for purposes of either Section 271(b) or Section 271(c)) the situation presented here, in which the defendants were found to have knowledge of the relevant pat-

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<sup>4</sup> The *Aro II* opinion contains a similar ambiguity. Five Justices in *Aro II* read Section 271(c) to “require a showing that the alleged contributory infringer knew that the combination for which his component was especially designed was both patented and infringing.” 377 U.S. at 488. The Court further concluded that its “interpretation of the knowledge requirement affords Aro no defense with respect to replacement-fabric sales made after January 2, 1954.” *Id.* at 490. The crucial event that occurred on January 2, 1954, was that the patent holder (AB) had sent Aro a letter informing Aro of the relevant patent and of AB’s view that Aro’s conduct was infringing. *Id.* at 489-490. The Court appeared to treat that communication as conclusively establishing Aro’s scienter for purposes of Section 271(c). The Court did not discuss whether Aro continued to hold a good-faith belief that its conduct was lawful even after receiving AB’s letter.

ent but assert a good-faith belief that their conduct did not cause the patent to be infringed.

b. In its current posture, this case likewise does not provide a suitable vehicle for either this Court or the court of appeals to further clarify Section 271(c)'s scienter element. So long as the court of appeals' definiteness holding remains undisturbed, any reconsideration of the contributory-infringement issue would have no tangible effect on the parties to this case.

The court of appeals affirmed the Commission's determination that all of petitioners' challenged products directly infringed the '326 patent. Pet. App. 14a, 38a. Because direct infringement does not require proof of knowledge, see 35 U.S.C. 271(a); *Global-Tech*, 131 S. Ct. at 2065 n.2, petitioners' contention that they lacked the knowledge necessary for contributory infringement has no bearing on their liability for direct infringement of the '326 patent. Rather, petitioners' knowledge argument pertains only to the Commission's finding that they contributorily infringed the '419 patent. The Commission's exclusion and cease-and-desist orders, which rested on the Commission's findings of infringement with respect to both the '326 patent and the '419 patent, see 11-128 Pet. App. 1a-2a, 5a-6a, were therefore independently supported by the Commission's holding that petitioners' products directly infringed the '326 patent. The same is true of the Commission's order requiring petitioners to post bond as a precondition to importation of their products during the pendency of the presidential-review proceedings.<sup>5</sup>

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<sup>5</sup> Moreover, because the '326 patent covers chip packages with the movable-terminal technology whether or not the chips are mounted on a PCB, the Commission's remedial orders apply to all of petitioners' "unlicensed infringing chip packages," both mounted and unmounted.

As explained above (see p. 10, *supra*), the Commission's limited exclusion order and cease-and-desist orders have expired in light of the expiration of the relevant patents. The only remaining live issue in this case concerns the disposition of the bond posted by petitioners. The resolution of that issue will turn on whether the Commission was correct to order that petitioners' products be excluded from the country. Because the Commission's ruling that petitioners had directly infringed the '326 patent fully supports the exclusion order and the bond requirement, any future bond proceedings would not be affected by a reversal of the Commission's contributory-infringement ruling on the '419 patent.

Before this Court, petitioners challenge the Commission's orders as to the '326 patent only on the ground that the relevant claims are indefinite and therefore could not have been the basis for a finding of infringement. For the reasons discussed above, the court of appeals correctly rejected that argument, and the issue does not warrant this Court's review. It therefore would be inappropriate for this Court either to decide the contributory-infringement question itself, or to direct the court of appeals to reconsider it, since neither form of review could have any tangible effect on the rights of the parties to this case.

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Pet. App. at 137a-138a. Petitioners were not required to post any additional bond arising from the contributory infringement ruling with respect to the '419 patent.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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