No. 18-77
In The

Supreme Court of the United States

ADVANCED VIDEO TECHNOLOGIES LLC,

***Petitioner*,**

v.

HTC CORPORATION, HTC AMERICA, INC., BLACKBERRY, LTD, BLACKBERRY CORPORATION AND MOTOROLA MOBILITY LLC,

Respondents

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

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BRIEF OF DR. ERIC MAIDLA AS AMICUS CURIAE IN SUPPORT OF PETITIONER

Malcolm E. Whittaker
Counsel of Record
Whittaker Law Firm
2341 Glen Haven Boulevard
Houston, Texas 77030
832-434-7157
IPLitigate@aol.com

Counsel for Amicus Curiae Dr. Eric Maidla

TABLE OF CONTENTS

TABLE OF AUTHORITIES PAGE(S)

CASES

STATUTES

RULES

OTHER AUTHORITIES

INTEREST OF AMICUS CURIAE[1]

Amicus Curiae Dr. Eric Maidla is an innovator, inventor, and serial entrepreneur. He earned a Ph.D. in Petroleum Engineering from Louisiana State University ("LSU"). Dr. Maidla has served as a Professor of Petroleum Engineering at LSU and in his native Brazil.

Since earning his Ph.D., Dr. Maidla has founded two intellectual property-based businesses, invented or co-invented 13 separate United States patents, and been awarded the 2018 State Bar of Texas Inventor of the Year. Dr. Maidla has a strong interest in ensuring that patents remain strong and useful business tools to drive innovation, invention, and commerce.

Beyond its interest in this Court construing the Federal Rules of Civil Procedure such that an absent patent co-owner cannot thwart effective enforcement of vested patent rights, *Amicus Curiae* Dr. Eric Maidla has no stake in the parties or in the outcome of the case.

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[1]Pursuant to Rule 37.2 of the Rules of this Court, Petitioner and Respondents have consented to the filing of this brief.

This brief was not written in whole or in part by counsel for any party, and no person or entity other than *Amicus Curiae* and its counsel has made a monetary contribution to the preparation and submission of this brief.

SUMMARY OF THE ARGUMENT

According to Petitioner Advanced Video Technologies, LLC ("Petitioner"), the Summary of the Argument is:

"Did the Federal Circuit properly create an exception to Rule 19 of the Federal Rules of Civil Procedure in patent law, requiring dismissal of a case in which Rule 19 would otherwise mandate joinder of an absent patent owner as an involuntary plaintiff?"

Amicus Curiae respectfully submits that the Petition for Certiorari should also be granted because Petitioner was deprived of its Equal Protection and Due Process Rights and Petitioner's property was taken without just compensation in violation of the Fifth Amendment.

The District Court dismissed Petitioner's patent infringement suit because of the Federal Circuit's unfounded interpretation that a patent case must be dismissed if all of a patent's co-owners do not voluntarily join the patent infringement suit. Phrased differently, the Federal Circuit violated the Due Process and Equal Protection Clauses of the United States Constitution when the Federal Circuit created

a unique "patent owner exception" to Federal Rule of Civil Procedure Rule 19's mandatory joinder provisions. Unlike all other cases concerning property and property rights, the Federal Circuit's "patent owner exception" allows a patent owner to unilaterally refuse to join a suit to enforce a co-owner's patent rights, thereby extinguishing or taking the co-owner's patent rights. The "patent owner exception" strips the Petitioner of its right to enforce its patent and effectively stripped the owners of jointly owned patents of their property rights, such that the party-patent owner can be left with a "zombie" patent that is alive in name only. In this manner, the Federal Circuit has effectively re-written Rule 19 to stripped Petitioner of its property rights in violation of the Due Process, Equal Protection, and Takings Clauses of the United States Constitution. *Amicus Curiae* respectfully submits that the Petition for Certiorari should be granted and the decision of the Court of Appeals reversed.

ARGUMENT

I. A PATENT IS PROPERTY THAT IS PROTECTED BY THE EQUAL PROTECTION AND DUE PROCESS CLAUSES OF THE UNITED STATES CONSTITUTION FOR MORE THAN 200 YEARS

This Court's long-standing precedent holds that a patent is "property."

Chief Justice John Marshall's seminal decision of *Evans v. Jordan,* appears to be the first in an unbroken chain of cases establishing that "patents" are "constitutionally protected property." The early courts hewed to the view that inventors obtain property rights to their inventions not because of patents, but because they have discovered something new, previously unknown to society. A patent *"was vested in the inventor, from the moment of discovery," was an "indefeasible* ***property*** *in the thing discovered," and was being merely "perfected by the patent." Evans v. Jordan*, 8 F. Cas. 872, 873–74 (C.C.D. Va. 1813) (Marshall, Circuit Justice), *aff'd,* 13 U.S. 199 (1815). (emphasis added)

Throughout the 18th, 19th, and 20th Centuries, this Court continued to recognize that "[a] patent is property." *Ex parte Wood,* 22 U.S. (9 Wheat.) 603, 608 (1824) *("The inventor has, during this period [of the life of the patent] a* ***property*** *in his inventions . . . of which the law intended to give him the absolute enjoyment and possession.")* (Story, J.). This Court continued to hold that patents were property in *McClurg v. Kingsland*, 42 U.S. 202 (1843). The *McClurg* Court held that the post-issuance amendments to patent law *"can have no effect to impair the right of* ***property*** *then existing in a patentee, or his assignee, according to the well-established principles of this court."* This Court's line of authority continued with *Gayler v. Wilder,* 51 U.S. 477, 493 (1850) (Taney, C.J.*) ("[T]he discoverer of a new and useful improvement is vested by law with an inchoate right to its exclusive use, which he may perfect and make absolute by proceeding in the manner which the law requires.").* Far from a single decision, this Court repeatedly held that patents were "property." See *Seymour v. McCormick,* 60 U.S. 96, 102 (1856); *Providence Rubber Co. v. Goodyear,* 76 U.S. 788, 798 (1869); *Seymour v. Osborne,* 78 U.S.

516, 533 (1871) *("Inventions secured by letters patent are* ***property*** *in the holder of the patent, and as such are as much entitled to protection as any other* ***property****, consisting of a franchise, during the term for which the franchise or the exclusive right is granted.")*; *Consolidated Fruit - Jar Co. v. Wright*, 94 U.S. (4 Otto) 92, 96 (1876) *("A patent for an invention is as much* ***property*** *as a patent for land.")*; *Cammeyer v. Newton,* 94 U.S. 225, 226 (1876); *James v. Campbell,* 104 U.S. 356, 358 (1882); *United States v. Palmer,* 128 U.S. 262, 271 (1888); *United States v. Am. Bell Tel. Co.,* 128 U.S. 315, 368 (1888); *McCormick Harvesting Mach. Co. v. C. Aultman & Co.,* 169 U.S. 606, 609 (1898); *United States v. Dubilier Condenser Corp.,* 289 U.S. 178, 187 (1933); see also *Hartford Empire Co. v. U.S.,* 323 U.S. 386, 387 (1945*) ("That a patent is* ***property,*** *protected against appropriation both by individuals and by government, has long been settled."); Transparent - Wrap Mach. Corp. v. Stokes & Smith Co.,* 329 U.S. 637, 642 (1947), patent is treated *"a species of property"… "of the same dignity as any other* ***property."*** Id. at 643. The "rule of law is well settled" that patent holders are *"as much entitled to protection*

*as any other **property**, during the term for which the franchise or the exclusive right of privilege is granted."* It is "on the expiration of a patent" that "the right to make the thing formerly covered by the patent becomes public **property**." *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.,* 489 U.S. 141, 152 (1989); *Florida Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank,* 527 U.S. 627, 642 (1999) (holding that patents are property rights secured under the Due Process Clause of the Fourteenth Amendment). *See also Cleveland v. United States,* 531 U.S. 12, 23 (2000) (re-affirming that a patent is protected "property");

> This Court has continued to reaffirm its earlier long-standing holdings since the turn of the 21st century. Justice Kennedy writing for a unanimous Court opined: The patent laws *"promote the Progress of Science and useful Arts" by rewarding innovation with a temporary monopoly. U.S. Const., Art. I, § 8, cl. 8. The monopoly is a **property right**; and like any **property right**, its boundaries should be clear." Festo Corp. v. Shoketsu Kinzoku Kabushiki Co.,* 535 U.S. 722, 730-31 (2002)

(citing *Bonito Boats, Inc. v. Thunder Craft Boats, Inc., supra.* (emphasis added). See also *Eldred v. Ashcroft,* 537 U.S. 186, 239 (2003) (Stevens, J., dissenting) (Congress' plenary power can legislate on patents but it can *"not take away the rights of property in existing patents.")* (citing *McClurg v. Kingsland,* 42 U.S. 202, 206 (1843)).

This Court again reiterated that patents are "property" in *Microsoft Corp. v. i4i Ltd. Partnership*, 564 U.S. 91 (2011), writing: *"[o]nce issued, a patent grants certain exclusive rights to its holder, including the exclusive right to use the invention during the patent's duration."* Id. at 96

Still more recently, this Court's decision in *Horne v. Department of Agriculture,* 135 S. Ct. 2419, 2427 (2015) (a "takings" case) cited to *James v. Campbell., supra,* a patent case decided in 1882, to find that *"[n]othing . . . suggests that personal property was any less protected . . . than real property."*

> The "property right" character of a patent is confirmed in both the Patent Act and in the case law, both of which highlight the hallmark characteristic of property interests as "the right to exclude others." 35 U.S.C. § 154(a)(1).

To emphasis this point, the *Horne* Court re-stated its ruling from *James* as follows: *"[A patent] confers upon the patentee an exclusive* ***property*** *in the patented invention which cannot be appropriated or used by the government itself, without just compensation, any more than it can appropriate or use without compensation land which has been patented to a private purchaser." Id.* at 2427 (quoting *James,* 104 U.S. at 358).

Oil States Energy Services, LLC v. Greene's Energy Group, LLC, 584 U.S. ___ (2018), this Court's most recent decision construing a patentee's 7th Amendment right to a jury trial to determine patent validity, held that *"the determination to grant a patent is 'a matter involving public rights.'"* Slip Opinion, 16-712, p. 8. Later in the opinion, this Court wrote: *"our decision should not be*

misconstrued as suggesting that patents are not property for purposes of the Due Process Clause or the Takings Clause. See, *e.g. Florida Prepaid Postsecondary Ed. Expense Bd. V. College Savings Bank,* 527 U.S. 627, 642 (1999); *James v. Campbell,* 104 U.S. 356, 358 (1882)." *Id*. at 17. Accordingly, *Oil States* did not erode this Court's long-standing holding that a patent is "property." Rather, it found that patent validity could be adjudicated by a "non-Article III tribunal." *Id.* Far from eroding this Court's characterization of patents as "property," this Court's *Oil States* decision reaffirmed its earlier holdings that "patents are property."

Thus, for more than 200 years this Court's patent law jurisprudence has not wavered on two fundamental principles – patents secure property rights; and patents for inventions are protected to the same extent as real property.

Phrased differently, the inventor has exchanged his or her invention, which may be held as a "trade secret" (which may have an infinite duration)

for a patent. Patent holders have a common law property right in a trade secret that they willingly give up in exchange for the property rights secured by a patent. *Ruckelshaus v. Monsanto Co.,* 467 U.S. 986, 1003-04 (1984) (holding a trade secret to be a property right protected by the Takings Clause).

Title 35 (Patents) Confirms That Patents Are Property

> Every patent shall contain … *"a grant to the patentee … of the right to exclude others from making, using, offering for sale, or selling the invention….")* 35 U.S.C. 154(a)(1); This property right characterization is central to the property status and transferability of patents. In 1952, Congress incorporated the property concept into the patent statute, where it remains to this day. See 35 U.S.C. § 261. Section 261 provides that "patents shall have the attributes of personal property." Id. Section 261 has been explained as "codify[ing] the case law reaching back to the early American Republics." Adam Mossoff, Exclusion and Exclusive Use in Patent Law, 22 HARV. J. L. & TECH. 321, 343-45 (2009).

Thus, the plain language of the Title 35 (Patents) confirms that patents are property.

II. THE FEDERAL CIRCUIT HAS UNCONSTITUTIONALLY DEPRIVED PETITIONER OF ITS DUE PROCESS AND EQUAL PROTECTION RIGHTS, AND HAS TAKEN PETITIONER'S PROPERTY WITHOUT JUST COMPENSATION

In relevant part, the 5th Amendment recites:

"No person shall … be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

The Federal Circuit violated the Due Process and Equal Protection Clauses of the United States Constitution when the Federal Circuit effectively re-wrote Federal Rule of Civil Procedure Rule 19 to create a unique "patent owner exception" to ignore Rule 19's mandatory joinder provisions. Unlike all other cases concerning property and property rights, the Federal Circuit's "patent owner exception" allows a non-party patent owner to refuse to join a suit to

enforce a co-owner's patent rights. The "patent owner exception" strips the Petitioner of its right to enforce its patent and effectively stripped the patent owners of their property rights. Thus, the party-patent owner is left with a "zombie" patent that is alive in name only. Accordingly, the Federal Circuit's disregard of Rule 19's mandatory joinder provisions has stripped Petition of its property rights in violation of the Due Process and Equal Protection, and Takings Clauses of the 5th Amendment of the United States Constitution.

Each of the Constitutional Violations will be discussed in turn.

(A) The Federal Circuit's Fed. R.Civ. P. 19 "Patent Owner Exception" is an Equal Protection Violation:

As discussed above, a patent is personal property. Personal property is constitutionally protected. *See Horne, supra.* A patent's sole economic value is the owner's right to "exclude all others" from practicing the claimed invention. 35 U.S.C. 154 (patent grants the right to "exclude all others from making, using, offering for sale or selling the

invention throughout the United States," 35 U.S.C. 154(a)(1)). The Federal Circuit decision below held that a co-owner of a patent has a "substantive right" to impede the right of another co-owner to bring suit to prevent infringement of the jointly owned patent. Thus, without the ability to bring suit to "exclude others," Petitioner is left with a "zombie" patent that has zero economic value. As such, the Petitioner been deprived of rights enjoyed by all other property owners without due process in violation of the 5th Amendment of the United States Constitution.

(B) The Federal Circuit's Fed. R.Civ. P. 19 "Patent Owner Exception" is an Unconstitutional Taking without Payment of Just Compensation:

This Court has opined that it is "long settled" that "a patent is property, protected against appropriation both by individuals and by government" under the Takings Clause. *Hartford Empire Co. v. United States*, 323 U.S. 386, 415 (1945). As discussed above, Petitioner has lost the ability to sue for patent infringement because a co-owner refuses to join the suit. A patent owner that has lost the ability to bring suit to prevent infringement of his

patent has been stripped of the patent's economic value. *Precision Instrument Mfg. Co. v. Automotive Co. U.S. 806, 815-816 (1945).* Thus, the decision below is an unconstitutional taking that violates the 5th Amendment of the United States Constitution.

(C) The Federal Circuit's Fed. R.Civ. P. 19 "Patent Owner Exception" is a Due Process Violation:

This Court has interpreted Due Process requirements of the 5th Amendment as requiring that property only be taken "by the law of the land." *Murray v. Hoboken Land*, 59 U.S. 272, 276 (1856) (A person may only be deprived of his life, liberty, or property in accordance with "the law of the land.") Rule 19 of the Federal Rules of Civil Procedure is a law pursuant to 28 U.S.C. 2072(a). This statute provides that the Supreme Court shall have the power to make general rules for cases in the United States District Courts and Courts of Appeal. This Court exercised that power when it promulgated Rule 19. As such, Federal Rule of Civil Procedure 19 is "a law of the land."

As argued by Petitioner in its brief, *"despite the plain language of Rule 19 and the guidance of the Supreme Court, the Federal Circuit continues to enforce its self-created precedent, which holds that Rule 19 does not always apply to patent case and specifically, the prohibition that patent co-owners cannot be involuntarily joined. STC UNM v. Intel Corp., 754 F.3d 940, 946 (Fed. Cir. 2014). The purported basis for this refusal to apply Rule 19 is that a patent owner has a 'substantive right' to impede a patent infringement lawsuit by another patent [co-]owner."* Petitioner's Brief at p. 7.

Clearly, the Federal Circuit has deprived Petitioner of its Fed.R.Civ.P. 19/28 U.S.C. 2072 right to involuntarily join a patent co-owner. Thus, the Federal Circuit's ruling below violates the Petitioner's Due Process Rights because it violates the plain language of Fed.R.Civ.P. 19.

CONCLUSION

Amicus Curiae respectfully submits that the Petition for Certiorari should also be granted because Petitioner was deprived of its Equal Protection and Due Process Rights and Petitioner's property was taken without just compensation in violation of the Fifth Amendment.

The District Court dismissed Petitioner's patent infringement suit because of the Federal Circuit's unfounded interpretation that a patent case must be dismissed if a patent's co-owner refused to voluntarily join the Petitioner's patent infringement suit. Phrased differently, the Federal Circuit violated the Due Process and Equal Protection Clauses of the United States Constitution when it effectively rewrote Federal Rule of Civil Procedure 19 and created a unique "patent owner exception" that requires district courts to disregard Rule 19's mandatory joinder provisions in patent cases. Unlike all other cases concerning property and property rights, the Federal Circuit's "patent owner exception" allows a patent owner to unilaterally refuse to join a

suit to enforce a co-owner's patent rights. The "patent owner exception" strips the Petitioner of its right to enforce its patent and effectively stripped the owners of jointly owned patents of their property rights. Thus, the party-patent owner can be left with a "zombie" patent that is alive in name only. Therefore, the Federal Circuit has stripped Petitioner of its property rights in violation of the Due Process, Equal Protection, and Takings Clauses of the United States Constitution.

As such, the Petition for Certiorari should be granted and the decision of the Court of Appeals reversed.

Respectfully Submitted,

Malcolm E. Whittaker
Counsel of Record
Whittaker Law Firm
2341 Glen Haven Boulevard
Houston, Texas 77030
832-434-7157
IPLitigate@aol.com
Counsel for *Amicus Curiae* Dr. Eric Maidla