No. 18-1343

In the Supreme Court of the United States

PRINCETON DIGITAL IMAGE CORPORATION,

Petitioner,

v.

ADOBE INC., ET AL.,

Respondents.

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

BRIEF IN OPPOSITION

MELISSA ARBUS SHERRY
Counsel of Record
TARA D. ELLIOTT
SAMIR DEGER-SEN
LATHAM & WATKINS LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004
(202) 637-2200
melissa.sherry@lw.com

Counsel for Respondent Adobe Inc.

QUESTIONS PRESENTED

Petitioner asks the Court to grant review on two questions:

1. Whether there can be any further proceedings in the district court following the dismissal of an appeal on the ground that it is not a "final decision" within the meaning of 28 U.S.C. §§ 1291 and 1295.

2. Whether a court of appeals, after finding that there is no "final decision" conferring appellate jurisdiction and dismissing a primary appeal, is nonetheless required to consider the merits of a cross-appeal.

If the Court grants the petition, it should also add the following question, which is "predicate to an intelligent resolution of the question[s] presented," *Caterpillar Inc. v. Lewis*, 519 U.S. 61, 75 n.13 (1996) (citation omitted):

3. Whether a court of appeals has appellate jurisdiction when a party consents to judgment because a district court's prior legal holding makes it impossible to prevail on the merits of its claims.

RULE 29.6 STATEMENT

Respondent Adobe Inc. is a publicly traded company. No publicly held company owns 10 percent or more of Adobe Inc.'s stock.

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INTRODUCTION

Petitioner asks this Court to grant review based on mischaracterizations of the record, the Federal Circuit decision, and the case law. Petitioner says that it had "no basis to oppose" the stipulated judgment (Pet. 7), but petitioner in fact told the district court that an appeal was appropriate and agreed to and drafted the judgment itself—which affirmed both parties' appeal rights three times over. Petitioner suggests that this case is about Article III jurisdiction, but the Federal Circuit dismissed solely on statutory finality grounds. And while petitioner asserts a circuit conflict, there is none. No court of appeals has precluded further proceedings in the district court in these circumstances—nor would the equities allow it. Further review of petitioner's questions presented is not warranted.

STATEMENT OF THE CASE

1. During the relevant time period, petitioner Princeton Digital Image Corporation ("PDIC") owned U.S. Patent No. 4,813,056 ("the '056 patent"). In June 2011, petitioner licensed the '056 patent to respondent Adobe Inc. Pet. App. 2a. In the licensing agreement, petitioner made a number of promises, including not to sue Adobe or Adobe's customers for claims arising "in whole or part owing to an Adobe Licensed Product." *Id.* (citation omitted).

2. In December 2012, petitioner filed the first of 51 nearly identical patent infringement actions against various defendants, most of which were

Adobe's customers for their use of Adobe's products. Pet. App. 2a; *see, e.g.*, CAJA1001-03.[1]

a. After Adobe threatened to intervene, petitioner told the district court it would dismiss the infringement claims against all of Adobe's customers. CAJA2220-28. Petitioner conceded that even the "slim window of possible infringement" was foreclosed by the express terms of the licensing agreement. CAJA2220. And petitioner explained that it had "assured" Adobe "that [it] intend[s] to honor [its] agreement," does "not intend to go after [Adobe's] customers," and is "not going to violate that agreement." CAJA2227-28. Petitioner dismissed its suit against one of Adobe's customers, but refused to dismiss the others at that time.

b. In May 2015, Adobe intervened to defend nine of its customers that had been sued by petitioner. Pet. App. 2a-3a. Adobe alleged that the infringement suits violated the terms of the licensing agreement and covenant not to sue. *Id.* at 3a. And Adobe sought damages in the form of the attorneys' fees it expended defending the rights of its customers. *Id.* Petitioner filed answers in eight of the cases, and was eventually sanctioned with a small attorneys' fees award for failure to timely file an answer in the ninth case. *See* CAJA116. About two months later, petitioner voluntarily dismissed all nine infringement suits. Pet. App. 3a. Adobe's breach of contract claim remained.

c. In August 2015, Adobe moved for attorneys' fees under 35 U.S.C. § 285 and sanctions under

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[1] Citations to "CAJA" refer to the Joint Appendix filed below in *Princeton Digital Image Corp. v. Office Depot Inc.*, No. 17-2597 (Fed. Cir. Apr. 10, 2018), ECF No. 62.

Federal Rule of Civil Procedure 11. The district court found it troubling that petitioner "contracted to license Adobe and Adobe's customers," and "then decided to sue some of those very customers." CAJA33. The court also found that petitioner's "counsel did not learn of the Adobe License prior to filing suit," "did not undertake any independent investigation," and generally made "minimal efforts (both pre and post suit) to develop facts related to infringement." CAJA27-28, 33. The court further found it "hard-to-believe" that petitioner had "no intent to accuse any licensed conduct of infringement." CAJA40. And the court agreed that these findings made petitioner's conduct "exceptional" under 35 U.S.C. § 285. *Id.* The district court nevertheless denied Adobe's request for both fees and sanctions. CAJA37.

d. In August 2017, the district court denied petitioner summary judgment on Adobe's breach of contract claim. CAJA70. But the court also held that, at trial, Adobe's damages would be limited to "defense fees," which the court defined as only those fees Adobe "incurred in defending [its customers] from [petitioner's] infringement suit." CAJA64. The court held that Adobe could not recover "any attorney fees [it] incurred in the affirmative breach-of-contract suit." *Id.*

In response, Adobe submitted a supplemental expert report that calculated "defense fees" (as it understood that phrase) to include the fees expended up until the time the claims against the last of its customers who requested indemnification were dismissed. CAJA4261-68. As Adobe explained, while its customers remained defendants in the patent infringement actions, all of the fees it expended were

necessarily in service of ensuring that the claims against them were dismissed. *Id.* The district court disagreed and struck the report because, in the court's view, it did not adequately "separate Adobe's defense fees from its affirmative fees." CAJA82. The court demanded that Adobe submit a new report with a "purely defensive" number. CAJA86-87.

Adobe tried again. This time Adobe submitted a supplemental report in which it went line by line through its bills in an attempt to isolate these "purely defensive" fees, and explained that all of the fees so isolated were "inextricably intertwined" with the defense of its customers. CAJA5059-64. But, on the morning of trial, the district court struck that report too. CAJA5203-05. The court explained that, while it believed "that some amount of Adobe's legal fees are purely defensive," the latest report still had not separated out such fees. CAJA5205. The court did not identify what "purely defensive" fees might be. Nor did it give any guidance as to how Adobe could distinguish "purely defensive" fees from so-called "affirmative fees" which were "inextricably intertwined" with "purely defensive fees." CAJA5203-05.

Adobe concluded that, under the district court's construction of the law requiring it to separate "purely defensive" fees from fees "inextricably intertwined" with defensive fees, it could not identify any fees that fell exclusively into the former category. This meant that, under the district court's legal rulings, Adobe could not meet its burden to prove the damages element of its breach of contract claim. Adobe thus concluded that it would be subject to judgment as a matter of law if it went to trial.

e. Recognizing that it would be legally unable to prove its claim at trial, Adobe agreed to a stipulated judgment that expressly reserved its right to appeal. So did petitioner, who also wished to appeal certain rulings related to attorneys' fees. Petitioner told the district court that the "appropriate method of handling" the situation would be "similar to the situations in patent cases where . . . [the court] renders a claim construction ruling [and] the other side concedes it can't prove infringement on th[at] basis . . . and so judgment is entered . . . without prejudice to" appealing the court's earlier ruling. CAJA5227. And petitioner took the position that "judgment for [it] is appropriate, and then [Adobe] can appeal from that." *Id.*

Petitioner also drafted the stipulated judgment that the district court ultimately entered. The final judgment stated that Adobe had "advised the Court that judgment is in order from which Adobe can take appeal"; that "Adobe's request for entry of final judgment is GRANTED, without prejudice to Adobe's ability to appeal"; and that "Adobe and [petitioner] expressly reserve the right to appeal from this judgment, including any interlocutory orders of the Court." CAJA108 (petitioner's draft judgment); Pet. App. 29a-30a (court-entered judgment).

3. As the parties had agreed, Adobe appealed. On appeal, Adobe challenged the district court's legal ruling that rendered it unable to prove the damages element of its contract claim, as well as the court's denial of attorneys' fees under 35 U.S.C. § 285 and Rule 11 sanctions. Petitioner, in turn, filed a cross-appeal of its attorneys' fees sanction. CAJA116, 164.

a. For the first time on appeal, and contrary to its statements in the district court and the judgment it

drafted, petitioner argued that the appeal was improper because there was no final appealable order. Specifically, petitioner argued that, under this Court's decision in *Microsoft Corp. v. Baker*, 137 S. Ct. 1702 (2017), stipulating to an adverse judgment "could not 'transform a tentative interlocutory order . . . into a final judgment within the meaning of [28 U.S.C. § 1295]'" and that, accordingly, the Federal Circuit lacked jurisdiction. Opening and Response Br. 29, *Princeton Digital Image Corp. v. Office Depot Inc.*, No. 17-2597 (Fed. Cir. Jan. 23, 2018), ECF No. 31 ("Cross-Appellant's Br.") (omission in original) (quoting *Microsoft*, 137 S. Ct. at 1715). And, again contrary to what it told the district court, petitioner argued that this appeal was "different" than the appeal of a claim construction ruling because, in the latter context, the court's decision "is dispositive and effectively ends the case," whereas here the district court's rulings "did not preclude Adobe from going forward." *Id.* at 32.

b. The Federal Circuit agreed with petitioner, held that the judgment was not "final" within the meaning of § 1295, and dismissed the appeal for lack of appellate jurisdiction. Pet. App. 15a-17a.

The Federal Circuit acknowledged that a "final decision" has long been defined as "a decision by the district court that 'ends the litigation on the merits and leaves nothing for the court to do but execute the judgment.'" Pet. App. 6a (quoting *Catlin v. United States*, 324 U.S. 229, 233 (1945)). But the court explained that, in *Microsoft*, this Court held that a voluntary dismissal entered into for the purpose of securing appellate review of a class certification order "subverts the final-judgment rule" and thus "does not give rise to a 'final decision.'" *Id.* at 8a (quoting

Microsoft, 137 S. Ct. at 1712-13). The court reasoned that *Microsoft* "extends beyond" the class certification context to any case where a plaintiff stipulates to an adverse judgment in order to obtain review of an otherwise interlocutory decision. *Id.* at 9a. And the court further held that, "unless the district court has conclusively determined . . . that the plaintiff has failed to satisfy a required element of the cause of action, a voluntary dismissal lacks finality." *Id.* at 13a. The court believed that Adobe "could still have proceeded to trial on its breach claim," and held that it "was required to do so to obtain a final decision on the merits that could be appealed." *Id.* at 14a.

The Federal Circuit then briefly addressed Adobe's argument that "the district court's judgment here" should "qualif[y] as a 'final decision' because 'there is no action remaining for the district court to take.'" *Id.* at 15a (quoting Appellant's CAFC Response/Reply Br. 4, ECF No. 42). The court held that, under *Microsoft*, "the fact that [Adobe] 'persuade[d] [the] district court to issue an order purporting to end the litigation' does not create finality." *Id.* (alterations in original) (quoting *Microsoft*, 137 S. Ct. at 1715). Instead, the court explained, "the purported final judgment is ineffective, [and] the district court must treat the case as though final judgment had never been entered." *Id.* In the court's view, there were "further steps remaining for the district court to take," such as "determin[ing] whether [petitioner] breached its license agreement with Adobe, and if so . . . the damages (actual or nominal) to which Adobe is entitled." *Id.* And because there was no effective final judgment, the court reasoned, "the case must

continue until there is a final disposition of the breach claim, at which point there can be an appeal." *Id.*

Based on its determination that there was "no final judgment in the case," the Federal Court held that it also "lacked jurisdiction" to consider Adobe's objections to the district court's denial of attorneys' fees and sanctions, as well as petitioner's cross-appeal, because the challenged orders preceded any final judgment. *Id.* at 15a-17a.

4. On February 22, 2019, petitioner filed an untimely petition for rehearing, which the Federal Circuit denied. *Princeton Digital Image Corp. v. Office Depot Inc.*, No. 17-2597 (Fed. Cir.), ECF Nos. 89, 96.

REASONS FOR DENYING THE PETITION

I. THE FIRST QUESTION PRESENTED DOES NOT WARRANT THIS COURT'S REVIEW

Petitioner asks this Court to grant review to decide whether a court of appeals "may vacate a district court's consent final judgment and instruct the district court to revive the case, after dismissing [an] appeal for lack of appellate jurisdiction." Pet. i. Here, the Federal Circuit dismissed the appeal for lack of appellate jurisdiction because it believed that the judgment was not "final" within the meaning of § 1295. Pet. App. 15a-17a. The Federal Circuit then correctly recognized that when a judgment is not "final" there is, by definition, more for the district court to do. That decision does not implicate any conflict among the courts of appeals. And this case is not a suitable vehicle to resolve that question regardless.

A. The Federal Circuit Correctly Recognized The Natural Consequences Of A Dismissal For Lack Of Finality

1. The jurisdictional issue on appeal was whether the final judgment petitioner drafted that expressly reserved Adobe's (and petitioner's) right to appeal was in fact "final" within the meaning of § 1295. As this Court has explained, "a 'final decision'" for purposes of appellate review occurs when there is "no action remaining" for the district court to take. Pet. App. 15a (citation omitted); *see Van Cauwenberghe v. Biard*, 486 U.S. 517, 521-22 (1988). For the first time on appeal, petitioner disputed whether there was a "final judgment within the meaning of § 1295" (*i.e.*, whether there was "action remaining" for the district court to take), and the Federal Circuit ultimately agreed with petitioner's newfound position. That is why the Federal Circuit held that the judgment was "ineffective" and not "final," and why it dismissed for lack of appellate jurisdiction. Pet. App. 15a-17a.

The single paragraph in the decision that petitioner challenges is the necessary, logical, and equitable corollary of that holding. The judgment was deemed "ineffective" and not "final" because the Federal Circuit believed that there *were* "further steps remaining for the district court to take," such as "determin[ing] whether [petitioner] breached its license agreement with Adobe, and if so . . . the damages (actual or nominal) to which Adobe is entitled." Pet. App. 15a. If that were not the case—*i.e.*, if there were no "steps remaining"—then the judgment should have been treated as "final" and the Federal Circuit should have exercised appellate jurisdiction.

Put another way, petitioner cannot have it both ways. Either there was "no action remaining" for the district court to take, in which case the Federal Circuit should not have dismissed the appeal, *or* there was "action remaining" for the district court to take, in which case the Federal Circuit correctly dismissed the appeal but also correctly acknowledged that there were "steps remaining for the district court to take." If petitioner wants to defend the Federal Circuit's jurisdictional ruling, then it has to accept the natural consequences that flow from the dismissal.

2. Petitioner makes no real attempt to explain why there should not be further proceedings in the district court after dismissal on lack of statutory finality grounds. Instead, petitioner relies on a *different* argument: that Adobe's consent to judgment destroyed adversity and rendered any dispute between the parties moot. Pet. 8-11. That distinct argument, which was not addressed by the Federal Circuit, is equally without merit.

Petitioner presents the two arguments—finality under § 1295 and mootness under Article III—as if there were no difference between them. But the consequences of a dismissal for lack of statutory finality is not the same as a dismissal for lack of adversity under Article III. The former deprives only an *appellate* court of jurisdiction (and necessarily contemplates continuing jurisdiction in the district court), while the former deprives the federal courts of jurisdiction altogether. Here, the Federal Circuit did not dismiss the appeal as moot; it dismissed the appeal for lack of finality. The decision says nothing about mootness—indeed, the word "moot" is not in the opinion at all. There is no Federal Circuit holding on

that question, and thus no basis for this Court to grant review.

That the Federal Circuit did not dismiss the appeal on Article III grounds is hardly surprising. For one thing, petitioner did not seriously press a mootness argument on appeal. The sum total of petitioner's briefing on "mootness" was a block quote from *Camesi v. University of Pittsburgh Medical Center,* 729 F.3d 239 (3d Cir. 2013), without any explanation of its relevance.[2] The Federal Circuit understandably appears to have assumed that petitioner was relying solely on the purported lack of finality under this Court's opinion in *Microsoft Corp. v. Baker*, 137 S. Ct. 1702 (2017).

For another, there is simply no merit to petitioner's assertion that the appeal should have been dismissed as moot. Under well-established case law, a stipulated judgment does not moot a case if the plaintiff expressly reserves its right to appeal—as

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[2] The entirety of the discussion regarding mootness in petitioner's brief in the Federal Circuit is as follows:

> The Third Circuit further explained that, having voluntarily obtained an adverse judgment that was unappealable, the appellant's case was gone forever:
>
> > The claims that Appellants dismissed with prejudice are gone forever—they are not reviewable by this Court and may not be recaptured at the district court level. ... As such, Appellants' individual claims are moot.
>
> *Id.* at 247.
>
> The *Baker/Camesi* decisions are fully applicable here.

Cross-Appellant's Br. 30.

Adobe did here. *See* 15A Charles Alan Wright et al., *Federal Practice and Procedure* § 3902 (2d ed., Westlaw 2019) (although those who "have consented to entry of a judgment at times are said to lack standing," "[t]he true principle at work . . . is one of waiver," and "an express agreement reserving the right to appeal will be honored"); *Verzilli v. Flexon, Inc.*, 295 F.3d 421, 423 (3d Cir. 2002) ("Those who have consented to entry of a judgment are sometimes said to lack standing [but when] a party expressly reserves the right to appeal, the appellate court may review the contested issue."); *Downey v. State Farm Fire & Cas. Co.*, 266 F.3d 675, 683 (7th Cir. 2001) ("Almost every circuit that has considered the issue has held that an express reservation of the right to appeal avoids waiver of contested issues that had been resolved earlier in the litigation.").[3] In short, even if the Federal Circuit had considered the issue, there would have been no reason to deem the case moot—either on appeal or on remand to the district court.[4]

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[3] *See also, e.g.*, *Coughlin v. Regan*, 768 F.2d 468, 470 (1st Cir. 1985); *Cohen v. Virginia Elec. & Power Co.*, 788 F.2d 247, 249 (4th Cir. 1986); *Slaven v. American Trading Transp. Co.*, 146 F.3d 1066, 1070 (9th Cir. 1998); *Mock v. T.G. & Y. Stores Co.*, 971 F.2d 522, 526 (10th Cir. 1992); *Dorse v. Armstrong World Indus., Inc.*, 798 F.2d 1372, 1375 (11th Cir. 1986).

[4] Although petitioner attempts to invoke the concurring opinion in *Microsoft* as a basis upon which the Federal Circuit should have dismissed for lack of Article III jurisdiction (Pet. 15), the only mention of this argument below was in a passing footnote. Cross-Appellant's Br. 29 n.2. The decision below does not discuss (or even cite) *Microsoft*'s concurring opinion. And, in any event, the concurring opinion in *Microsoft* does not address

B. There Is No Circuit Conflict

Petitioner claims that there is a circuit conflict that warrants the Court's review. But it identifies a mere two decisions—one of which petitioner can characterize only as an "implicit" holding (Pet. 13). Neither case conflicts with the Federal Circuit's decision. The disposition here is entirely consistent with the practice in other courts of appeals (including the Third Circuit). And the dearth of case law speaking directly to the question presented further confirms that the Court's review is not warranted.

1. To establish a circuit split, petitioner relies primarily on *Camesi*. But the portion of *Camesi* petitioner cites addresses only the issue of mootness—and, as discussed above, the Federal Circuit's decision contained no holding on (or even mention of) mootness. So there is no actual split.

But there is also no conflict between the result below and the holding in *Camesi*. *Camesi* was a consolidated appeal from two putative collective actions. 729 F.3d at 244. After the district court denied class certification, the named plaintiffs elected to "voluntar[ily] dismiss[] . . . their claims with prejudice in order to secure a final judgment for purposes of appeal." *Id.* (record citation omitted). On appeal, the Third Circuit held that "plaintiffs lack final orders appealable under 28 U.S.C. § 1291." *Id.* at 242.

The court of appeals then considered "an alternative" argument—"namely that, even if [the court] were to find finality, Appellants' voluntary

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whether there is continuing adversity when a party expressly reserves its right to challenge a claim on its merits—as opposed to a collateral issue like class certification. *See infra* 14-15.

relinquishment of their individual claims ha[d] rendered the cases moot." *Id.* at 247. The court stated that although the plaintiffs "apparently believe[d] that reversal of the District Courts' decertification orders on appeal would resurrect their individual claims once again at the district court level," those claims were "gone forever"—they were "not reviewable by this Court and may not be recaptured at the district court level." *Id.*

Camesi thus involved the *total abandonment* of the plaintiffs' individual claims—*i.e.*, the plaintiffs had not challenged any legal ruling relating to the merits of those claims. While the plaintiffs reserved their right to "revive" their individual claims if they prevailed on the collateral question of class certification, they did not reserve the right to appeal any legal ruling relating to the merits. There was thus no point of disagreement (*i.e.*, no adversity) between the parties as to whether the individual claims were valid. *Camesi* holds only that when a putative class representative has totally abandoned their individual claims to pursue appellate review of a class certification order—and has done so *without* reserving the right to appeal the merits of those individual claims—the individual claims are moot. 729 F.3d at 247.

Camesi simply does not apply where, as here, the parties fundamentally disagree (*i.e.*, remain adverse) on the merits of the claims. Indeed, *Camesi* favorably cites the Seventh Circuit's decision in *Fairley v. Andrews*, 578 F.3d 518, 522 (7th Cir. 2009), where the court found that a stipulated judgment did *not* moot the case because the parties continued to contest a matter central to the merits. 729 F.3d at 247. In *Fairley*, the plaintiffs disputed a pre-trial decision by

the district court, "but acknowledged that, given the ruling, they could not prove their case." 578 F.3d at 521. And the district court entered a voluntary dismissal, so that the plaintiffs could "take it all up to the Seventh Circuit." *Id.* On appeal, the defendants argued for a broad rule "bar[ring] appeals from actions terminated" through a voluntary dismissal—but the Seventh Circuit rejected that approach. *Id.* at 522. As the court explained, "[a]cknowledging that a case is hopeless, given a prior ruling (which the party believes to be unsound), is a far cry from abandoning the suit." *Id.*

That *Camesi* did not adopt a categorical rule on mootness is further confirmed by other Third Circuit case law. In *Keefe v. Prudential Property & Casualty Insurance Co.*, the Third Circuit squarely addressed the "appealability of a consent judgment where the party seeking to appeal has made explicit in a stipulation its intent to appeal the . . . judgment." 203 F.3d 218, 223 (3d Cir. 2000). After an adverse ruling on a question of law, the defendant there stipulated to judgment with an express reservation of its right to appeal the adverse ruling. "Adopting th[e] approach" of its "sister circuits," the Third Circuit "held that a party to a consent decree or other judgment entered by consent may appeal from that decree or judgment if it explicitly reserves the right to do so." *Id.* And the court recognized that, in light of the reservation, "the parties remain adverse and . . . th[e] appeal presents a genuine case or controversy under Article III of the Constitution." *Id.* at 220. The Third Circuit later re-affirmed that holding in *Verzilli*. *See* 295 F.3d at 421.

Nothing in *Camesi* suggests that it was creating an intra-circuit conflict. Nor would such a conflict warrant this Court's review.

2. There is likewise no conflict with any "implicit" holding in *Keena v. Groupon, Inc.*, 886 F.3d 360 (4th Cir. 2018). There, a plaintiff voluntarily dismissed her claims in order to secure an appeal of the district court's interlocutory ruling enforcing an arbitration agreement. The Fourth Circuit held that "the Dismissal Order secured by [the plaintiff] is not an appealable final decision under 28 U.S.C. § 1291," and "[a]ppellate jurisdiction is therefore lacking." *Id.* at 365.

Petitioner claims a conflict based solely on the fact that the Fourth Circuit did not discuss whether the plaintiff's consent to judgment foreclosed "further action in the district court." Pet. 13. Aside from the illusory nature of the purported "conflict," the discussion petitioner says was missing would have made no sense. The district court had already issued an order to compel arbitration. Hence, any "further action" would have occurred in arbitration, not in the district court. And whether the stipulated judgment would have precluded the plaintiff's claims in arbitration is (unsurprisingly) not an issue the Fourth Circuit addressed.

3. Far from creating a conflict, the challenged paragraph in the Federal Circuit's decision is entirely consistent with the practice in other circuits. That is, when a court of appeals concludes that it lacks appellate jurisdiction because the judgment is not "final," the case often goes back to the district court for further proceedings.

For example, in *Board of Trustees of Plumbers, Pipe Fitters & Mechanical Equipment Service, Local Union No. 392 v. Humbert*, the parties entered into a "Stipulated Judgment Order," but "agree[d] to the entry of . . . judgment for the sole purpose of

proceeding with the appeal." 884 F.3d 624, 625 (6th Cir. 2018). The Sixth Circuit dismissed the appeal for lack of jurisdiction, holding that the stipulated judgment was "not final." *Id.* at 626. But the Sixth Circuit's order dismissing for lack of appellate jurisdiction did not foreclose the parties from continuing the case on remand—which they did, and then appealed again after final judgment. *See Bd. of Trustees of the Cincinnati Plumbing & Pipe Fitting Indus. Promotion Tr. Fund v. Humbert*, 768 F. App'x 317, 318 (6th Cir. 2019) ("Our court dismissed those appeals because at the time the district court's judgment was not yet final. The district court has since entered a final judgment, which Local 392 again appeals and Services cross-appeals." (citation omitted)).

The Seventh Circuit did the same in *Union Oil Co. of California v. John Brown E&C*, 121 F.3d 305, 312 (7th Cir. 1997), and the case continued on remand. *See Union Oil Co. of Cal. v. John Brown E&C*, No. 94 C 4424, 1998 WL 100325, at *1 (N.D. Ill. Feb. 23, 1998) (noting that after the Seventh Circuit's dismissal, "[t]he parties then returned to settlement negotiations and hearings," in addition to motions practice). And while petitioner asserts a conflict with the Third Circuit, there too cases have returned to the district court for further proceedings after being dismissed for lack of a final judgment. *E.g.*, *Verzilli* 295 F.3d at 425 (dismissing for lack of appellate jurisdiction); *Verzilli v. Flexon, Inc.*, No. 2:98-cv-00886-IJS (W.D. Pa. 2002), ECF No. 100 (reopening case, followed by several months of proceedings).

C. This Case Is An Exceptionally Bad Vehicle

This case is also an exceptionally bad vehicle. Not only is there a predicate question that would further complicate the Court's review, there are also independent and case-specific reasons to allow proceedings to continue below.

1. Review in this case would be particularly complicated because the questions presented necessarily rest on the Federal Circuit's determination that the stipulated judgment was not a "final decision" within the meaning of 28 U.S.C. § 1295. Adobe continues to believe that this determination was wrong.[5] And that issue is the logical predicate to the question on which petitioner seeks further review.

This Court should not assess the validity of the Federal Circuit's explication of what remains for the district court, while leaving its ultimate conclusion as to finality untouched. That petitioner spends the first section of its argument explaining why, in its view, the Federal Circuit "properly" applied the logic of *Microsoft* and dismissed Adobe's appeal, confirms as much. Pet. 7-9. As explained above, the Federal Circuit held that there was a no "final decision"

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[5] Unlike in *Microsoft*, Adobe did not abandon its individual claims in order to expedite review of a collateral issue. Adobe recognized that it could not prove an element of its claim under the district court's prior legal rulings. As the Seventh Circuit explained in *Fairley*, "[a]cknowledging that a case is hopeless, given a prior ruling (which the party believes to be unsound), is a far cry from abandoning the suit." 578 F.3d at 522. Nothing in *Microsoft* suggests that a plaintiff must litigate the merits of its claims under a legal ruling that makes recovery impossible.

because it believed there were "steps remaining" for the district court to take. That holding was the predicate for the challenged paragraph, which detailed what those remaining steps in fact were. If there were no such steps, then the Federal Circuit should have deemed the judgment "final" and retained appellate jurisdiction.

An issue "'predicate to an intelligent resolution' of the question presented" is "'fairly included' within [it]." *Caterpillar Inc. v. Lewis*, 519 U.S. 61, 75 n.13 (1996) (citation omitted). Accordingly, if the Court grants review, Adobe intends to argue that, if the stipulated judgment remains effective for purposes of ending proceedings in the district court, it must also be effective for purposes of securing appellate jurisdiction under 28 U.S.C. § 1295. The fact that a discrete question regarding the applicability of *Microsoft* to the non-class setting is enmeshed in review of the questions presented strongly counsels against review.[6]

2. This case is also an unsuitable vehicle because dismissing Adobe's claims in their entirety would have been improper for other, case-specific reasons.

The stipulation to enter final judgment was made jointly by the parties with petitioner's express agreement that appellate review could be sought.

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[6] If the petition is nonetheless granted, the Court should consider adding the following question:

> Whether a court of appeals has appellate jurisdiction when a party consents to judgment because a district court's prior legal holding makes it impossible to prevail on the merits of its claims.

Indeed, petitioner told the district court that, under *its* understanding of the law, a joint stipulation to judgment here would function just like a stipulated judgment following an adverse claim construction ruling—and would permit appellate review. And petitioner actually drafted the stipulated judgment entered by the district court which says—*no less than three times*—that Adobe had a right to appeal. *See* Pet. App. 29a-30a.

On appeal, petitioner suddenly reversed course and argued—for the first time and contrary to its prior statements—that Adobe could not appeal and that the situation was not analogous to an adverse claim construction decision. And if that was not bad enough, petitioner asks this Court to grant review to hold that, not only could Adobe not appeal, it had in fact unwittingly given up its claims "forever." Pet. 5 (citation omitted).

Petitioner makes this argument even though the Federal Circuit's application of *Microsoft* was at the very least debatable, if not flat out wrong. *See supra* note 5; *see also, e.g.*, *Xlear, Inc. v. Focus Nutrition, LLC,* 893 F.3d 1227, 1236 (10th Cir. 2018) (limiting *Microsoft* to the "narrow situation" of dismissals to obtain review of class certification orders). Adobe reasonably believed the stipulated judgment would confer appellate jurisdiction. And so did petitioner—when it was convenient.

In these circumstances, the only equitable result would be to allow for further district court proceedings. *See, e.g.*, *Huey v. Teledyne, Inc.*, 608 F.2d 1234, 1240 (9th Cir. 1979) (remanding so "the district court may reconsider the dismissal" in light of court's holding that parties' consent to judgment did not

permit review of interlocutory order). And those same equities make this Court's intervention unnecessary.

II. THE SECOND QUESTION PRESENTED DOES NOT WARRANT THIS COURT'S REVIEW

The petition also half-heartedly raises a second question about whether a cross-appellant may proceed with its appeal even when an appellate court has held that there is no "final" decision within the meaning of § 1295. Review of this question is also unwarranted.

This Court does not generally grant review to decide issues of first impression. *See Adarand Constructors, Inc. v. Mineta*, 534 U.S. 103, 110 (2001) (this is not a Court of "first view" (citation omitted)). Yet, petitioner asks the Court to do just that. It does not identify a single case where a court has permitted a cross-appeal to go forward while dismissing the primary appeal for lack of statutory finality. Indeed, petitioner's cursory discussion of this question cites no authority whatsoever.

On the merits, petitioner's position is internally inconsistent and difficult to follow. Petitioner seems to argue that the stipulated judgment is "final" enough for its cross-appeal, but not for Adobe's primary appeal. But both parties agreed to end proceedings in the district court, stipulate to judgment, and reserve their respective right to appeal interlocutory orders with which they disagreed. There is no basis to conclude that Adobe's consent to final judgment barred its appeal from the district court's prior rulings, but petitioner's identical consent did not bar its cross-appeal.

Petitioner's only attempt to explain the inconsistency is to say that attorneys' fees are different because they are "entirely collateral" to the merits. Pet. 15. But Adobe *also* appealed an attorneys' fees issue that the Federal Circuit chose not to review. If petitioner's cross-appeal should have survived despite the Federal Circuit's conclusion that the judgment lacked finality, Adobe's attorneys' fees appeal should have as well.[7]

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

MELISSA ARBUS SHERRY
Counsel of Record
TARA D. ELLIOTT
SAMIR DEGER-SEN
LATHAM & WATKINS LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004
(202) 637-2200
melissa.sherry@lw.com

Counsel for Respondent Adobe Inc.

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[7] If this Court denies review, petitioner will not be left "without any ability to appeal." Pet. i. Like Adobe, it will just have to wait until the district court enters what the Federal Circuit deems an effective final judgment.