

No. 17-1707

IN THE
Supreme Court of the United States

NICHIA CORPORATION AND
NICHIA AMERICA CORPORATION,
Petitioners,

v.

EVERLIGHT ELECTRONICS CO., LTD. AND
EVERLIGHT AMERICAS, INC.,
Respondents.

**On Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit**

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether the Federal Circuit correctly reviewed the district court's ultimate legal conclusion of obviousness *de novo* and the jury's factual findings underlying that conclusion for substantial evidence, as this Court and the courts of appeals have consistently held for decades.
2. Whether the petition should be denied notwithstanding *U.S. Bank National Association ex rel. CWC Capital Asset Management LLC v. Village at Lakeridge, LLC*, 138 S. Ct. 960 (2018), which addresses the standard of review applicable to a bankruptcy court's determination of "non-statutory insiders" and does not affect the well-settled standard of review applicable to obviousness.

CORPORATE DISCLOSURE STATEMENT

No corporation or publicly held company owns ten percent or more of the stock of Everlight Electronics Co., Ltd. or Everlight Americas, Inc.

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INTRODUCTION

This Court should deny review of the decision below, which is a routine and correct application of the well-settled standard of review for a jury verdict of obviousness under 35 U.S.C. 103. This Court has long held that the ultimate determination of obviousness is a legal question subject to *de novo* review, but that the subsidiary factual findings underlying that determination—including the scope and content of the prior art, the differences between the claimed invention and the prior art, the level of ordinary skill in the art, and objective indicia of nonobviousness—are entitled to deference. The court of appeals strictly adhered to that precedent here by independently reviewing *de novo* the district court’s denial of judgment as a matter of law on obviousness and deferring only to the jury’s factual findings underlying that conclusion.

The decision below also comports with the settled law of the regional circuits before the creation of the Federal Circuit. Those courts applied the same standard of review that the court of appeals applied in this case and that the Federal Circuit has consistently applied for decades. There is no error, no conflict, and no change in the law warranting this Court’s review.

This case, moreover, is a poor vehicle to review the question presented. The court of appeals applied the very standard of review that Petitioners urged. And though Petitioners object to treating obviousness as a “mixed question of law and fact,” the court of appeals did not even describe obviousness in those terms in the decision below. Petitioners similarly devote much of their brief to advocating the use of special verdict forms and interrogatories, despite not having chal-

lenged the district court’s chosen verdict form on appeal. Notwithstanding their mischaracterizations of the record, Petitioners have not identified anything in the decision below that could warrant this Court’s review.

Finally, this Court’s recent decision in *U.S. Bank National Association ex rel. CWC Capital Asset Management LLC v. Village at Lakeridge, LLC*, 138 S. Ct. 960 (2018), provides no basis to grant certiorari, vacate, and remand. That case addressed the proper standard of review for a bankruptcy court’s determination that an individual is a “non-statutory insider” under 11 U.S.C. 1129. It did not establish a new standard of review for all mixed questions; nor did it affect cases like this one, where this Court has already determined—and the court of appeals faithfully applied—the appropriate standard of review.

For all these reasons, the petition should be denied.

COUNTERSTATEMENT

A. The Patents-In-Suit

The two patents at issue are generally directed to white LEDs that are produced by combining a blue LED with a phosphor that absorbs a portion of the blue light and converts it into yellow light. Pet. App. 4a. Because yellow light is a mixture of red and green light, and the combination of equal parts red, green, and blue light creates white light, the combination of a blue LED with a phosphor that emits yellow light produces white light. The ’925 patent focuses on the use of a particular phosphor—yttrium-aluminum-garnet or “YAG”—with a blue LED. Pet. App. 22a. The ’960 patent concerns how the phosphor is

distributed in the resin covering the light-emitting component of the LED. Pet. App. 23a.

B. The District Court Proceedings

In 2012, Everlight Electronics Co., Ltd. sought a declaratory judgment of non-infringement, invalidity, and unenforceability of the '925 and '960 patents. Pet. App. 2a, 19a. Nichia filed counterclaims against Everlight Electronics Co., Ltd. and Everlight Americas, Inc. (together, "Everlight") for infringement. Pet. App. 2a. During a ten-day jury trial, Everlight demonstrated that the concept of mixing blue light and yellow light to produce white light had been known for hundreds of years, and that YAG was one of the few phosphors that had long been combined with commercially-available blue light sources to produce white light. Pet. App. 40a-41a.

Specifically, Everlight presented evidence that in 1972 researchers at Bell Labs obtained a patent directed to a projection TV that uses a blue laser beam in combination with a YAG phosphor to create a mixture of blue and yellow light that would be perceived as white. Pet. App. 40a-41a; C.A.J.A. 19772-74. General Electric and Philips subsequently combined YAG with mercury vapor lamps (which also emit blue light) to teach the use of YAG phosphors with blue mercury vapor lamps to emit white light. Pet. App. 5a, 40a-41a. This prior art, by "two of the largest lighting companies in the world, and ... the largest private research company in the United States," made well known the use of YAG with then-commercially-viable blue light sources to create white light. Pet. App. 41a. Petitioners' expert conceded that, when researchers finally succeeded in developing a commercially-viable

blue LED—for which they were awarded the 2014 Nobel Prize in Physics—the development of the white LED was “unstoppable.” Pet. App. 45a; C.A.J.A. 21663.

Not only was the development of a white LED inevitable, but it was also readily apparent that the most efficient method to achieve a white LED was combining a blue LED with a phosphor that emitted yellow light. Everlight introduced several prior art references that taught combining a blue LED with phosphors. Pet. App. 46a. “Tadatsu disclose[d] the use of a phosphor with a gallium nitride blue LED to achieve conversion of a light of a number of wavelengths or color correction of blue LED.” Pet. App. 5a (internal quotation marks omitted). Baretz likewise disclosed the use of “inorganic fluorescers and phosphors” with a blue LED. Pet. App. 5a, 46a. Thus, as Petitioners’ expert acknowledged, the first commercialization of blue LED products were what “gave everyone the incentive to move forward to create a simple blue plus yellow LED that emits white light,” because, at that point, the blue-plus-yellow combination was well known. Pet. App. 45a.

Based on the evidence at trial, including Petitioners’ purported evidence of nonobviousness, the jury found that Everlight proved by clear and convincing evidence that the patents were “invalid due to obviousness.” Pet. App. 2a, 20a.¹

¹ The jury also found certain claims of the ’960 patent invalid for lack of enablement, but Petitioners did not appeal that verdict and do not raise it here. Pet. App. 2a n.1, 20a.

In their post-trial motion for judgment as a matter of law on invalidity, Petitioners contended “the evidence was insufficient to support a finding of obviousness.” D. Ct. Dkt. 556 at 2 (June 15, 2015); *see* Pet. App. 37a, 39a. They argued Everlight failed to present evidence YAG had previously been used with an LED and that the testimony of Everlight’s expert was conclusory and unsupported. D. Ct. Dkt. 556 at 2-3; Pet. App. 39a.

The district court denied Petitioners’ motion, recognizing that much of it was “simply an attempt to re-argue, and have the [c]ourt weigh, the evidence.” Pet. App. 37a. Although it reviewed the implicit factual findings underlying the jury’s verdict “for substantial evidentiary support,” the court reviewed the jury’s “conclusions on obviousness *de novo*” because it was the “ultimate arbiter on th[at] question.” Pet. App. 38a (internal quotation marks and citations omitted).

According to the court, the “key question” of obviousness at trial was “whether it would have been obvious to combine a blue ... LED with a yellow YAG phosphor based on the disclosures in [the] prior art.” Pet. App. 38a. After reviewing in detail the evidence the parties submitted, the court concluded that it was. The court cited undisputed evidence that (1) “it had been known for over 300 years that mixing blue and yellow light results in white light,” Pet. App. 41a; (2) prior to 1996, YAG had been used by some of the largest lighting companies in the United States in conjunction with other commercially-available blue light sources, “including cathode ray tubes, blue lasers and blue mercury vapor lamps, to make white light,” Pet. App. 40a; (3) the prior art disclosed that blue LEDs could be combined with phosphors to change the

color of light emitted by the LED, Pet. App. 41a; and (4) once blue LEDs became commercially available, it would have been known to a person of ordinary skill in the art that YAG could be combined with blue LEDs to make white light, Pet. App. 41a.

The court then identified the evidence that supported the jury's implicit finding that a person of ordinary skill in the art would have been motivated to combine the teachings of the prior art into the claimed invention. Pet. App. 45a. In particular, the evidence showed (1) large market demand for white LEDs; (2) the "revolutionary breakthrough" in 1993 of a blue LED; (3) the concession of Nichia's expert that the development of a commercially-viable blue LED "gave everyone the incentive to move forward to create a simple blue plus yellow LED that emits white light"; (4) a limited number of suitable yellow phosphors; and (5) YAG's well-known properties that made it an obvious choice to combine with blue LEDs. Pet. App. 45a. The court found substantial evidence to support the jury's implicit findings with regard to the prior art, motivation to combine, and secondary considerations. Pet. App. 45a, 47a, 53a. It denied, on the law, Petitioners' motion for judgment as a matter of law with respect to both patents. Pet. App. 53a, 55a.

C. The Decision Below

On appeal, Petitioners urged the court of appeals to review the jury's "conclusions on obviousness, a question of law, without deference, and the underlying findings of fact, whether explicit or implicit within the verdict, for substantial evidence." *See* C.A. Dkt. 30 at 36 (May 18, 2016) (internal quotation marks and citations omitted). Petitioners principally challenged the jury's factual determinations regarding the scope

and content of the prior art and the motivation to combine. *See id.* at 30-31, 37. Petitioners also argued that their evidence of nonobviousness weighed against the jury’s ultimate conclusion. *See id.* at 60-61 & n.5. They did not challenge any aspect of the verdict form on appeal.

The court of appeals unanimously affirmed in a non-precedential opinion, after reviewing the jury’s “findings of fact, whether explicit or implicit in the verdict, for substantial evidence,” and its “conclusions on obviousness *de novo*.” Pet. App. 3a. The court held that the patents are invalid as obvious because “[e]very element of the claimed invention was separately present in the prior art” and Everlight presented “substantial evidence” that a “person of ordinary skill at the time of the invention would have desired to combine a blue-to-yellow phosphor with a blue LED to produce white light, and would have been aware of YAG as a useful blue-to-yellow phosphor.” Pet. App. 8a-9a.

The court deferred only to the jury’s implicit factual findings regarding expert testimony on the scope of the prior art and Petitioners’ evidence of secondary considerations. Pet. App. 8a-9a. As to the scope of the prior art, the court acknowledged that some statements in the prior art taught a two-color solution, but it “decline[d] to reweigh” Everlight’s expert testimony regarding whether two specific prior art references (Baretz and Tadatsu) disclosed a blue-to-yellow phosphor because such a finding was not necessary to hold the patents invalid as obvious. Pet. App. 8a & n.4. Rather, the court concluded it was “sufficient that the prior art recognize that blue LEDs can be combined with phosphors to produce varying light profiles, that

combination with a blue-to-yellow phosphor would yield white light, and that a strong market demand existed for a white LED.” Pet. App. 9a-10a. The court likewise declined to “reweigh” the evidence of secondary considerations, noting that the evidence “weighed in both directions” and the “jury could have drawn a variety of conclusions regarding [its] strength and credibility.” Pet. App. 8a-9a.

The court of appeals denied Petitioners’ petition for rehearing *en banc* without dissent. Pet. App. 63a.

REASONS FOR DENYING THE PETITION

I. THE DECISION BELOW IS A ROUTINE AND CORRECT APPLICATION OF WELL-SETTLED LAW

Petitioners ask this Court to grant certiorari to decide the proper standard of review for a jury’s determination of obviousness under 35 U.S.C. 103. Pet. i. But this Court has already answered that question, instructing courts to review the ultimate conclusion of obviousness *de novo* and the factual findings underlying that conclusion with deference. The court of appeals correctly applied that standard in this case. And this Court has repeatedly—and recently—declined to grant petitions questioning its application. *See, e.g., Apple Inc. v. Samsung Elec. Co.*, 839 F.3d 1034 (Fed. Cir. 2016) (*en banc*), *cert. denied* 138 S. Ct. 420 (2017); *I/P Engine, Inc. v. AOL Inc.*, 576 Fed. App’x 982 (Fed. Cir. 2014), *cert. denied* 136 S. Ct. 54 (2015). Petitioners identify nothing in the decision below that warrants review.

1. This Court first set out the framework for deciding obviousness in *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966). There, this Court held

that whether a patent is invalid as “obvious” is a legal question that “lends itself to several basic factual inquiries.” *Id.* at 17; *see Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 280 (1976) (“The ultimate test of patent validity is one of law, but resolution of the obviousness issue necessarily entails several basic factual inquiries.”) (internal citations omitted). Those factual inquiries include “the scope and content of the prior art,” “differences between the prior art and the claims at issue,” “the level of ordinary skill in the pertinent art resolved,” and secondary considerations such as “commercial success, long felt but unsolved needs,” and the “failure of others.” *Graham*, 383 U.S. at 17-18.

After *Graham*, this Court has made clear that the legal question of obviousness is subject to *de novo* review, *see, e.g., KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 427 (2007), but that the subsidiary factual findings underlying that question are entitled to deference, *see, e.g., Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809, 810-11 (1986) (per curiam) (court of appeals’ “disagree[ment]” with district court’s factual findings required reversal because “subsidiary determinations of the District Court” in a bench trial are reviewed for clear error); *Sakraida*, 425 U.S. at 280 (court of appeals “erroneously set aside the District Court’s findings” on *Graham*’s factual inquiries where evidence was “sufficien[t] to support the[m]”).

Indeed, this Court recently relied on its precedent requiring deferential appellate review for findings underlying an obviousness determination in holding that the same deference to subsidiary facts was required with regard to claim construction. *See Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 838 (2015) (noting that *Dennison* applied “clearly erroneous”

standard of review to district court’s “subsidiary factual findings” in obviousness inquiry and applying same standard to subsidiary facts on claim construction). That standard does not risk confusion or “bring about less uniformity,” because, as this Court recognized in *Teva*, the courts of appeals have “long found it possible to separate factual from legal matters” and review *de novo* the ultimate legal conclusion. *Id.* at 839.²

2. The decision below correctly applied *Graham* and its progeny in reviewing the jury’s verdict of obviousness. As Petitioners concede (Pet. 27), the court correctly stated that obviousness is a question of law subject to *de novo* review, and that the jury’s underlying factual findings are entitled to deference. *See* Pet. App. 3a. The court of appeals then applied that rule, independently evaluating the ultimate conclusion of obviousness and deferring to the jury’s implicit findings on the *Graham* factors, where supported by substantial evidence. Pet. App. 6a-15a. After examining the evidence that supported the jury’s factual determinations, the court concluded that the district court properly ruled the claimed patents were invalid: “Every element of the claimed invention was separately present in the prior art,” and there was “substantial evidence” that a person of ordinary skill in the

² To the extent Petitioners suggest (Pet. 15) there is a “public interest” in having a court resolve all patent validity issues as a matter of law, that argument runs against authorities expressly recognizing that some invalidity issues, such as anticipation, raise solely questions of fact. *See, e.g., Stryker Corp. v. Zimmer, Inc.*, 837 F.3d 1268, 1272 (Fed. Cir. 2016) (“Invalidity by reason of anticipation under 35 U.S.C. 102 is a question of fact.”).

art would have been motivated to combine a blue-to-yellow phosphor with a blue LED to produce a white LED, that YAG was a well known blue-to-yellow phosphor, and that secondary considerations failed to weigh in favor of patentability. Pet. App. 8a. Given this evidence, the jury's findings, and the relevant legal standard, the court correctly determined, as a matter of law, that the claimed patents were obvious. Pet. App. 9a-12a.

Contrary to Petitioners' contention (Pet. 8), the court did not defer to the jury's ultimate conclusion. It deferred only to the jury's weighing of evidence and its implicit findings on the *Graham* factors. For example, with regard to secondary considerations—in particular, that another company independently developed a white LED within weeks of Petitioners, and that certain awards and licenses Petitioners received may not have been due to the claimed invention—the court deferred to the jury's implicit finding that the evidence of secondary considerations did not weigh in Petitioners' favor. Pet. App. 8a. The court acknowledged that a “reasonable jury could have drawn a variety of conclusions regarding the strength and credibility of th[at] evidence,” and it declined to reweigh the evidence on appeal. *Id.*

Petitioners identify no portion of the decision below that deferred to the jury on a legal conclusion or that failed to engage in a full *de novo* review of the ultimate question of obviousness. The court independently reviewed the verdict and Petitioners' arguments, concluding the obviousness determination was correct. Pet. App. 8a-15a. There is no “error” to reverse (Pet. 29) and no standard to “confirm” (Pet. 9).

The court of appeals soundly applied this Court’s precedent.³

3. The decision below also comports with regional circuit decisions from before the creation of the Federal Circuit, which uniformly held that a jury’s “predicate factual determinations” are reviewed with deference, while the ultimate legal conclusion is subject to the court’s independent review. *Sarkisian v. Winn-Proof Corp.*, 688 F.2d 647, 651 (9th Cir. 1982) (en banc) (per curiam); see *Roberts v. Sears, Roebuck & Co.*, 723 F.2d 1324, 1335 (7th Cir. 1983) (“An appellate court does not sit to adjudicate *de novo* the factual issues underlying the determination of obviousness. ... When these factual determinations have been made by a jury, our review is limited”); *Armour & Co. v. Wilson & Co.*, 274 F.2d 143, 156 (7th Cir. 1960) (trial judge’s “factual determinations” pursuant to section 103 are “within the scope of Rule 52(a)” and therefore reviewed for clear error, while “the application of the correct legal criteria to the factual determination ... is subject to review by an appellate tribunal as a question of law”).

Petitioners claim (Pet. 25-26) the Federal Circuit “abandoned” this precedent in 2012 by “reclassifying obviousness as a mixed question of law and fact” (Pet.

³ The cases amicus cite (Br. 5-7) establishing the standard of review for determinations such as reasonable suspicion, probable cause, voluntariness of confessions, or awards of punitive damages, similarly provide no basis to review the court of appeals’ application of the well-settled standard of review for obviousness, which requires *de novo* review of the ultimate legal question but deference to any underlying findings of fact. See *Dennison*, 475 U.S. at 810-11.

32). But the regional circuits repeatedly referred to obviousness as a “mixed question” long before the creation of the Federal Circuit. *See, e.g., Control Components, Inc. v. Valtek, Inc.*, 609 F.2d 763, 767 (5th Cir. 1980) (obviousness issue “involves mixed questions of fact and law”); *Kolene Corp. v. Motor City Metal Treating, Inc.*, 440 F.2d 77, 81 (6th Cir. 1971) (“The question of ‘obviousness’ in determining patent validity is a mixed question of both fact and law.”); *Stieg v. Comm’r of Patents*, 353 F.2d 899, 900 (D.C. Cir. 1965) (concluding “a finding of obviousness under 35 U.S.C. 103 is ... a mixed finding of law and fact”).

Thus, contrary to Petitioners’ assertion (Pet. 25), the Federal Circuit did not change the law or apply a new standard in *Kinetic Concepts Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342 (Fed. Cir. 2012). It already was “well established that whether an invention would have been obvious at the time the invention was made is a mixed question of law and fact.” *Wyers v. Master Lock Co.*, 616 F.3d 1231, 1247 (Fed. Cir. 2010) (Linn, J., concurring). And *Kinetic Concepts* applied the same standard of review to that “mixed question” as the Federal Circuit and regional circuits had always applied, leaving the jury’s resolution of “the underlying factual disputes ... undisturbed if they are supported by substantial evidence” and “examin[ing] the [ultimate] legal conclusion [of obviousness] de novo to see whether it is correct in light of [those] fact findings.” *Kinetic Concepts*, 688 F.3d at 1356-57 (internal quotation marks omitted).⁴

⁴ Petitioners mischaracterize (Pet. 26) the Federal Circuit’s decision in *Ultratec, Inc. v. Sorenson Comm’n’s, Inc.*, No. 2017-1161, __ F. App’x __, 2018 WL 2278246 (Fed. Cir. May 18, 2018), as affirming the district court’s obviousness

Petitioners also wrongly suggest (Pet. 23) that the regional circuits “refused to let juries render even an advisory verdict on the ultimate question of validity” and required district courts to submit only “particular fact questions to the jury for resolution.” To the contrary, the regional circuits permitted the jury to provide guidance on the question of obviousness and allowed the use of general verdict forms. *See Roberts*, 723 F.2d at 1341-42 (recognizing that jury is “permitted to express its opinion on the legal issue” and that general verdict does “not preclude appellate review of the legal conclusion on validity”); *Sarkisian*, 688 F.2d at 650 (allowing court to submit ultimate question of obviousness to jury); *Valtek*, 609 F.2d at 767 (approving use of general verdict form). *Roberts* explicitly authorized the use of general verdict forms and recognized that, where a jury returns a general verdict, the reviewing court will merely “presume that the disputed matters of fact have been resolved favorably to the prevailing party in accordance with the trial judge’s instructions,” 723 F.2d at 1341 (internal quotation marks omitted), as the court of appeals did in this case, Pet. App. 3a. *See Dual Mfg. & Eng’g, Inc. v. Burris Indus.*, 619 F.2d 660, 667 (7th Cir. 1980) (“A general verdict, without more, will of course give rise

determination “based solely on deference to the jury’s conclusion that the invention would be obvious.” The court in *Ultratec* first examined, for substantial evidence, the jury’s finding of motivation to combine and then concluded, based on that supported finding, that the obviousness verdict was correct as a matter of law. *See id.* at *3-*4. In any event, Petitioners do not seek this Court’s review of *Ultratec*; regardless of the standard stated or applied in that case, the decision below adhered to this Court’s precedent.

to the presumption that material fact issues have been resolved in favor of the prevailing party”).

Neither the decision below, nor any of the cases Petitioners cite (Pet. 25-26 & nn.1, 2) changed the governing standard. The Federal Circuit applied the same standard of review in this case that it and the regional circuits have applied for decades to issues implicating obviousness under 35 U.S.C. 103. There is no error, no conflict, and no change in the law warranting review.

II. THIS CASE IS A POOR VEHICLE FOR RESOLVING THE QUESTION PRESENTED

1. On top of the other problems with the petition, this case is a particularly poor vehicle to address the standard of review for obviousness. Petitioners cannot point to any portion of the decision below that is contrary to their preferred rule. The court of appeals identified the governing standard of review and correctly applied it, deferring only to the jury’s implicit factual findings and weighing of evidence, as explained above. It did not describe obviousness as a “mixed question of law and fact” or rely on its earlier decision in *Kinetic Concepts*.

In fact, it was Petitioners that cited *Kinetic Concepts* in their brief on appeal, urging the court to review the “jury’s conclusions on obviousness, a question of law, without deference, and the underlying findings of fact, whether explicit or implicit within the verdict, for substantial evidence.” C.A. Dkt. 30, at 36 (May 18, 2016) (internal quotation marks omitted) (citing *Kinetic Concepts*, 688 F.3d at 1356-57). That is exactly the standard of review the court of appeals applied.

See Pet. App. 3a-4a. Petitioners thus got precisely the review they sought.

Petitioners' advocacy (Pet. 21-23) for the use of special interrogatories and verdict forms is similarly misplaced. Petitioners did not appeal the district court's choice of verdict form in this case, *see* C.A. Dkt. 30 (May 18, 2016), and the decision below is thus silent on the issue. Having failed to provide the court of appeals with an opportunity to address the use of special interrogatories and verdict forms, Petitioners may not rely on those arguments to support review.⁵

2. Unable to identify anything in the decision below that would warrant review, Petitioners distort the record in an effort to make this case appear to be a proper vehicle.

⁵ Petitioners also wrongly suggest (Pet. 26), without citation, that the Federal Circuit no longer endorses the use of special verdict forms for obviousness. The Federal Circuit has done nothing to discourage their use, and they are still a mainstay of patent trials on obviousness. *See, e.g., Eko Brands v. Adrian Rivera Maynez Enters.* No. 15-cv-522, 2018 WL 2984691, *1-*2 (W.D. Wash. June 14, 2018) (denying motion for new trial where jury returned special verdict form with specific factual findings on the obviousness of the claimed patents); *Solutran, Inc. v. U.S. Bancorp & Elavon, Inc.*, No. 13-cv-2637, 2018 WL 1094287, *3 (D. Minn. Feb. 28, 2018) (providing jury special verdict form to “guard against the possibility that the jurors may misapply evidence or argument relating to nondisclosed prior art”); *Enovsys LLC v AT&T Mobility LLC*, No. 11-cv-5210, 2015 WL 11089498, *1-*2 (C.D. Cal. Nov. 16, 2015), *aff'd* 678 Fed. App'x 1025 (Fed. Cir. 2017) (denying motion for judgment as a matter of law or new trial after jury returned special verdict on obviousness).

First, Petitioners erroneously assert (Pet. 7) that the court of appeals “acknowledged” Everlight’s expert testified falsely about the teachings of the prior art. The court of appeals did no such thing. It stated that Everlight’s expert made “*arguably* inaccurate statements at trial regarding whether [two specific prior art references] *disclose[d] a blue-to-yellow phosphor*” but held that no such disclosure was required because the prior art clearly recognized “that blue LEDs can be combined with phosphors to produce varying light profiles, that combination with a blue-to-yellow phosphor would yield white light, and that a strong market demand existed for a white LED.” Pet. App. 9a-10a & n.4 (emphasis added). The court of appeals noted that other prior art references “sug-
gest[ed] a two-color solution” but again declined to “reach th[at] point” because it was unnecessary. Pet. App. 9a & n.3.

Second, Petitioners mistakenly contend (Pet. 8) the Federal Circuit “did not identify” the evidence it deemed “sufficient to support” the jury’s finding. The court described at length the specific evidence it relied on in concluding the patents were obvious: it identified the prior art (Tadatsu) that “disclose[d] use of a phosphor with a gallium nitride blue LED” to alter the light profile emitted by the LED, Pet. App. 5a; it identified the prior art (Baretz) that “disclose[d] a ‘monochromatic blue or UV’ LED which is ‘down-converted to white light by packaging the diode with ... inorganic fluorescers and phosphors in a polymeric matrix,” Pet. App. 5a; it identified other prior art (Philips and Hoffman) that “disclose[d] use of a YAG phosphor to downconvert blue light ... to yellow light,” Pet. App. 5a-6a; and it described evidence of “secondary considerations” a reasonable jury could have found to weigh

in favor of obviousness, Pet. App. 7a-8a. The court of appeals then explained how that evidence led to a legally correct conclusion of obviousness: the prior art's teaching that blue LEDs can be combined with phosphors to produce varying light profiles, coupled with evidence that it was well known that a blue-to-yellow phosphor would yield white light, that YAG was one of a limited number of available blue-to-yellow phosphors, and that there was a strong market demand for a white LED, proved Petitioners' patents were obvious. Pet. App. 9a-10a.

There is simply no basis for Petitioners' assertion (Pet. 8) that the court of appeals "deferred to the jury's determination on th[e] ultimate legal issue" or failed to "provide any analysis on its own on that question." The court discussed the prior art at length, as well as the specific teachings from the prior art that disclosed the patented invention. Pet. App. 4a-15a. Its decision reflects a thorough, well-reasoned analysis, and a proper legal conclusion that the patented claims were obvious. Petitioners' arguments are entirely divorced from that decision.

III. THIS COURT'S *U.S. BANK* DECISION PROVIDES NO BASIS TO GRANT CERTIORARI, VACATE, AND REMAND

Petitioners fare no better in contending (Pet. 30-35) that the Federal Circuit should be directed to reconsider its decision in light of *U.S. Bank National Association ex rel. CWC Capital Asset Management LLC v. Village at Lakeridge, LLC*, 138 S. Ct. 960 (2018), which held that clear error, not *de novo*, review applies to a bankruptcy court's determination whether an individual is a "non-statutory insider[]"

under 11 U.S.C. 1129(a). *Id.* at 963. *U.S. Bank* did not establish a new standard of review for all mixed questions; it addressed only the particular “mixed question the Bankruptcy Court confronted in th[at] case.” *Id.* at 966-67 (“[B]oth parties rightly point us to the same query: What is the nature of the mixed question *here* and which kind of court (bankruptcy or appellate) is better suited to resolve it?”) (emphasis added). This Court made clear that “[m]ixed questions are not all alike” and that the appropriate standard of review “all depends” on the particular factual and legal questions involved. *Id.*

U.S. Bank has no bearing here, because this Court already resolved the standard of review for obviousness in *Graham* and its progeny, *see supra* Part I, which the court of appeals faithfully applied in this case. Because there is no conflict and no change in the appropriate standard of review, there is no basis to grant certiorari, vacate, and remand. *Cf. Oracle Am., Inc. v. Google LLC*, 886 F.3d 1179, 1192 (Fed. Cir. 2018) (“While this may be the first time the Supreme Court has so clearly explained how appellate courts are to analyze mixed questions of law and fact, it is not the first time the Supreme Court has told us how to analyze the particular mixed question of law and fact at issue here.”).

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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