

No. 19-

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IN THE  
**Supreme Court of the United States**

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TCL COMMUNICATION TECHNOLOGY HOLDINGS LIMITED;  
TCT MOBILE LIMITED; TCT MOBILE (US) INC.,  
*Petitioners,*

*v.*

ERICSSON, INC.; TELEFONAKTIEBOLAGET LM  
ERICSSON,  
*Respondents.*

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

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**PETITION FOR A WRIT OF CERTIORARI**

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STEPHEN S. KORNICZKY  
MARTIN R. BADER  
MATTHEW W. HOLDER  
SHEPPARD MULLIN RICHTER  
& HAMPTON LLP  
12275 El Camino Real  
Suite 200  
San Diego, CA 92130  
(858) 720-8900

SETH P. WAXMAN  
*Counsel of Record*  
THOMAS G. SAUNDERS  
SAMUEL M. STRONGIN  
JANE E. KESSNER\*  
WILMER CUTLER PICKERING  
HALE AND DORR LLP  
1875 Pennsylvania Ave. NW  
Washington, DC 20006  
(202) 663-6000  
seth.waxman@wilmerhale.com

*\* Admitted to practice only in  
Maryland. Supervised by  
members of the District of  
Columbia bar.*

ADDITIONAL COUNSEL LISTED ON INSIDE COVER

---

---

KARIN DOUGAN VOGEL  
SHEPPARD MULLIN RICHTER  
& HAMPTON LLP  
501 West Broadway  
19th Floor  
San Diego, CA 92101  
(619) 338-6500

## QUESTION PRESENTED

Technical standards created by standard-setting organizations—such as the 2G, 3G, and 4G wireless communication standards—are ubiquitous in the modern economy and enable the interoperability of products made by different manufacturers. To facilitate the implementation of standards and prevent abusive practices, most standard-setting organizations require companies that believe their patents are essential to practicing a standard to make binding commitments to license their patents on fair, reasonable, and non-discriminatory (FRAND) terms. When the holder of a standard-essential patent refuses to honor that commitment, prospective licensees may seek a ruling that the FRAND commitment has been breached and an injunction ordering specific performance (*i.e.*, forming a new license with FRAND terms and conditions).

In the decision on review, the Federal Circuit held that the patent owner accused of breaching its FRAND commitment had a Seventh Amendment right to have a jury set the royalty rate in the injunction requiring it to license its worldwide portfolio of patents on FRAND terms, simply because the injunction included a backward-looking royalty payment proposed by the patent owner as part of the consideration that the licensee was required to pay to receive specific performance.

The question presented is:

Whether a patent owner required to license its standard-essential patents on fair, reasonable, and non-discriminatory terms has a Seventh Amendment right to a jury trial in a proceeding seeking the equitable relief of specific performance.

## **PARTIES TO THE PROCEEDINGS**

Petitioners TCL Communication Technology Holdings Limited, TCT Mobile Limited, and TCT Mobile (US), Inc. (collectively “TCL”) were the plaintiffs-appellees in the Federal Circuit.

Respondents Ericsson, Inc. and Telefonaktiebolaget LM Ericsson (collectively “Ericsson”) were the defendants-appellants in the Federal Circuit.

## **CORPORATE DISCLOSURE STATEMENT**

Petitioners TCT Mobile Limited and TCT Mobile (US), Inc. are wholly-owned by Petitioner TCL Communication Technology Holdings, Limited. No publicly held corporation owns 10% or more of any Petitioner’s member interest.

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## INTRODUCTION

The Federal Circuit's decision in this case rests on a fundamental error of constitutional law, binding on courts in patent cases across the nation, that risks significant harm to the economy. The Federal Circuit misinterpreted the Seventh Amendment to hold that Respondent Ericsson had a right to a jury trial on a claim by Petitioner TCL seeking specific performance in equity of Ericsson's commitment to license its worldwide portfolio of standard-essential patents on fair, reasonable, and non-discriminatory (FRAND) terms. Specifically, it held that because the injunction setting the terms of the parties' new license included a backward-looking royalty as part of TCL's consideration for Ericsson's specific performance, the district court was required to have a jury calculate the royalty amount. This erroneous interpretation of the Seventh Amendment upsets the traditional division of responsibility between judges and juries, and injects substantial uncertainty into the enforcement of FRAND licensing commitments. Given the Federal Circuit's misinterpretation of the Constitution, its nationwide jurisdiction over patent cases, and the importance of the question presented, this Court should grant the petition and reverse.

TCL manufactures mobile devices that use the 2G, 3G, and 4G wireless standards. Ericsson holds patents in multiple countries that it alleges are essential to the operation of those standards, and that it has committed to license on FRAND terms. After licensing negotiations with Ericsson failed, TCL sued to enforce Ericsson's FRAND commitment and obtain a license on FRAND terms. Ericsson responded by suing TCL, seeking damages for patent infringement and a declara-

tion that it had complied with its FRAND commitment. Ericsson later agreed to stay its infringement claims and TCL's challenges to its patents so the case could proceed to trial on the parties' respective claims regarding whether Ericsson had complied with its FRAND commitments. Because only claims for equitable and declaratory relief remained by the time of trial, the district court held a bench trial and issued a lengthy opinion concluding that the terms offered by Ericsson were not fair, reasonable, and non-discriminatory. The court then issued an injunction setting the terms of a new worldwide patent license as a matter of specific performance. That new license required TCL to pay both an ongoing royalty for future, worldwide use of Ericsson's entire portfolio of standard-essential patents, and also a backward-looking royalty, referred to as a "release payment," for the same scope of past use.

On appeal, the Federal Circuit vacated, reasoning that the Seventh Amendment guaranteed Ericsson the right to a jury trial because the backward-looking royalty payment in the injunction was analogous to damages for patent infringement, even though the parties did not litigate any patent infringement claim. That conclusion upends the traditional distinction between equity and law, and conflicts with prior decisions of this Court and other courts. The backward-looking royalty arose only as a term of a worldwide license created through an injunction entered in equity. Its operation in the new license simply carried out the long-standing principle that a party seeking specific performance must pay the consideration owed to the opposing party for that performance. It was not a form of legal damages, as Ericsson had no entitlement at law to payment without both establishing the infringement of its pa-

tents and providing TCL an opportunity to challenge the validity of those patents. Nor could Ericsson have asked a U.S. jury to award damages for alleged infringement of foreign patents, or for products neither made nor sold in the U.S. Nor could it have sought damages going back to TCL's first alleged use of its patents without regard to applicable statutes of limitations and notice requirements. Yet the release payment awarded by the district court gave Ericsson all of these things. It was a creation of equity on which there is no historical right to a jury trial.

The Federal Circuit's contrary decision not only misinterprets the Constitution but also threatens to fundamentally reshape proceedings to enforce FRAND commitments. Ericsson introduced the idea of a backward-looking royalty by including it in the fully-integrated patent license offered in this case. Taking a page from Ericsson's playbook, other patent owners who have refused to offer licenses on FRAND terms will similarly insist that their licenses should include such payments, and therefore that a jury rather than a judge should determine the FRAND royalty rate when the patent owner is sued for specific performance of its FRAND commitment. That will inflate the cost of practicing standards and replace reasoned judicial decisions with black box jury verdicts that provide little guidance. The resulting cloud of uncertainty hanging over the process of licensing standard-essential patents will have profound economic consequences and undermine the creation and implementation of the standards on which the modern economy depends.

The Federal Circuit's misinterpretation of the Constitution thus presents a question of worldwide importance that urgently requires review.

### **OPINIONS BELOW**

The opinion of the Federal Circuit (App. 1a-27a) is reported at 943 F.3d 1360. The district court's final pretrial conference order overruling Ericsson's objection to a bench trial is unpublished, but can be found at Dkt. 1448, No. 8:14-cv-00341, *TCL Communication Technology Holdings, Ltd. v. Telefonaktiebolaget LM Ericsson, et al.* (C.D. Cal. Jan. 30, 2017) ("D. Ct. Dkt."). The district court's Amended Final Judgment and Injunction (App. 29a-58a) is unpublished, but can be found at D. Ct. Dkt. 1940 (Mar. 9, 2018) and C.A.J.A. 1-25.

### **JURISDICTION**

The Federal Circuit entered judgment on December 5, 2019. On February 24, 2020, the Chief Justice extended the time for filing this petition through April 3. On March 19, this Court issued an order extending the deadline for filing a petition for certiorari for all pending and future cases before the Court to 150 days from the relevant lower court judgment. That order extended TCL's time to file this petition until May 3. This Court has jurisdiction under 28 U.S.C. § 1254(1).

### **CONSTITUTIONAL PROVISION INVOLVED**

The Seventh Amendment to the U.S. Constitution provides that:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.



## STATEMENT

### A. Technical Standards And FRAND Obligations

Technical standards are ubiquitous and critical to the functioning of the modern economy. Standards specify technical requirements for the design, configuration, or operation of products or processes. By doing so, standards help promote the interoperability of equipment made by different manufacturers. Lemley & Simcoe, *How Essential Are Standard-Essential Patents?*, 104 Cornell L. Rev. 607, 609 (2019). Examples of standards include the mobile broadband standards used by cell phones (e.g., 2G, 3G, 4G, and 5G); standards for wireless local area networks (e.g., 802.11 Wi-Fi); standards for payment systems (e.g., credit cards with EMV chips); standards for the automotive industry (e.g., protocols for testing airbags); standards for connecting computers and peripheral equipment (e.g., USB); standards for file formats (e.g., pdf); standards for reading optical discs (e.g., CD-ROM); standards for hardware (e.g., spacing of threads on screws); and so on. These are only a tiny fraction of the hundreds of thousands of standards that apply to consumer goods, communications technology, industrial equipment, transportation services, and countless other industries. Spulber, *Standard Setting Organisations and Standard Essential Patents: Voting and Markets* 2, Econ. J. (2018), <https://bit.ly/2Y6AaAi>.

More than a thousand different standard-setting organizations promulgate technical standards. See Melamed & Shapiro, *How Antitrust Law Can Make FRAND Commitments More Effective*, 127 Yale L.J. 2110, 2112 (2018); Spulber, *Standard Setting*, *supra*, at 2. Standard-setting organizations are often non-governmental entities that bring together members of

an affected industry and other experts to define the technical specifications for a standard. Contreras, *From Private Ordering to Public Law: The Legal Frameworks Governing Standards-Essential Patents*, 30 Harv. J.L. & Tech. 211, 215 (2017).

Many standard-setting organizations adopt policies regarding standard-essential patents that must be practiced to use the standard. These policies are designed to enable patent “holders to obtain reasonable royalties for licensing their patents, while prohibiting them from charging excessive royalties after other industry participants have committed to the standard.” Melamed & Shapiro, 127 Yale L.J. at 2113. Without such constraints, the holders of standard-essential patents would be able to extract disproportionate royalties that do not reflect the actual value of the patented invention compared to other technologies that might have been chosen for the standard, but rather reflect the fact that “implementers are locked into the standard” and “have no choice but to use the patented technology.” *Id.* Patent holders would also be able to discriminate among licensees in ways that could skew competition and undermine adoption of the standard.

Standard-setting organizations typically address the risks of abusive licensing practices by requiring patent owners who participate in the standard-setting process “to disclose patents that may become essential” and commit to license those patents on fair, reasonable, and non-discriminatory terms “to anyone who adopts the standards.” Lemley & Simcoe, 104 Cornell L. Rev. at 610. This obligation is commonly known as a “FRAND” requirement. *See* App. 4a. “Courts have viewed these agreements” between patent holders and standard-setting organizations “as enforceable con-

tracts,” with “potential licensees” who implement a standard as “third party beneficiaries.” Smelcer, *Anti-competitive Use of Administrative Trials in Bargaining Over Patent Rights*, 91 N.Y.U. L. Rev. 1719, 1746 (2016). Implementers of a standard can thus file breach of contract actions to enforce a patent holder’s commitment to license its standard-essential patents on FRAND terms. See Leslie, *Monopolization Through Patent Theft*, 103 Geo. L.J. 47, 72 & n.140 (2014) (citing cases).

### **B. Negotiations Between TCL And Ericsson**

Ericsson is a member of the European Technical Standards Institute (“ETSI”), “the international standard-setting organization responsible for developing 2G, 3G, and 4G standards.” App. 3a. Ericsson has identified thousands of its patents as essential to 2G, 3G, and 4G standards and committed to licensing those patents on FRAND terms.

TCL is a manufacturer of mobile devices that utilize the 2G, 3G, and 4G interoperability standards. App. 4a. For over a decade, TCL and Ericsson have negotiated terms for TCL to license Ericsson’s standard-essential patents. *Id.* They first negotiated seven-year licenses for the 2G standard in 2007. *Id.* In 2011, they began negotiating a license for Ericsson’s 3G patents. *Id.* Two years later, once TCL started selling 4G phones, the parties began negotiating a license for Ericsson’s 4G standard-essential patents. *Id.* TCL rejected the offers Ericsson made during those negotiations as not compliant with Ericsson’s FRAND obligation. App. 5a.

### C. District Court Proceedings

1. In March 2014, TCL filed suit in the Central District of California. App. 5a. TCL asserted claims for breach of contract and sought a declaration “that Ericsson had failed to offer a FRAND rate to TCL.” *Id.* It also asked the court to “[d]etermine the FRAND rates that TCL is entitled to,’ [d]ecree that Ericsson has not offered [FRAND] royalties to TCL,’ and [d]ecree that TCL is entitled to license from Ericsson any and all [standard-essential patents] under [FRAND] terms and conditions.” *Id.* (alterations in original). TCL also initially sought damages based on Ericsson’s breach of its FRAND obligation. *Id.*

In June 2014, Ericsson filed suit against TCL in the Eastern District of Texas. App. 5a. The suit “sought damages for infringement of two individually-asserted” patents that Ericsson alleged were standard essential. App. 6a. Ericsson also sought a declaration that it had satisfied its FRAND obligation or an order from the court “adjudg[ing] and declar[ing] what steps would be required for Ericsson to achieve such compliance.” *Id.* TCL responded by asserting non-infringement and challenging the validity of Ericsson’s two patents. *Id.*

In June 2015, Ericsson’s lawsuit was transferred to the Central District of California. On the parties’ joint motion, that court consolidated Ericsson’s lawsuit with TCL’s action, and stayed the parties’ respective claims regarding the infringement and validity of Ericsson’s two patents. C.A.J.A. 6650, 6653-6654. Accordingly, only claims involving whether Ericsson had offered to license its patents on FRAND terms remained active.<sup>1</sup>

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<sup>1</sup> The district court also granted TCL’s motion to enjoin Ericsson from prosecuting various patent infringement actions it had

2. Because TCL was initially seeking damages based on Ericsson's breach of its FRAND obligations, the parties worked to identify what issues required a jury determination. Ericsson argued that the litigation should proceed in two steps. First, the jury would determine whether licensing proposals Ericsson made during litigation were FRAND. C.A.J.A. 1892-1893. If not, Ericsson argued that the court should reform the terms to make them FRAND as "an equitable determination." C.A.J.A. 1892.

The court initially adopted a similar approach and ordered the parties to provide contentions defining the contents of a FRAND license. Ericsson's contentions consisted of two fully-integrated license proposals: Option A and Option B. C.A.J.A. 2718-2778, 4795-4857. Both included forward-looking royalties and a backward-looking "release payment covering past unlicensed sales by TCL," C.A.J.A. 3191, as "consideration [for] the license granted herein," C.A.J.A. 2748. TCL ultimately agreed that the release payment, if appropriate, would be a component of the license being adjudicated. C.A.J.A. 131911.

3. By mid-August 2016, the claims in the case had narrowed considerably. App. 8a. Not only had the patent claims and counterclaims been stayed, *supra* p. 8, but the court had dismissed TCL's damages claim. App. 8a. This left no legal claims to be addressed at trial. Instead, the only claims that remained sought a declaration as to whether Ericsson had complied with its FRAND obligation, and specific performance in the form of an injunction setting the terms of a new

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filed against TCL in other countries around the world. C.A.J.A. 6639-6645, 6657-6659.

FRAND license and ordering the parties to abide by those terms. *Id.*; *see* App. 31a.

Ericsson asserted that even though the patent claims were stayed and TCL's damages claim had been dismissed, it still had the right to a jury trial because the "release payment" term of its proposed FRAND license was retrospective legal relief for TCL's (unproven) infringement. App. 8a. The district court rejected Ericsson's argument and ruled that no jury was required because the remaining relief sought was equitable. C.A.J.A. 131997-131998; C.A.J.A. 132007.

4. After a bench trial, the district court released a lengthy opinion finding that Ericsson had not offered fair and reasonable rates. App. 11a-13a. The court also found that Ericsson's offer to TCL was discriminatory because it "radically diverge[d] from rates which Ericsson agreed to accept from licensees similarly situated to TCL." App. 14a (quoting C.A.J.A. 120).

Having determined that Ericsson violated its FRAND commitment, the district court carried out the parties' mutual request that their license dispute be resolved by crafting a global license with FRAND terms, to be imposed on the parties in the form of an injunction. Consistent with the structure of Ericsson's proposed license, the court divided TCL's payments under the license into two categories. App. 15a; *see* App. 46a-47a. The first category was a prospective royalty for TCL devices sold for the next five years. App. 46a-47a. The second category was a "release payment for past unlicensed sales." App. 46a.

The court determined the prospective royalty rate by referencing the analyses it performed to determine whether Ericsson's offers were FRAND. App. 15a. The chosen prospective royalty rate "generally fell

within the range of rates produced by those two approaches where appropriate.” *Id.* The court then calculated the release payment by applying the prospective royalty rate to TCL’s past unlicensed sales (subject to certain adjustments). C.A.J.A. 131-133.

In accordance with its bench trial decision, the district court on March 9, 2018 issued an Amended Final Judgment and Injunction containing the terms of the FRAND license. *See* App. 29a-58a. Beyond resolving the parties’ claims for declaratory and injunctive relief, the court also “dismissed without prejudice” as moot “[t]he parties’ claims and counterclaims regarding Ericsson’s [individual] patents.” App. 56a. The mootness flowed from the fact that the injunction ordered Ericsson, upon receipt of the release payment and consistent with the fact that TCL was now licensed to practice Ericsson’s patents, to “release TCL and all customers of TCL who have purchased or used products herein licensed to TCL from claims for past patent infringement.” App. 45a.

#### **D. Federal Circuit Proceedings And Remand**

1. Ericsson appealed to the Federal Circuit. App. 16a. Beyond challenging several aspects of the district court’s FRAND analysis, “Ericsson argue[d] that it was deprived of its Seventh Amendment right because the court conducted a bench trial to adjudicate the release payment term.” App. 20a. The Federal Circuit agreed. *Id.*<sup>2</sup>

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<sup>2</sup> Ericsson also asserted two additional bases for its right to a jury trial: (1) “the declaratory judgment action tried by the court was an inverted patent infringement suit, which entitled Ericsson to a jury trial”; and (2) “the court resolved common issues that are typically litigated in a patent infringement suit for damages ...

In determining that the release payment constituted legal relief, the panel “focus[ed] on ‘the basis of [Ericsson’s] claim’ and ‘the nature of the underlying remedies sought.’” App. 21a (quoting *Great-West Life & Annuity Ins. Co. v. Knudson*, 534 U.S. 204, 213 (2002)). The basis of Ericsson’s claim to the release payment, according to the panel, was as retrospective “payment for TCL’s past unlicensed sales.” App. 23a-24a. The panel deemed Ericsson’s entitlement to such retrospective payment analogous to patent infringement damages claims, for which a jury right attaches. App. 21a-22a.

The panel rejected TCL’s argument that the release payment constituted equitable relief. Without squarely addressing TCL’s argument that the backward-looking royalty was merely part of the consideration it was required to pay to receive the equitable relief of specific performance, the panel focused on the question of whether the release payment was a form of equitable restitution, holding that the payment was instead more akin to “damages for past patent infringement.” App. 23a-24a. The panel also rejected TCL’s argument that Ericsson had waived any right to a jury trial through its litigation conduct. App. 24a-26a. The panel’s decision did not address in any meaningful way the fact that the parties’ competing claims regarding Ericsson’s two patents were not litigated because they were stayed in response to the parties’ joint motion.

Having concluded that Ericsson was entitled to a jury determination of the release payment, the panel “vacate[d] the district court’s determination of the re-

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prior to adjudicating the remaining equitable claims, thereby depriving Ericsson of its right to a jury trial on the legal issues.” App. 17a n.6. The panel did not reach either of these contentions. *Id.*



lease payment, including the underlying question of whether Ericsson’s ... offers that include the release payments are FRAND.” App. 27a. The panel “also vacate[d] the court’s determination that Ericsson’s offers are not FRAND and its determination of prospective FRAND royalty rates because both determinations were predicated on common issues to the improperly decided release payment.” *Id.* The district court’s “dismissal of Ericsson’s patent infringement claims and TCL’s related counterclaims of invalidity and non-infringement” was also reversed, because the vacatur of the release payment term meant those claims and counterclaims were no longer moot. *Id.* The panel “remand[ed] ... for further proceedings consistent with [its] opinion.” *Id.*

2. On remand, the district court received briefing and held a status conference at which the parties debated how the case should proceed. TCL argued that if the release payment was indeed a form of legal damages for patent infringement, then Ericsson should have to demonstrate that it was entitled to such damages. In other words, under Ericsson’s own theory, Ericsson should be required to prove infringement and TCL should be entitled to challenge the validity of Ericsson’s patents, before Ericsson could be entitled to any payment. D. Ct. Dkt. 1970, at 1-2 (Jan. 14, 2020). TCL also argued that any backward-looking damages award should be limited to U.S. sales that infringed the two patents-in-suit—subject to the relevant statute of limitations and statutory notice requirements, 35 U.S.C. §§ 286-287—because only the district court’s exercise of equity could support relief exceeding these limitations on the scope of patent infringement damages. D. Ct. Dkt. 1970 at 7-9. Ericsson disagreed, asserting that the patent claims should remain stayed and the jury should

provide all requested relief in connection with the FRAND claims. D. Ct. Dkt. 1992-2, at 7 (Feb. 11, 2020).

Adopting Ericsson’s position, the court “set the matter down for a jury trial on all issues” without lifting the stay to allow TCL to challenge Ericsson’s patents. *See* D. Ct. Dkt. 2015 (Apr. 3, 2020). The court stated that the Federal Circuit’s opinion had “unraveled the entire judgment,” and that because “the determination of a royalty rate for a release payment is inextricably tied to the determination of a forward royalty rate,” the jury would decide whether Ericsson had breached its FRAND obligation and, if so, what the royalty rate and other terms of the parties’ license should be—effectively leaving it to the jury to create a new contract for the parties. *Id.* at 1-2.

### **REASONS FOR GRANTING THE PETITION**

Certiorari is warranted because the decision below misinterprets the Constitution, scrambles the allocation of responsibility between judge and jury, and injects substantial uncertainty into suits seeking to enforce FRAND commitments. This will increase gamesmanship and undermine the significant economy-wide benefits of FRAND obligations. The Federal Circuit’s ruling now binds federal courts across the United States hearing cases within the Federal Circuit’s jurisdiction, and because it rests on the panel’s misunderstanding of the Constitution, it cannot be corrected by Congress. Review by this Court is urgently needed.

**I. THE DECISION BELOW ALLOWS JURIES TO DECIDE  
EQUITABLE QUESTIONS, IMPROPERLY ALTERING THE  
BALANCE OF RESPONSIBILITIES BETWEEN JUDGE AND  
JURY**

The Seventh Amendment provides that “In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved.” U.S. Const. amend. VII. This jury trial right applies to claims analogous to those “brought in the English *law* courts.” *Tull v. United States*, 481 U.S. 412, 417 (1987). Claims “analogous to 18th-century cases tried in courts of equity or admiralty do not require a jury trial.” *Id.*

To determine whether a claim is legal or equitable, and thus whether a jury trial right attaches to the claim, courts first “compare the ... action to 18th-century actions brought in the courts of England prior to the merger of the courts of law and equity.” *Tull*, 481 U.S. at 417. Next, courts “examine the remedy sought and determine whether it is legal or equitable in nature.” *Id.* at 417-418.

The Federal Circuit misapplied this framework by making a fundamentally flawed assumption. It analogized the worldwide release payment required by the district court’s injunction to damages for patent infringement, rather than recognizing it for what it was—merely a term in the new license created by the district court, and thus part of the consideration TCL owed Ericsson in return for the order of specific performance that TCL sought in equity.

**A. Royalties Imposed By Injunction After A Patent Owner Violates Its FRAND Obligation Are Consideration For Specific Performance, Not Patent Infringement Damages**

**1. Consideration paid by a party seeking specific performance is not a form of legal damages**

The district court’s order that TCL pay a worldwide backward-looking royalty to Ericsson was merely one of dozens of terms in a comprehensive global FRAND license the court crafted as part of its decree mandating Ericsson specifically perform its FRAND licensing obligation. Indeed, the idea for a release term came from Ericsson itself, which asserted that “the license should include” a “release payment covering past unlicensed sales by TCL,” C.A.J.A. 3191, as “consideration [for] the license granted,” C.A.J.A. 2748, 2768. Outside of the equitable remedy sought by TCL, Ericsson could not have sought a worldwide backward-looking payment. The release payment was thus not a form of legal damages but merely part of the equitable consideration TCL was required to pay to receive specific performance.

Among other remedies, a plaintiff who prevails in a breach of contract action may receive “a judgment or order requiring specific performance of a contract or enjoining its non-performance.” *Restatement (Second) of Contracts* § 345(b) (Am. Law Inst. 1981). In cases seeking this remedy, courts may “refuse to direct the specific performance of a contract unless the complainant will ... take a decree upon condition of doing or relinquishing certain things to the other party.” 71 Am. Jur. 2d *Specific Performance* § 238 (2020). For example, “[t]o entitle themselves to a decree for a specific

performance of a contract to sell land, it has always been held necessary that the purchasers should tender the purchase money.” *Kelsey v. Crowther*, 162 U.S. 404, 408 (1896).

Not infrequently, courts order the payment of this consideration in the decree requiring specific performance. *See, e.g., Jacobs v. United States*, 239 F.2d 459, 462 (4th Cir. 1956) (per curiam) (“[O]ne who asks specific performance of a contract should be required as a condition thereof to pay to his adversary the amount due him under the contract.”); *Estate of Meller v. Adolf Meller Co.*, 554 A.2d 648, 654 (R.I. 1989) (ordering back-interest “as consideration for specific performance of the stock-purchase agreement”); *Littlefield v. Brown*, 394 A.2d 794 (Me. 1978) (affirming a judgment ordering one party to specifically perform an option contract by conveying land to the appellee and ordering the appellee to tender the purchase price to the appellant); *see also Restatement (First) of Contracts* § 359 cmt. b (Am. Law. Inst. 1932) (noting that the order of specific performance “may be conditional upon some performance to be rendered by the plaintiff or by some third person, such as making a money compensation for defects or the giving of security”).

This Court’s decision in *Willard v. Tayloe*, 75 U.S. 557 (1869), is instructive. There, the lessee of the Willard Hotel sought specific performance of an option to purchase the hotel that had been given in 1854, when gold and silver coin was the only legal tender. By 1864, paper currency was legal tender but had greatly depreciated in value such that the paper notes tendered were worth only half of the stipulated price in gold. When the lessee offered the stipulated price in notes, the owner refused. This Court held that the lessee was en-

titled to specific performance, but only if he tendered the purchase price in gold or silver coin. *Id.* at 574. Where a party is entitled to specific performance of a contract upon the payment of a sum, but there is “a difference between the parties as to the amount to be paid,” the Court explained, the plaintiff “might apply for a specific performance of the covenant, and submit to the court the amount to be paid.” *Id.* at 570. This Court ordered the lower court “to enter a decree for the execution, by the defendant to the complainant, of a conveyance of the premises ... subject to the yearly ground-rent specified in the covenant in the lease,” but only “upon the *payment by the latter of the instalments past due*, with legal interest thereon, in gold and silver coin of the United States.” *Id.* at 574 (emphasis added).

These basic principles, long a staple of equity jurisprudence, apply with equal force in this case. To remedy the fact that Ericsson had violated its FRAND commitment, the district court crafted an injunction that effectively imposed a *nunc pro tunc* license granting TCL the right to practice Ericsson’s worldwide portfolio of 2G, 3G, and 4G patents from the date of first use and going forward. As consideration for that order of specific performance, TCL had to pay not only ongoing royalties but also the royalties that would have been due if TCL had been licensed from the beginning. That is a classic and quintessentially equitable remedy.

## **2. The release payment was not a form of patent infringement damages**

The Federal Circuit based its decision on the proposition that, regardless of the form of proceedings or the actual basis for the release payment, it was “in substance” not “materially different from damages for past patent infringement.” App. 23a-24a. This is a flawed

analogy. Indeed, Ericsson admitted on remand that it is “incorrect to argue that a release payment is the same as patent infringement damages” and that “a release payment is not the same as patent infringement damages but, rather, is an estimation of the benefit conferred to TCL that would be paid to Ericsson under a FRAND license.” D. Ct. Dkt. 1983-1, at 9 (Jan. 31, 2020).

The district court’s power to craft a backward-looking royalty as consideration for specific performance significantly exceeds a jury’s power to award damages in a patent infringement suit. That disparity manifested itself in this case, where the scope of the release payment extended far beyond what U.S. patent law provides. Because the release payment provided Ericsson a benefit it never could have obtained in a suit at law, the district court could only award that payment as a matter of equity.

Several features of the release payment demonstrate that it was not damages for patent infringement. *First*, the release payment applied with no regard to whether TCL actually infringed a valid patent. It covered not only the two patents-in-suit, but Ericsson’s entire worldwide portfolio of alleged standard-essential patents. Even as to the two patents asserted, Ericsson never proved infringement, and TCL had no opportunity to challenge the validity of those patents because the patent claims had been stayed by agreement of the parties. It is axiomatic that “no accused products can be found liable for infringement of an invalid claim,” *Lazare Kaplan Int’l, Inc. v. Photocopy Techs., Inc.*, 714 F.3d 1289, 1295 (Fed. Cir. 2013), and that “acts that do not constitute patent infringement cannot provide a proper basis for recovery of damages,” *AstraZeneca*

*AB v. Apotex Corp.*, 782 F.3d 1324, 1344 (Fed. Cir. 2015). The release payment cannot properly be deemed equivalent to an award of patent infringement damages.

*Second*, the release payment extended to all unlicensed sales around the world, with no regard to where the TCL product was made or sold. This contravenes “the general rule under United States patent law that no infringement occurs when a patented product is made and sold in another country.” *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 441 (2007). TCL does not make its products in the United States, and a U.S. jury never could have awarded damages for alleged infringement of foreign patents or foreign sales. Only sitting in equity did the court have authority to craft a worldwide remedy.

*Third*, the release payment covered all past use by TCL and its customers without regard to applicable statutes of limitations or notice requirements. Under 35 U.S.C. § 286, “no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action.” Under 35 U.S.C. § 287(a), where a patent owner has not properly marked its products, “no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement.” Other countries also impose their own limits on past damages. Only sitting in equity did the court have authority to impose a *nunc pro tunc* license that required backward-looking royalties on all prior use without regard to these limits.

*Fourth*, the district court was not enforcing a preexisting obligation of TCL. TCL was the third-party beneficiary of Ericsson’s FRAND commitment,



and absent TCL's agreement, Ericsson had no authority to force TCL to enter into a global license. Nor was the court enforcing a license that existed before the suit. TCL's obligation to pay backward-looking royalties on a worldwide basis arose from the license created for the first time by the court's injunction.

As this discussion makes clear, the district court ordered a more expansive release payment than patent law would have allowed. And far from simulating patent-infringement trials in each of the countries in which infringement claims could have arisen, the court simply used its prospective FRAND rate, with certain adjustments, to compute a retrospective FRAND rate. *See* C.A.J.A. 131-133. The Federal Circuit thus erred in analogizing the release payment to damages for patent infringement.

**B. There Is No Seventh Amendment Right To A Jury Trial On Issues Of Specific Performance**

1. The Federal Circuit's misidentification of the release payment as analogous to a claim for patent infringement damages led the panel to contravene the long-standing rule that specific performance claims are equitable, and thus outside the Seventh Amendment's jury trial guarantee.

This Court recognized the equitable nature of specific performance in *Atlas Roofing Co. v. Occupational Safety & Health Review Commission*, 430 U.S. 442 (1977), when it held that "specific performance was a remedy unavailable in a court of law and where such relief was sought the case would be tried in a court of equity with the facts as to making and breach to be ascertained by the court," *id.* at 459.

Lower courts share this understanding. *E.g.*, *Phlo Corp. v. Stevens*, 62 F. App'x 377, 381 (2d Cir. 2003) (“It is well established that an action for specific performance of a contract sounds in equity and therefore does not, by itself, trigger the Seventh Amendment right to a trial by jury.”); *Marseilles Hydro Power, LLC v. Marseilles Land & Water Co.*, 299 F.3d 643, 648 (7th Cir. 2002) (“If the only relief sought is equitable, such as ... specific performance,” then “neither the party seeking that relief nor the party opposing it is entitled to a jury trial.”); *Owens-Illinois, Inc. v. Lake Shore Land Co.*, 610 F.2d 1185, 1189 (3d Cir. 1979) (“An action for specific performance without a claim for damages is purely equitable and historically has always been tried to the court.”).

Leading commentators have also noted that “[a]n action for specific performance of a contract historically is equitable in nature. Therefore, in a federal court, if this is the only relief that may be given on a particular claim, there is no right to a jury trial.” 9 Wright & Miller, *Federal Practice & Procedure* § 2309 (3d ed. 2020).

The requirement that money flow from TCL to Ericsson does not undermine the equitable nature of that relief. As this Court has held, the “fact that a judicial remedy may require one party to pay money to another is not a sufficient reason to characterize the relief as ‘money damages.’” *Bowen v. Massachusetts*, 487 U.S. 879, 893 (1988). This is because “court[s] in equity w[ere] empowered to provide monetary awards that were incidental to or intertwined with injunctive relief.” *Tull*, 481 U.S. at 424.

For example, in *Klein v. Shell Oil Co.*, 386 F.2d 659 (8th Cir. 1967), the parties entered into an option agreement for purchasing a tract of land at a fixed

price. The optionee wanted to construct a service station on the land and so, under the agreement, would only purchase the land on the condition that all necessary permits were in effect. The optionee exercised its option, but no highway access permit was obtained. The optionor sued and demanded a jury trial, claiming that the contract had been fully executed and the optionee was indebted for the purchase price. The court disagreed, holding that “despite the ingenious effort of plaintiffs to label and characterize their claim as one for legal relief, the conclusion is inescapable that the remedy they sought was purely equitable in nature. They were faced with the necessity of having a court decree specific performance of the contract before they were entitled to a money judgment.” *Id.* at 664.

TCL’s release payment constitutes this kind of contingent, “intertwined” monetary relief. It is part of the consideration TCL owes Ericsson in exchange for specific performance of Ericsson’s FRAND obligations, it originates entirely from the district court’s injunction, and it far exceeds any legal relief Ericsson could have obtained in a patent infringement suit.

2. The Federal Circuit did not squarely address TCL’s argument that the release payment was part of the court’s equitable remedy of specific performance. Instead, the panel invoked two decisions from this Court—*Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962), and *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959)—for the proposition that when a case has both legal and equitable claims, and particular issues are common to both types of claims, a jury trial right applies to those common issues. App. 19a. That proposition is true, but irrelevant here.

In *Dairy Queen*, trademark owners sought an equitable “accounting” precisely mimicking the breach of contract or trademark infringement damages they could have sought from the licensee in an action at law. 369 U.S. at 475-477. Because the trademark owners requested an “accounting” to determine the amount owed after breach of an existing agreement between the parties, their action was, fundamentally, a claim for damages. *Id.* at 477. By contrast, the district court here, as a matter of equity, created an entirely new license, with new terms. The release payment term of that contract was computed pursuant to that newly-created contract, not a pre-existing contractual obligation which TCL owed Ericsson. At best, *Dairy Queen* suggests that a patent infringement jury trial must ordinarily occur before equitable issues are resolved via bench trial. But as commonly occurs, both parties here agreed to take the opposite approach, and stay the patent claims and counterclaims so that instead a new FRAND license could be created. *See supra* p. 8.

*Beacon Theatres* is even further afield. That case addressed whether prior determination of equitable claims could eliminate the need for trial by jury for issues that were clearly legal. 359 U.S. at 510-511. The Court had no reason to consider the underlying question of whether the relief sought was, in fact, legal rather than equitable. This petition only implicates that underlying question, as Ericsson had agreed to stay its patent claims.

## **II. THE FEDERAL CIRCUIT’S RULING PRESENTS A QUESTION OF GLOBAL IMPORTANCE**

The Federal Circuit’s flawed Seventh Amendment analysis presents a question of global importance that warrants this Court’s review.

**A. Unless Reversed, The Federal Circuit’s Decision Will Bind Courts Across The Nation**

The Federal Circuit has exclusive jurisdiction over patent appeals. 28 U.S.C. § 1295(a)(4). Accordingly, courts across the country hearing cases within the Federal Circuit’s jurisdiction will now be bound by its decision. Because the decision interprets the Constitution, moreover, Congress is powerless to change it. Only this Court can review and reverse the Federal Circuit’s erroneous interpretation of the Seventh Amendment.

**B. The Federal Circuit’s Decision Creates Opportunities For Gamesmanship**

The practical consequences of the Federal Circuit’s decision extend far beyond the litigants in this case. By injecting juries into the process of awarding specific performance of FRAND commitments, the Federal Circuit has created perverse incentives for patent holders during both licensing negotiations and subsequent litigation.

Patent holders tend to prefer jury trials, *see* Moore, *Jury Demands: Who’s Asking?*, 17 Berkeley Tech. L.J. 847, 852 (2002), in part because they tend to produce larger damages awards, *see infra* p. 29. With the knowledge that they may secure a jury trial on claims alleging violations of FRAND licensing obligations, patent holders now have less to fear from unreasonably insisting on non-FRAND terms and conditions while trying to negotiate license agreements. They can hold out knowing that if a prospective licensee sues to enforce the patent holder’s FRAND obligations, they can follow Ericsson’s playbook by alleging that any backward-looking royalties must be decided by the ju-

ry. Indeed, as happened here, patent holders' very delay in honoring their FRAND commitments may be what gives rise to the need for backward-looking relief.

Nor will it likely stop there. Patent holders will presumably also argue, as Ericsson has, that the jury's determination controls all overlapping issues that arise in setting the FRAND rate, to the point that the jury rather than the judge is setting the terms of any specific performance ordered. This case embodies that problematic dynamic. Because the release payment was calculated based on the forward-looking royalty rates set by the judge (as contemplated in Ericsson's proposed license), the Federal Circuit vacated the entire judgment, including the ruling that Ericsson violated its FRAND commitment, as well as the forward-looking royalty rate determination. App. 27a. On remand, the district court accepted Ericsson's argument that it is entitled to have a U.S. jury not only award a worldwide release payment, but also set royalty rates and other FRAND terms. The court also agreed that the jury trial should happen without any litigation of Ericsson's patent infringement claims or TCL's invalidity defenses. The district court left the patent claims stayed, and reasoned that for the remaining questions, the Federal Circuit's opinion in this case required it to hold "a jury trial on all issues." D. Ct. Dkt. 2015 (Apr. 3, 2020).

Thus, under the Federal Circuit's decision, Ericsson could receive a jury award of worldwide forward- and backward-looking royalties on *TCL's* claim for breach of contract—even though Ericsson was never required to prove infringement of a valid patent, and patent infringement damages do not extend extraterritorially.

Commentators have recognized the importance of this case. One article reported that the “Federal Circuit decision will likely give juries the lead role in determining licensing rates in disputes over standard-essential patents, taking many aspects of such cases out of the hands of judges in a change that could help patent owners secure bigger awards.” Davis, *Fed. Circ.’s FRAND Decision Will Put Spotlight On Juries*, Law360 (Dec. 13, 2019), <https://bit.ly/2zmLldx>. In short, “juries will be in the driver’s seat in most aspects of FRAND calculations going forward.” *Id.* The article emphasized the risk of strategic behavior: “The practical impact of the decision will be that in any future standard-essential patent case, a jury trial will be required if it is requested by one of the parties, and such requests are most likely to come from patent owners, who tend to believe they face better odds in front of jurors.” *Id.*

### **C. The Federal Circuit’s Ruling Threatens The Important Interests Served By FRAND Obligations**

Increasing the involvement of U.S. juries in FRAND disputes will increase the unpredictability of those proceedings and threaten the adoption of standards and reliable enforcement of FRAND obligations.

As explained, technical standards help ensure that products made by different companies can function together. *Supra* p. 5. These standards, which are already widespread, are being developed in ever-more economic sectors. For example, although “computer, Internet, and telecommunications industries [are] particular[ly] depend[ent] on standards to ensure that different companies’ products [can] work together,” Lem-

ley & Simcoe, 104 Cornell L. Rev. at 609, standard-setting organizations are also developing “standards that will link a bewildering array of devices in vehicles, buildings and the environment known as the ‘Internet of Things,’” Bartlett & Contreras, *Rationalizing FRAND Royalties: Can Interpleader Save the Internet of Things?*, 36 Rev. Litig. 285, 287 (2017). The benefits of such interoperability include “enormous value for consumers and ... the creation and utilization of new and innovative technologies to benefit consumers.” U.S. Patent & Trademark Office, National Institutes of Standards & Technology, and U.S. Department of Justice (Antitrust Division), *Policy Statement on Remedies for Standards-Essential Patents Subject to Voluntary F/RAND Commitments 2* (2019).

The great promise of interoperability cannot be fulfilled unless patent holders comply with their FRAND obligations and those obligations are reliably enforceable. Adoption of a standard creates opportunities for owners of standard-essential patents to “hold up” companies that must practice the standard by refusing to license necessary patents unless the implementers agree to pay excessive royalties. *Supra* p. 6. Excessive royalty payments undermine the benefits of interoperability standards in three ways. *First*, such payments are incorporated into the price of products implementing the standard, thereby reducing demand for, and production of, such products. Melamed & Shapiro, 127 Yale L.J. at 2116. Lower demand means less widespread adoption of the standard, a particularly harmful outcome because a standard’s network effects can constitute a not-insignificant portion of the standard’s value. *See* Lemley, *Intellectual Property Rights and Standard-Setting Organizations*, 90 Calif. L. Rev. 1889, 1896-1897 (2002). *Second*, excessive royalties function



“as a tax on follow-on innovation, reducing such innovations and impairing the very process of invention that the patent laws are intended to promote.” Melamed & Shapiro, 127 Yale L.J. at 2116. *Third*, drawn by the possibility of excessive royalties, firms may devote above-optimal effort towards getting their patents included in standards, thereby “distort[ing] the standards-development process away from optimal technical solutions.” *Id.*

FRAND commitments blunt this risk of patent holdup because the duty to license standard-essential patents at a fair and reasonable price acts as a cap on the royalty a patent holder may demand. Melamed & Shapiro, 127 Yale L.J. at 2115. But because FRAND commitments almost never specify in advance what constitutes a FRAND rate, the parties must negotiate, and sometimes the implementer must seek relief in court so that the FRAND rate can be determined.

Entrusting a jury with this determination runs the risk of precisely the elevated royalty payments the FRAND process seeks to curb. Empirical evidence suggests there is a “significant” difference between the median amount of patent damages awarded at bench trials and jury trials, with the latter figure over five times higher. *See, e.g., PricewaterhouseCoopers, 2018 Patent Litigation Study 6* (May 2018), <https://pwc.to/3bP4G5L>. With juries countenancing greater awards to patentees, it follows that the royalty rates jurors arrive at in setting FRAND terms will likewise be higher than judge-determined rates. The “fair and reasonable” cap will therefore be less able to mitigate against the significant leverage standard-

essential patent holders bring to royalty negotiations, and the risk of royalty stacking will increase.<sup>3</sup>

The decision below will also diminish the guidance that FRAND decisions provide for future negotiations. Unlike judges in bench trials, juries are not required to explain the reasoning behind their verdicts. As such, a FRAND rate established by a jury offers, at best, limited guidance to subsequent negotiations, making it more likely litigation will ensue over FRAND compliance.

### **III. THIS CASE IS AN IDEAL VEHICLE FOR ADDRESSING THE QUESTION PRESENTED**

#### **A. This Case Is An Ideal Vehicle**

This case is an ideal vehicle for considering the role of juries in proceedings seeking specific performance of FRAND obligations. Ericsson stayed its infringement claims so the parties instead could prioritize the creation of a FRAND license. This sequencing of the issues is “routine” in FRAND disputes, *Zenith Elecs., LLC, v. Sceptre, Inc.*, 2015 WL 12830689, at \*2 (C.D. Cal. Feb. 5, 2015), and thus this case presents a recurring fact pattern. It also cleanly queues up the question of whether there is a jury trial right when the only remedy sought is specific performance.

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<sup>3</sup> Royalty stacking occurs when each individual patent holder charges a royalty that, in aggregate, exceeds a reasonable royalty for the standard as a whole. App. 12a.

**B. This Court's Prompt Review Is Necessary To Facilitate Predictability On FRAND Compliance Claims**

This Court's review is urgently needed. The Federal Circuit's decision sweeps broadly, materially impacting the nature of proceedings in standard-essential patent licensing disputes. Prior to the Federal Circuit's decision, patent-owners, standard-users, and the patent litigation community were eagerly awaiting a blueprint for how judges would calculate FRAND royalty rates. *See Davis, Fed. Circ.'s FRAND Decision, supra*. This was a "closely watched case that many hoped would produce some case law relating to what constitutes a FRAND ... offer of a licensing royalty rate relative to [standard-essential patents]." Quinn, *Ericsson Wins, But CAFC Dodges Whether Offers Were FRAND*, IP-Watchdog (Dec. 5, 2019), <https://bit.ly/2VLm3P>.

The Federal Circuit's decision, which bypassed these issues entirely, was "deflating for the many amici curiae who weighed in on the pros and cons of [Judge] Selna's 'top-down' approach for adjudicating FRAND royalties" and who were "eager for more guidance on litigating standard-essential patents." Graham, *Ericsson Knocks Out Decision on FRAND Methodology*, Law.com (Dec. 5, 2019), <https://bit.ly/2VFG0vB>. Now, patent owners will try to steer cases to a jury, depriving industries of the benefit of detailed FRAND decisions that can help resolve future licensing negotiations without litigation. Black box jury verdicts will not help develop the law or provide useful guidance. *See supra* p. 30.

Now is the ideal time to review the decision. Any future litigants who want to bring this question before the Court risk having to first endure the unnecessary

jury trials mandated by the decision below. Certiorari would avoid both the wasting of jury resources in these highly complex cases and the creation of a slew of inconsistent and unexplained FRAND decisions.

**C. Ericsson’s Alternative Seventh Amendment Arguments Are Likewise Incorrect**

As discussed, Ericsson made three arguments before the Federal Circuit in support of its right to a jury trial, but the panel relied solely on one, the release payment. *Supra* pp. 11 & n.2. Neither of the other two arguments provides an alternative basis to affirm the decision below. This Court’s review, and rejection, of these alternative arguments would bring even more certainty to this critical question of law.

1. Ericsson’s first alternative argument was that “the declaratory judgment action tried by the court was an inverted patent infringement suit, which entitled Ericsson to a jury trial.” App. 17a n.6. But that does not mean a jury trial was required. As explained above, Ericsson elected to stay its patent claims so the parties instead could prioritize the creation of a FRAND license. *See supra* p. 8. This argument is thus nothing more than an attempt by Ericsson to have its cake and eat it too. By electing to stay the patent claims and associated invalidity counterclaims, Ericsson was able to avoid having to prove infringement and validity.

Ericsson’s argument is also untenable because unlike patent infringement suits, which are limited to domestic claims, the declaratory judgment action was global in nature. *See supra* p. 20. Indeed, Ericsson itself quickly abandoned this argument on remand from the Federal Circuit, asserting that it is “incorrect to

argue that a release payment is the same as patent infringement damages” and that “a release payment is not the same as patent infringement damages but, rather, is an estimation of the benefit conferred to TCL that would be paid to Ericsson under a FRAND license.” D. Ct. Dkt. 1983-1, at 9 (Jan. 31, 2020).

In any event, the fact that TCL’s declaratory judgment claim anticipated an infringement action by Ericsson is neutral with respect to whether the claim was premised on legal or equitable relief. A patentee alleging infringement can seek either damages (legal relief) or an injunction (equitable relief). *See Wise v. Grand Ave. Ry. Co.*, 33 F. 277, 278 (C.C.W.D. Mo. 1888), *cited in In re Lockwood*, 50 F.3d 966, 976 (Fed. Cir. 1995), *vacated as moot*, 515 U.S. 1182 (1995). Moreover, historically the lines were blurred in patent cases because there was a long history of judges deciding questions related to compensation for the use of patents in equity. *See, e.g.*, Act of July 8, 1870, § 55, 16 Stat. 198, 206 (granting courts sitting in equity the right to award patent infringement damages); Beauchamp, *The First Patent Litigation Explosion*, 125 Yale L.J. 848 (2016); Lemley, *Why Do Juries Decide If Patents Are Valid?*, 99 Va. L. Rev. 1673, 1704 (2013) (“virtually none” of the patent cases decided in the period after 1870 were decided at law). What TCL ultimately sought here was an injunction creating a new license between the parties. The release payment was merely one term in that injunction.

2. Ericsson also argued that it had a jury trial right because “the court resolved common issues that are typically litigated in patent infringement suits for damages ... prior to adjudicating the remaining equitable claims, thereby depriving Ericsson of its right to a jury

trial on the legal issues.” App. 17a n.6. The “common issues” included “determining which licenses are comparable” and “weighing expert credibility.” *Id.* To be sure, these issues might bear a superficial resemblance to ones sometimes resolved in patent infringement litigation. But here, they were litigated to form a forward-looking license agreement, not for purposes of litigating patent infringement claims or related defenses.

Further, Ericsson cannot say the bench trial involved an overlapping legal question that the jury needed to decide when it agreed—and has vociferously argued on remand—that its patent infringement case should not go forward. Ericsson agreed to stay its patent infringement claims and argued on remand that the FRAND dispute could proceed without giving TCL an opportunity to present its non-infringement and invalidity defenses. Having agreed to litigate in that order, Ericsson cannot now complain about the order in which the claims were adjudicated.

### CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

STEPHEN S. KORNICZKY  
MARTIN R. BADER  
MATTHEW W. HOLDER  
SHEPPARD MULLIN RICHTER  
& HAMPTON LLP  
12275 El Camino Real  
Suite 200  
San Diego, CA 92130  
(858) 720-8900

KARIN DOUGAN VOGEL  
SHEPPARD MULLIN RICHTER  
& HAMPTON LLP  
501 West Broadway  
19th Floor  
San Diego, CA 92101  
(619) 338-6500

SETH P. WAXMAN  
*Counsel of Record*  
THOMAS G. SAUNDERS  
SAMUEL M. STRONGIN  
JANE E. KESSNER\*  
WILMER CUTLER PICKERING  
HALE AND DORR LLP  
1875 Pennsylvania Ave. NW  
Washington, DC 20006  
(202) 663-6000  
seth.waxman@wilmerhale.com

\* *Admitted to practice only in  
Maryland. Supervised by  
members of the District of  
Columbia bar.*

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