2012-1014

United States Court of Appeals for the Federal Circuit

LIGHTING BALLAST CONTROL LLC,

Plaintiff-Appellee,

v.

PHILIPS ELECTRONICS NORTH AMERIC CORPORATION,

Defendant,

and

UNIVERSAL LIGHTING TECHNOLOGIES, INC.,

Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Texas in case no. 09-CV-00295, Senior Judge Reed O'Connor.

BRIEF FOR AMICUS CURIAE SAN DIEGO INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF PLAINTIFF-APPELLEE'S PETITION FOR REHEARING *EN BANC*

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CERTIFICATE OF INTEREST

Counsel for the *amicus curiae*, San Diego Intellectual Property Law Association, certifies the following:

1. The full name of every party or amicus represented by me is:

   San Diego Intellectual Property Law Association

2. The name of the real party in interest (if the party name in the caption is not the real party in interest) represented by me is:

   San Diego Intellectual Property Law Association

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

   None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

The San Diego Intellectual Property Law Association (SDIPLA) is an association of members in the San Diego area engaged in all aspects of intellectual property law. SDIPLA members include attorneys employed by corporations, universities, and the government and attorneys in private practice. SDIPLA members represent both owners and users of intellectual property.

The SDIPLA has no stake in any of the parties to this litigation or the result of this case, other than its interest in seeking correct and consistent interpretation of the law affecting intellectual property. This case involves the standard for review of patent claim construction by a District Court during infringement proceeding, perhaps the most important issue determined prior to a trial in a patent case. It guides future discovery, often permits cases to be resolved by summary judgment, and frames the deliberations of the jury in in its role as fact finder with respect to issues such as infringement, enablement and obviousness.

Appellant and Appellee have consented to the filing of this brief. Appellant wishes *amicus curiae* to inform the Court that its consent is not an agreement that the issue concerning the standard of review of claim construction is properly presented by the petition for rehearing.

This brief was authored by counsel for *amicus curiae* and its filing authorized by the Board of Directors of SDIPLA. No party or its counsel has authored this brief in whole or in part nor contributed money to support drafting or

submission of this brief nor has any party other than SDIPLA, its members, or its counsel contributed money used to fund preparation or submission of this brief.

I. STATEMENT OF COUNSEL

Amicus Curiae submits that the panel's *de novo* review of the District Court's claim construction without deference to the lower court's findings of fact employed the wrong standard of review, even though the standard it employed is currently required by *Cybor Corp. v. FAS Technologies, Inc*., 138 F.3d 1448,1456 (Fed. Cir. 1998) (*en banc*). The standard for review of claim construction commanded by *Cybor* does not comport with the decisions of the Supreme Court in *Markman v. Westview Instruments, Inc.,* 517 U.S. 370 (1996): *Gasperini v. Center for Humanities, Inc*., 518 U.S. 415 (1996); and *Cooper Industries, Inc, v. Leatherman Tool Group, Inc.,* 532 U.S. 424 (2001). These precedents require review of claim constructions with, rather than without, deference to fact finding by the District Court. Accordingly, this appeal should be reheard to reconsider whether the standard of review mandated by *Cybor* is the appropriate one.[1]

II. SUMMARY OF ARGUMENT

This case presents a timely opportunity to revisit and overrule the decision in *Cybor Corp. v. FAS Technologies,* 138 F.3d 1448 (Fed. Cir. 1998) holding that

[1] The timeliness of reconsideration of *Cybor* is underscored by the fact that eight years ago, in *Philips v. AWH Corp*., 415 F.3d 1303 (Fed. Cir. 2005) (*en banc),* this Court invited briefing on the *Cybor* standard of review but ultimately declined to reconsider its holding in *Cybor*. 415 F.3d 1328.

claim construction is purely a question of law to be reviewed *de novo* without any deference to the factual findings of the District Court which informed its claim construction. In our view, this Court erred in its determination that the Supreme Court's decision in *Markman II,* if it did not require the *Cybor* standard of review at least supported adoption of that standard. Rather, while *Markman II* was a review and affirmance of this Court's judgment in *Markman I*, when viewed in light of subsequent decisions of the Supreme Court, *Markman II* does not support the holding in *Cybor*.

Contemporaneous with its decision in *Markman II*, the Supreme Court has handed down a number of important cases in order to provide guidance to the district courts and Courts of Appeal concerning (i) the extent to which the Seventh Amendment permits the District Courts to usurp fact finding by the jury, a role that the amendment is intended to protect, and (ii) the extent to which a Court of Appeals must defer to the District Court's findings of fact when the District Court is assigned the primary task of making factual findings when deciding questions of law. Those decisions make it clear that in situations such as claim construction where the District Court is assigned a fact finding role as an adjunct to its authority to resolve issues of law and the appellate court is permitted to engage in *de novo* review, the appellate court must always defer to the District Court's findings of fact unless clearly erroneous.

III. THE PANEL'S DECISION PROVIDES AN OPPORTUNITY FOR REVIEW AND OVERRULING OF *CYBOR*

The invention involved in this appeal, as the panel observed, is directed to an electrical device for providing fluorescent lighting. One element of the claims on appeal is a "voltage source means providing a constant or variable magnitude DC voltage between the DC input terminals." The District Court's rejection of the alleged infringer's contention that the claim was indefinite under 35 U.S.C. § 112 turned on whether or not the "voltage source means" limitation was construed as means-plus-function claiming under 35 U.S.C. § 112, ¶ 6. The alleged infringer urged that it was and, as a result, the claim should be held indefinite because no structure capable of providing DC voltage was disclosed.

The use of the term "means" in a claim triggers a rebuttable presumption that the language intended to invoke the means-plus-function claiming practice permitted under Section 112(6).[2]

In this case, the District Court found that the limitation was not intended to invoke 112(6), relying in part on expert testimony that to a person of ordinary skill in the art, this term "voltage source means" means a rectifier. The jury was so

[2] "We do not mean to suggest that section 112(6) is triggered only if the claim uses the word 'means'…. Nonetheless, the use of the term 'means' has come to be so closely associated with 'means-plus-function' claiming that it is fair to say that the use of the term "means" (particularly as used in the phrase 'means for') generally invokes section 112(6) and that the use of a different formulation generally does not." *Greenberg v. Ethicon Endo-Surgery, Inc.,* 91 F.3d 1580, 1584 (Fed. Cir. 1996).

charged and found the asserted claims to be valid and infringed. On appeal, however, the panel began its consideration of the issue of indefiniteness with a citation to *Cybor*, stating "Whether a claim limitation invokes means plus function claiming under §112 ¶6 is a matter of claim construction and therefore a question of law that we review without deference." *See Lighting Ballast Control, LLC v. Phillips Elec. N. Am. Corp. and Universal Lighting Tech., Inc.,* Appeal No. 2012-1014 (Fed. Cir 2013). The panel construed the disputed language as an invocation of § 112(6) and found the claim invalid for indefiniteness.

While a procedural question concerning whether the appellant waived its right to appeal this issue was also decided by the panel, the correctness of the District Court's claim construction is the only substantive issue on appeal. Accordingly, this case is clearly a suitable vehicle for (i) reconsideration and reversal of *Cybor*[3] and (ii) institution of the practice of treating claim construction as a mixed question of fact and law requiring deference to underlying fact finding by the District Court unless the findings of fact are clearly erroneous.

IV. THE SUPREME COURT'S SEVENTH AMENDMENT JURISPRUDENCE REQUIRES OVERRULING *CYBOR.*

Both the holding in *Cybor* requiring *de novo* review of claim construction without deference to the District Court's findings of fact, and the alternative approach that treats "*de novo*" claim construction as a mixed question of fact and

[3] It is certainly a better vehicle than *Philips* in which, as noted in n.1, the Court invited briefing on *Cybor* but declined to reconsider its holding.

law have their genesis in the Supreme Court's opinion in *Markman II*. As the Court is well aware, it held in *Markman I,* and the Supreme Court affirmed in *Markman II,* that claim construction, including ancillary fact finding that informs that construction, is exclusively the province of the trial judge.

The Supreme Court's agreement with this Court that the jury could be divested of any fact finding role necessarily raised the question of whether this practice would violate the Seventh Amendment's prescription that "the right of trial by jury shall be preserved." 517 U.S. at 376-377. Nowhere in *Markman II* did the Supreme Court expressly deal with the question of how this Court should review claim constructions by the District Courts conducted as mandated by the *Markman* decisions. However, there is at least a hint, a guidepost if you will, that the Court considered claim construction to be a mixed question of fact and law in light of its characterization of claim construction as a "mongrel practice (like construing a term of art following receipt of evidence) …." 517 U.S. at 378.

A surer indication that the Supreme Court considered claim construction under *Markman II* to be a mixed question of fact and law -- a characterization with clear implications for appellate review -- is found in its opinion in *Gasperini v. Center for Humanities, Inc.* 518 U.S. 415 (1996), a decision handed down just three months after *Markman II.* In *Gasperini* the Court addressed the issue of the standard for reviewing a jury award of damages in a diversity jurisdiction case arising under a New York law which expressly empowered its trial and appellate

courts to review jury awards and to order new trials if an award "deviates materially from what would be reasonable compensation." 518 U.S. 418.

The question raised in *Gasperini* was whether application of New York's law violated the Seventh Amendment proscription that "no fact tried by a jury, shall otherwise be re-examined in any Court of the United States, than according to the rules of the common law." At trial, the defendant unsuccessfully moved to set aside a damage award by the jury on the ground it was excessive. However, the Second Circuit set aside the verdict and ordered a new trial. The Supreme Court reviewed that judgment for compliance with the Seventh Amendment and held that the Second Circuit was limited to reviewing the District Court's denial of a new trial for *abuse of* discretion because, in its view, the District Court's determination of whether a jury award was excessive under New York law was a question of law with underlying fact findings by the Jury. 518 U.S. 419, 442.

The relevance of the holding in *Gasperini* to the standard for review of a District Court's claim construction is found in the Supreme Court's citation to *Markman II* in its analysis of how findings of fact were to be treated on review:

> "New York's limitation requires a legal inquiry that cannot be wholly divorced from the facts but that quality does not necessarily make the question one for the fact finder rather than the reviewing court. Three times this Term we have assigned appellate courts the task of independently reviewing similarly mixed questions of law and fact. See *Omelas v. United States*, 517 U.S. 690, 696-697 (1996); *Markman v. Westview Instruments, Inc*. 517 U. S. 370, 388-390 (1996); *Thompson v. Keohane*, 516 U.S. 90, 112-116 (1995). Such appellate review is proper because mixed questions require courts to construe

> all record inferences in favor of the factfinder's decision and then to determine whether, on the facts as found below, the legal standard has been met." 518 U.S. 442-443 (emphasis added).

It will not be lost on this Court that the factfinder in *Markman II* to which the Supreme Court refers in *Gasperini* is the trial court engaged in claim construction.

Any doubt concerning that deference is owed by an appellate court to the facts found by a district court incident to a legal question when review is *de novo* is laid to rest in *Cooper Industries, Inc. v. Leatherman Tool Group, Inc.*, 532 U. S. 424 (2001). In *Cooper* the Court reviewed an affirmance by the Court of Appeals of the District Court's denial of a motion to set aside the jury award as "grossly excessive" under the Supreme Court's holding in *BMW of North America, Inc. v. Gore*, 517 U.S. 559 (1996). The Court of Appeals had affirmed the trial court's decision on the ground that it was not an abuse of discretion.

The Supreme Court addressed two questions. One was whether the Court of Appeals reviewed the constitutionality of the punitive damages award under the correct standard, i.e., abuse of discretion. The Court held that the right standard under *Gore* had not been used and that review of Cooper's claim that the punitive damages award was excessive should be considered *de novo* by the Court of Appeals. 532 U.S. 431. The Court, further admonished:

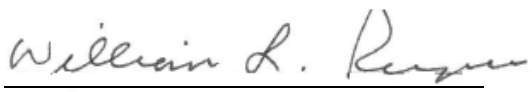
> "While we have determined that the Court of Appeals must review the District Court's application of the *Gore* test *de novo*, it of course remains true that the Court of Appeals should defer to the District Court's findings of fact unless they are clearly erroneous." (Citation Omitted) 532 U.S. 440, n. 14.

We submit that *Gasperini* and *Cooper*, provide a context in which to determine how the Supreme Court views the role of the Courts of Appeal when reviewing fact findings of a District Court made in conjunction with its analysis of a question of law. That view is that such reviews, even when considered to be *de novo,* should be considered to raise mixed questions of fact and law and that the Court of Appeals should defer to the findings of fact by the District Court unless clearly erroneous.

V. CONCLUSION

The SDIPLA, therefore, urges the Court to rehear this case to overrule *Cybor* and henceforth engage in *de novo* review of claim construction with deference to facts found by the District Court unless clearly erroneous. This is consistent with the Supreme Court's holding in *Markman II* concerning the role of judge and jury in patent trials and would aligns this Court's practice with that so clearly directed in *Gasperini and Cooper*. Adopting a standard of reviewing claim construction with deference will reduce the reversal rate on appeal, and result in fewer appeals because of litigants' greater confidence that a favorable decision by a District Court is less likely to be reversed and remanded for a new trial.

By:



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United States Court of Appeals
for the Federal Circuit

Lighting Ballast v Philips Electron, 2012-1014

CERTIFICATE OF SERVICE

I, John C. Kruesi, Jr., being duly sworn according to law and being over the age of 18, upon my oath depose and say that:

Counsel Press was retained by SAN DIEGO INTELLECTUAL PROPERTY LAW ASSOCIATION, Attorneys for Appellant Complus Data Innovations, Inc. to print this document. I am an employee of Counsel Press.

On the **15th Day of February, 2013**, I served the within **Brief for Amicus Curiae in Support of Plaintiff-Appelle** upon:

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Unless otherwise noted, 19 copies have been hand-delivered to the Court on the same date as above.

February 15, 2013