

No. _____

In the
Supreme Court of the United States

TIME WARNER CABLE, INC.; TIME WARNER CABLE, LLC;
TIME WARNER ENTERTAINMENT COMPANY, L.P.; TIME
WARNER ENTERTAINMENT-ADVANCE/NEWHOUSE
PARTNERSHIP; TWC COMMUNICATIONS LLC; and TIME
WARNER CABLE INFORMATION SERVICES (KANSAS), LLC,
Petitioners,

v.

SPRINT COMMUNICATIONS COMPANY, L.P.,
Respondent.

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

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Many commercial products and services involve numerous components and features that implicate potentially hundreds or thousands of patents. The Patent Act's damages statute, 35 U.S.C. §284, entitles patent holders to damages only for what they actually *invented* and claimed: “damages adequate to compensate *for the infringement*,” which may consist of “a reasonable royalty for the use made *of the invention* by the infringer.” (emphasis added). To police that boundary, this Court has long held that patent holders who seek damages “must in every case give evidence tending to separate or apportion the defendant's profits and the patentee's damages between the patented feature and the unpatented feature.” *Garretson v. Clark*, 111 U.S. 120, 121 (1884).

The written description requirement of 35 U.S.C. §112(a), ensures that patent claims are limited to what was actually invented: every patent must include “*a written description* of the invention, and of the manner and process of making and using it, in ... full, clear, concise, and exact terms,” or the patent is invalid.

The questions presented are:

1. Whether the Federal Circuit erred by affirming a damages award based on unapportioned end-user service revenues.

2. Whether the Federal Circuit erred in ruling that a patent satisfies 35 U.S.C. §112(a)'s requirement of “a written description of the invention” merely because the specification does “not expressly exclude[]” technology within the scope of the patent claims.

PARTIES TO THE PROCEEDING

Time Warner Cable, Inc.; Time Warner Cable, LLC; Time Warner Entertainment Company, L.P.; Time Warner Entertainment-Advance/Newhouse Partnership; TWC Communications LLC; and Time Warner Cable Information Services (Kansas), LLC are petitioners here and were defendants-appellants below.

Sprint Communications Company, L.P. is respondent here and was plaintiff-appellee below.

CORPORATE DISCLOSURE STATEMENT

Time Warner Cable, Inc. has merged out of existence. Substantially all of Time Warner Cable, Inc.'s assets and liabilities were transferred to TWC Newco LLC, which is now known as Time Warner Cable LLC ("TWC LLC II"). TWC LLC II is an indirect subsidiary of Charter Communications Holdings, LLC. Time Warner Cable, Inc. was merged into Nina Company II, LLC, which is now known as Spectrum Management Holding Company, LLC. Spectrum Management Holding Company, LLC is an indirect subsidiary of Charter Communications, Inc.

Time Warner Cable LLC and Time Warner Entertainment Company, L.P. merged into Time Warner Cable Enterprises LLC. Time Warner Cable Enterprises is a direct subsidiary of TWC LLC II and an indirect subsidiary of Charter Communications, Inc.

TWC Communications, LLC is an indirect subsidiary of Charter Communications, Inc.

Time Warner Cable Information Services (Kansas), LLC is an indirect subsidiary of Charter Communications, Inc.

Time Warner Entertainment-Advance/Newhouse Partnership has been dissolved and its successor-in-interest is Time Warner Cable Enterprises.

Charter Communications, Inc. has no parent company. Liberty Broadband Corporation is the only publicly-held company that owns ten percent (10%) or more of Charter Communications, Inc.

STATEMENT OF RELATED PROCEEDINGS

This case arises from the following proceedings in the U.S. District Court for the District of Kansas, and the U.S. Court of Appeals for the Federal Circuit:

Sprint Communications Co. L.P. v. Time Warner Cable Inc., et al., No. 11-CV-2686 (D. Kan.)

Sprint Communications Co. L.P. v. Time Warner Cable Inc., et al., No. 17-2247 (Fed. Cir.)

There are no other proceedings in state or federal trial or appellate courts, or in this Court, directly related to this case within the meaning of this Court's Rule 14.1(b)(iii).

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PETITION FOR WRIT OF CERTIORARI

A patent's claims define the scope of the patent owner's rights to seek remedies in court for alleged infringement. The claims define what the inventor "regards as the invention." 35 U.S.C. §112(b). This case implicates two longstanding structural features of the Patent Act that prevent overreaching by patent owners. One is that under the damages statute, 35 U.S.C. §284, patent owners may not leverage narrow patent claims into broad damage awards that extend beyond the patented invention. Where the defendant infringes with a multi-component product or service, the patent owner's damages case must include evidence apportioning between value attributable to patented and unpatented features. Otherwise, the patent owner could obtain damages that exceed the incremental value of its inventive contribution to the art. The other feature is that, under the written description requirement, 35 U.S.C. §112(a), patentees may not leverage narrow inventions into broad patent claims. Where a patent's specification discloses only a narrow invention, the patent owner cannot obtain broader claims that include subject matter that the inventor did not invent and describe in the specification. Under §112(a), such claims are invalid.

The Federal Circuit's decision in this case endorses both types of overreaching. Sprint invented and disclosed a narrow invention relating to one type of technology ("ATM"). Specifically, Sprint's patents describe a feature that allows voice telephone calls between customers on an ATM network and customers on the Public Switched Telephone Network ("PSTN"). But it leveraged the narrow invention it

disclosed into broad patent claims that cover the use of an entirely different technology (“VoIP”). Sprint sued Petitioners for patent infringement, and obtained \$140 million in royalties on Petitioners’ entire revenue from their VoIP service. The decision thus raises two important questions that warrant this Court’s review.

The first question is closely related to one for which this Court called for the views of the Solicitor General two Terms ago, but did not obtain those views because the parties settled before the government filed a brief. *EVE-USA, Inc. v. Mentor Graphics Corp.*, No. 17-604, 138 S. Ct. 1608 (CVSG order), *dismissed*, 139 S. Ct. 44 (2018). That issue is as timely now as it was then. 35 U.S.C. §284 entitles patentees *only* to damages “adequate to compensate for the infringement.” And for more than 100 years, this Court’s precedent has held that the patent owner “*must in every case* give evidence tending to separate or apportion the defendant’s profits and the patentee’s damages between the patented feature and the unpatented features.” *Garretson v. Clark*, 111 U.S. 120, 121 (1884) (emphasis added). Over a century later, that apportionment principle is more important than ever, as modern, technologically-advanced products and services may implicate hundreds or thousands of patents. Yet, despite *Garretson*’s unequivocal clarity, the Federal Circuit has divided about the meaning and import of “apportionment.”

Some panels hold, as *Garretson* did, that the patent owner cannot simply seek a percentage of the entire value of a multi-component product that contains the invention. Other panels, however, freely

permit patentees to use unapportioned product revenues as a baseline, and are willing to label as “apportionment” any evidence that patentee’s requested royalty rate is somehow “reasonable.” The *EVE-USA* case starkly presented that internal division at the Federal Circuit over what constitutes “apportionment.” *Mentor Graphics Corp. v. EVE-USA, Inc.*, 870 F.3d 1298, 1300 (Fed. Cir. 2017) (Stoll, J., concurring). At the court of appeals in *EVE-USA*, six judges concurred in the result; two judges dissented and explained that the concurring judges (and the original panel) were wrong in what they equated with apportionment. *Id.* at 1303-04 (Dyk, J., dissenting).

This case presents the same basic issue, and the intervening two years have only deepened division within the Federal Circuit. Here, Sprint obtained \$140 million in royalties on Petitioners’ entire Voice-Over Internet Protocol (“VoIP”) service revenues. Although Sprint’s patent claims covered only one specific feature (the ability to have voice calls with customers on the older “PSTN” telephone network), it took a cut of Petitioners’ entire service revenues, without apportioning between revenues attributable to Sprint’s patents and those attributable to unpatented aspects of VoIP service. Sprint did not, for example, apportion to exclude voice calls between customers on the same VoIP network, which would not use the allegedly infringing technology. Nor did Sprint apportion for the noninfringing technology comprising Petitioners’ VoIP service (*e.g.*, network architecture, reception quality technology, or emergency calls). It simply asked for and received royalties on Petitioners’ entire VoIP revenues. The

Federal Circuit panel majority found that expert testimony about the general reasonableness of the damage demand was sufficient “apportionment.” That reasoning is inconsistent with the decisions of other panels in other cases. The issue is important and recurring—apportionment arises in nearly every case where the patent owner seeks damages. And the issue is squarely presented here.

The second question arises under the written description requirement of 35 U.S.C. §112(a). The statute requires “a written description of the invention,” to ensure that patentees do not disclose and invent narrowly while claiming broadly. See *O’Reilly v. Morse*, 56 U.S. (15 How.) 62, 120-21 (1854) (inventor “can lawfully claim only what he has invented”); *Ensten v. Simon, Ascher & Co.*, 282 U.S. 445, 452-53 (1931) (“forbids a patentee to assert a right to more than he has actually invented”). In this case, over a vigorous dissent from Judge Mayer, the panel majority allowed Sprint to fill the gap between its narrow disclosure and broad claims with conclusory expert testimony and with the argument that Sprint’s narrow disclosure did “not expressly exclude” technology that Sprint claimed. Judge Mayer’s dissent explains the fallacy of that reasoning, which would render the written description requirement meaningless.

In other cases, where the Patent Act’s basic restrictions on patentability had eroded in the Federal Circuit’s hands, this Court granted certiorari to provide necessary course corrections. *Bilski v. Kappos*, 561 U.S. 593 (2010) (patent eligibility under 35 U.S.C. §101); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S.

398 (2007) (obviousness under 35 U.S.C. §103); *Nautilus, Inc. v. Biosig Instruments, Inc.*, 572 U.S. 898 (2014) (indefiniteness under §112(b)). The written description requirement of §112(a) has suffered the same fate, and this Court's intervention is similarly needed now.

Each of the Federal Circuit's errors independently warrants this Court's review. Together, the decision constitutes a one-two punch to productive companies. Beginning with a narrow invention, Sprint obtained claims on a technology it never invented, and obtained damages on other technologies it never patented. The result is a \$140 million damage award, untethered from what Sprint actually invented. If this Court does not intervene, such massively unjustified damage awards will become the norm.

OPINIONS BELOW

The Federal Circuit's decision is available at 760 F. App'x 977 and reproduced at App.1-26. The Federal Circuit's initial opinion, which was withdrawn and superseded by that second opinion on panel rehearing, is available at 754 F. App'x 975 and reproduced at App.27-51. The district court's opinion is reported at 255 F. Supp. 3d 1134 and reproduced at App.56-85.

JURISDICTION

The Federal Circuit issued an initial 2-1 panel opinion on November 30, 2018. Petitioners filed a petition for rehearing en banc, which the court denied on March 18, 2019 when it issued a modified (but still 2-1) panel opinion and entered judgment.

On May 31, 2019, Justice Thomas extended the time for filing a petition for certiorari to and including

August 15, 2019. This Court has jurisdiction under 28 U.S.C. §1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. §284 is titled “Damages,” and provides, in relevant part:

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

35 U.S.C. §112 is titled “Specification.” Subsection (a) provides as follows:

(a) In General.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

STATEMENT OF THE CASE

A. Technological Background

For more than 100 years, telephone companies have used “circuit switching” technology to connect voice calls. Each time a person dials a number, a network of switches (the Public Switched Telephone

Network or “PSTN”) creates a “circuit”—*i.e.*, a fixed path—connecting the parties on the call while they talk. App.2-3. Many older landline phones were traditionally on the PSTN. PSTN technology works well for voice calls, but not for data communications. App.3-4

By the 1990s, newer technologies arose that were better suited to combining voice and data transmissions over the same network. Two are relevant here: Asynchronous Transfer Mode (“ATM”), and Voice over Internet Protocol (“VoIP”), neither of which Sprint invented. App.3-4.

ATM is a modern telephone technology used by companies like Sprint. Like the older PSTN, an ATM network connects voice calls or data transmissions over a “circuit” through a network of switches. ATM networks use “virtual circuits,” they break transmissions into “packets,” and—importantly—all packets in an ATM transmission travel along the same path from sender to recipient. App.3-4.

VoIP is internet technology, used by internet companies like Petitioners. It does not use circuits (virtual or otherwise). As the name indicates, VoIP transmits voice calls over the internet, using IP (“Internet Protocol”) addresses and routers. Communications are broken into “packets.” And each packet within the same communication can take a different path across the network from sender to recipient—rather than all traveling across the same circuit as in ATM or PSTN technology. App.3-4.

B. Sprint’s Patents

In the 1990s, operators of ATM and VoIP networks tried to figure out ways to connect voice calls

between their customers and PSTN customers. The Sprint patents in this case describe ways to connect voice calls between PSTN customers and ATM customers.

The inventor on the patents was a Sprint engineer in the 1990s. Sprint had a nationwide ATM network at the time, and Sprint's inventor invented and disclosed ways to connect voice calls between ATM and PSTN customers. The patents describe ways to connect voice calls over a path that spans PSTN circuits and ATM virtual circuits. *See* App.3-4. The patents discuss "ATM" and "circuit network" technology in detail and consistently describe connecting calls along fixed paths. Every example in the drawings and written descriptions of both groups of patents concerns ATM technology. The written descriptions never discuss or even mention IP technology, IP routers, or IP addresses, and never describe communications where different packets travel different paths to reach the recipient. App.22-23 (Mayer, J., dissenting); *see also* Opening Br. of Appellants at 14-19, Fed. Cir. No. 17-2247 (filed Nov. 13, 2017), Dkt#28.

The patents' *claims*, however, are much broader than the ATM-based interfaces disclosed in the specifications. The claims use terms like "packet communications system" (VoIP and ATM both use "packets") and are not limited to ATM technology or to systems where a communications path is established in the way disclosed in the written description. App.15.

C. Litigation

Petitioners have a nationwide VoIP network. Petitioners' VoIP customers can have voice calls with each other, and also with PSTN users. In this case, Sprint sued Petitioners for patent infringement, contending that the feature of Petitioners' VoIP service allowing voice calls with PSTN users infringed Sprint's patents.

1. Sprint's Damages Theory

Sprint asked the jury for royalties of \$1.37 per month, per VoIP subscriber on Petitioners' network, multiplied by all of Petitioners' subscribers, which amounted to nearly \$140 million.

Sprint's damages theory was based on a jury verdict from a different case against a different company. Years earlier, Sprint sued Vonage on the same patents and prevailed, and the parties settled without taking any appeals. The damage award in the *Vonage* case was 5% of Vonage's total VoIP subscriber revenue.

In this case, Sprint took the Vonage verdict, and converted it from a percentage (5%) of Vonage's total VoIP revenue to a per-subscriber-per-month rate (\$1.37), using Vonage's public revenue and subscriber information. CA-Appx4000-4002.¹ Then, Sprint asked the jury in this case to award the same effective royalty rate (\$1.37 per subscriber per month) it had won from Vonage.

¹ "CA-Appx" refers to the Joint Appendix filed in the court of appeals, Fed. Cir. No. 17-2247 (filed May 1, 2018), Dkt#71.

Sprint's expert also went through what he purported to call an "apportionment" analysis, CA-Appx4005-4009, where Sprint contended that the \$1.37 figure it requested was less than 100% of Petitioners' or Sprint's total monthly profits on voice services. See Opening Br. of Appellants at 27-28 (discussing CA-Appx4005-4020 (Sprint's damages expert testimony)).² Sprint's damages expert also cited the "*Georgia-Pacific* factors." CA-Appx4017. Beginning with the premise that a "reasonable royalty" is what the defendant would have paid—hypothetically, had it negotiated willingly with the patent owner—the "*Georgia-Pacific*" factors are a list of fifteen considerations that are potentially relevant in determining a reasonable royalty rate. *Georgia-Pac. Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970).

Never, at any point, did Sprint try to quantify the value of other technologies comprising Petitioners' VoIP service and separate those out. Sprint did not, for example, try to quantify how many calls on Petitioners' network were with PSTN users, nor whether Petitioners' subscribers would have paid any less for the VoIP service without the PSTN-connectivity feature. Sprint also did not try to quantify the value of unpatented technologies

² Sprint's briefing on appeal would later refer to so-called "comparable licenses" with other companies as "corroborating" the \$1.37 royalty rate, but the district court specifically ruled that Sprint's expert "may not testify that those agreements support the use of the \$1.37 figure," because such such testimony would be "impermissibly speculative." See Reply Br. of Appellants at 4-5, Fed. Cir. No. 17-2247 (filed Apr. 23, 2018), Dkt#65 (citing and quoting Sprint's brief and CA-Appx58-59).

comprising the VoIP network infrastructure, so as to isolate the incremental value of the patented technology. Rather, Sprint asked for a cut of Petitioners' *entire* VoIP revenues (\$1.37 per subscriber per month), and what it called "apportionment" was in substance a series of argument that the size of the cut it sought was reasonable—not that the cut actually isolated the value of the PSTN-connectivity feature alleged to infringe.

At oral argument, the court of appeals pointed out that Sprint's expert's so-called "apportionment" analysis played no role in the \$1.37-per-subscriber-per-month rate that Sprint requested and received from jury. Oral Arg. Recording at 28:22-29:03, 29:40-30:02, Fed. Cir. No. 17-2247 (Oct. 1, 2018), <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2017-2247.mp3>. The \$1.37 figure was simply derived from the *Vonage* verdict and applied to *all* unapportioned VoIP revenues. *Id.* Sprint's counsel was asked what logical relationship the analysis of Petitioners' profits bore to the \$1.37 figure, and only answered "It's more." *Id.* at 30:02-30:04.

2. Petitioners' Invalidity Defense of Insufficient Written Description

As one of its defenses, Petitioners contended that Sprint's patents were invalid under 35 U.S.C. §112(a)'s written description requirement. The written description requirement prevents patentees from obtaining patent claims that are broader than the actual inventions disclosed in the patent's specification. *See, e.g., Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 736 (2002) ("What is claimed by the patent application

must be the same as what is disclosed in the specification; otherwise the patent should not issue.”); *O’Reilly*, 56 U.S. at 120-21 (inventor “can lawfully claim only what he has invented”). Petitioners contended that Sprint’s patent claims were invalid because, although disclosing inventions relating only to ATM technology, the claims broadly covered VoIP technology in addition to ATM. App.14; App.70-71.

3. Judgment and Appeal

The jury found Petitioners infringed, rejected Petitioners’ written-description defense, and awarded the full \$139,800,000 in damages that Sprint requested. App.56. The district court denied Petitioners’ post-trial motions, App.57 & n.2; App.84-85, and Petitioners appealed. A divided panel of the Federal Circuit affirmed.

As to damages, the panel majority recognized that the award was based on Petitioners’ total VoIP revenues. App.9-10. The majority acknowledged Petitioners’ argument that “Sprint’s damages case was flawed because Sprint did not apportion the damages award to the incremental value that the patented invention added to the end product.” App.11. The majority responded that “the objective of apportionment can be achieved in different ways.” *Id.* It was sufficient in this case that the jury received an instruction on apportionment, and that Sprint’s damages expert purported to have done something he called “apportionment.” App.12-13. The court referred to Sprint’s expert having “addressed apportionment at some length during his testimony,” and having presented evidence of a jury verdict from a prior case, and “rates from comparable licenses.”

App.12. Ultimately, the panel majority upheld the damages award reasoning that, under vague principles of “hypothetical negotiation” under the “*Georgia-Pacific* factors,” the \$1.37 per-VoIP subscriber-per-month formula must have adequately “reflected the incremental value of the inventions and thus satisfied the requirement of apportionment.” App.11-13.

As to the written description defense, the panel majority held that Sprint’s broad claims were adequately supported because, although the specifications did not actually describe IP technology, “IP technology is *not expressly excluded* from the call control specification.” App.15. The majority relied on testimony from Sprint’s expert witness to fill the gaps in the written specifications, quoting the expert’s testimony that the inventor “was clearly thinking about broadband technologies that used routing to individual elements like IP addresses or used connections as in ATM.” App.16.

Judge Mayer dissented. App.22-26. Judge Mayer would have ruled that the patents were invalid under 35 U.S.C. § 112(a)’s written description requirement. Judge Mayer explained that Sprint’s patents reflect a “remarkable mismatch between the narrow patent disclosures and the exceedingly broad claims.” App.22. As Judge Mayer noted, all five patents described Sprint’s invention in terms of ATM and PSTN technologies, without even mentioning IP technology: “The specifications do not mention Internet Protocol (IP) communications or contain any suggestion that methods of establishing interconnections between IP networks and the PSTN

are within the scope of the claimed invention.” *Id.* The failure to mention IP technology is “unsurprising” because the specifications are “directed to setting up fixed end-to-end communications paths,” and IP technology—“which operates in a fundamentally different way than ATM technology”—does not set up such paths. App.22-23. Sprint and the majority erred, Judge Mayer explained, by relying on Sprint’s expert testimony to supply the disclosure that the patents themselves lacked. App.25-26. Judge Mayer would have reversed the judgment below by ruling that the patent claims were invalid, App.26, and thus did not need to address damages.

Petitioners sought rehearing en banc, with the support of an amicus curiae (Intel Corporation). After calling for a response from Sprint, the panel reissued the majority and dissenting opinions with some modifications to the majority’s damages opinion. The court of appeals otherwise denied rehearing. App.52-53 (denying rehearing en banc); App.54-55 (issuing revised panel opinions).

REASONS FOR GRANTING THE PETITION

This case presents two important issues of patent law where the Federal Circuit has repeatedly departed from this Court’s precedents and the statutory mandate, and remains internally divided. Both apportionment and the written description requirement are important limiting principles that prevent patent owners with narrow inventions from reaching broadly and capturing value that is far beyond the contribution of what they specifically invented. Under the Federal Circuit’s approach, however, an enterprising patent owner with well-

heeled experts can bootstrap a narrow invention into a nine-figure windfall. This Court should grant review.

I. This Court Should Grant Certiorari To Reestablish That Damages Must Be Apportioned To The Value Of The Patented Invention.

The Federal Circuit's damages decisions are internally inconsistent and defy more than 150 years of this Court's precedent limiting patent damages to the value of the patented feature. This Court's intervention is needed to clarify what 35 U.S.C. §284 requires in terms of apportionment.

A. This Court's Precedent Limits Damages to the Value of the Patented Invention.

A patent is a limited monopoly-like right to exclude others from practicing the patented invention. Because "the primary purpose of our patent laws is not the creation of private fortunes for the owners of patents, but is 'to promote the progress of science and useful arts,'" *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 511 (1917), patent law has consistently prevented patent owners from leveraging narrow inventions into broader rights against the public. For example, patentees can generally not sue downstream users for infringement after they have sold a patented article once. *Impression Prods., Inc. v. Lexmark Int'l, Inc.*, 137 S. Ct. 1523, 1531-32 (2017); *United States v. Univis Lens Co.*, 316 U.S. 241, 250 (1942). Nor may patentees charge royalties for the use of their inventions after the patent has expired. *Kimble v. Marvel Entm't, LLC*, 135 S. Ct. 2401, 2405 (2015); *Brulotte v. Thys Co.*, 379

U.S. 29, 32 (1964). Nor is it an act of infringement to offer to sell an infringing product if the actual sale will occur after the patent expires. 35 U.S.C. §271(i).

The patent damages statute, 35 U.S.C. §284, similarly requires a close nexus between the patentee's exclusionary rights and the remedies the patentee may extract for infringement. Patentees who prevail on infringement claims are entitled to "damages adequate to *compensate for the infringement*, but in no event less than a reasonable royalty *for the use made of the invention by the infringer*." (emphases added). For more than 150 years, this Court's precedent has required that a patentee's damages be limited to the value of the patented invention.

Garretson v. Clark, 111 U.S. 120 (1884) is this Court's leading case applying the apportionment principle. There, the Court unambiguously held that patent owners "*must in every case* give evidence tending to separate or apportion the defendant's profits and the patentee's damages between the patented feature and the unpatented features." *Id.* at 121 (emphasis added). In other words, "[w]hen a patent is for an improvement, and not for an entirely new machine or contrivance, the patentee must show in what particulars his improvement has added to the usefulness of the machine or contrivance"—*i.e.*, "[h]e must separate its results distinctly from those of the other parts, so that the benefits derived from it may be distinctly seen and appreciated." *Id.* The only exception to the apportionment rule, *Garretson* explained, is where the patentee can "show ... that the profits and damages are to be calculated on the whole

machine, for the reason that the entire value of the whole machine, as a marketable article, is properly and legally attributable to the patented feature.” *Id.*

Garretson involved a patent “for an improvement in the construction of mop-heads ... in the method of moving and securing in place the movable jam or clamp of a mop-head.” *Id.* The plaintiff “produced no evidence to apportion the profits or damages between the improvement constituting the patented feature and the other features of the mop,” nor did the plaintiff show that the entire value of the defendant’s mop-head was attributable to the patented feature. *Id.* Thus, this Court ruled in *Garretson*, the plaintiff could recover only nominal damages. *Id.* at 121-22.

Garretson does not stand alone. “[B]etween 1853 and 1915,” this Court “addressed apportionment more than thirty-five times in patent damages decisions.” Eric E. Bensen, *Apportionment of Lost Profits in Contemporary Patent Damages Cases*, 10 Va. J.L. & Tech. (Summer Issue) 1, 3 (2005); see, e.g., *Yale Lock Mfg. Co. v. Sargent*, 117 U.S. 536, 552-53 (1886) (affirming patent damages when special master “made proper allowances for all other causes which could have affected the plaintiff’s prices” and “proper deduction” was made for the use of features in the defendant’s product not covered by the patents at issue); *Blake v. Robertson*, 94 U.S. 728, 729, 733-34 (1876) (defendant’s stone-breaking machine included several features that were not covered by the plaintiff’s patents and were “covered by other patents”; failure to provide apportionment evidence meant that plaintiff was limited to nominal damages); *Seymour v. McCormick*, 57 U.S. (16 How.) 480, 491

(1854) (trial court committed a “very grave error” in instructing the jury that “as to the measure of damages the same rule is to govern, whether the patent covers an entire machine or an improvement on a machine,” since the patent at issue was for only an “improvement of small importance when compared with the whole machine”).

By 1912, the apportionment principle was firmly established. In *Westinghouse Electric & Manufacturing Co. v. Wagner Electric & Manufacturing Co.*, 225 U.S. 604 (1912), the Court noted that “there are many cases in which the plaintiff’s patent is only a part of the machine and creates only a part of the profits.” *Id.* at 614. In such cases, the plaintiff’s “invention may have been used in combination with valuable improvements made, or other patents appropriated by the infringer, and each may have jointly, but unequally, contributed to the profits.” *Id.* at 614-15. And “if plaintiff’s patent only created a part of the profits, *he is only entitled to recover that part of the net gains.*” *Id.* at 615 (emphasis added). The Court reaffirmed that the plaintiff in such cases “must therefore ‘give evidence tending to separate or apportion the defendant’s profits and the patentee’s damages between the patented feature and the unpatented features.’” *Id.* (quoting *Garretson*, 111 U.S. at 121).

Similarly, in *Dowagiac Manufacturing Co. v. Minnesota Moline Plow Co.*, 235 U.S. 641 (1915), the Court again enforced the apportionment requirement, explaining that “In so far as the profits from the infringing sales were attributable to the patented improvements they belonged to the plaintiff, and in so

far as they were due to other parts or features they belonged to the defendants.” *Id.* at 646. As applied to the facts of that case, since the infringing “drills were sold in completed and operative form,” and “the profits resulting from the several parts were necessarily commingled[,] [i]t was essential ... that they be separated or apportioned between what was covered by the patent and what was not covered by it.” *Id.*³

B. Federal Circuit Precedent is Internally Split, and Does Not Consistently Limit Damages to the Value of the Patented Invention.

Congress has not amended the patent laws in any way that undermines this Court’s apportionment decisions. Nor has this Court overruled or retreated from those decisions. It remains the law that the patent owner “*must in every case* give evidence tending to separate or apportion the defendant’s profits and the patentee’s damages between the patented feature and the unpatented features.” *Garretson*, 111 U.S. at 121.

In 2019, however, there is an intra-circuit split within the Federal Circuit on what it means to apportion. Panels on both sides of the split agree that *Garretson* is good law and acknowledge that something called “apportionment” is required. The court is deeply divided, however, on what counts as “evidence tending to separate or apportion ... between the patented features and the unpatented features.” *Id.*.

³ “[M]athematical exactness” is not required, but “reasonable approximation” through concrete evidence is. *Id.* at 647.

1. Some panels of the Federal Circuit enforce the apportionment requirement rigorously, and consistent with the *Garretson* line of precedent. Those panels require the patentee to choose a reasonable starting point for the royalty analysis, and then to carefully subtract the value of all unpatented features in determining a royalty. As this Court did in cases like *Garretson* and *Blake*, panels of the Federal Circuit on this side of the split scrutinize the plaintiff's evidence closely, and vacate the damages award if apportionment evidence is lacking. See, e.g., *Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, 904 F.3d 965, 977 (Fed. Cir. 2018); *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1327 (Fed. Cir. 2014); *LaserDynamics, Inc. v. Quanta Comput., Inc.*, 694 F.3d 51, 66-70 (Fed. Cir. 2012); *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1336 (Fed. Cir. 2009).

In *VirnetX*, for example, the Federal Circuit vacated a damage award where the patents covered only aspects of VPN and FaceTime software for iPhones, but the patentee sought damages based on the entire cost of an iPhone. 767 F.3d at 1328. The plaintiff's damages theory started with "the entire cost of the iOS devices, ranging in value from \$199 for the iPod Touch to \$649 for the iPhone 4S." *Id.* From there, the plaintiff subtracted "only charges for additional memory sold separately," and "did not even attempt to subtract any other unpatented elements from the base, which therefore included various features indisputably not claimed ... e.g., touchscreen, camera, processor," *Id.* Proper apportionment, the court explained, should have either subtracted the numerous unpatented elements, or—more appropriately—might have begun with \$29 cost of the

actual software alleged to contain infringing features, and subtracted from there. *Id.* at 1329.

In *LaserDynamics*, the Federal Circuit vacated a damage award where the patents covered technology to allow a disc drive to determine automatically whether an inserted disc was a CD or a DVD, but the patentee sought damages based on the entire cost of a laptop computer. 694 F.3d at 66-70. The court rejected the plaintiffs' contention that "apportionment" was accomplished in that case simply by picking a relatively low royalty rate (2%) on the sale price of the entire laptop. *Id.* at 67, 69. "Importantly," the court emphasized, "the requirement to prove that the patented feature drives demand for the entire product may not be avoided by the use of a very small royalty rate." *Id.* at 67. Instead, evidence was required tying the royalty to the *incremental* value of the inventive contribution.

In *Lucent*, the court likewise vacated a \$360 million damage award representing royalties on sales of the full price of Microsoft Windows as compensation for a patent covering a date-picking feature in a calendar program. 580 F.3d at 1334-35.

2. On the other side of the split, most panels of the Federal Circuit take an anything-goes approach to apportionment. *See, e.g., Exmark Mfg. Co. v. Briggs & Stratton Power Prods.*, 879 F.3d 1332, 1348-49 (Fed. Cir. 2018); *Astrazeneca AB v. Apotex Corp.*, 782 F.3d 1324, 1340 (Fed. Cir. 2015); *Mentor Graphics Corp. v. EVE-USA, Inc.*, 851 F.3d 1275 (Fed. Cir. 2017), *cert. dismissed*, 139 S. Ct. 44 (2018). These panels acknowledge that *Garretson* is good law, and that "apportionment" is required. But in the view of these

panels—including the majority that decided this case—apportionment is a flexible concept. A damage award will be affirmed so long as the jury was instructed about apportionment and so long as some discounting—from whatever starting point the plaintiff chooses—is in the record. App.11-12. If the plaintiff purports to consider the so-called “*Georgia-Pacific* factors,” any number the jury awards can be affirmed without scrutiny of the plaintiff’s starting point, of how much or how little the plaintiff did to separate out the value of unpatented features. In other words, a plaintiff need not prove that the value captured by the royalty award resulted from the patented invention.

In *Exmark*, the patent claimed a narrow improvement to “flow control baffles” in lawnmowers (structures that direct air flow and grass clippings). 879 F.3d at 1338. Nonetheless, the Federal Circuit affirmed the district court’s decision permitting the patentee to use sales of entire lawn mowers as the royalty base. *Id.* at 1348. In contrast to *LaserDynamics*’ holding that “the requirement to prove that the patented feature drives demand for the entire product may not be avoided by the use of a very small royalty rate,” 694 F.3d at 67, the court in *Exmark* held that apportionment may be done by adjusting the royalty base or the royalty rate, and that “one possible way to do this is through a proper analysis of the *Georgia-Pacific* factors.” 879 F.3d at 1348-49.

In *AstraZeneca*, the patent claimed an omeprazole tablet that used a novel “subcoating” to separate the active ingredient from the enteric coating (which

dissolves in the stomach). 782 F.3d at 1329. Although the patent on the active ingredient was expired, and although the alleged novelty of the patent concerned the subcoating, the Federal Circuit allowed the patentee to base its damages demand on the price of the entire pharmaceutical product, without apportioning out the value of the active ingredient. *Id.* at 1338. The court ruled that no apportionment was necessary because the patent claims had been drafted to cover the entire tablet, including the (undisputedly not patentable) active ingredient.

This case is in the same line. Citing *AstraZeneca* and *Exmark*, the panel majority in this case remarked that “the objective of apportionment can be achieved in different ways, one of which is through the jury’s determination of an appropriate royalty by applying the so-called *Georgia-Pacific* factors, under proper instructions embodying apportionment principles.” App.11. In the panel majority’s view, it was enough that the jury was given an apportionment instruction, and that the parties presented some evidence bearing on the value of Sprint’s patents. Nothing more was required. App.11-14.

3. The *Exmark-AstraZeneca* side of the split is effectively the majority rule at the Federal Circuit. Indeed, the written opinions are likely the tip of an iceberg. In numerous other cases, even in reviewing nine-figure damage awards, the Federal Circuit will simply affirm without opinion—as it now does in approximately 40% of its patent cases.⁴ Dan Bagatell,

⁴ See, e.g., *VirnetX Inc. v. Cisco Sys., Inc.*, 748 F. App’x 332 (Fed. Cir. 2019) (affirming without opinion, over defendant’s arguments, e.g., at 2018 WL 1905235, at *40-51, that \$302

Fed. Cir. Patent Decisions in 2018: An Empirical Review, Law360, (Jan. 3, 2019), <https://bit.ly/2N2zOEX> (“The Federal Circuit summarily affirmed in 42 percent of its patent decisions in 2018, up from 37 percent in 2017.”). Earlier Federal Circuit decisions taking a similar anything-goes approach to apportionment led commentators to observe that the Federal Circuit has abandoned *Garretson’s* apportionment principle. See, e.g., Amy L. Landers, *Patent Claim Apportionment, Patentee Injury, and Sequential Invention*, 19 Geo. Mason L. Rev. 471, 473 (2012) (“Today, the prevailing method courts use to calculate a reasonable royalty, the *Georgia-Pacific Corp. v. U.S. Plywood Corp.* test, includes consideration of the patentee’s contribution as one factor of fifteen. *These considerations are folded together in a manner that loses this crucial causative link in a malleable, and virtually unreviewable, verdict amount.*”) (emphasis added, footnotes omitted).

As the recent *EVE-USA* case made clear, the division within the Federal Circuit about what “apportionment” means is both deep and very real. Although *EVE-USA* involved lost profits rather than royalties, the principle is the same. Apportionment is

million damage award did not apportion between patented and unpatented features); *Douglas Dynamics, LLC v. Buyers Prods. Co.*, 628 F. App’x 767 (Fed. Cir. 2016) (affirming without opinion, over defendant’s arguments, e.g., at 2015 WL 1383039, at *30-35, *58-65, that damages award did not apportion); *Internet Machs. LLC v. Cyclone Microsystems, Inc.*, 575 F. App’x 895 (Fed. Cir. 2014) (affirming without opinion, over defendant’s arguments that the damages award did not apportion between patented and unpatented features), *cert. pet. filed*, 2015 WL 797978, and *dismissed*, 135 S. Ct. 2398 (2015).

required “in every case,” *Garretson*, 111 U.S. at 121, regardless of what form the damages take. In *EVE-USA*, six Federal Circuit judges joined an opinion stating that no apportionment is necessary where a patentee seeks lost profits and has shown consumer demand for the patented feature and but-for causation (*i.e.*, consumers would not have purchased the product without patented features). 870 F.3d at 1300 (Stoll, J., concurring). Two judges dissented, explaining that “calling” those things “apportionment ‘ignores the ancient wisdom that calling a thing by a name does not make it so,’” 870 F.3d at 1301 (Dyk, J., dissenting), and that it does not follow from consumer demand and but-for causation that consumer demand is *only* attributable to the patented feature. *Id.* at 1303. In view of the deep division on the Federal Circuit on the meaning of apportionment, this Court requested the Solicitor General’s views on that question (and an unrelated question). 138 S. Ct. 1608 (2018). The Court may wish to do the same here or may wish to simply grant review.

C. The Question is Important, and This Case is an Appropriate Vehicle to Resolve It.

The need for this Court to clarify *Garretson*’s apportionment requirement is as pressing now as it was two Terms ago in *EVE-USA*. Apportionment questions necessarily arise in *every* patent case where the patentee prevails and seeks damages, unless the patentee can prove that “the entire value of the whole machine, as a marketable article, is properly and

legally attributable to the patented feature.⁵ (Sprint has never contended that the entire value of Voice-Over IP service is attributable to the ability to connect to PSTN users.)

And if anything, apportionment is more important in a royalty case like this one than a lost-profits case like *EVE-USA*. Royalty awards are by far the most common form of damages in patent cases. See PricewaterhouseCoopers, *2018 Patent Litigation Study*, 6, fig. 7 (May 2018), available at <https://pwc.to/2Fw5Gip> (even in cases where the plaintiff is a practicing entity, approximately 60% of patent damages awards are royalties-only). And plaintiffs who seek lost profits must usually meet stringent evidentiary burdens to prove both causation and the amount of lost profits to a reasonable certainty. *Seymour*, 57 U.S. at 490-91; *Rite-Hite Corp. v. Kelley Co., Inc.*, 56 F.3d 1538, 1545 (Fed. Cir. 1995) (en banc). In the royalty context, by contrast, the apportionment principle is the primary safeguard against plaintiffs leveraging modest inventions into massive windfalls.

In 2019, more than 130 years after *Garretson*, the apportionment requirement is more important than ever. *Garretson* applied the apportionment principle to vacate a damage award in a case involving mop-heads. Modern products and services in every field may implicate hundreds if not thousands of patents. See, e.g., David Franklyn & Adam Kuhn, *The Problem of Mop Heads in the Era of Apps*, 98 J. Pat &

⁵ Indeed, many more patents are licensed than litigated. Mark A. Lemley & Carl Shapiro, *Patent Holdup and Royalty Stacking*, 85 Tex. L. Rev. 1991, 1992 (2007).

Trademark Off. Soc’y 182, 184 (2016) (“There is no more important set of issues in this era of high tech patent wars, where billions turn on the value of specific infringing features, than apportionment of damages.”); Bensen, 10 Va. J.L. & Tech. (Summer Issue) at 46 (“As technology advances and single products are covered by a greater number of patents, apportionment becomes more, not less, relevant.”).

In a world without meaningful apportionment, every productive company faces the prospect of paying holdup royalties to numerous patent owners, at rates far out of proportion to the value contributed by the patented inventions. *See, e.g.*, Lemley & Shapiro, 85 Tex. L. Rev. at 2009-2010; Bernard Chao, *Lost Profits in a Multicomponent World*, 59 B.C. L. Rev. 1321, 1323 (2018). The threat of massive, unapportioned damage awards, stacked one on top of the other, can quickly drive productive endeavors out of business, or discourage them from starting in the first place. The royalty-stacking threat is not limited to the electronics industry. In the life sciences, for example, research and development for a new vaccine may implicate patents on research tools, laboratory techniques, and DNA sequences. Damien Geradin & Anne Layne-Farrar, *Patent Value Apportionment Rules for Complex, Multi-Patent Products*, 27 Santa Clara Comput. & High Tech. L.J. 763, 763 n.2 (2011).

The Court has been attentive to similar dangers in related contexts. In cases such as *eBay v. MercExchange, L.L.C.*, 547 U.S. 388, 396-97 (2006) (Kennedy, J., concurring), *Samsung Electronics Co. v. Apple Inc.*, 137 S. Ct. 429, 435 (2016), and *Life Technologies Corp. v. Promega Corp.*, 137 S. Ct. 734,

743 (2017), this Court noted the dangers of patentees overreaching by conflating component parts with multicomponent products. Just as patentees should not be able to use the threat of an automatic injunction to ruin a defendant, they should not be able to extract ruinous damages that are not apportioned to the specific, incremental, additive contribution they invented.

As matters currently stand in the Federal Circuit, a patentee's ability to extract excessive damages depends in large part on the appellate panel the parties draw. Some panels will require substantive apportionment. Others will use the word "apportionment," but treat the principle as a speed bump on the way to affirming anything a plaintiff can get an economist to say in front of a jury.

This case is an appropriate vehicle to address apportionment. Petitioners' VoIP service uses a massive, technologically complex, internet network on a cable infrastructure to transmit voice calls, and relies on numerous technologies. Yet, relying on patents that only cover a single feature out of countless others—connectivity with PSTN users—Sprint extracted a \$140 million award based on unapportioned revenues from Petitioners' *entire VoIP service*. Among other things, in Sprint's methodology it made no difference whether or how often a subscriber used the claimed inventions to interconnect between VoIP and PSTN. The permissibility of such an award should not depend on which court of appeals panel hears the appeal.

The Federal Circuit's inconsistent treatment of *Garretson's* apportionment requirement thwarts

Congress' will in enacting 35 U.S.C. §284, and threatens particularly grievous consequences in the modern era in nearly every patent case. This Court should grant review and hold that the time-tested apportionment principles it articulated in the 19th Century still apply to the Federal Circuit in the 21st Century.

II. This Court Should Grant Certiorari To Reestablish That Patentees Cannot Claim More Broadly Than What They Invented And Disclosed.

The Court should also grant certiorari to ensure meaningful enforcement of the Patent Act's statutory written description requirement. The written description requirement has been part of the Patent Act since the very beginning of the U.S. patent system, and furthers the principle that patentees cannot claim more broadly than they invented. Yet, as Judge Mayer's dissenting opinion well explains, the decision below allows Sprint to do just that. Sprint invented and disclosed a narrow, ATM-technology-specific solution to a problem, but then obtained claims broad enough to cover other solutions that Sprint had not invented or disclosed. This case vividly illustrates that §112(a)'s written description requirement is an important limit on the scope of patents which has been allowed to erode on the Federal Circuit's watch. As this Court has done in similar circumstances in recent years, it should grant review to clarify and prevent further erosion of the statutory written description requirement.

A. The Federal Circuit’s Approach to the Written Description Requirement Undermines the *Quid Pro Quo* at the Heart of the Patent System.

35 U.S.C. §112(a) codifies a “written description” defense to patent infringement—the specification “shall contain a written description of *the invention*.” (emphasis added).⁶ 35 U.S.C. §112(b) requires that the patent’s claims “particularly point[] out and distinctly claim[] the subject matter which the inventor ... regards *as the invention*.” (emphasis added).

Read together with §112(b), §112(a) thus requires that the patent’s specification must contain a written description of what is in the claims. The Federal Circuit has said that a sufficient “written description of the invention” under §112(a) “must clearly allow persons of ordinary skill in the art to recognize that the inventor invented what is claimed.” *Ariad*, 598 F.3d at 1351-54. In a case addressing analogous issues, this Court summed up §112(a) as requiring that “[w]hat is claimed by the patent application must be the same as what is disclosed in the specification; otherwise the patent should not issue.” *Festo*, 535 U.S. at 736.

The written description requirement codifies the bargain at the heart of the patent system: in exchange

⁶ The full §112(a) imposes overlapping “written description” and “enablement” requirements. *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1352 (Fed. Cir. 2010) (en banc) (“written description and enablement often rise and fall together”); *see also, e.g., In re DiLeone*, 436 F.2d 1404, 1405 & n.1 (C.C.P.A. 1971). This case concerns the written description requirement.

for a limited-time right to exclude the public from practicing the invention, the inventor must make a full, meaningful disclosure of that invention. *Universal Oil Prods. Co. v. Globe Oil & Refining Co.*, 322 U.S. 471, 484 (1944); *J.E.M. Ag. Supply, Inc. v. Pioneer Hi-Bred Int'l Inc.*, 534 U.S. 124, 142 (2001) (quoting *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 484 (1974)); *Eldred v. Ashcroft*, 37 U.S. 186, 216 (2003) (disclosure is “the price paid for the exclusivity secured” by a patent). Inventors who find the bargain the patent system offers to be unappealing can keep their inventions secret and forego patent protection. *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 186-87 (1933). But they cannot accept the bargain and proceed to violate it by obtaining broad patent claims while disclosing narrow inventions. See *O'Reilly*, 56 U.S. at 120-21 (inventor “can lawfully claim only what he has invented”); *Ensten*, 282 U.S. at 452-53 (“forbids a patentee to assert a right to more than he has actually invented”).

In *Holland Furniture Co. v. Perkins Glue Co.*, 277 U.S. 245 (1928), this Court explained that one of the aims of the statute is to prevent overbroad claiming that captures future innovation, such as where the inventor invents and discloses one solution to a problem, but then claims every solution. *Id.* at 256 (“[A]n inventor may not describe a particular starch glue which will perform the function of animal glue and then claim all starch glues which have those functions.” (citing predecessor to §112(a), and *Incandescent Lamp Patent*, 159 U.S. 465, 472 (1895))). Such broad claims, the Court explained in *Holland*, “would discourage rather than promote invention” by excluding others from discovering other solutions to

the same problem. *Id.* at 257. *Holland* also explained it is “well understood” that the Patent Act forbids such overclaiming. *Id.* (“That the patentee may not by claiming a patent on the result or function of a machine extend his patent to devices or mechanisms not described in the patent is well understood.” (collecting cases)). By the same token, if the inventor has actually invented as broadly as he claimed, he must disclose the full invention in the patent’s specification: full disclosure “is necessary in order to give the public the benefit of the invention after the patent shall expire.” *Beidler v. United States*, 253 U.S. 447, 453 (1920).

The consequences of a weakened written description requirement go beyond the problem of overclaiming or underdisclosing in a single patent application. The Patent Act allows amendments, and “continuation” and “divisional” applications that relate back to the priority date of an earlier application. 35 U.S.C. §§120-121. Patent applicants thus have a built-in incentive to wait until they see a product in the marketplace, draft new claims to cover that product, attach those claims to an earlier patent application, and sue for infringement. Robert P. Merges, *Software and Patent Scope: A Report from the Middle Innings*, 85 Tex. L. Rev. 1627, 1653 (2007) (referring to “misappropriation by amendment”). The written description requirement prevents patentees from taking unfair advantage of that incentive. When the written description requirement is enforced as this Court contemplated in *Holland Furniture*, it prevents patentees from filing new claims that are broader than what they invented and disclosed in the underlying patent application. *See Schriber-Schroth Co. v.*

Cleveland Trust Co., 305 U.S. 47, 56-57 (1938). When it is enforced in the breach, the misappropriation incentive remains.

Contrary to this Court's precedents, the Federal Circuit allows creative plaintiffs to claim more than they disclosed by backfilling in later litigation with ex post reasoning from hired-gun experts. As Judge Mayer's dissent explained, Sprint's claims fall short of the statutory requirements by any measure: "This case involves a remarkable mismatch between the narrow patent disclosures and the exceedingly broad claims." App.22. The majority's contrary reasoning cannot be squared with the statutory requirement of a *written description* of the invention, nor with this Court's precedent. Rather than pointing to any written portion of the patent specification that meaningfully discloses the PSTN-VoIP interface that Sprint's claims cover, the majority found it sufficient that **(a)** "IP technology is not *expressly excluded* from the ... specification," App.15 (emphasis added), and **(b)** Sprint's expert testified that "a person, reading the common specification of the call control patents, would conclude that the inventor 'was clearly thinking about broadband technologies that used routing to individual elements like IP addresses or used connections as in ATM.'" App.16.

In exchange for the right to exclude others and seek remedies in court for infringement the Patent Act requires a "written description of the invention" that provides a meaningful disclosure to the public. If it is enough merely to show that the inventor was "thinking about" and did not "expressly exclude"

technology that the patent's written description does not actually describe, then §112(a) is a dead letter.

B. This Case Presents an Appropriate Vehicle to Review the Federal Circuit's Approach to the Written Description Requirement.

This case presents an excellent vehicle because the relevant facts are undisputed and Sprint's overclaiming is stark. Sprint invented and disclosed one type of network interface (ATM to PSTN), but drafted claims covering *all* types of network interfaces between the PSTN and any network that uses "packets," including VoIP. The majority ruled that Sprint's "written description" was sufficient because it disclosed that the inventor was "thinking about" technology other than ATM and did not "affirmatively exclude" such technology. A ruling from this Court that §112(a) requires more from a written description than merely "thinking about" and "not affirmatively excluding" what is ultimately claimed would accomplish a necessary course correction.

Moreover, this litigation illustrates the consequences that can be expected if the Court allows this decision to propagate. Not only has Sprint obtained a \$140 million jury verdict based on technology it did not invent, but the judgment has emboldened Sprint to file at least eight other lawsuits against VoIP providers.⁷ The consequences to the VoIP industry alone are considerable.

⁷ *Sprint Commc'ns Co. L.P. v. Charter Commc'ns Inc.*, No. 17-CV-1734 (D. Del. filed Dec. 1, 2017); *Sprint Commc'ns Co. L.P. v. Mediacom Commc'ns Corp.*, No. 17-CV-1736 (D. Del. filed Dec. 1,

The Court’s review of the issue would be in keeping with this Court’s policing of Federal Circuit practices that have departed from this Court’s precedents and the statutory requirements. In *Bilski*, for example, even though it ultimately affirmed the judgment, the Court granted certiorari to address patent eligibility under 35 U.S.C. §101, and it corrected the Federal Circuit’s creation of a new, exclusive “machine-or-transformation” test that was inconsistent with this Court’s §101 precedents. 561 U.S. at 603-04. In *KSR*, this Court granted certiorari to address obviousness under 35 U.S.C. §103, and to reject the the Federal Circuit’s rigid application of a “teaching, suggestion, or motivation” test. 550 U.S. at 415 (“We begin by rejecting the rigid approach of the Court of Appeals.”). And in *Nautilus*, this Court granted certiorari to address indefiniteness under 35 U.S.C. §112(b), and to reject the Federal Circuit’s precedent refusing to invalidate a patent as indefinite unless the claims were “insolubly ambiguous.” 572 U.S. at 901 (“We conclude that the Federal Circuit’s formulation ... does not satisfy the statute’s definiteness requirement.”). Such review is again

2017); *Sprint Commc’ns Co. L.P. v. WideOpenWest, Inc.*, No. 18-CV-361 (D. Del. filed Mar. 7, 2018); *Sprint Commc’ns Co. L.P. v. Atl. Broadband Finance, LLC*, No. 18-CV-362 (D. Del. filed Mar. 7, 2018); *Sprint Commc’ns Co. L.P. v. Grande Commc’ns Network, LLC*, No. 18-CV-363 (D. Del. filed Mar. 7, 2018); *Sprint Commc’ns Co. L.P. v. Frontier Commc’ns Corp.*, No. 18-CV-536 (D. Del. filed Apr. 10, 2018); *Sprint Commc’ns Co. L.P. v. IDT Corp.*, No. 18-CV-620 (D. Del. dismissed June 28, 2018); *Sprint Commc’ns Co. L.P. v. Cequel Commc’ns, LLC*, No. 18-CV-1752 (D. Del. filed Nov. 6, 2018).

needed to bring Federal Circuit practice into line with Congress's statutory mandate.

CONCLUSION

For the foregoing reasons, this Court should grant the petition for certiorari.

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