


In the
Supreme Court of the United States



ENPLAS DISPLAY DEVICE CORPORATION,
Petitioner,

v.

SEOUL SEMICONDUCTOR COMPANY, LTD.,
Respondent.

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

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

THE QUESTIONS PRESENTED ARE:

1. Should certiorari be granted to review the Federal Circuit's straightforward application of established precedent on induced infringement to affirm the jury's verdict on a fact-intensive question of intent?

2. If the Court is inclined to grant certiorari to review alleged error on a fact-bound issue, whether a reasonable jury could have concluded that Petitioner induced infringement within the United States?

**RULE 29.6 CORPORATE
DISCLOSURE STATEMENT**

Respondent Seoul Semiconductor Company, Ltd., (“SSC”) is a South Korean company. It has no parent corporation and no publicly held corporation owns 10% or more of its stock.

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BRIEF IN OPPOSITION

Respondent Seoul Semiconductor Company, Ltd. (“SSC”) respectfully requests that this Court deny the petition for a writ of certiorari.



INTRODUCTION

The Court should deny certiorari. Petitioner Enplas asks the Court to reexamine the Federal Circuit’s affirmance of the jury’s verdict that Enplas had knowledge and intent to induce direct infringement in the United States under *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S.Ct. 2060 (2011). But Enplas fails to show that its Petition is anything other than an invitation for this Court to engage in fact-bound error correction.

First, the Federal Circuit did not apply a “known risk” standard in conflict with *Global-Tech*. Instead, the Federal Circuit properly stated the rule of law for induced infringement under this Court’s precedent and expressly rejected a “known risk” standard. Enplas, at best, seeks review of an alleged misapplication of properly stated law, which is generally not a proper basis for certiorari. Sup. Ct. R. 10.

Second, Enplas misstates the factual record in its Question Presented and throughout its Petition. Neither the jury nor the Federal Circuit found that Enplas “knew of, at most, a risk” that its infringing components might enter the United States. Instead, they found

Enplas to have actual knowledge and specific intent to induce acts of direct infringement in the United States. Enplas's substitution of its view of the evidence for the actual finding below creates insurmountable vehicle problems for addressing the Question Presented and again invites this Court to engage in fact-bound error correction before the question can even be reached.

Third, Enplas raises no legitimate issue regarding the presumption against extraterritoriality. Enplas makes no effort to correctly apply the presumption as part of this Court's two-step framework for deciding questions of extraterritoriality for federal statutes. Instead, Enplas uses the presumption merely to dress up its request for fact-bound error correction in the trappings of a question of federal law. No court, including this Court, has used the presumption outside the context of statutory construction to put a thumb on the scale in favor of foreign parties as Enplas urges. And using the presumption to bar consideration of circumstantial evidence involving foreign conduct would be particularly unprecedented, unreasonable, and ill-advised. There is no conflict of law for the Court to resolve. Review is unwarranted.

In sum, the Petition at best seeks review of allegedly "erroneous factual findings or the misapplication of a properly stated rule of law." Sup. Ct. R. 10. Neither is a compelling reason to grant certiorari. Here, those reasons are even less compelling because the jury's verdict was well-supported by the evidence presented at trial. Thus, even if the Court were inclined to grant review to second-guess juries' findings on fact-intensive intent issues, it is not warranted in this case.



COUNTERSTATEMENT OF THE CASE

A. Factual Background

Respondent SSC is a Korean manufacturer of light-emitting diodes (“LEDs”) and “light bars” incorporating these LEDs. App.7a. Light bars are used to backlight flat-screen television displays. The two SSC patents at issue cover methods and devices for backlighting displays using light bars. App.3a.

Petitioner Enplas is a Japanese manufacturer of plastic lenses. App.7a. From November 2010 to June 2011, SSC and Enplas collaborated to develop lenses for light bars. *Id.* SSC told Enplas during this collaboration that SSC’s U.S. patents covered the lenses and light bars. App.7a-8a.

As part of the parties’ collaboration, SSC believed that Enplas would sell the developed light bar lenses only to SSC. App.8a. Contrary to that understanding, Enplas sold the lenses to SSC’s competitors and instructed them to configure their products in a manner that infringed SSC’s light bar patents. App.18a. Enplas eventually obtained 50% of the world-wide market for light bar lenses. App.18a.

SSC suspected Enplas was selling infringing light bar lenses without permission and that these lenses were being included in televisions sold in the United States. To confirm this, SSC purchased and analyzed televisions from retailers in the United States. App.8a. SSC found that those televisions—including major brands such as Samsung and LG—contained infringing

light bars with Enplas's lenses. App.8a. SSC informed Enplas that its lenses were in televisions sold in the United States, that those televisions directly infringed its U.S. patents, and that Enplas was inducing infringement. App.8a. Enplas did not stop selling the identified lenses. C.A.J.A.15526.

B. Procedural History

A month after receiving SSC's letter, Enplas filed an action in the United States District Court for the Northern District of California seeking a declaratory judgment that it did not infringe SSC's patents. App.8a. In that case, SSC accused seven Enplas lens models of infringement. Pet.7. Each of those lenses was found in televisions sold in the United States. *Id.* SSC also alleged that Enplas induced direct infringement in the United States both before and after it received SSC's letter since Enplas continued to sell accused light bar lenses even after being informed that those products were being incorporated into televisions sold in the United States. App.63a.

After a five-day trial, the jury returned a verdict in favor of SSC on all counts, including finding that Enplas had induced infringement of SSC's patents. App.73a-78a. Enplas filed a motion for judgment as a matter of law of no induced infringement, which the district court denied after determining that substantial evidence supported the jury's verdict. App.53a.

On appeal, a Federal Circuit panel affirmed, finding "that the trial record demonstrates that the jury received substantial evidence whereby both Enplas's knowledge and intent to induce infringement could be reasonably found." App.17a. The panel's

decision detailed substantial supporting evidence, including the evidence discussed above in the Factual Background.

The panel expressly addressed Enplas’s argument—repeated in its Petition—that the evidence did not establish that Enplas “knew” its lenses would be incorporated into televisions sold in the United States. The panel agreed “that mere knowledge of possible infringement is not enough” under the law, but found that the specific facts of the case supported the jury’s finding that Enplas had knowledge of and intent to induce infringement:

“We conclude . . . that the evidence in this case, while not overwhelming, provides at least circumstantial evidence that would allow a jury to reasonably find that Enplas had knowledge of the patents and of its customers’ infringing activity and that it intended to induce their infringement.”

App.18a.

Enplas petitioned for a panel rehearing and rehearing en banc, arguing that the panel’s decision (1) misapplied induced infringement law to the facts of the case and (2) conflicted with the presumption against extraterritoriality. Enplas had never previously raised the presumption against extraterritoriality with the district court or Federal Circuit panel. The Federal Circuit denied Enplas’s petition. App.80a-81a.



REASONS FOR DENYING THE PETITION

At best, Enplas seeks review of an alleged error in the Federal Circuit’s application of properly stated inducement law to the specific facts of this case. Sup. Ct. R. 10. Where, as here, both the district court and court of appeals reached the same conclusion on the record, the Court requires “a very obvious and exceptional showing of error.” *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271, 275 (1949); *see also Branti v. Finkel*, 445 U.S. 507, 512 n.6 (1980) (referring to “our settled practice of accepting, absent the most exceptional circumstances, factual determinations in which the district court and the court of appeals have concurred”).

This is not one of those “exceptional” cases. To obtain review of this fact-bound case, the Petition materially misstates the record. Contrary to Enplas’s assertions, the factual record establishes that Enplas had the knowledge and intent to induce infringement in the United States—not merely awareness of a “known risk” as Enplas contends. Accordingly, the instant case does not even provide a proper vehicle to address the question presented by Enplas.

I. THE PETITION PROVIDES NO LEGITIMATE BASIS FOR REVIEW

A. The Petition Seeks Review of a Routine Application of Inducement Law to the Specific Facts of This Case

The Court does not generally “grant a certiorari to review evidence and discuss specific facts.” *United States v. Johnston*, 268 U.S. 220, 227 (1925). Thus, as this Court’s Rule 10 states, “[a] petition for a writ of certiorari is rarely granted when the asserted error [is] . . . the misapplication of a properly stated rule of law.”

To obscure the fact that this case presents nothing more than a jury’s allegedly “erroneous factual finding,” Enplas repeatedly claims that the Federal Circuit applied the incorrect legal standard for induced infringement. In particular, Enplas asserts that the Federal Circuit “expanded the law of induced infringement” to permit a “known risk” or “likelihood” standard. Pet.3-4 (“[T]he Federal Circuit expanded the law of induced infringement in contravention of this Court’s caselaw, which rejects the proposition that a defendant aware of ‘merely a ‘known risk’ that the induced acts are infringing’ can be held liable for inducement.”) (emphasis added); *id.* at 17 (“SSC’s evidence showed, at best, that Enplas was aware of a ‘likelihood that its lenses would end up in the United States.”) (emphasis added).)

The Federal Circuit undeniably set forth the proper legal standard for induced infringement:

Mere knowledge of infringement is insufficient. Liability for inducement “can only

attach if the defendant knew of the patent and knew as well that ‘the induced acts constitute patent infringement.’” *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S.Ct. 1920, 1926 (2015) (quoting *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 766 (2011)); see also *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1305 (Fed. Cir. 2006). “Although the text of § 271(b) makes no mention of intent, we infer that at least some intent is required.” *Global-Tech*, 563 U.S. at 760. Thus, “specific intent and action to induce infringement must be proven.” *DSU Med. Corp.*, 471 F.3d at 1305 (quoting *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1364 (Fed. Cir. 2003)). Unlike direct infringement under 35 U.S.C. § 271(a), which must occur in the United States, liability for induced infringement under § 271(b) can be imposed based on extraterritorial acts, provided that the patentee proves the defendant possessed the requisite knowledge and specific intent to induce direct infringement in the United States. See *Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283, 1302-03 (Fed. Cir. 2012).

App.16a-17a. Critically, the standard recited and applied by the Federal Circuit is precisely the standard that Enplas contends should have been applied. Pet.2 (citing the same *Commil* legal standard). Moreover, the Federal Circuit expressly reaffirmed that it was not applying a “known risk” standard, nor did it hold that “knowledge of possible infringement” was sufficient:

Enplas argues that this evidence does not establish that it knew its lenses would be incorporated in U.S. televisions and that in any event mere knowledge is not enough to establish specific intent. We agree that mere knowledge of possible infringement is not enough. *See DSU Med. Corp.*, 471 F.3d at 1305.

App.18a (emphasis added). In short, the Federal Circuit faithfully applied well-settled precedent regarding the standards for induced infringement. Its decision in this case does not conflict with any other Federal Circuit or Supreme Court decision. The Court has no law-clarifying role to play and should deny certiorari.

Despite the foregoing, Enplas claims “[t]hat standard was not satisfied in this case” and the “evidence showed, at best, that [Enplas] was aware of a likelihood that its [products] would end up in the United States.” Pet.17. Enplas insists that “the panel premised its finding of inducement liability based on nothing more than [Enplas’s] knowledge of a risk—or ‘likelihood’—that [Enplas’s] products might make their way to the United States.” Pet.19. In other words, Enplas contends, in substance, that the Federal Circuit must have misapplied the standard, even if properly stated. This is the quintessential case of a petition that seeks a writ of certiorari based on “asserted error consist[ing] of . . . the misapplication of a properly stated rule of law.” Sup. Ct. R. 10. It should be denied.

B. Enplas Misstates the Factual Record in Its Question Presented

In addition to misstating the record regarding the legal standard applied by the Federal Circuit, Enplas repeatedly misstates the factual record relating to its knowledge of, and intent to induce, infringement in the United States. From the very outset in its “Question Presented,” Enplas asserts that the record reflects that it “knew of, at most, a risk that the components might be incorporated by third parties into infringing products that might be sold by other third parties in the United States.” Pet.i (emphasis added). Later, Enplas again asserts that the question posed here is whether inducement may be found where a foreign defendant supplying components “does not know whether the component will eventually end up in the United States.” Pet.3. These questions are premised on a misstatement of the factual record—specifically, that Enplas did not know that its products were incorporated into infringing products sold in the United States.

After a lengthy trial, the jury in this case found that Enplas knew of and intended to induce infringement in the United States. App.75a-78a. On appeal, the Federal Circuit held that the jury’s verdict was supported by the evidence. App.18a-19a. The jury’s factual findings on that issue—not Enplas’s contentions regarding what the jury should have found—are the actual record before this Court.¹ Certainly, it is

¹ Whether the jury’s factual findings were based on direct and/or circumstantial evidence is irrelevant to this point. However, contrary to Enplas’s assertions, direct evidence of Enplas’s

apparent that Enplas disagrees with the jury's finding and the Federal Circuit's decision, but that amounts to nothing more than asking this Court to revisit allegedly erroneous factual findings by the jury or misapplication of the proper legal standard by the Federal Circuit. Neither is a basis for certiorari.

Regardless, Enplas's misstatement of the factual record in formulating the Question Presented presents an insurmountable vehicle problem. The Court cannot even reach the Question Presented by Enplas—inducement liability for a foreign supplier with no knowledge that its products would end up in the United States—unless it first decides to review a fact-bound issue of knowledge and intent and concludes that the jury and Federal Circuit erred. But addressing that alleged error would likely be case-dispositive in and of itself.

Put another way, if the Court were to determine that the jury and Federal Circuit did not err, it could not reach Enplas's question presented, which relies on a premise (*i.e.*, lack of knowledge) that is counter-factual to the jury's verdict and the Federal Circuit's opinion below. On the other hand, if the Court were to decide that the jury and Federal Circuit erred, that alone would seem to be case-dispositive in view of well-established legal standards for inducement. *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S.Ct. 1920, 1926 (2015). Either way, the fact-bound dispute is dispositive, and this case does not provide a vehicle to address any important question of federal law or

knowledge and intent were presented to the jury and considered by the Federal Circuit. *See infra* at IV.

conflicting legal standard. Accordingly, the petition should be denied.

C. The Petition Raises No Legitimate Issue Relating to the Presumption Against Extraterritoriality

Although the Petition includes a lengthy discussion of the presumption against extraterritoriality, Enplas fails to raise any legitimate issue implicating that canon of statutory construction. At best, Enplas uses the presumption to dress up a request for fact-bound error correction in the trappings of a federal law question. At worst, Enplas employs the presumption without a shred of supporting precedent as a post-hoc justification for discarding unfavorable evidence. None of those arguments presents a legitimate issue that the Court should consider.

1. Enplas Concedes the Law Is Already Clear and “Defensible” That § 271(b) Reaches Foreign Conduct

As Enplas accurately observes, “[t]his Court has established a two-step framework for deciding questions of extraterritoriality” relating to the application of federal statutes. *WesternGeco LLC v. ION Geophysical Corp.*, 138 S.Ct. 2129, 2136 (2018). The first step concerns the application of the canon of statutory construction known as the presumption against extraterritoriality. *RJR Nabisco, Inc. v. European Cmty.*, 136 S.Ct. 2090, 2101 (2016). This “first step asks whether the presumption against extraterritoriality has been rebutted.” *WesternGeco*, 138 S.Ct. at 2136 (internal citations and quotations omitted). If it has, the law has extraterritorial application. If the pre-

sumption has not been rebutted, “the second step of [the] framework asks whether the case involves a domestic application of the statute.” *Id.* (internal citations and quotations omitted). “Courts make this determination by identifying the statute’s focus and asking whether the conduct relevant to that focus occurred in United States territory.” *Id.*

Critically, Enplas declines to seriously analyze the extraterritorial application of § 271(b) under either step of the framework. There is no discussion of the second step of the analysis, and the only portion of the petition that even approaches something like the first-step analysis is relegated to a footnote that does not actually take a position as to whether the presumption is rebutted. Pet.15. n.2. That footnote concludes that “it is not necessary for the Court to reach that question [*i.e.*, whether there is a strict territorial restriction on § 271(b)] to decide this case.” *Id.*

This demonstrates that the Petition uses the presumption against extraterritoriality as mere “window dressing.” It is irrelevant to Enplas’s actual grounds for seeking review, *i.e.*, an allegedly erroneous jury verdict on intent. The only legitimate role for a canon of statutory construction that defaults to domestic application of a statute absent contrary intent is in performing the first step of this Court’s analytical framework for extraterritorial application of a statute. If it is “not necessary for the Court to reach” the question of the territorial application of § 271(b), then the presumption against extraterritoriality has no role in this case at all.

SSC agrees with Enplas that it is not necessary for the Court to reach the question of the territorial

application of § 271(b). As Enplas concedes, the Federal Circuit and this Court (“at least implicitly”) have already decided that extraterritorial conduct is within the scope of § 271(b). Pet.14. And if that concession were not enough to resolve the issue in this case, Enplas concedes that this interpretation of the law “is defensible.” *Id.* Thus, even if the Court were inclined to weigh in on the territorial scope of § 271(b), this case—where the Enplas says it is not necessary to reach the question and views existing law as “defensible”—is not the proper vehicle.

2. Enplas Invokes the Presumption Against Extraterritoriality to Disguise Its Efforts to Obtain Review of Asserted Fact Errors

In truth, Enplas employs the presumption against extraterritoriality to obscure its efforts to obtain review of an allegedly erroneous finding by the jury on the issues of knowledge and intent. As discussed above, Enplas does not dispute that “extraterritorial conduct can form the basis for inducement liability.” Pet.15. However, Enplas notes, consistent with Federal Circuit authority, that extraterritorial conduct can only “serve as the basis for liability *if the foreign party has the requisite knowledge and intent to induce infringement in the United States.*” *Id.* at 14 (internal quotations omitted and emphasis added). According to Enplas, “the word ‘if’ is critical.” *Id.* at 15. And Enplas contends that “if” was not satisfied here because there was no showing of “conduct directed toward the United States.” Pet.15. Enplas then invokes the “presumption of [sic] extraterritoriality” to claim that it “requires that the court scrupulously adhere to *Global-Tech’s* requirement that the defendant

both know and intend that its inducement will lead to infringement in the United States.” Pet.16.

There are three flaws in Enplas’s argument, each independently fatal. *First*, the “presumption of [sic] extraterritoriality” does not “require” anything relating to the standard for induced infringement under *Global-Tech*. The presumption is nothing more than a statutory canon of construction reflecting the understanding that laws have domestic application unless Congress manifests contrary intent. Enplas passed on addressing the only issue where that principle plays a role—whether § 271(b) applies extraterritorially—by (i) stating that the Court need not reach it, (ii) conceding that the Court and the Federal Circuit have already addressed it, and (iii) admitting that the established extraterritorial application of § 271(b) is “defensible.” Having conceded extraterritorial application of § 271(b), Enplas’s efforts to invoke the presumption against extraterritoriality outside that context to require something more, *e.g.*, “scrupulous adherence,”² are legally unsupported and defy the common-sense basis of the presumption in the first instance.

Enplas’s claim that *Microsoft Corp. v. AT&T Corp.* stands for the proposition that the presumption may be employed for some purpose beyond its role as a canon of statutory construction is flawed for the same

² Enplas’s claim that the presumption requires “that the court scrupulously adhere” to the *Global-Tech* standard in some subset of cases is logically suspect. Pet.16. Courts are required to adhere to the appropriate legal standards in all cases. It is nonsense to suggest that cases involving foreign conduct require “scrupulous” adherence to a standard while those involving only domestic conduct require something less.

reason. Pet.11-12. That case ultimately turned on the proper statutory construction of the word “component” appearing in § 271(f)—in particular, “when, or in what form, does software become a ‘component’ under § 271(f)?” *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 449-451 (2007). The Court answered that question without any discussion of, or reference to, the presumption against extraterritoriality. *Id.* Regardless, Enplas argues that the Court’s later comment that “the presumption tugs strongly against [a certain] construction of § 271(f)” illustrates some application beyond statutory construction. Pet.12. It does not.

On its face, the Court’s statement plainly limits the application of the presumption to statutory construction. But statutory construction is irrelevant to Enplas’s arguments here because Enplas does not advocate any construction of any particular portion of § 271(b). In addition, as noted, Enplas abandons any effort to engage in statutory construction by conceding that the extraterritorial reach of § 271(b) is established and “defensible.” Instead, Enplas tries to employ the presumption entirely outside the scope of statutory construction as a “thumb-on-the-scale” in its favor regarding the sufficiency of evidence. Neither *Microsoft* nor any other Supreme Court case supports Enplas’s position. It should be rejected.

Second, Enplas misrepresents the record by suggesting that its conduct was unconnected to the United States. This is yet another instance in which Enplas confuses its contentions with the actual record. As discussed, the jury found the requisite knowledge and intent to induce infringement in the United States.

See supra at I.B. Enplas’s protests that the jury should have found differently do not change that fact.

Third, consistent with the above, Enplas’s argument amounts to nothing more than asserting that the jury erred in finding to the contrary, and in upholding the jury’s verdict, the Federal Circuit must have misapplied the legal standard (even though it was unquestionably properly stated). Enplas makes this crystal clear by devoting five pages of the petition to attacking the sufficiency of the evidence supporting the jury’s verdict in a section called, “[t]he Federal Circuit disregarded . . . the presumption against extraterritoriality.” Pet.17-22. Enplas’s arguments, despite invoking the presumption against extraterritoriality, collapse back into nothing more than reiterating “asserted erroneous factual findings or the misapplication of a properly stated rule of law.” Sup. Ct. R. 10.

3. The Presumption Against Extraterritoriality Does Not Bar Considering Circumstantial Evidence

Finally, Enplas seems to suggest at points that the presumption against extraterritoriality may operate to bar consideration of circumstantial evidence to prove intent under § 271(b). Pet.5 (“Where foreign acts are at issue, there must be direct evidence that (i) those acts were intended to cause specific instances of infringement in the United States and (ii) those specific instances of infringement in fact resulted. Any other conclusion would run afoul of this Court’s extraterritoriality precedents.”) (emphasis added). To

the extent Enplas actually advocates such a rule,³ it is novel, unsupported, ill-advised, unprincipled, and would not even alter the result in this case.

First, Enplas cites no authority for the proposition that the presumption against extraterritoriality may operate to limit the type of evidence admissible to prove a violation of a statute. This is unsurprising as the Supreme Court and the Federal Circuit have never applied the presumption in that fashion. Doing so would risk inconsistencies across all areas of federal law where the presumption could apply. The Court should decline such an invitation not only because it is unsupported, but also because Enplas failed to raise arguments relating to the presumption against extraterritoriality before the district court or the Federal Circuit. Accordingly, the record in this case is insufficiently developed to entertain such a novel application of the presumption.

Second, Enplas's attempt to employ the presumption against extraterritoriality to bar consideration of circumstantial evidence runs contrary to black letter law. Circumstantial evidence may be as good as, or better than, direct evidence. *Desert Palace, Inc. v. Costa*, 539 U.S. 90, 100 (2003) ("The reason for treating circumstantial and direct evidence alike is

³ It is not clear that Enplas actually advocates this position. Other passages in the petition suggest that Enplas only claims the particular circumstantial evidence in this case was insufficient, which again suggests that Enplas is seeking review based on asserted erroneous factual findings, not any issue of federal law. *See, e.g.*, Pet.24 ("The problem with this 'circumstantial evidence' is that it had no connection whatsoever with the United States.") (emphasis in original).

both clear and deep rooted: ‘Circumstantial evidence is not only sufficient, but may also be more certain, satisfying and persuasive than direct evidence.’”), quoting *Rogers v. Missouri Pacific R. Co.*, 352 U.S. 500, 508 n.17 (1957). Indeed, circumstantial evidence is frequently employed on issues of intent—precisely like that presented in the context of § 271(b). *Tinnus Enters., LLC v. Telebrands Corp.*, 846 F.3d 1190, 1204 (Fed. Cir. 2017) (“A patentee is entitled to rely on circumstantial evidence to establish infringement: ‘If [Defendant] is arguing that proof of inducing infringement or direct infringement requires direct, as opposed to circumstantial evidence, we must disagree. It is hornbook law that direct evidence of a fact is not necessary.’”), quoting *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272 (Fed. Cir. 1986). The Court should not disturb well-established, basic rules of evidence absent compelling justification, which Enplas has not even attempted to present.

Third, applying the presumption as Enplas suggests makes no sense in view of the basis for the presumption. As discussed, the presumption against extraterritoriality is a canon of statutory construction that pertains to the territorial applicability of a statute, not to the type of evidence that may be used to prove a violation. The presumption is premised on the understanding that Congress intends to legislate within the United States, not an understanding that Congress is suspicious of circumstantial evidence or any other category of evidence. Certainly, a legislature could craft a statute that does not permit proof of certain violations using circumstantial evidence, but that legislative intent would presumably need to be explicit in view of black letter law that circumstantial

evidence is sufficient for any purpose. *See, e.g., Desert Palace*, 539 U.S. at 99 (“If Congress intended the term ‘demonstrates’ to require that the ‘burdens of production and persuasion’ be met by direct evidence or some other heightened showing, it could have made that intent clear by including language to that effect in § 2000e(m).”). Enplas identifies no such legislative intent with respect to any statute, much less § 271(b). Thus, extending the presumption as Enplas proposes is unjustified and would be completely arbitrary and capricious.

Fourth, Enplas’s rule is unprincipled because it has nothing to do with the extraterritorial reach of a statute, but rather arbitrarily bars consideration of a certain type of evidence based on nothing more than a desire to favorably resolve a fact-bound issue in this case. Under the rule urged by Enplas, even where a statute has extraterritorial reach, whether extraterritorial conduct gives rise to liability should depend on the type of evidence presented—circumstantial or direct. Why? Enplas does not say, but it certainly has nothing to do with the probative value of a particular type of evidence.

Finally, even if the Court were to adopt Enplas’s rule, it would not alter the result in this case because this case involved direct evidence of Enplas’s intent and knowledge. *See infra* at IV. Thus, this case does not even provide a vehicle to address whether circumstantial evidence alone would be sufficient.

II. THE CASE PRESENTS NO COMPELLING POLICY CONSIDERATIONS

The Federal Circuit's routine application of settled, properly stated law to the specific facts of this case neither threatens "to bring a wide swath of foreign conduct within the reach of the U.S. patent laws" nor presents a "danger of international friction." Pet.25.

It is settled law that liability for induced infringement under § 271(b) can be imposed based on foreign conduct, such as Enplas's acts here, if the defendant possessed the requisite knowledge and specific intent to induce direct infringement in the United States. *See Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283, 1302-03 (Fed. Cir. 2012). The Federal Circuit panel did not expand this law. It merely found the specific facts of this case were sufficient to support the jury's finding that Enplas had the requisite knowledge and intent. Thus, wholly foreign transactions will not "suddenly become subject to U.S. law" based on the Federal Circuit's decision here. Pet.26. The law under *Merial* remains the same: foreign conduct can result in inducement liability if the defendant possesses the requisite knowledge and intent to induce infringement in the United States as Enplas was found to have here.

Enplas points to no "extremely significant negative consequences" that resulted from *Merial*. The Federal Circuit's decision here does not change the law and will not result in the speculative parade of horrors Enplas conjures up. Pet.25-28. If anything, Enplas's claim of "deleterious domestic consequences," Pet.27, highlights why the existing standards are well equipped to obtain the right result. Based on the actual jury

findings here, Enplas essentially argues that if this case stands foreign companies that are found to supply infringing products abroad with the intent to induce direct infringement farther down their supply chain within the United States may be deterred from doing so in the future. That sounds like enforcing United States patent law, not “encroach[ing] upon the sovereign prerogatives of our fellow nations.” Pet.25.

Enplas’s assertions regarding the prospect of “double recovery” by “allowing damages for extraterritorial conduct” are particularly unfounded. Pet.26. The damages in this case are based not on “extraterritorial conduct” but on infringement of United States patents that occurred in the United States. Although extraterritorial acts may establish that Enplas had the requisite knowledge and intent for secondary liability under § 271(b), that liability is limited to acts of direct infringement that occurred in the United States. It is inaccurate to suggest that the measure of damages here is based on, or flows from, extraterritorial acts. In other words, as Enplas so aptly puts it, foreign activity may only serve as a basis for liability “so long as the underlying act of direct infringement occurs in this country (otherwise, it would not be infringement at all).” Pet.2 (emphasis added). For this reason, there is no legitimate concern of “double recovery” here.

III. THIS IS A POOR VEHICLE TO DECIDE THE QUESTION PRESENTED

Even were the Court inclined to address the Question Presented in the Petition, this case is a poor vehicle to address that question as stated. Instead,

the facts of the case better align with the Questions Presented in this Opposition.

First, the “Question Presented” in the Petition was not timely raised or argued to the Federal Circuit. At the merits stage below, Enplas never cited or relied on the presumption against extraterritoriality in its arguments to the Federal Circuit panel. The Federal Circuit also never independently cited or raised the possible relevance of this canon of statutory construction in its opinion—nor would it have reason to. Only after Enplas lost its appeal on inducement did it attempt to shift its arguments to include the presumption. The Federal Circuit en banc declined without opinion to consider this new argument. App.80a-81a. This Court rarely takes up questions neither pressed nor passed below. *See, e.g., Global-Tech*, 131 S.Ct. at 2071 n.10; *Travelers Cas. & Sur. Co. of Am. v. Pac. Gas & Elec. Co.*, 549 U.S. 443, 455 (2007) (“[W]e ordinarily do not consider claims that were neither raised nor addressed below.”). The raising of an argument for the first time in a petition for rehearing en banc is fatal to the petition. *See Hoover v. Ronwin*, 466 U.S. 558, 574 n.25 (1984) (“[F]ailure to raise this issue in a timely manner precludes our consideration.”). There is nothing exceptional about this case justifying departure from this rule. The Petition should be denied on this basis alone. At a minimum, the Court does not “have the benefit of both the district court’s and the Federal Circuit’s treatment of the issue” as Enplas suggests. Pet.28-29.

Second, as discussed above, the “Question Presented” materially misstates the record. The Federal Circuit did not find that Enplas “knew of, at most, a

risk” that its components were incorporated into products sold in the United States. Instead, it concluded that the collective evidence provided “at least circumstantial evidence that would allow a jury to reasonably find that Enplas had knowledge of the patents and of its customers’ infringing activity and it intended to induce infringement.” App.18a (emphasis added). And there is substantial evidence in the record establishing that Enplas had actual knowledge that its lenses were incorporated into televisions sold in the United States, including the fact that SSC had informed Enplas that its lenses were found in U.S. televisions. *See infra* IV. Thus, the case is a poor vehicle for addressing Enplas’s “Question Presented.”

Third, this case does not bring “the Federal Circuit’s expansive conception of § 271(b) into stark relief,” Pet.29, because the Federal Circuit’s routine holding here did not expand this law. The Federal Circuit properly stated the law of inducement, applied it to the specific facts of this case, and found those facts sufficient to support the jury’s verdict that Enplas knowingly and actively induced acts of direct infringement in the United States. App.18a. Again, as noted above, it is settled law that liability for induced infringement under § 271(b) can be imposed based on extraterritorial acts, such as Enplas’s acts here, if the defendant possessed the requisite knowledge and specific intent to induce direct infringement in the United States. *See Merial*, 681 F.3d at 1302-03. The jury, district court, and Federal Circuit all found that Enplas had the requisite knowledge and intent thereby tying Enplas’s foreign acts to domestic activity. That distinguishes this case from so-called “foreign-cubed actions” which do not involve domestic activity

or the tying of foreign conduct to that activity. Pet.29. Similarly, the requirement that foreign conduct connect to domestic acts of infringement, as was found here, puts clear and reasonable limits on the territorial reach of United States patent laws. Enplas fails to show how this result would be contrary to congressional intent, inconsistent with this Court's jurisprudence, or disrespectful of any nations' sovereign prerogatives. Pet.29.

IV. THE FEDERAL CIRCUIT'S DECISION IS CORRECT

Finally, certiorari is unwarranted because the Federal Circuit correctly affirmed the district court's denial of JMOL.

On review of denial of JMOL, the Federal Circuit properly construed the trial evidence in the light most favorable to SSC, the nonmoving party. App.12a. Construing the evidence in this light, the Federal Circuit concluded that "the evidence in this case, while not overwhelming, provides at least circumstantial evidence that would allow a jury to reasonably find that Enplas had knowledge of the patents and of its customers' infringing activity and that it intended to induce their infringement." App.19a. Critically, the Federal Circuit properly considered the "evidence in this case" collectively under the totality of the circumstances rather than piecemeal. *Id.*

In contrast, Enplas improperly cherry-picks four pieces of evidence and spins them in the light most favorable to its position. Pet.18-21. Construed in the light most favorable to SCC, and considered collectively as part of the full trial record rather than individually, these four pieces of evidence were properly

considered by the Federal Circuit in affirming the jury's verdict as supported by substantial evidence.

First, the Federal Circuit properly considered evidence that Enplas had knowledge of SSC's U.S. patents including SSC's position that they covered Enplas's lenses. Pet.18. Considered in the full context of the record and in the light most favorable to SSC, this evidence suggests, at a minimum, that Enplas had an interest in knowing whether its lenses entered the United States—especially where Enplas was also instructing SSC's competitors how to infringe SSC's patents without SSC's knowledge. App.17a. Enplas also met with customers it knew sold televisions in the United States (C.A.J.A.15267; C.A.J.A.15754-56), understood its supply chains enough to calculate its worldwide market share (C.A.J.A.15296), actively broke down televisions in the marketplace as part of its competitive analysis (C.A.J.A.15292; C.A.J.A.15753-74), and subscribed to market research that gave detailed information on the worldwide share of televisions that entered the United States using Enplas's type of lens. C.A.J.A.15293; C.A.J.A.15524-25. Together this evidence supports the reasonable inference that Enplas had both the incentive and ability to discover whether its lenses were entering the United States.

Second, the Federal Circuit properly considered SSC's pre-suit letter. Pet.18-19. After being provided with direct evidence in this letter that its infringing lenses were entering the United States, Enplas continued to sell the same lenses to the same customers. C.A.J.A.15526; Brief of Appellee at 57, CAFC No. 16-2599, ECF No. 19 (January 11, 2017). It neither instructed these customers to avoid selling into the

United States nor, it appears, changed its instructions to customers to avoid infringing SSC's patents. C.A.J.A.15299-300; C.A.J.A.15756. Thus, SSC's pre-suit letter is compelling direct evidence of Enplas's ongoing knowledge and specific intent to induce direct infringement in the United States.

Third, the Federal Circuit properly considered Enplas's instructions directing customers to infringe SSC's patents. Pet.19. These instructions are certainly relevant to Enplas's state of mind when it drafted and provided the instructions to customers. But because Enplas's infringement was ongoing, as explained above, these instructions are also relevant to Enplas's state of mind when it continued to sell lenses to customers knowing that these customers would also continue to follow these instructions to manufacture infringing televisions ending up in the United States.

Fourth, the evidence that Enplas knew of its 50% worldwide market share does, as the Federal Circuit correctly observed, support "an inference that Enplas knew of the likelihood its lenses would end up in the United States." Pet.19. By commenting on the inference that could be drawn from this evidence when construed in SSC's favor, the Federal Circuit did not apply a "known risk" or "likelihood" standard. *See supra* I.B. Nor did the Federal Circuit rely on this evidence alone in finding substantial evidence for the jury's verdict. Instead, this evidence was considered collectively with all "the evidence in this case" as allowing the jury to reasonably find that that "Enplas had knowledge . . . of its customers' infringing activity" in the United States. Pet.18a. When combined with all the other facts in the case,

including the fact that SSC had informed Enplas its lenses were entering the United States, the jury could have reasonably used the 50% market share as further evidence supporting that it was more likely than not that Enplas knew its infringing lenses were entering the United States.⁴

Enplas also raises evidence neither the jury nor the Federal Circuit was required to consider. For example, Enplas insists that it “introduced undisputed evidence that it had no insight into its customers’ supply chains and did not know where lenses sold to its Asian customers would end up.” Pet.17-18. But this is disputed by the entire evidentiary record, particularly by the fact that SSC informed Enplas that its lenses were in televisions sold in the United States. Regardless, the jury was free to disregard this testimony as not credible—and did so—to reach its verdict.

Review is unwarranted on this record.

⁴ Enplas insists that evidence of its 50% worldwide market share is irrelevant without evidence of the U.S. share of that worldwide market. Pet.20. This argument is inapposite because the Federal Circuit did not rely on the 50% market share alone to find that substantial evidence supported the jury’s verdict. Regardless, it is not true that “SSC presented no evidence whatsoever of the size of the U.S. market relative to the rest of the world.” Pet.20. SSC’s damages expert testified based on accepted market research that the United States accounted for approximately one-fifth of the worldwide market for televisions using the type of light-bar lenses at issue. C.A.J.A.15524-25.



CONCLUSION

The petition should be denied.

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