

No. 18-495

In The
Supreme Court of the United States

—◆—
MORRIS & ASSOCIATES, INC.,

Petitioner,

v.

JOHN BEAN TECHNOLOGIES CORPORATION,

Respondent.

—◆—
**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

In this patent infringement case, the Federal Circuit considered the equitable estoppel defense of Morris & Associates, Inc. (“Morris”). That defense arose in an unprecedented factual setting involving a letter that Morris sent to John Bean Technologies Corporation (“John Bean”) shortly after issuance of the patent, the claims of which were later narrowed through reexamination. Applying established law governing reexamined patent claims and the element of equitable estoppel to those unprecedented facts, the Federal Circuit held that Morris could not have been misled about claims that did not exist at the time of the allegedly misleading conduct and thus could not establish the misleading conduct element of equitable estoppel. The Federal Circuit thus reversed the district court’s ruling that equitable estoppel applied and established that Morris never had an implied license.

The questions presented are:

1. Whether the Federal Circuit correctly applied the misleading conduct prong of the equitable estoppel analysis to determine that Morris could not have been misled about patent claims that did not exist at the time of the allegedly misleading act.
2. Whether the Federal Circuit had discretion to consider and decide an issue *sua sponte* on appeal when Morris had notice of the issue and an opportunity to respond to it.

CORPORATE DISCLOSURE STATEMENT

As required by Sup. Ct. R. 29.6, John Bean Technologies Corporation certifies that it has no parent corporation and that no publicly held company owns 10% or more of its stock.

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INTRODUCTION

This patent infringement case involves a narrow, unanimous decision by the Federal Circuit applying the misleading conduct element of the equitable estoppel defense to an unprecedented set of facts. The Federal Circuit considered Morris’s assertion of the defense based on John Bean Technologies Corporation’s (“John Bean”) silence following its receipt of a demand letter from Morris shortly after issuance of the ’622 patent to John Bean in 2002. John Bean later sought *ex parte* reexamination of the patent, and a reexamination certificate issued that substantially amended the two original claims of the ’622 patent and added six additional claims. Applying the misleading conduct prong of the defense in the context of patent reexamination law, the Federal Circuit held that John Bean could not have engaged in misleading conduct related to the claims that did not exist at the time of Morris’s demand letter, meaning that John Bean could not have misled Morris.

The Federal Circuit narrowly limited its holding to the particular facts of this case, which it found to be unprecedented and “unusual.” The Federal Circuit noted that “we have no precedent that presents this factual scenario and provides a clear solution,” and Morris has cited no similar cases in its petition. Given the lack of controlling precedent on the issue, the decision of the Federal Circuit does not conflict with any holding of this Court or any other court. Morris thus seeks error correction of a limited, splitless holding

applied to a unique factual scenario. Morris's first question presented does not warrant the Court's review.

Nor does Morris's second question warrant the Court's review. The Federal Circuit's raising of the reexamination issue *sua sponte* might be unusual, but this Court has long recognized that appellate courts may consider arguments for the first time on appeal. Nor did the Federal Circuit deny Morris due process because Morris had both notice and an opportunity to be heard. The Federal Circuit's exercise of its discretion is not a suitable vehicle for certiorari.

Morris has shown no basis for certiorari, so the Court should deny the petition.



STATEMENT OF THE CASE

I. Factual background

Poultry chillers have a role in processing poultry for human consumption, ensuring compliance with United States Department of Agriculture requirements that poultry producers chill eviscerated poultry carcasses to below 40° F within four hours to eliminate bacterial contamination. CA App.48, ¶ 5. Poultry processors typically perform that task with an auger-type chiller, a machine that has a spiral auger mounted in a tank of chilled water to move poultry carcasses through the water, chilling them in the process. CA App.48, ¶ 5.

Before John Bean's¹ development of the auger chiller covered by the patent at issue, the industry standard for auger-type chillers was an auger mounted in a U-shaped tank with a curved bottom and vertical side walls. CA App.48, ¶ 6. The conventional design was limited in its ability to maximize both product capacity in the chiller and the cooling capacity of the chiller. CA App.49, ¶ 7. Recognizing this drawback, John Bean developed an improved chiller that maximized both product and cooling capacity by using a semi-cylindrical tank instead of a conventional U-shaped tank. CA App.48–52.

John Bean's innovation resulted in U.S. Patent No. 6,397,622 (the "622 patent") directed to an auger-type chiller that includes a tank having side walls that correspond to the shape of the auger in the chiller. CA App.47, 52, 56. The '622 patent was issued on June 4, 2002. CA App.52.

John Bean and Morris are essentially the only competitors in the United States market for poultry chillers. CA App.48, ¶¶ 4–5. As the only competitors in this market, John Bean and Morris share the same customers and directly compete for every poultry chiller sale. CA App.48, ¶ 4. The poultry chiller market has long operated in this fashion, and John Bean and Morris had various disputes over the years. CA App.48, ¶ 4; 235–249.

¹ The patent was issued to John Bean's predecessor in interest, Cooling & Applied Technology ("CAT"). For the sake of simplicity, this brief's references to John Bean include CAT.

Twenty-three days after issuance of the '622 patent, George Thomas, an attorney for Morris, sent a letter to John Bean through its attorney about the '622 patent. CA App.263. In the letter, Thomas stated that Morris “reports that its customers have been contacted by representatives” of John Bean who “have asserted to the customers that the equipment being sold by Morris infringes [the '622 patent] recently issued to” John Bean. *Id.* Thomas then asserted “that the claims of the patent are not valid” and ended the letter by threatening “a suit for unfair competition” if John Bean made any more statements about the infringement of the '622 patent. CA App.266.

John Bean disputes the factual details underlying Thomas’s June 2002 letter. Morris identified Wayne Farms, a company in Alabama, as the customer at issue. CA App.345, 452–455. Morris also identified Geoff Tipton, a John Bean sales representative, as the employee who allegedly made the statements referenced in the letter. CA App.345. But Tipton denied having the conversations alleged in the June 2002 letter at any time, much less during the three weeks between the issue date of the '622 patent and the sending of the letter. CA App.471, ¶ 7. And John Bean’s sale at issue to Wayne Farms took place in May 2001, more than a year before issuance of the '622 patent, not in the following days as claimed by Morris. CA App.471, ¶¶ 9–12. John Bean’s corporate representative denied that the statement in the June 2002 letter about Morris’s customers and allegations of infringement was true. CA App.577.

John Bean did not respond to the June 2002 letter. CA App.279. The lack of a response did not affect Morris, though, because it believed, as stated in its letter, that the '622 patent was invalid. CA App.263. Morris confirmed that belief through its corporate representative and its discovery responses. CA App.491–492, 496–497. Morris also “felt like our design was completely different,” that it was “sincerely unique.” CA App.488. Morris’s President testified that “there’s nothing we would build that we think someone has a patent on,” and Morris’s chief engineer testified that he concluded that Morris did not infringe the patent. CA App.512, 592–593.

Consistent with its beliefs that the '622 patent was invalid and that its product did not infringe the patent, Morris made improvements and continued to sell its chillers—and would have done so even if John Bean had responded to the June 2002 letter. Terry Wright, the President of the Poultry Division at Morris, testified that Morris did not wait on a response from John Bean when it invested in its auger chiller. CA App.467. When asked “did you make those improvements because John Bean never responded, or would you have made those improvements anyway?” Wright responded, “we would have made them anyway. We’re always after the best product.” *Id.*

II. Procedural history

In 2013, John Bean voluntarily filed a request for *ex parte* reexamination of the '622 patent with

the United States Patent and Trademark Office (“USPTO”). CA App.53. During that proceeding, John Bean amended claim 1 of the ’622 patent and added claims 3–8. CA App.53. At the end of that proceeding, the USPTO issued an *Ex Parte* Reexamination Certificate on May 9, 2014. CA App.53, 64. The Reexamination Certificate issued with claims 1–8. CA App.53, 66–67. John Bean filed its complaint in the district court a little more than a month later, alleging that since the issuance of the reexamination certificate, Morris had been directly infringing the ’622 patent by making, marketing, and selling chillers that “include all the features recited in the claims of the ’622 Patent.” CA App.31, ¶ 12. John Bean later amended its complaint to assert claims for direct infringement, induced infringement, and willful infringement since the service of the original complaint. CA App.140–145. In its answer to the amended complaint, Morris asserted the affirmative defense of equitable estoppel. CA App.196.

After the parties engaged in discovery and claim construction, the district court issued a letter order to the parties in which it asked if the equitable estoppel defense would dispose of John Bean’s claims and instructed the parties to submit a briefing schedule if they agreed that the defense would be dispositive. CA App.219. After the parties conveyed their agreement that the equitable estoppel defense might prove dispositive, the district court directed the parties to brief the issue as a summary judgment motion. CA App.229.

The district court granted Morris's motion for summary judgment. CA App.2. The district court rejected John Bean's argument that the June 2002 letter was hearsay and effectively accepted as true the statement in the letter that CAT had claimed that Morris was infringing the '622 patent. CA App.7. The district court therefore concluded that John Bean, "by June 2002," "knew that defendant was selling a product that [John Bean] believes infringed on their '622 patent" and that not pursuing a claim for 12 years was "evidence of misleading conduct." CA App.7–8. The district court thus found misleading conduct based on John Bean's not responding to a single letter from Morris and without competent, admissible evidence showing that CAT ever threatened enforcement of its patent in 2002. *Id.* The district court did not address whether there was a genuine issue of material fact on the misleading conduct element of equitable estoppel based on John Bean's denial of the factual allegations in the June 2002 letter. *Id.*

Nor did the district court consider whether there was a genuine issue of material fact on the second element of equitable estoppel, Morris's reliance. Both evidence that Morris did not change course because John Bean did not respond to the June 2002 letter and a lack of contemporaneous evidence of Morris's reliance demonstrated a genuine issue of material fact on reliance. CA App.9. But the district court ignored the genuine issue of material fact and concluded that Morris "reasonably concluded that [John Bean] either agreed that the patent was invalid or did not intend to enforce

its rights under the patent” because John Bean did not respond to the June 2002 letter. CA App.9–10.

On the third element, material prejudice, the district court adopted its analysis of prejudice as it pertained to laches. CA App.10. The district court credited some testimony of Morris employees while disregarding their other testimony that they did not act based on the lack of a response and that they believed the patent to be invalid. CA App.5. The district court also determined without substantial analysis of the issue that “the record does reveal faded memories regarding whether [John Bean] ever told [Morris’s] potential customer’s [sic] that [Morris’s] product infringed on [John Bean’s] patent.” CA App.5. That conclusion ignored the testimony of the John Bean employee who allegedly made the statement that the incident never happened. CA App.5, 471.

After concluding that the evidence presented no genuine issues of material fact on the three elements of equitable estoppel, the district court did not consider the equities to determine whether Morris engaged in misconduct that precludes the defense of equitable estoppel. CA App.10. John Bean presented evidence showing willful infringement on the part of Morris. CA App.404–405. Having found that Morris established the elements of the defense, the district court granted summary judgment on equitable estoppel. CA App.10.

John Bean appealed the judgment to the Federal Circuit, arguing that genuine issues of material fact remained on each of the essential elements of the

equitable estoppel defense and that the district court had abused its discretion by failing to consider the equities between the parties. At oral argument, the Federal Circuit raised a question not presented in the briefs—whether the reexamination of the '622 patent had any effect on application of the elements of equitable estoppel—and asked counsel for both parties to address the issue. Counsel for Morris suggested the possibility of supplemental briefing on the subject at least twice during oral argument, but never took the opportunity to submit any briefing or other authority on the issue.

The Federal Circuit unanimously reversed the summary judgment for Morris based on the reexamination issue that the Federal Circuit broached at oral argument. In its opinion, the Federal Circuit did not consider or rule on the arguments that John Bean made in favor of reversal.² The Federal Circuit instead focused on the effect of the reexamination, beginning its analysis by describing “the unusual situation where

² In this regard, Morris’s petition makes several incorrect statements to the effect that the Court of Appeals “did not question or reverse the District Court’s holding that equitable estoppel was established without regard to the reexamination proceedings, thereby giving Morris an implied license under the '622 patent” that still stands. Pet.13. The Court of Appeals reversed the District Court’s ruling, holding that equitable estoppel was never established in the first place because John Bean could not have engaged in misleading conduct regarding claims that did not exist at the time the allegedly misleading conduct occurred. Pet.App.13a. The Federal Circuit has never ruled on John Bean’s arguments that the district court erred in applying equitable estoppel under these facts.

the district court has found that equitable estoppel bars an infringement action based on activity prior to the issuance of the asserted reexamination claims.” Pet.App.9a–10a. The Court continued to state that “we have no precedent that presents this factual scenario and provides a clear solution.” Pet.App.10a. Lacking specific precedent, the Federal Circuit looked to “the principles undergirding the issuance of reexamination claims.” *Id.*

Applying those principles to the unprecedented facts of the case, the Federal Circuit reversed the district court’s finding of equitable estoppel. Morris’s allegation of misleading conduct was based on the 2002 letter, but John Bean could not have misled Morris about the claims at issue because “the asserted claims did not exist at, or were substantively altered since, the time Morris sent John Bean the Demand Letter.” Pet.App.12a. The Federal Circuit therefore held “that equitable estoppel cannot apply based on the 2002 Demand Letter challenging the validity of the original claims.” Pet.App.13a. Morris never had an implied license because equitable estoppel did not apply on these facts.

The Federal Circuit emphasized the narrow nature of its holding, which was limited to “the circumstances present here.” Pet.App.10a. The Federal Circuit later explained that “there may be other cases where the reexamined claims contain fewer amendments and narrower added claims such that the reexamined claims do not differ in scope from the original

claims” that would not implicate the concerns present here. Pet.App.12a.

Morris petitioned the Federal Circuit for panel rehearing and rehearing *en banc*, arguing that the decision conflicted with case law involving licenses and that the Federal Circuit’s *sua sponte* invocation of the reexamination issue deprived it of due process. After the Federal Circuit invited John Bean to file a response to the petitions, both petitions were denied without dissent.



REASONS FOR DENYING THE PETITION

- I. **The Federal Circuit’s application of the elements of equitable estoppel to this case does not conflict with precedent of this Court, is limited to the facts of this case, and was ultimately correct.**

Morris asks the Court to review a narrow decision that the Federal Circuit carefully limited to the “unusual” facts of this case. Morris cannot show any genuine division of authority on the Federal Circuit’s application of the elements of equitable estoppel to those facts because, as Morris concedes several times in its petition, the question was one of first impression. In reaching its decision, the Federal Circuit expressly limited its holding to the unusual facts of this case, making it unlikely that the holding will be applied widely and depriving Morris’s issue of importance. And the Federal Circuit ultimately decided the issue

correctly by applying established principles governing reexamined patent claims and equitable estoppel. This Court's review of Morris's first question presented is not warranted.

A. The decision below does not conflict with any holding of any court.

Morris's petition rests on an illusory conflict between the holding of the Federal Circuit and "this Court's precedent on equitable estoppel, particularly regarding patents." Pet.11. The Federal Circuit made clear that it had "no precedent that presents this factual scenario and provides a clear solution." Pet.App.10a. Morris concedes this point by repeatedly referring to the issue decided by the Federal Circuit as a matter of first impression—including in its questions presented—which necessarily means that no precedent compelled an answer. Pet.ii, 1, 11, 13, 21. The holding of the Federal Circuit therefore cannot conflict with any relevant decisions of this Court because no such decisions exist.

Lacking applicable controlling precedent that contradicts the decision of the Federal Circuit, Morris tries to create a conflict by citing inapplicable cases that this Court decided in 1927, 1895, and 1888 and claiming that the Federal Circuit flouted those cases. But a genuine conflict in authority meriting this Court's review arises only "when it may be said with confidence that two courts have decided the same legal issue in opposite ways, based on their holdings in different

cases with very similar facts” Robert L. Stern, et al., *Supreme Court Practice* § 4.3, at 242 (9th ed. 2007). Because, as Morris concedes, the Federal Circuit decided an issue of first impression, its decision does not conflict on the same legal issue with any of the cases that Morris cites.

The first of those cases, *De Forest Radio Tel. Co. v. United States*, 273 U.S. 236 (1927), does not deal with equitable estoppel or reexamination at all. The Court considered whether AT&T had given an implied license to the United States to make and use certain patented items during World War I, holding that AT&T’s express agreement that it would not interfere with the government’s manufacture of the items constituted a license. *Id.* at 241–42. *De Forest* has nothing to do with either the misleading conduct prong of the equitable estoppel affirmative defense or reexamined patents. The case thus does not control the issue decided by the Federal Circuit and cannot conflict with it.

Nor does *Menendez v. Holt*, 128 U.S. 514 (1888), which Morris cites for the proposition that “estoppel creates ‘a new right in the defendant’” Pet.11 (quoting *Menendez*). *Menendez* is not an estoppel case at all—the Court specifically stated that “there is nothing here in the nature of an estoppel.” *Id.* at 524. Though the case makes a single reference to acquiescence in the context of trademarks, *Menendez* is essentially a laches case that considered “delay in seeking relief” and held that the delay barred “recovery of damages for prior infringement” but did not “destroy the right to prevention of further injury.” *Id.* at 524–25. Morris

also truncates the language it quotes from *Menendez* by removing language showing that the Court was stating a general principle relating to acquiescence and not the holding in the case. The full sentence states, “acquiescence, to avail, must be such as to create a new right in the defendant.” *Id.* at 524 (citation omitted). The decision of the Federal Circuit here does not conflict with *Menendez* and its handling of a laches issue.

The third decision that Morris cites, *Keyes v. Eureka Consol. Min. Co.*, 158 U.S. 150 (1895), decided a pre-merger equity jurisdiction issue, affirming a lower court’s determination that inventors who had been employees of the alleged infringer “were not entitled to any relief resting on grounds of equity, while their remedy at law, then and thereafter, was plain, adequate, and complete.” *Id.* at 153. The language that Morris cites about licenses is therefore *dicta* because the Court decided the case on a jurisdictional basis. Like Morris’s other cited cases, *Keyes* does not control the issue decided by the Federal Circuit.

Morris also incorrectly suggests a conflict by citing *Petrella v. MGM*, 572 U.S. 663 (2014), in which this Court stated in *dicta* that equitable estoppel generally remained available in the copyright context while holding that laches did not bar a copyright infringement claim. Pet.13. Morris quotes the Court’s description of equitable estoppel as occurring “when a copyright owner engages in intentionally misleading representations concerning his abstention from suit, and the alleged infringer detrimentally relies on the

copyright owner's deception, the doctrine of estoppel may bar the copyright owner's claims completely, eliminating all potential remedies." Pet.13 (quoting *Petrella*). But Morris omits the fact that this formulation of equitable estoppel is virtually identical to the one applied by the Federal Circuit here:

The defense consists of three elements: (1) the patentee engages in misleading conduct that leads the accused infringer to reasonably infer that the patentee does not intend to assert its patent against the accused infringer; (2) the accused infringer relies on that conduct; and (3) as a result of that reliance, the accused infringer would be materially prejudiced if the patentee is allowed to proceed with its infringement action.

Pet.App.9a (citation omitted). The Federal Circuit's application of the rule that Morris cites demonstrates that Morris asks the Court for correction of the Federal Circuit's application of a properly stated rule of law, not resolution of a conflict in authority.

Morris also fails to establish a split in authority worthy of this Court's attention by citing cases from the Federal Circuit itself. The court of appeals is the proper forum for reconciling its own internal conflicts. *Wisniewski v. United States*, 353 U.S. 901, 902 (1957); see also John M. Harlan, *Manning the Dikes*, 13 Rec. Ass'n B. City N.Y. 541, 552 (1958) (noting that conflicting decisions within the same court of appeals are "an intramural matter to be resolved by the Court of Appeals itself"). If the Federal Circuit's decision here

conflicts with that court's other decisions, the Federal Circuit can resolve that split when the need arises.

That need is unlikely to arise because Morris has identified no conflict, as the Federal Circuit recognized in denying Morris's petition for rehearing *en banc*. The cases that Morris cites discuss the *effect* of an equitable license after it is established. But the Federal Circuit held that Morris never had a license in the first place because it could not establish the misleading conduct element of equitable estoppel under these facts. Pet.App.12a–13a. The statement in the petition that “Morris’s license stands,” Pet.13, is incorrect because the Federal Circuit reversed the district court’s ruling on equitable estoppel. The Federal Circuit did not reverse in part—the entire judgment of the district court was reversed. Nothing is left of that judgment. *See Butler v. Eaton*, 141 U.S. 240, 244 (1891) (stating that a reversed judgment is “without any validity, force or effect, and ought never to have existed”). Morris never had a license in the first place, and it certainly has no license now. Licensing cases are irrelevant without a license.

Morris also claims a conflict with *Senju Pharm. Co. v. Apotex Inc.*, 746 F.3d 1344 (Fed. Cir. 2014), but that reexamination case did not deal with equitable estoppel. *Senju* is not so broad-reaching as Morris suggests—the Federal Circuit specifically said that it was not examining a question any broader than the particular facts of that case. *See id.* at 1353 (stating that whether a reexamined patent could have materially different claims without violating the rule against

broadening claims in reexamination “is a question about which we need not opine”). Ultimately, *Senju* rejected the plaintiff’s argument that reexamination reinvigorated a claim precluded by res judicata because the plaintiff had failed to show “a material difference” between the original and reexamined claims. *Id.*

The Federal Circuit’s decision here does not conflict with *Senju*. The Federal Circuit did not hold that reexamination gave John Bean’s ’622 patent a broader scope, finding instead that reexamination narrowed the scope. Pet.App.10a. As the Federal Circuit stated in its opinion, “claim narrowing means that the scope of what is and is not an infringing product can change.” Pet.App.10a (citing *Predicate Logic, Inc. v. Distributive Software, Inc.*, 544 F.3d 1298 (Fed. Cir. 2008)). Because the Federal Circuit found that the reexamined claims were substantially and substantively amended by narrowing them, its decision does not conflict with *Senju*’s discussion of broadened claims. Again, Morris quibbles with how the Federal Circuit applied a properly stated rule of law.

Morris ultimately seeks certiorari not because of a conflict in authority but because it disagrees with the way that the Federal Circuit applied the established elements of equitable estoppel to the particular facts of this case. This Court seldom grants certiorari to resolve an alleged “misapplication of a properly stated rule of law.” Sup. Ct. R. 10; *see also City & Cty. of San Francisco v. Sheehan*, 135 S. Ct. 1765, 1780 (2015) (Scalia, J., concurring in part and dissenting in part) (stating that the Court rejects many “uncertworthy

questions” that “have undoubtedly been decided wrongly” because “we are not, and for well over a century have not been, a court of error correction”). Morris’s request for correction of the Federal Circuit’s application of the elements of equitable estoppel to these facts does not merit this Court’s attention.

B. The consciously narrow decision below lacks exceptional importance because it is limited to the unprecedented factual situation of this case.

Because the Federal Circuit carefully limited its holding to the “unusual” facts of this case, the decision below has far less legal or practical significance than Morris suggests. The Federal Circuit emphasized that its holding would not apply to cases with divergent facts. Morris’s fretting that the decision “could obviate equitable estoppel completely and thus eradicate consideration of the equities related to a patentee’s intentional misleading conduct” is thus greatly exaggerated. Pet.19. The Federal Circuit’s decision applies only to future cases involving similar facts, which will almost certainly be few given that this factual scenario has never arisen before now.

The Federal Circuit began its analysis by stating that the “case presents an unusual situation where the district court has found that equitable estoppel bars an infringement action based on activity prior to the issuance of the asserted reexamination claims.” Pet.App.9a–10a. Those “reexamined claims did not

exist in their present form in 2002 at the time Morris sent the Demand Letter to John Bean” because the reexamination narrowed the claims in a “substantial and substantive” way. Pet.App.10a–11a. Those “heavily amended” claims were particularly relevant because Morris’s assertion of equitable estoppel relied only on its June 2002 letter, which attacked the original claims of the patent and asserted their invalidity based on prior art. Pet.App.3a–5a. Given the extensive amendments, Morris’s June 2002 “challenge to the validity of the ’622 patent claims . . . may no longer be accurate.” Pet.App.10a. Because the Federal Circuit found “no precedent that presents this factual scenario and provides a clear solution,” it based its decision on the “principles undergirding the issuance of reexamination claims.” Pet.App.10a.

In applying those principles, the Federal Circuit limited its holding to the “unusual situation” of this case. At the outset, it stated that “*under the circumstances presented here*, we find that the district court abused its discretion in extending equitable estoppel to the reexamined claims.” Pet.App.10a (emphasis added). After the Federal Circuit explained its reasoning, it carefully limited its holding to those circumstances:

There may be other cases where the reexamined claims contain fewer amendments and narrower added claims such that the reexamined claims do not differ in scope from the original claims. In those instances, the asserted claims may possibly be considered

identical for purposes of infringement, and consequently, for purposes of applying equitable estoppel. But that is not the case here.

Pet.App.12a. This careful circumscription of the holding precludes its broad application to future cases—and ensures that equitable estoppel as a defense in patent cases faces no threat of the sort that Morris claims.

Those concerns are speculative at best. Morris cites no cases decided in the seven months since the Federal Circuit issued its decision applying its holding to defeat a defense of equitable estoppel. The explanation for the lack of citation lies in this case's unprecedented factual situation, which is unlikely to recur, and the Federal Circuit's express limitation of its holding to those facts. The limited holding of the Federal Circuit is not a worthy vehicle for certiorari.

C. The decision below correctly applied principles governing patent reexamination and equitable estoppel.

Faced with an unusual factual situation for which no precedent compelled a decision, the Federal Circuit anchored its decision to fundamental principles governing reexamination and equitable estoppel. Pet.App.10a–12a. In reaching that decision, the Federal Circuit correctly situated its analysis within those principles, resolving this case consistently with its consideration of reexamined claims in past cases. This

application of the law was correct and does not merit this Court's review.

The first principle applied by the Federal Circuit establishes that claims amended and issued during reexamination cannot broaden but may narrow the original claims, and narrowing the claims changes the scope of what products infringe the patent. Pet.App.10a. "And when claims are narrowed during reexamination to overcome prior art, as is the case here, any validity analysis of the newly issued claims differs from that of the original broader claims." Pet.App.10a. That different validity analysis means that Morris's 2002 validity challenge "may no longer be accurate" after the reexamination. Pet.App.10a. In fact, narrowing the claims in response to the June 2002 letter would have been an appropriate response. Pet.App.10a.

The second principle is that if the reexamined claims substantively change the original claims, any damages for infringement are limited to the period after the reexamination certificate. Pet.App.10a–11a (citing cases). Indeed, the Federal Circuit has long held that after reexamination, "the original claims are dead," and causes of action based on those dead claims become moot. *Fresenius USA, Inc. v. Baxter International, Inc.*, 721 F.3d 1330, 1338–40 (Fed. Cir. 2013). The amendments to the '622 patent "were both substantial and substantive," and John Bean only sought damages for the period after the reexamination certificate. Pet.App.7a, 11a. Thus, the state of affairs after reexamination was necessarily different than before.

Finally, the Federal Circuit stated that its “resolution of this case is supported by our precedent holding that the defense of equitable estoppel does not apply to pending claims during the examination of a patent application.” Pet.App.12a (citing *Radio Sys. Corp. v. Lolor*, 709 F.3d 1124 (Fed. Cir. 2013)). That precedent establishes that “claims that have not issued cannot be asserted, and therefore no misleading conduct or silence could be present.” Pet.App.12a (citing *Radio Sys.*). Because “the asserted claims did not exist at, or were substantively altered since, the time Morris sent John Bean the Demand Letter, John Bean could not have engaged in misleading conduct or silence with respect to those claims.” Pet.App.12a.

Applying those principles to the facts of the case, the Federal Circuit held “because the 2014 reexamination resulted in substantive amendments that narrowed the original claims’ scope as well as the addition of substantively new claims, we find that equitable estoppel cannot apply based on the 2002 Demand Letter challenging the validity of the original claims.” Pet.App.13a.

Morris tries to distinguish *Radio Systems* based on its facts, Pet.18, but the Federal Circuit never asserted that this case and *Radio Systems* were factually similar. Instead, the Federal Circuit relied on *Radio Systems* for the principle that a party cannot be misled about patent claims that have not yet issued. Pet.App.12a. *Radio Systems* dealt with multiple patents rather than a reexamined patent, but the principle is the same because both cases deal with claims

that did not exist when the defendant claimed to have been misled. That principle is largely one of simple logic: an infringer cannot be misled about claims until they exist.

Morris has presented no compelling reason why that logic does not apply to this case, where John Bean sued Morris only for its post-reexamination infringement and Morris could not have been misled about the claims that emerged from reexamination. Because *Radio Systems* is an equitable estoppel case, the Federal Circuit's application of the principle derived from that case fits this case, which considered whether equitable estoppel was applied correctly.

Though Morris frames its discussion of the Federal Circuit's opinion in broad terms, its actual issue is a narrow request that the Court correct the Federal Circuit's application of correctly stated legal principles to the particular facts of this case. That discussion fails to demonstrate any error, much less an error of sufficient magnitude to warrant this Court's review.

II. The Federal Circuit had discretion to raise and decide an issue *sua sponte*, and Morris had both notice and an opportunity to be heard on the reexamination issue.

Morris's second question presented again seeks error correction, this time asserting that the Court should review the Federal Circuit's exercise of its discretion to raise and decide an issue *sua sponte*. Pet.21. This Court has long recognized that discretion, and the

Federal Circuit’s exercise of it here does not merit this Court’s review. Nor did the Federal Circuit deprive Morris of due process—Morris had notice and an opportunity to be heard. Certiorari on this issue is unwarranted.

A. The Federal Circuit’s exercise of its discretion to raise and decide an issue *sua sponte* does not conflict with any authority of this Court.

By selectively citing cases regarding the authority of a federal appellate court to consider issues not raised below, Morris neglects ample case law establishing a court’s discretion to take up issues that it spots in the record. Morris cites *Singleton v. Wulff*, 428 U.S. 106 (1976), for a “general rule,” Pet.21, but the Court made clear in *Singleton* that “we announce no general rule.” *Id.* at 121. The Court instead reaffirmed that the “matter of what questions may be taken up and resolved for the first time on appeal is one left primarily to the discretion of the courts of appeals, to be exercised on the facts of individual cases.” *Id.* The Federal Circuit’s exercise of that discretion here does not conflict with any of this Court’s precedent.

That discretion particularly applies when the issue raised by the court is a legal issue requiring no additional factual development. *See Interactive Gift Exp., Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1344–45 (Fed. Cir. 2001) (discussing when the court might take up an issue for the first time on appeal). The Court may

also take up legal theories that the parties have not specifically argued: “When an issue or claim is properly before the court, the court is not limited to the particular legal theories advanced by the parties, but rather retains the independent power to identify and apply the proper construction of governing law.” *Kamen v. Kemper Fin. Servs., Inc.*, 500 U.S. 90, 99 (1991).

The Federal Circuit’s ruling on the effect of reexamination on equitable estoppel was a legal determination. That legal determination was based on undisputed facts regarding the content of the original claims of the ’622 patent, the content of the June 2002 letter addressing those original claims, and the content of the amended claims following reexamination. The Federal Circuit had discretion to consider that issue, and Morris seeks error correction by asking the Court to review that exercise of discretion. This Court’s review is unwarranted.

B. Morris received due process because it had both notice and an opportunity to be heard.

Morris received due process because it had both notice of the reexamination issue and an opportunity to be heard, which is all that due process requires. *Cleveland Bd. of Educ. v. Loudermill*, 470 U.S. 532, 542 (1985). Those minimal requirements need not take any particular form because “due process is flexible” and requires only “such procedural protections as the particular situation demands.” *Jennings v. Rodriguez*, 138

S. Ct. 830, 852 (2018) (quoting *Morrissey v. Brewer*, 408 U.S. 471, 481 (1972)). The circumstances of this case show that Morris received both notice and an opportunity to be heard.

Morris claims that it “never had notice that this issue was going to be considered on appeal,” but it forgets that the Federal Circuit raised the reexamination issue several times at oral argument in questions to both parties. Counsel for John Bean conceded that it had not raised the issue, but the Federal Circuit continued to ask questions on the issue, particularly during Morris’s argument. Those questions provided ample notice that the issue was in play. Notice satisfying due process need not take any particular form—it need only be “reasonably certain to inform those affected.” *Dusenbery v. United States*, 534 U.S. 161, 162 (2002) (quoting *Mullane v. Cent. Hanover Bank & Tr. Co.*, 339 U.S. 306 (1950)). Raising the issue at oral argument in questions to counsel was certain to inform Morris that the Federal Circuit was interested in the issue, so Morris received adequate notice.

Morris also had an opportunity to respond to the reexamination issue after it received notice at oral argument. During oral argument, counsel for Morris mentioned the possibility of supplemental briefing on the issue at least twice. *See* Oral Arg. Recording, Fed. Cir. No. 17-1502, at 38:45–38:56 (“if the Court would like supplemental briefing, we’re happy to do that”); 44:00–44:07 (“we’re certainly happy to provide supplemental briefing if the Court thinks that’s an issue that has not been waived at this point”).

Though its counsel immediately contemplated supplemental briefing, Morris never requested it, whether by oral motion at oral argument or by written motion filed after oral argument. Both avenues were available to Morris. *See* Fed. R. App. P. 27 advisory committee's notes (contemplating that a party at oral argument might orally request "permission to submit a supplemental brief on an issue raised by the court for the first time at oral argument"); *Abbott Labs. v. Andrx Pharm., Inc.*, 473 F.3d 1196, 1200 (Fed. Cir. 2007) (noting that the Court "granted Abbott's motion, made after oral argument, requesting leave to provide supplemental briefing"). Fed. R. App. P. 28(j) also provides a mechanism for submitting supplemental authority to the Court that Morris could have used to address the issue. Although Morris had avenues at its disposal to make its arguments, Morris did nothing. But its refusal to avail itself of the opportunity to be heard is not a denial of the opportunity.

Beyond Morris's failure to seek supplemental briefing on the issue, its petition for rehearing was another opportunity to be heard, one of which Morris took full advantage. The availability of a post-decision petition for rehearing provides an adequate opportunity to be heard. *See Lawson v. Dixon*, 25 F.3d 1040, 1994 WL 258629, *4 (4th Cir. June 13, 1994) (unpublished) (stating that the court was "highly disquieted" by the process provided in a state court proceeding but "acknowledg[ing] that the plaintiffs did, eventually, brief the issue of the constitutionality of the videotaping matter on the merit" through rehearing). Morris

had far more than just the opportunity to make its arguments—it made those arguments in its petition for rehearing, and the Federal Circuit rejected them.

Morris received notice at oral argument that the Federal Circuit was considering the reexamination issue, and it had ample opportunity to be heard and ultimately was heard by the Federal Circuit. That notice and opportunity were all that due process required.

◆

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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