No.

IN THE

Supreme Court of the United States

TEXAS ADVANCED OPTOELECTRONIC SOLUTIONS, INC.,
N/K/A AMS SENSORS USA INC.

Petitioner,

v.

RENESAS ELECTRONICS AMERICA, INC., F/K/A INTERSIL
CORPORATION

Respondent.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Under 35 U.S.C. § 271(a), a person directly infringes a patent whenever she "offers to sell" a patented invention "within the United States." The question presented is whether an "offer[] to sell" occurs where the offer is actually made or where the offer contemplates that the proposed sale will take place.

CORPORATE DISCLOSURE STATEMENT

All parties to the case below are named in the caption.

Petitioner Texas Advanced Optoelectronic Solutions, Inc. (now known as ams Sensors USA Inc.) has a parent company, ams AG, which is publicly traded. No other publicly held company owns more than 10 percent of Petitioner's stock.

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INTRODUCTION

Under 35 U.S.C. § 271(a), a person infringes a patent whenever he "makes, uses, offers to sell, or sells any patented invention, within the United States." All agree that a person "makes," "uses," or "sells" a patent "within the United States" when the infringing act itself—the making, using, or selling—takes place domestically.

The Federal Circuit, however, has settled on a different rule for "offers to sell." In *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296 (Fed. Cir. 2010), that court held that an "offer[] to sell" occurs "within the United States" when "the location of the future sale that would occur pursuant to the offer" is domestic. *Id.* at 1309. Whether the infringing act itself—the offer—occurs within this country is irrelevant.

This Court promptly expressed interest in the issue, calling for the views of the Solicitor General after a certiorari petition was filed. *See Maersk Drilling USA, Inc. v. Transocean Offshore Deepwater Drilling, Inc.*, No. 13-43 (petition filed July 6, 2013). Before the Solicitor General filed a brief setting forth his position, however, the parties settled, and the case was voluntarily dismissed.

The Federal Circuit's interpretation of § 271(a) has two vitally important consequences for patent law. The Federal Circuit's holding makes it easy to avoid U.S. patent law—even for offers for sale made within the United States—by arranging for the infringing products to be sold abroad. And the rule permits an offer made wholly extraterritorially to constitute infringement even where the offer is not accepted (and thus there is no sale, and hence no conduct occurring domestically).

Now is the time for the Court to review the Federal Circuit's settled interpretation of § 271(a). Over the last eight years the Federal Circuit has issued four published opinions on this question, each expressly endorsing a reading of "offers to sell … within the United States" in § 271(a) that excludes from infringement any offer to sell a patented invention where the location of the contemplated sale is outside the United States.

The Federal Circuit's treatment of the "offers to sell" element of § 271(a) contradicts the clear statutory language. When, as here, there is a straightforward, parallel construction that involves a series, a modifier at the end of the series applies to the entire list. *Paroline v. United States*, 572 U.S. 434, 447 (2014). So, "within the United States" applies to "offers to sell" with the same force as and in the same way that it applies to "makes," "uses," and "sells." And the Federal Circuit's reading also ignores that "[i]t is a longstanding principle of American law that legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial jurisdiction of the United States." *Morrison v. Nat'l Aus. Bank Ltd.*, 561 U.S. 247, 255 (2010) (quotation marks omitted).

This is an ideal vehicle to consider the Federal Circuit's construction of § 271(a). As with *Transocean*, this case squarely presents a pure question of law. And this case presents a more common fact pattern than *Transocean*—patent infringement based on an offer to sell in the United States between two U.S. companies. The question is important and recurring, and the Federal Circuit has answered it erroneously. This Court should grant the petition for a writ of certiorari and reverse the judgment of the Federal Circuit.

OPINIONS AND ORDERS BELOW

The modified opinion of the court of appeals (Pet. App. 1a-56a) is reported at 895 F.3d 1304. The order of the district court granting summary judgment in favor of respondent (Pet. App. 57a-65a) is unreported but is available at 2015 WL 13469997.

JURISDICTION

The court of appeals issued an initial decision on May 1, 2018. The court of appeals issued an amended decision, granted in part and denied in part a timely petition for panel rehearing (Pet. App. 68a-69a), and denied a timely petition for rehearing en banc (Pet. App. 66a-67a) on July 9, 2018. On September 25, 2018, the Chief Justice extended the time to file a petition for writ of certiorari to November 5, 2018. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 271(a) provides:

> Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

STATEMENT OF THE CASE

A. Petitioner Texas Advanced Optoelectronics Solutions, Inc. (TAOS) is an electronics company that designed, developed, and patented an ambient light sensor with a digital output—the first of its kind. Pet. App. 1a-4a. Ambient light sensors are used in smartphones to adapt screen brightness to lighting conditions and thus improve screen visibility and battery life. Pet. App. 3a. Thanks to this innovation, TAOS became the exclusive supplier of light sensors for numerous devices, including the first Apple iPhone. Pet. App. 7a.

Meanwhile, Respondent Intersil Corporation, a competitor of TAOS, was attempting to build its own ambient light sensors. After repeated failures, Intersil sought to license TAOS's patent and trade secrets, but TAOS refused. Pet. App. 5a. So Intersil initiated negotiations to acquire TAOS. In the course of the due diligence for that transaction, Intersil learned (under the protection of a confidentiality agreement) of the next generation of TAOS's newly designed and not-yet-released ambient light sensors. Pet. App. 6a.

Armed with that confidential information, Intersil broke off negotiations, immediately redesigned its own sensors to mimic TAOS's, and quickly released its own digital ambient light sensor. Intersil used that sensor—which infringed TAOS's patent—to compete directly with TAOS's own. *See* Pet. App. 7a.

Most egregiously, Intersil launched a concerted effort within the United States to use those copied products to displace TAOS as the supplier of ambient light sensors for the iPhone. Both Intersil and Apple are headquartered in California—Intersil in Milpitas and Apple in Cupertino, C.A. Appx15,186-87, 24,834—and Intersil took advantage of that geographic proximity to aggressively solicit Apple's business. Intersil delivered samples of its ambient light sensor products, including the particular sensors at issue here, to Apple's Cupertino offices. C.A. Appx15,689, 15,692, 24,844, 25,091-95. Intersil's Milpitas-based employees repeatedly visited Apple's Cupertino offices to pitch those sensors, demonstrate their capabilities in person, provide raw data, and answer Apple's questions. C.A. Appx15,686-87, 15,689, 15,696; *see also* C.A. Appx24,734, 24,834-35, 24,793-94. Intersil employees also offered to visit on a moment's notice to troubleshoot issues for Apple or share new Intersil breakthroughs. C.A. Appx15,692-93, 15,696. And Intersil even made changes to one of the sensors based on the feedback its employees received from Apple in California. C.A. Appx15,689. As Intersil's internal correspondence reveals, its efforts were specifically targeted at displacing TAOS, C.A.

Appx15,686, and it did not hide that goal from Apple, explicitly comparing its products and the specifications of TAOS's sensors to its own—and touting its geographic proximity to Apple's California headquarters as a point in its favor, C.A. Appx24,833-34.

This longstanding mission succeeded in March 2006. Around that time, a California-based Apple employee emailed a California-based Intersil employee recommending that Intersil add a particular feature to its ISL29001 sensor—and the Intersil employee informed the Apple employee that its new ISL29003 sensor contained the desired feature. C.A. Appx15,701. The Apple employee almost immediately began negotiating the terms of a sale with the Intersil employee—inquiring about price, requesting samples, mentioning contractual terms Apple ordinarily requires, and scheduling a meeting for further discussions. C.A. Appx15,700. California-based Intersil employees ultimately quoted $0.35 per sensor to California-based Apple employees for the ISL29003. C.A. Appx15,677-78, 25160-63. This offer led to years of ISL29003 sensor sales from Intersil to Apple at this price. C.A. Appx15,116-77, 22,980-81, 39,703. Although Intersil manufactured the infringing products and shipped them to contract manufacturers outside the United States, the offer to sell occurred in California, where both Intersil and Apple are headquartered.

B. TAOS sued Intersil for patent infringement in the Eastern District of Texas, where TAOS is headquartered.[1] TAOS alleged that Intersil's sales efforts directed at Apple in California—including quoting a price at which it was willing to provide the light sensors—were "offers to sell" products covered by TAOS's patent within the United States.

Intersil moved for summary judgment on the ground that 98.8% of the accused products were ultimately delivered to Apple and other Intersil customers outside the United States. Intersil argued that because delivery of those products occurred abroad, there was no "offer[] to sell … within the United States," as required by § 271(a). *See* Pet. App. 58a-59a.

The district court granted summary judgment to Intersil as to that 98.8% portion of the accused products. Pet. App. 65a. While the court recognized that there was evidence of "negotiations with Apple," "testing of Intersil's light sensors by Apple," and correspondence between the companies about "possible pricing of Intersil light sensors" in California, it held that "[e]ven if this were done within the United States, this is insufficient to satisfy § 271(a) according to" the Federal Circuit. Pet. App. 64a. TAOS's claims on the remaining 1.2% of the accused products (the ones delivered into the United States) proceeded to trial. The jury found that Intersil infringed TAOS's

[1] TAOS also asserted claims for trade secret misappropriation, breach of contract, and tortious interference with prospective business relations under state law. Pet. App. 2a. Those claims are not at issue in this petition.

patent and assessed reasonable royalty damages of $73,653.51. C.A. Appx118.

C. TAOS appealed the district court's grant of summary judgment on the 98.8% of accused products. TAOS argued that because Intersil offered to sell infringing ambient light sensors to Apple within the United States, the district court erred when it granted summary judgment and held that 98.8% of Intersil's sales were outside the scope of § 271(a). TAOS Opening Br. 88-89.

The Federal Circuit affirmed the district court's interpretation of § 271(a).[2] Relying on *Transocean*, the panel recited the Federal Circuit's rule that "[a]n offer to sell in the United States must be an offer to make a sale that will occur in the United States; it is not enough that the offer is made in the United States." Pet. App. 50a n.12. On that basis, the court of appeals concluded that Intersil's offer of sale, which took place in California, did not violate U.S. patent law because the infringing products were "manufacture[d] and package[d] abroad" and "shipp[ed] … to

[2] In addition, the Federal Circuit affirmed liability for trade secret misappropriation, affirmed liability for patent infringement, vacated the monetary awards and remanded for further proceedings. Pet. App. 1a. As noted above, those issues are unrelated to the question presented in this petition, which presents the separate and distinct question of whether TAOS is entitled to patent infringement damages under § 271(a) for products delivered abroad—a question that the Federal Circuit resolved against TAOS as a matter of law, and which will not be part of the proceedings on remand. *See supra* n.1.

locations abroad."[3] Pet. App. 51a. It therefore affirmed the grant of summary judgment to Intersil as to the 98.8% of the accused products that were sold abroad.

The Federal Circuit denied TAOS's petition for rehearing en banc. Pet. App. 66a-67a.

REASONS FOR GRANTING THE WRIT

The Federal Circuit is routinely applying an erroneous construction of the fundamental patent infringement statute. Under the Federal Circuit's holding, no liability exists for making any offer to sell infringing products within the United States so long as the eventual sale of the products occurs abroad. It is impossible to square that counterintuitive rule with the plain language of § 271(a). The proper construction of § 271(a) is of great practical consequence to today's global market, and that recurring question is cleanly presented here. Certiorari is warranted.

I. The Question Presented Is Of Exceptional Importance.

In *Maersk Drilling USA, Inc. v. Transocean Offshore Deepwater Drilling, Inc.*, No. 13-43, this Court

[3] In so doing, the Federal Circuit equated "the location of the future sale" with the location of "manufacturing and delivery." Pet. App. 50a-51a. Cases involving "offers to sell," however, will nearly always involve manufacturing abroad, since domestic manufacturing would constitute infringement as "mak[ing]" a product within the United States. *See* § 271(a). So as a practical matter, under the Federal Circuit's rule, the only relevant question in cases like this one will be the location of delivery.

confronted a petition for certiorari that raised the same question presented here: whether an "offer[] to sell" under § 271(a) occurs at the location of the offer or the location of the contemplated sale. Recognizing the importance of that question for both U.S. patent law and international relations, this Court called for the views of the Solicitor General. Before the Solicitor General was able to submit a brief, however, the parties settled and the case was dismissed.

As discussed below, the proper interpretation of § 271(a) is even more important today than it was when this Court called for the views of the Solicitor General in *Transocean*. The Court should take this opportunity to answer the question that it expressed interest in, but was unable to resolve, in that case.

A. The Question Presented Has Important Implications For The Value Of U.S. Patents.

This Court recently observed that the "general infringement provision, § 271(a), covers most infringements that occur 'within the United States.'" *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129, 2134 (2018) (considering subsection § 271(f)(2)); *see also Life Techs. Corp. v. Promega Corp.*, 137 S. Ct. 734 (2017) (considering subsection § 271(f)(1)). A settled Federal Circuit interpretation of a provision so central to patent law is, on that basis alone, sufficiently important to warrant this Court's review.

The Federal Circuit's holding makes it simple to entirely avoid U.S. patent law. A company that wishes to escape liability for infringement need only do exactly what Intersil did here: negotiate offers in the United States, but arrange for the infringing products to be sold abroad. Commentators have identified that result as being "odd[]," as it treats "domestic negotiations to sell an invention abroad a[s] not infringing." Timothy R. Holbrook, *Boundaries, Extraterritoriality, and Patent Infringement Damages*, 92 Notre Dame L. Rev. 1745, 1763 (2017). The Federal Circuit's approach allows companies like Intersil to escape liability for domestic conduct—involving products specifically copied from a patented invention—by relying on sales abroad. In so doing, the Federal Circuit has created a regime whereby copiers can profit from another's efforts simply by completing a sale in a foreign country.

And the economic stakes can be tremendous. To take this case as an example, the jury awarded just $73,653.51 on the 1.2% of the patented products that were offered for sale in the United States and also sold in the United States; if all of the patented products offered for sale in the United States had been included in the damages calculation, TAOS would have been entitled to over $13 million in lost profits, not including enhanced damages. C.A. Appx118.

B. The Question Presented Has Important Implications For International Relations.

As this Court has recently explained, courts must "protect against unintended clashes between our laws and those of other nations which could result in international discord." *Kiobel v. Royal Dutch Petroleum*

Co., 569 U.S. 108, 115 (2013) (quotation marks omitted); *see also* Curtis A. Bradley, *Territorial Intellectual Property Rights in an Age of Globalism*, 37 Va. J. Int'l L. 505 (1997). That is because Congress "alone has the facilities necessary to make fairly" the "important policy decision" of whether to "adopt an interpretation of U.S. law that carries foreign policy consequences." *Kiobel*, 569 U.S. at 116 (quotation marks omitted).

The potential for international friction is particularly pronounced in the patent context, where other nations have well-established systems with well-established differences in the scope of protection. *See, e.g.*, *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 455 (2007) ("[F]oreign law may embody different policy judgments about the relative rights of inventors, competitors, and the public in patented inventions.") (quotation marks omitted).

The Federal Circuit, however, ignored those warnings by adopting a rule that invites, rather than obviates, international tension. The rule permits an extraterritorial offer to constitute infringement even where the offer is not actually accepted (and thus does not result in any domestic delivery). When the conduct relevant to § 271(a)'s focus—the offer to sell—occurs outside of the United States, the Federal Circuit nevertheless holds that § 271(a) applies, even though a domestic act of infringement (under the "offers to sell" provision) has *not* occurred. Thus, the Federal Circuit rule applies even to offers made abroad with no actual contact with the United States. *Transocean*, 617 F.3d at 1309. By reading § 271(a) to apply to acts that occur entirely abroad, the Federal Circuit sharply broke from more than a century of legal tradition confining U.S. patent laws to U.S. territory. Its rule invites exactly the foreign policy consequences this Court has sought to avoid.

II. The Question Presented Is Ripe For The Court's Consideration.

Over the last eight years the Federal Circuit has issued four published opinions expressly endorsing a reading of "offers to sell … within the United States" in § 271(a) that excludes from infringement any offer to sell a patented invention where the location of the sale is outside the United States.[4] There is thus no reason to think that court will change its views.

The Federal Circuit first adopted its rule in *Transocean*, in which it considered "the question whether an offer which is made in Norway by a U.S. company to a U.S. company to sell a product within the U.S., for delivery and use within the U.S., constitutes an offer to sell within the U.S. under § 271(a)." 617 F.3d at 1309. The court held "it does." *Id*. "In order for an offer to sell to constitute infringement, the offer must be to sell a patented invention within the United States." *Id*. "The focus should not be on the location of the offer," the court continued, "but rather the location of the future sale that would occur pursu-

[4] The Federal Circuit also addressed the question of an "offer to sell" in *3D Systems, Inc. v. Aarotech Laboratories, Inc.*, 160 F.3d 1373, 1379 (Fed. Cir. 1998), but it did so only in the context of personal jurisdiction. *3D Systems* did not address the question presented here: the interpretation of "offers to sell" in § 271(a).

ant to the offer." *Id*. Whether the infringing act itself—the offer—occurs within this country is irrelevant: "the location of the contemplated sale controls whether there is an offer to sell within the United States." *Id*.

Unsurprisingly, commentators have recognized that "[t]he Federal Circuit's decision in *Transocean* is important." Timothy R. Holbrook, *Territoriality and Tangibility After* Transocean, 61 Emory L.J. 1087, 1121 (2012).

The Federal Circuit followed *Transocean* in *Halo Elecs, Inc. v. Pulse Elecs., Inc.*, 769 F.3d 1371, 1381 (Fed. Cir. 2014). There, a U.S. defendant and its U.S. customer negotiated and executed a requirements contract in the United States. *Id.* at 1379. Noting that the "case … involve[d] the opposite situation [from *Transocean*], where the negotiations occurred in the United States, but the contemplated sale occurred outside the United States," the court "adopt[ed] the reasoning of *Transocean*" and concluded that there was no infringement "because the locations of the contemplated sales were outside the United States." *Id.* at 1381; *see id.* ("An offer to sell, in order to be an infringement, must be an offer contemplating sale in the United States.").

After *Transocean* and *Halo*, the Federal Circuit's understanding of the "offers to sell" provision was so established that it was relegated to footnotes. In *Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd.*, 807 F.3d 1283, 1306 (Fed. Cir. 2015), the defendant designed, simulated, tested, sampled, and made contractual commitments for chips in the United States.

The court observed that § 271(a) "states a clear definition of what conduct Congress intended to reach—making or using or selling in the United States or importing into the United States, even if one or more of those activities also occur abroad." *Id.* But, in a footnote, the Federal Circuit explained that it "need not separately discuss 'offers to sell'" because it had held that the provision "requires a United States location for the sale that is offered, not for the offer." *Id.* at 1306 n.5 (citing *Transocean*).

And here, as explained above, the Federal Circuit once again followed *Transocean*, and once again relegated the rule to a footnote. Pet. App. 50a n.12. "An offer to sell in the United States," the court said, "must be an offer to make a sale that will occur in the United States; it is not enough that the offer is made in the United States." Pet. App. 50a n.12 (citing *Transocean*, 617 F.3d at 1308). The decision below thus reaffirmed that for "offers to sell," the location of the act—the offer—itself is of no consequence under § 271(a).

The Federal Circuit's expansion of § 271(a) controls nationwide—and apparently worldwide. Accordingly, every company in the world will continue to be bound by the Federal Circuit's reading of the statute until this Court steps in. There is no reason to wait.

III. The Federal Circuit's Holding That An "Offer To Sell" Directly Infringes Under § 271(a) Only If The Sale Occurs In The United States Conflicts With The Statutory Text And This Court's Precedents.

A. The Federal Circuit's Interpretation Of § 271(a) Conflicts With The Statutory Text.

Section 271(a) of the Patent Act provides that "whoever without authority makes, uses, *offers to sell*, or sells any patented invention, within the United States ... infringes the patent." 35 U.S.C. § 271(a) (emphasis added). All agree that a person "makes," "uses," or "sells" a patent "within the United States" when the infringing act itself—the making, using, or selling—takes place domestically. The Federal Circuit, however, held that the same is not true of *offering* to sell such a product.

The Federal Circuit's reading of § 271(a) contradicts the clear statutory language. Ordinary English establishes that infringement occurs whenever one of the acts listed in § 271(a)—"makes," "uses," "offers," or "sells"—takes place "within the United States." As a leading treatise explains: "When there is a straightforward, parallel construction that involves all nouns or verbs in a series," a modifier at the end of the list "normally applies to the entire series." Antonin Scalia & Bryan A. Garner, *Reading Law: The Interpretation of Legal Texts* 147 (2012). This Court has said much the same thing: "[W]hen several words are followed by a clause which is applicable as much to the first and other words as to the last, the natural construction of the language demands that the clause be read as applicable to all." *Paroline v. United States*, 572 U.S. 434, 447 (2014). Here, § 271(a) involves a list of verbs in a series ("makes," "uses," "offers," or "sells") and a modifier ("within the United States") at the end. Accordingly, that modifier must apply to each of those verbs in the same way. Infringement thus occurs whenever the act of making, using, offering, or selling occurs "within the United States." *See* Edwin D. Garlepp, *An Analysis of the Patentee's New Exclusive Right to "Offer to Sell,"* 81 J. Pat. & Trademark Off. Soc'y 315, 325-26 (1999).

The Federal Circuit has adopted an interpretation of § 271(a) that is contrary to that commonsense reading. It read the modifier "within the United States" as applying differently to "offers" than to all other verbs in § 271(a)'s series. For each of the other acts listed—"makes," "uses," or "sells"—the Federal Circuit treats the phrase "within the United States" as modifying the verb itself: Infringement occurs whenever the act of making, using, or selling takes place in the United States. But when it comes to "offer[ing] to sell," the Federal Circuit treats "within the United States" as modifying not the initial verb (offers), but the infinitive (to sell). For this element—and this element alone—in § 271(a)'s list, the Federal Circuit treats the location of the act itself as irrelevant. Infringement can be based on an offer that takes place anywhere in the world, so long as the offer contemplates that delivery of the products will happen in the United States; meanwhile, all offers made within the United States will escape § 271(a)'s reach, as long as they contemplate their sales abroad.

Even if a stark departure from the statute's plain text could be justified, the Federal Circuit has made no attempt to do so. It has not pointed, for instance, to any common-law history treating an offer to sell as occurring anywhere other than the location of the offer itself. *See, e.g.*, *Norfolk & W. Ry. Co. v. Sims*, 191 U.S. 441, 447 (1903); *Hobbie v. Jennison*, 149 U.S. 355 (1893). Nor has it identified any legislative history to support its reading of § 271(a).[5] The Federal Circuit's rule thus contradicts one of the most basic rules of statutory interpretation.

B. The Federal Circuit's Interpretation Of § 271(a) Conflicts With The Court's Extraterritoriality Decisions.

Even if the statute's plain text left any doubt as to the meaning of § 271(a), the presumption against extraterritoriality would foreclose the Federal Circuit's reading. As described above, "[w]hen a statute gives no clear indication of an extraterritorial application, it has none." *Morrison,* 561 U.S. at 255 (quotation marks omitted). The refusal to extend patent law extraterritorially stretches back as far as 1856, *Brown v. Duchesne*, 60 U.S. 183, 195 (1856), and con-

[5] Congress added "offers to sell" to § 271(a) in 1994 to conform U.S. law to the Uruguay Round's Trade-Related Aspects of Intellectual Property Agreement. There is no relevant legislative history. Timothy R. Holbrook, *Liability for the "Threat of A Sale": Assessing Patent Infringement for Offering to Sell an Invention and Implications for the on-Sale Patentability Bar and Other Forms of Infringement*, 43 Santa Clara L. Rev. 751, 765 (2003).

tinues with full force to this day, including in a decision this Court issued just last Term. *WesternGeco*, 138 S. Ct. at 2136.

The Federal Circuit, however, all but ignored the presumption against extraterritoriality here. The decision below did not discuss the presumption at all. Pet. App. 50a. And *Transocean*—though it acknowledged the presumption—did not substantively engage with it either. Instead, *Transocean* simply claimed that "other courts" (citing only one district court), have "conclude[d] that the contemplated sale [must] occur within the United States in order for an offer to sell to constitute infringement." *Transocean*, 617 F.3d at 1309 (citing *Semiconductor Energy Lab. Co. v. Chi Mei Optoelectronics Corp.*, 531 F. Supp. 2d 1084, 1110-11 (N.D. Cal. 2007)). That is the whole of its analysis. With such threadbare engagement on this crucial issue, it is no wonder that the Federal Circuit adopted a rule with such sweeping extraterritorial application.

IV. This Case Is An Ideal Vehicle To Review The Federal Circuit's Interpretation Of § 271(a).

This case presents an even cleaner vehicle for resolving the question presented than *Transocean*, in which this Court called for the views of the Solicitor General. Although *Transocean* involved the same question presented in this case, the facts in *Transocean* were relatively unusual. There, two U.S. companies executed overseas a contract governed by U.S. law to sell an infringing product in the United States, but no infringing product was ultimately delivered to and used in this country. Usually, when a contract to sell an infringing product in the United States is negotiated and executed overseas, the patent holder has a remedy when the infringing product is ultimately delivered to and used domestically. *See* § 271(a) (defining infringement to include use and importation of infringing product). The product at issue in *Transocean*, however, was modified in a way that brought it outside the scope of the patent before it was delivered and used in the United States. *See* 617 F.3d at 1310-11. That meant that for the product in *Transocean*—unlike the vast majority of products—"offers to sell" was the only viable statutory phrase to impose liability. Although respondent heavily emphasized these facts, the Court nonetheless sought the views of the Solicitor General, confirming the importance of the legal issue presented.

This case presents a far more common fact pattern than *Transocean*—patent infringement based on a sale or offer for sale in the United States between two U.S. companies. Although TAOS presented abundant summary judgment evidence that Intersil had offered to sell the patented invention to Apple in the United States, *see* Pet. App. 49a, the Federal Circuit focused on Intersil's later "extraterritorial manufacturing, packaging, and shipping," *see* Pet. App. 52a.

Yet, as with *Transocean*, this case squarely presents a pure question of law. If this Court reverses the Federal Circuit, TAOS will be entitled to seek damages for the 98.8% of the accused products that the lower courts said fell outside the scope of § 271(a). On the other hand, if this Court affirms, TAOS will be forever barred from recovery based on those products. Moreover, that pure legal question was pressed and passed on below, in both the district court and the Federal Circuit. The Federal Circuit squarely addressed the question, based on its settled rule. The question is presented cleanly, and there is nothing in this case that would prevent this Court from resolving it.

CONCLUSION

This Court should grant the petition for writ of certiorari.

Respectfully submitted,

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