

No. 20-1130

IN THE
Supreme Court of the United States

ERICSSON INC., TELEFONAKTIEBOLAGET LM ERICSSON,

Petitioners,

v.

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

Respondents.

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

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

Petitioners' questions presented fail to accurately reflect the nature of the district court's summary judgment ruling. The district court did not merely deny TCL's motion for summary judgment. It effectively *granted* summary judgment in Ericsson's favor on a *purely* legal issue. This distinction has a significant impact on the circuit court precedent that applies—there is no circuit split when a district court's denial of summary judgment is of the type that effectively grants summary judgment to the nonmovant.

The questions presented in this case, properly stated, are:

1. Whether the Federal Circuit correctly exercised jurisdiction over an issue decided at the summary judgment stage, where the district court denied a motion for summary judgment on the issue in a way that effectively granted summary judgment for the nonmovant, and where the adjudicated issue was not re-raised in a Rule 50 motion.

2. Whether the Federal Circuit correctly found that, in the event of a waiver, it could excuse that waiver and review an issue on appeal because the issue was presented, briefed, and decided in district court and because the issue involved a summary-judgment denial that effectively granted summary judgment to the nonmovant on a purely legal issue.

CORPORATE DISCLOSURE STATEMENT

Petitioner TCT Mobile International Limited is a wholly owned subsidiary of TCT Mobile Worldwide Limited.

TCT Mobile Worldwide Limited is a wholly owned subsidiary of TCL Communication Technology Holdings Limited. Vivid Victory Developments Limited owns 13% of TCL Communication Technology Holdings Limited, and T.C.L. Industries Holdings (H.K.) Limited owns 87% of TCL Communication Technology Holdings Limited. T.C.L. Industries Holdings (H.K.) Limited is a wholly owned subsidiary of TCL Industries Holdings Company, Limited. No other publicly held company owns 10% or more of stock in TCT Mobile International Limited or TCL Communication Technology Holdings Limited.

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INTRODUCTION

The Petition fails to properly account for the critical fact that the district court did not merely deny TCL’s motion for summary judgment—it did so in a way that effectively *granted* summary judgment in favor of Ericsson on a purely legal issue. This distinction has a significant impact on the circuit court precedent relevant here, all of which Ericsson ignores. Indeed, there is no circuit split when one accounts for the fact that the district court’s denial of summary judgment amounted to an effective grant of summary judgment for the nonmovant on a purely legal issue. The law of every circuit permits TCL’s appeal. Thus, this case is not a good candidate for certiorari.

TCL moved for summary judgment of invalidity under 35 U.S.C. § 101 on the grounds that claims 1 and 5 of U.S. Patent No. 7,149,510 (“the ’510 patent”) were directed to patent-*ineligible* subject matter. The district court did not merely deny TCL’s motion and send the § 101 issue to the jury—it found the claims patent *eligible* at the summary judgment stage by relying solely on the four corners of the patent (a legal document) and without relying on any historical facts (disputed or undisputed). Thus, the district court’s summary judgment ruling effectively granted summary judgment to Ericsson on purely legal grounds and left nothing on patent eligibility for trial. The patent-eligibility issue was fully resolved the summary-judgment stage.

Every circuit court permits these types of summary-judgment issues to be heard on appeal, regardless of whether the summary-judgment issue is re-raised in a Rule 50 motion. Indeed, it would have been impossible for Rule 50 to even trigger for the § 101 issue in this case because Rule 50 only applies when “a party has

been fully heard on an issue during a jury trial.” Fed. R. Civ. P. 50(a). TCL was never heard on the patent-ineligibility issue at trial because the issue was fully resolved at the summary judgment stage through an effective grant of summary judgment. The district court judge even warned TCL against raising patent-ineligibility issues at trial, referencing his summary judgment ruling.

There is no circuit split under these facts. The precedent *Ericsson* relies on involves the broader category of summary-judgment denials that turn on legal issues in general. The circuit courts have reached varying results when deciding cases within this category. The precedent relevant here, however, is different—it involves a narrower subcategory of summary-judgment denials where the district court effectively *granted* summary judgment on not just a legal issue, but a *purely* legal issue (e.g., one involving a legal document and no historical facts). In these situations, the circuits uniformly allow appeals regardless of whether the summary-judgment issue is re-raised in a Rule 50 motion. At bottom, *Ericsson* strays from the facts of this case so it can manufacture a circuit split. Accordingly, this is not the right case for resolving *Ericsson*’s questions presented.

There is another, independent reason why this appeal is not a good candidate for certiorari. Even if there was waiver, the Federal Circuit exercised its discretion to excuse that waiver. This Court has repeatedly acknowledged that appellate courts have discretion in deciding whether to apply waiver, and that there is no general rule for when that discretion should be exercised or not exercised. *Singleton v. Wulff*, 428 U.S. 106, 121 (1976); *Exxon Shipping Co. v. Baker*, 554 U.S. 471, 487 (2008). Historically, courts

have exercised their discretion to excuse waiver where the allegedly waived issue involved a legal matter that was fully briefed in district court, a resolution on appeal would not prejudice either party, there would be no purpose served by remand, or declining to review the issue would result in manifest injustice.

Here, these elements are all met. The issue of patent eligibility was presented, fully briefed, and decided in district court, and then further briefed and argued on appeal. Thus, there is no prejudice to Ericsson because it was given an opportunity to fully litigate the § 101 issue. Moreover, there would be no purpose served by a remand because the § 101 issue was resolved on purely legal grounds by both the district court and Federal Circuit—there is nothing left to do in this case under § 101. Further, not addressing the § 101 issue on appeal would have resulted in a manifest injustice because Ericsson would have been allowed to collect damages on a patent that was invalid under the law. Under such circumstances, there is no circuit split regarding whether a circuit court can exercise its discretion to excuse waiver. Thus, the Federal Circuit was justified in doing so to decide the § 101 issue.

Because there is no true circuit split and there are multiple, independent reasons why this case is not a good candidate for certiorari, the Court should deny review.

STATEMENT OF THE CASE

A. The '510 Patent

The '510 patent relates to a “[m]ethod and system for controlling access to a platform for a mobile terminal for a wireless telecommunications system or for another product.” C.A. App. 118. Claims 1 and 5 of

this patent are at issue. The specification for the '510 patent states that early mobile phones came prepackaged with all the hardware and software necessary to function. C.A. App 129, 1:62-2:1. As mobile phones advanced, however, it became possible for users to install and run “apps.” *Id.*, 2:5-13. Such apps often required installing non-native software on phones after purchase, which risked jeopardizing the integrity of the phone’s prepackaged, native system. *Id.*, 2:18-33. Some degree of security was necessary to manage the relationship between the native hardware and software prepackaged on the phone and the non-native software introduced to the phone while an app is being downloaded and used. *Id.*

Ericsson’s expert admitted in district court that Ericsson “did not invent” the concepts of app security or app permissions. C.A. App 10862. Prior-art app security systems existed before the '510 patent, including highly secure systems that would block a downloaded app from accessing any mobile phone features. Ericsson C.A. Br. 4. According to Ericsson, the '510 patent improves the prior art by providing a security system that *selectively permits* apps to access certain phone features but not others. Ericsson C.A. Br. 3, 28-30.

The specification’s purported solution was a computerized “layered architecture,” where an “interface component” sitting in a middleware layer maintained security by managing the interaction between the between an app and the prepackaged, native software. C.A. App. 120, Fig. 1. When an app requests access to the native software, an “access controller” receives the request, determines whether access should be granted, and controls access via the interface. C.A. App. 129, 2:47-62.

Claim 1 of the '510 patent, which describes a design much more general than the disclosures in the specification, recites:

1. A system for controlling access to a platform, the system comprising:

a platform having a software services component and an interface component, the interface component having at least one interface for providing access to the software services component for enabling application domain software to be installed, loaded, and run in the platform;

an access controller for controlling access to the software services component by a requesting application domain software via the at least one interface, the access controller comprising:

an interception module for receiving a request from the requesting application domain software to access the software services component;

and a decision entity for determining if the request should be granted wherein the decision entity is a security access manager, the security access manager holding access and permission policies; and

wherein the requesting application domain software is granted access to the software services component via the at least one interface if the request is granted.

Claim 5 of the '510 patent further recites:

5. The system according to claim 1, wherein:

the security access manager has a *record* of requesting application domain software; and the security access manager determines if the request should be granted based on an *identification* stored in the record.

Relevant here, and unlike the specification of the '510 patent, claims 1 and 5 *do not contain a layered architecture limitation*. They simply recite an interface and an access controller that grants or denies access through that interface.

B. The District Court Proceedings

During the district court claim construction proceedings, the court construed just one term in the asserted claims: “software services component.” C.A. App. 105–107. Analyzing the specification, the court rejected both parties’ proposed constructions and held that the term meant “a software component for providing services.” *Id.* Ericsson did not appeal this construction. The parties also agreed that plain and ordinary meaning applied to the “interface component” and “interception module” terms in claim 1. C.A. App. 102. During claim construction, Ericsson *never proposed* a construction that added a “layered architecture” limitation to the claims. C.A. App. 102–117.

After claim construction concluded, TCL moved for summary judgment of patent invalidity under 35 U.S.C. § 101 on the grounds that claims 1 and 5 of the '510 patent were directed to patent-ineligible subject matter. Determining whether claims are patent-ineligible—and thus invalid—under § 101 requires a two-step inquiry. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 217-218 (2014). First, a court must determine whether the claims at issue are directed to one of the traditional patent-ineligible concepts—i.e.,

laws of nature, natural phenomena, or abstract ideas. *Id.* (*Alice* Step One). If the claims are directed to an abstract idea under *Alice* Step One, the court then asks whether the remaining elements, either in isolation or combination, provide an “inventive concept” that “transforms the nature of the claim” into a “patent-eligible application.” *Id.* (*Alice* Step Two). Patent claims cannot survive under *Alice* Step Two if they recite computer functionalities that, either alone or in combination, are “well-understood, routine, conventional activities previously known in the industry.” *Id.* at 225 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79-80 (2012)) (explaining that the patent claims at issue in *Alice* did “no more than require a generic computer to perform generic computer functions”).

In response to TCL’s summary-judgment motion on patent ineligibility, Ericsson identified only one feature as not “well-understood, routine [or] conventional”—i.e., the *unclaimed* “layered architecture” feature. C.A. App. 1126; C.A. App. 1135. Ericsson’s reliance on this feature convinced the district court to rule in Ericsson’s favor on *both* Steps One and Two. App. 96a–99a. The court stated that it was “not persuaded that the claims [were] directed to an abstract idea, but even if they [were], the claims recite an inventive concept sufficient to render the claims patent-eligible.” App. 97a. Thus, the district court did not merely deny TCL’s motion, it did so in a way that effectively granted summary judgment of patent eligibility to Ericsson. After the summary-judgment ruling, no factual disputes remained for resolution at trial. Removing any doubt that the § 101 issue was fully resolved at the summary-judgment stage (and that nothing was left for trial), the district court cautioned that “if TCL were to present evidence that it thought the ’510

patent was invalid on a legal ground (§ 101), then of course Ericsson would be entitled to inform the jury that the Court denied that motion.” App. 95a-96a.

Notably, the district court did not have to deny TCL’s motion for summary judgment in a way that effectively granted summary judgment to Ericsson. It could have found that a factual dispute existed over whether terms in the claims provided inventive concept either alone or in combination under *Alice* Step Two, and that this issue had to be resolved at trial. This type of summary judgment denial occurs routinely under the Federal Circuit’s ruling in *Berkheimer v. HP Inc.*, 881 F.3d 1360 (Fed. Cir. 2018). *See, e.g., Eagle View Techs., Inc. v. Xactware Sols., Inc.*, 358 F. Supp. 3d 399, 405-06, 411 (D.N.J. 2019) (denying summary judgment of patent ineligibility because a fact dispute existed under *Berkheimer* regarding whether claim language constituted “inventive step” under *Alice* Step Two); *Trs. of Columbia Univ. in N.Y. v. Symantec Corp.*, 425 F. Supp. 3d 601 (E.D. Va. 2019) (same); *PPS Data, LLC v. Jack Henry & Assocs.*, 404 F. Supp. 3d 1021 (E.D. Tex. 2019) (same); *Applied Capital, Inc. v. ADT Corp.*, No. 1:16-CV-00815, 2019 U.S. Dist. LEXIS 133291, at *19 (D.N.M. Aug. 7, 2019) (same); *Align Tech., Inc. v. 3Shape A/S*, No. 17-1647-LPS, 2020 U.S. Dist. LEXIS 187445 (D. Del. Oct. 8, 2020) (same).

Instead, the district court resolved the § 101 issue on *purely* legal grounds. That is, it relied on no historical, undisputed, or disputed fact in effectively granting summary judgment in favor of Ericsson. It only relied on information from within the four corners of the patent. Indeed, patents themselves are legal documents like contracts or deeds, which is why the district court’s ruling was a pure legal determination. *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222,

227 (1880) (patent as contract); *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 510 (1917) (patent as deed).

After the district court’s finding of patent eligibility at the summary judgment stage, TCL had no invalidity case left to present at trial. No longer fearing an invalidity finding at trial, Ericsson applied its patent claims more broadly, asserting its infringement case as if claims 1 and 5 had no “layered architecture” restriction at all. Specifically, Ericsson objected to all testimony that the claimed “access controller” and its “interception module” must reside in a middle layer (C.A. App. 10419), and it even argued that the claimed “interception module,” “decision entity,” and “security access manager” could be the same thing (C.A. App. 1231; C.A. App. 10948–10950). By abandoning the unclaimed “layered architecture” feature it used to win at summary judgment, and by arguing that several of the terms in claim 1 can mean the same thing, Ericsson secured an infringement verdict of \$75 million. C.A. App. 1–2.

C. The Federal Circuit Appeal

On appeal, the ’510 patent’s validity was the only liability issue raised (infringement was not at issue). Ericsson—changing positions yet again—reintroduced the “layered architecture” term into the analysis, argued that the asserted claims “feature” this term. Ericsson C.A. Br. 36–37. As mentioned, “layered architecture” appears nowhere in claims 1 or 5 of the ’510 patent, and Ericsson never tried to add this term to the claims during the formal claim construction proceedings in district court.

The Federal Circuit majority, seeing the flaws and inconsistencies in Ericsson’s arguments, reversed the

district court's finding of patent eligibility. Regarding *Alice* Step One, the majority concluded that the asserted claims were directed to “the abstract idea of controlling access to, or limiting permission to, resources.” App. 13a-14a. In reaching this conclusion, the majority reasoned that the “security access manager,” “decision entity,” “interception module,” and “access controller” all collapse into “an access controller for controlling access.” *Id.* at 14a. The majority also rejected Ericsson's attempt to limit the claims to a “resource-constrained” environment, such as a mobile device, because the claims contain no such limitation. *Id.* at 17a.

At Step Two, Ericsson argued that the “layered architecture” of the invention provided an inventive concept, but the majority disagreed because the claims recite no such architecture. *Id.* at 18a-20a. The majority noted that if Ericsson wanted to include this feature in the claims, the proper time to do so was during claim construction in the district court. *Id.* at 20a. But this never happened. As the majority explained, the district court construed “software services component” to simply mean “a software component for providing services,” a construction that went unchallenged on appeal. *Id.* The majority also explained that Ericsson agreed to a plain and ordinary meaning for “interception module.” *Id.* Because the asserted claims failed to satisfy either *Alice* Step One or Two, the majority found them ineligible. *Id.* at 11a-23a.

Notably, Ericsson suggests that the Federal Circuit's reliance on trial testimony in its patent-ineligibility analysis shows that the issue was not fully resolved at the summary-judgment stage. Ericsson Pet. 17. Ericsson is wrong—the § 101 issue was fully resolved at the summary-judgment stage. The Federal Circuit relied on trial testimony in its analysis merely to show

that Ericsson's trial positions that Ericsson's trial positions contradicted the positions it took at the summary-judgment stage. App.20a.

Next, the majority rejected Ericsson's argument that TCL waived its § 101 defense by not raising it under Rule 50, reasoning that its invalidity finding on appeal "was based on the court's analysis of the claim language and a comparison to our existing caselaw, and was not dependent on any factual issues that were or could have been raised at trial." App. 4a. The majority reasoned that "[w]hen the district court denied [the movant]'s motion for summary judgment, it did not conclude that issues of fact precluded judgment; it effectively entered judgment of validity to [the non-movant], and that grant of judgment was appealable." App. 5a(quoting *Lighting Ballast Control LLC v. Philips Elecs. N. A. Corp.*, 790 F.3d 1329, 1337 (Fed. Cir. 2015)). Notably, the majority's finding that the district court resolved the § 101 issue by comparing the patent claims to the law (as opposed to relying on historical disputed or undisputed facts) confirms that the district court's effective grant of summary judgment in favor of Ericsson was confined to the four corners of the patent and was thus a *purely* legal finding.

The majority also found no waiver under the law of the relevant regional circuit (the Fifth Circuit). In particular, Ericsson, citing *Feld Motor Sports, Inc. v. Traxxas, L.P.*, 861 F.3d 591, 596 (5th Cir. 2017), argued that Fifth Circuit precedent required TCL to challenge the district court's patent eligibility finding at the Rule 50 stage to avoid waiver. App. 5a. The majority correctly disagreed, finding:

[T]he district court here did not merely deny summary judgment. Rather, consistent with

Fifth Circuit precedent, it effectively granted summary judgment in favor of the non-moving party by deciding the issue and leaving nothing left for the jury to decide. *See Hudson v. Forest Oil Corp.*, 372 F.3d 742, 744 (5th Cir. 2004) (“the district court’s decision to deny [a] motion for summary judgment was in effect a grant of summary judgment in favor of [non-movants]”). And when the district court’s action amounts to an “effective . . . grant of summary judgment,” the Fifth Circuit has treated the action akin to an express grant of summary judgment, and allowed an appeal accordingly. *See Luig v. North Bay Enters., Inc.*, 817 F.3d 901, 904-05 (5th Cir. 2016).

App. 6a. After finding no waiver two different ways (under Federal Circuit and 5th Circuit law), the majority then found that, even if TCL had waived its § 101 defense, it had the authority to hear TCL’s § 101 arguments anyway, and it chose to exercise that authority in this appeal. App. 6a-11a (explaining that exercising its discretion to hear the § 101 issues was especially appropriate here because these issues were squarely presented to—and decided by—the district court); App. 7a (explaining that “this is not a typical waiver scenario in which we are asked to ‘consider an issue not passed upon below’”) (quoting *Singleton*, 428 U.S. at 120 (1976)).

REASONS FOR DENYING THE PETITION

The district court did not merely deny TCL’s motion for summary judgment and send the § 101 issue to the jury—it found the asserted patent claims patent *eligible* at the summary judgment stage. And it did so by relying solely on the four corners of the patent (a legal document) and without relying on any historical

facts (disputed or undisputed). Thus, the district court effectively *granted* summary judgment to Ericsson on a purely legal issue, and it left nothing on patent eligibility for trial. The patent-eligibility issue was fully resolved at the summary-judgment stage.

Every circuit court permits such summary judgment issues to be heard on appeal, regardless of whether the summary judgment issue is re-raised in a Rule 50 motion. It would have been impossible for Rule 50 to even trigger for the § 101 issue in this case because Rule 50 only applies when “a party has been fully heard on an issue during a jury trial.” Fed. R. Civ. P. 50(a). TCL was never heard on the patent-ineligibility issue at trial because the issue was fully resolved as a pure legal matter at the summary judgment stage through an effective grant of summary judgment.

The precedent Ericsson relies on in its Petition involves the broad category of summary-judgment denials that turn on legal issues in general. The circuit courts have reached varying results when deciding cases within this broad category. The precedent that actually applies here, however, is different—it involves a narrower subcategory of summary-judgment denials where the court effectively *granted* summary judgment on a purely legal issue. In these situations, the circuits uniformly allow appeals regardless of whether the summary judgment issue is re-raised in a Rule 50 motion. Ericsson strays from the facts of this case so it can manufacture a circuit split. Accordingly, this appeal is not the right vehicle for resolving the questions presented that Ericsson proposes.

There is another, independent reason why this Court should deny the Petition. Even if there was waiver, the Federal Circuit exercised its discretion to excuse that waiver. This Court has repeatedly

acknowledged that appellate courts have discretion in deciding whether to apply waiver, and there is no general rule for when that discretion should be exercised, or when it cannot be exercised. Historically, courts have exercised their discretion to excuse waiver in cases where the allegedly waived issue involved a legal matter that was fully briefed in district court, a resolution on appeal would not prejudice either party, there would be no purpose served by remand, or declining to review the issue would result in a manifest injustice.

Here, the issue of patent eligibility was presented, fully briefed, and decided in district court, and then further briefed and argued on appeal. Thus, there is no prejudice to Ericsson because it was given an opportunity to fully litigate the § 101 issue. Moreover, there would be no purpose served by a remand because the § 101 issue was resolved on purely legal grounds by both the district court and Federal Circuit—there is nothing left to do in this case under § 101. Further, not addressing the § 101 issue on appeal would have resulted in a manifest injustice because Ericsson would have been allowed to collect damages on a patent that was invalid under the law. Under such circumstances, there is no circuit split regarding whether a circuit court can exercise its jurisdiction to excuse waiver. Accordingly, the Federal Circuit was justified in doing so to decide the § 101 issue.

I. TCL's Appeal Was Proper in All Thirteen Circuits Because Every Circuit Permits Appeals From Grants of Summary Judgment Without Proceeding Through Rule 50

There is no question that in *all thirteen circuits*, in cases that proceed to a jury trial, appeals can be taken

from *grants* of summary judgment without having to re-raise the summary judgment issues at the Rule 50 stage. *CMM Cable Rep, Inc. v. Ocean Coast Props., Inc.*, 97 F.3d 1504, 1508, 1530 (1st Cir. 1996) (reviewing appeal from an order granting summary judgment in a case that proceeded to a jury trial on other issues); *Kerman v. City of N.Y.*, 261 F.3d 229, 232, 239 (2d Cir. 2001) (same); *Dun & Bradstreet Software Servs. v. Grace Consulting, Inc.*, 307 F.3d 197, 200, 219 (3d Cir. 2002) (same); *BMG Rights Mgmt (US) LLC v. Cox Commc'ns., Inc.*, 881 F.3d 293, 300-01 (4th Cir. 2018) (same); *Constr. Cost Data, L.L.C. v. Gordian Grp., Inc.*, 814 F. App'x 860, 861-62, 868 (5th Cir. 2020) (same); *Evoqua Water Techs., LLC v. M.W. Watermark, LLC*, 940 F.3d 222, 225 (6th Cir. 2019) (same); *Wilson v. Electro Marine Sys.*, 915 F.2d 1110, 1111 (7th Cir. 1990) (same); *Fair Isaac Corp. v. Experian Info. Sols., Inc.*, 650 F.3d 1139, 1143 (8th Cir. 2011) (same); *Rachel v. Banana Republic, Inc.*, 831 F.2d 1503, 1504-09 (9th Cir. 1987) (same); *Kleier Advert., Inc. v. Premier Pontiac, Inc.*, 921 F.2d 1036, 1038 (10th Cir. 1990) (same); *Telecom Tech. Servs. v. Rolm Co.*, 388 F.3d 820, 823-28 (11th Cir. 2004) (same); *Desmond v. Mukasey*, 530 F.3d 944, 952, 964-65 (D.C. Cir. 2008) (same); *ATD Corp. v. Lydall, Inc.*, 159 F.3d 534, 539, 542-43 (Fed. Cir. 1998) (same).

In *CMM Cable*, the First Circuit (one of the circuits Ericsson argues would *not* accept TCL's appeal) expressly found that the issue underlying the summary-judgment grant did not need to be raised again after trial as part of a Rule 50 motion. 97 F.3d at 1508. This is because when there is a grant of summary judgment, the resolved issue will not proceed to trial, which is when Rule 50 becomes applicable. Fed. R. Civ. P. 50(a) (rule only applies when "a party has been fully heard on an issue during a jury trial"); Fed. R. Civ. P. 50(b)

(requiring issues to be first presented in a Rule 50(a) motion before being raised in a Rule 50(b) motion).

Barkley, Inc. v. Gabriel Brothers, 829 F.3d 1030 (8th Cir. 2016) is also instructive. There, the district court granted summary judgment finding that the defendant did not breach a contract, but the case proceeded to trial on other issues. *Id.* at 1037. The plaintiff did not re-raise the breach-of-contract issue in a post-trial motion under Federal Rule of Civil Procedure 50, 59, or 60, and the defendant argued that this precluded the plaintiff from challenging the issue on appeal. *Id.* at 1038 n.1. The Eighth Circuit (another circuit Ericsson argues would not hear TCL's appeal) disagreed, concluding that "[t]he requirement that a party preserve arguments raised at summary judgment 'through subsequent motions for judgment as a matter of law'" does not apply to *grants* of summary judgment. *Id.* (quoting *N.Y. Marine & Gen. Ins. Co. v. Cont'l Cement Co.*, 761 F.3d 830, 838 (8th Cir. 2014)). The court reasoned that because "the appeal address[ed] an adverse grant of summary judgment" and because the plaintiff "raise[d] the same arguments here that it raised at summary judgment," the plaintiff "preserved its arguments" even though it filed no post-trial motion. *Barkley*, 829 F.3d at 1038 n.1.

Ericsson's summary-judgment arguments were wholly accepted by the district court at the summary-judgment stage. The district court ruled entirely in Ericsson's favor on both *Alice* Steps One and Two, stating that it was "not persuaded that the claims [were] directed to an abstract idea, but even if they [were], the claims recite an inventive concept sufficient to render the claims patent-eligible." C.A. App. 69–71. Put differently, although the district court denied TCL's motion for summary judgment of invalidity under 35

U.S.C. § 101 as a technical matter, it did so in a way that effectively granted summary judgment in favor of Ericsson as a substantive matter.

Moreover, the district court relied on no historical, disputed, or undisputed fact in its summary-judgment ruling, confining its analysis to the four corners of the '510 patent. Because a patent is a legal document, *Goodyear*, 102 U.S. at 227 (patent as contract); *Motion Picture Patents*, 243 U.S. at 510 (patent as deed), the district court's effective grant of summary judgment was a *purely* legal decision not appropriate for trial or a Rule 50 motion. *See also* App. 4a (explaining that the district court's analysis was confined to an "analysis of the claim language and a comparison to [the Federal Circuit's] existing caselaw, and was not dependent on any factual issues that were or could have been raised at trial").

Had Ericsson moved for summary judgment of patent eligibility—instead of TCL moving for a finding of patent ineligibility—the motion would have been *expressly* granted under the district court's reasoning, and TCL would have been able to appeal it *in any circuit* under the law described above. To draw a technical distinction for Rule 50 purposes—as Ericsson does—between a grant of summary judgment and a denial of a motion that had the effect of granting summary judgment not only exalts form over substance, it contradicts the plain language of Rule 50. Fed. R. Civ. P. 50(a) (rule only becomes applicable when "a party has been fully heard on an issue during a jury trial"). No matter how finely Ericsson parses the issue, after the district court's summary-judgment ruling, no factual disputes remained for resolution at trial. The district court said as much, warning TCL that if it "present[ed] evidence that it thought the '510

patent was invalid on a legal ground (§ 101), then of course Ericsson would be entitled to inform the jury that the Court denied that motion.” C.A. App. 69.

Because no factual issues involving patent eligibility under § 101 remained for trial, Rule 50 never applied to the § 101 issue. No party in the litigation was ever “fully heard” on that issue “during a jury trial,” which is what is required to trigger Rule 50 under its plain language. Fed. R. Civ. P. 50(a). It would have been futile and wasteful to force TCL to re-litigate patent eligibility under § 101 at the Rule 50 stage under these circumstances.¹

Notably, even if the district court’s effective grant of summary judgment in favor of Ericsson was not *immediately* appealable because it was an interlocutory order, it became appealable later after the district court issued its final judgment. *See* 28 U.S.C. § 1295(a)(1).

II. Twelve Circuits Permit Appeals from *Effective or Sua Sponte* Grants of Summary Judgment Even When the Underlying Motion Is Procedurally Denied, and the Remaining Circuit Has Not Precluded Such Appeals

Even starting from the assumption that an *effective* grant of summary judgment (where the motion for summary judgment was technically denied) is distinct

¹ Ericsson incorrectly suggests that the Federal Circuit’s reliance on trial testimony in its patent-ineligibility analysis shows that the issue was not fully resolved at the summary-judgment stage. Ericsson Pet. 17. Ericsson is wrong—the § 101 issue was fully resolved at the summary-judgment stage. The Federal Circuit relied on trial testimony in its analysis merely to show that Ericsson’s trial positions that Ericsson’s trial positions contradicted the positions it took at the summary-judgment stage. App.20a.

from an *express* grant of summary judgment, TCL's appeal *still* would be proper in twelve (and possibly all thirteen) circuits. Ericsson's petition alleges that the circuit courts fall into three different categories when addressing summary judgment denials on legal grounds where the movant did not re-raise the summary judgment issue at the Rule 50 stage: (1) circuits that do not permit such appeals; (2) circuits that sometimes permit such appeals (e.g., when they turn on *purely* legal issues involving no historical facts); and (3) circuits that routinely permit such appeals. Ericsson's position, however, fails to properly account for a highly critical fact—the district court did not simply deny a motion for summary judgment on a legal issue, it effectively *granted* summary judgment in favor of Ericsson on a *purely* legal issue. When TCL's appeal is understood in this context, the circuit divisions Ericsson alleges disappear, and it becomes apparent there is no circuit split.

First, Second, Fourth, and Fifth Circuits: These circuits prohibit appeals where summary judgment motions were denied on legal grounds, and the movant did not re-raise the summary judgment issue after trial at the Rule 50 stage. *See, e.g., Hisert ex rel. H2H Assocs., LLC v. Haschen*, 980 F.3d 6 (1st Cir. 2020); *Omega SA v. 375 Canal, LLC*, 984 F.3d 244, (2d Cir. 2021); *Bunn v. Oldendorff Carriers GmbH & Co.*, 723 F.3d 454 (4th Cir. 2013); *Feld Motor Sports, Inc. v. Traxxas, L.P.*, 861 F.3d 591 (5th Cir. 2017); *see also* Ericsson Pet. 16-18. In each of these circuits, however, appeals *are permitted* where motions for summary judgment were denied in a way that effectively granted summary judgment to the nonmoving party. *See, e.g., National Union Fire Ins. Co. v. Lumbermens Mut. Cas. Co.*, 385 F.3d 47, 49, 55 (1st Cir. 2004) (appeal from order denying summary judgment permitted where

the denial was in substance an effective grant of summary judgment); *Galvin v. U.S. Bank N.A.*, 852 F.3d 146, 154-55 (1st Cir. 2017) (same); *Clearlake Shipping PTE Ltd. V. Nustar Energy Servs.*, 911 F.3d 646, 649-50 (2nd Cir. 2018) (same); *National Elec. Mfrs. Ass'n v. Gulf Underwriters Ins. Co.*, 162 F.3d 821, 823-824, n.3 (4th 1998) (same); *Luig v. N. Bay Enters, Inc.*, 817 F.3d 901 (5th Cir. 2016) (same).

In *National Electrical Manufacturers*, for example, the defendant moved for summary judgment, arguing that an exclusion in an insurance policy precluded it from having to make an insurance payment. 162 F.3d at 823. The Fourth Circuit denied the motion, but, in doing so, effectively granted summary judgment in favor of the nonmovant by finding that the exclusion did not relieve the insurer of its contractual obligations. The Fourth Circuit stated:

In finding that the . . . exclusion was ambiguous as a matter of law, the district court *sua sponte* entered partial summary judgment for [the plaintiff] on this issue. Thus, this Court is not precluded from reviewing the district court's denial of [the defendant's] motion. *See Chesapeake Paper Prods. Co. v. Stone & Webster Eng'g Corp.*, 51 F.3d 1229, 1237 n. 11 (4th Cir.1995) (noting denial of summary judgment reviewable where district court granted corresponding summary judgment for opposing party).

National Elec. Mfrs., 162 F.3d at 823-24 n.3. Thus, the Fourth Circuit—a circuit Ericsson argues prohibits appeals from any summary judgment denial (Ericsson Pet. 16-18)—equated a denied summary judgment motion that *sua sponte* granted summary judgment to the nonmovant with a traditional grant of summary

judgment, and then found that an appeal from the summary-judgment issue was proper. The same logic applies here because, although the district court formally denied TCL's motion for summary judgment, it did so in a way that effectively granted summary judgment in favor of Ericsson on a *purely* legal issue. In sum, TCL's appeal would be permitted in the Fourth Circuit, as well as the First, Second, and Fifth Circuits, under the case law described in this section.

Third, Sixth, Eighth, and DC Circuits: These circuits sometimes permit appeals where summary judgment motions were denied on legal grounds, and the movant did not re-raise the summary judgment issue after trial at the Rule 50 stage. *See, e.g., Frank C. Pollara Grp., LLC v. Ocean View Inv. Holding, LLC*, 784 F.3d 177 (3d Cir. 2015); *Kidis v. Reid*, 976 F.3d 708 (6th Cir. 2020); *Dahlin v. Lyondell Chem. Co.*, 881 F.3d 599 (8th Cir. 2018); *Feld v. Feld*, 688 F.3d 779 (D.C. Cir. 2012). But they *routinely* permit appeals where motions for summary judgment were denied in a way that effectively granted summary judgment to the nonmoving party. *Brown v. Zurich-Am. Ins. Co.*, 137 Fed. Appx. 476 (3d Cir. 2005) (appeal from order denying summary judgment permitted where the denial was in substance an effective grant of summary judgment); *Paschal v. Flagstar Bank*, 295 F.3d 565 (6th Cir. 2002) (same); *Owatanna Clinic v. Med. Protective*, 639 F.3d 806 (8th Cir. 2011) (same); *Twin City Pipe Trades Serv. v. Wenner Quality*, 869 F.3d 672 (8th Cir. 2017) (same); *Leahy v. D.C.*, 833 F.2d 1046 (D.C. Cir. 1987) (same).

Owatanna is instructive. 639 F.3d at 809-811. There, the defendant moved for summary judgment, and its motion was denied in a way that effectively granted summary judgment to the plaintiff on an

insurance notice issue. *Id.* The case then proceeded to trial on the remaining issues. *Id.* The defendant did not re-raise the issue decided at summary judgment in a Rule 50 motion. *Id.* After trial and after the district court entered judgment, the defendant appealed, and that appeal included a challenge to the district court’s summary judgment findings on the insurance notice issue. *Id.* The plaintiff argued the Eighth Circuit lacked jurisdiction to decide the insurance notice issue because the defendant did not raise the issue in a Rule 50 motion. *Id.* at 809.

The Eighth Circuit explained that its general rule was to prohibit appeals from orders denying summary judgment, but that it allows appeals involving “purely legal question[s].” *Id.* at 809-10 (citing this Court’s ruling in *Ortiz v. Jordan*, 562 U.S. 180 (2011)). It then concluded that it did not need to apply these rules because the underlying summary-judgment ruling was not a true denial of summary judgment—it was an effective grant of summary judgment for the plaintiff. The Eighth Circuit stated that

the [defendant’s] real complaint is not that the district court erred in denying its motion for summary judgment. In this case, [the defendant] did not get a trial on the issues that it wishes to raise on appeal because the district court, though it did not say so directly in its order, effectively granted partial summary judgment to [the plaintiff] on them: The court allowed a trial only on [a non-summary judgment issue], and the jury rendered a special verdict on that matter alone. So the pertinent issue here is whether the district court erred in granting summary judgment, not denying it. A simple reference to Rule 50(a)(1) solves

the question at hand. The rule provides that a motion for judgment as a matter of law should be granted “[i]f a party has been fully heard on an issue during a jury trial and the court finds that a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue.” Rule 50 therefore has no application.

Id. at 810-811 (also stating that “the issues raised” on appeal “were not ‘fully heard . . . during a jury trial,’ which meant that “a Rule 50 motion was not necessary to preserve them”) (quoting Rule 50(a)).

The Third Circuit has made this same distinction. In *Brown*, the plaintiff’s summary judgment motion was denied in a way that effectively granted summary judgment in favor of the defendant. 137 Fed. Appx. at 477 (explaining that under the district court’s opinion, the defendant “was entitled to a summary judgment even though it had not sought one”). The Third Circuit explained that “[o]rdinarily, we would not have jurisdiction over an appeal from an order denying summary judgment. That principle, however, is inapplicable here as [the plaintiff] appeals from an order effectively granting summary judgment against him.” *Id.* at 478. Thus, the Third Circuit concluded that it had jurisdiction. *Id.*

The analyses described above from the Third and Eighth Circuits show why cases like *Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394 (2006), do not apply in this appeal. Such cases only become relevant when Rule 50 triggers, and Rule 50 simply does not trigger here. In sum, TCL’s appeal, which originated from an effective grant of summary judgment in favor of Ericsson on a purely legal issue,

would be permitted in the Third, Sixth, Eighth, and D.C. Circuits.

Seventh, Ninth, Tenth, and Federal Circuits:

Ericsson does not dispute that these circuits allow appeals where summary-judgment motions were denied on legal grounds, and the movant did not re-raise the summary judgment issue after trial at the Rule 50 stage. *See, e.g., Lawson v. Sun Microsystems Inc.*, 791 F.3d 754 (7th Cir. 2015); *In re Bard IVC Filters Prod. Liab. Litig.*, 969 F.3d 1067 (9th Cir. 2020); *Kelley v. City of Albuquerque*, 542 F.3d 802 (10th Cir. 2008); *Lighting Ballast*, 790 F.3d at 1329; *SRI Int’l, Inc. v. Cisco Sys., Inc.*, 930 F.3d 1295, 1302 & n.5 (Fed. Cir. 2019), cert. denied, 140 S. Ct. 1108 (2020). Notably, in the *SRI* case, facts nearly identical to Ericsson’s certiorari petition were presented to this Court, and the petition for certiorari was denied.

A summary-judgment denial that effectively grants summary judgment in favor of the nonmovant by definition is a summary-judgment motion decided on legal grounds (i.e., the issue does not proceed to trial). Therefore, it necessarily follows that, even under Ericsson’s improper questions presented (which broadly focus on summary-judgment motions denied on legal grounds), the law of the Seventh, Ninth, Tenth, and Federal Circuits permits TCL’s appeal. Notably, regarding the narrower subcategory of summary-judgment denials that applies here—i.e., summary-judgment denials where the court effectively or sua sponte *granted* summary judgment—case law in the Seventh, Ninth, Tenth, and Federal Circuits expressly permits appeals in these situations. *See, e.g., ANR Advance Transp. Co. v. Int’l Bhd. of Teamsters, Local 710*, 153 F.3d 774, 777 (7th Cir. 1998); *Buckingham v. United States*, 998 F.2d 735,

737, 743 (9th Cir. 1993); *Welding v. Bios Corp.*, 353 F.3d 1214, 1217 (10th Cir. 2004); *Lighting Ballast*, 790 F.3d at 1337.²

In sum, *twelve circuit courts* hear appeals from summary-judgment denials that, in substance, effectively grant of summary judgment, regardless of whether the summary-judgment issue is re-raised at the Rule 50 stage. And the only remaining circuit court (the Eleventh Circuit) has not expressly precluded such appeals. This is a separate, independent basis (in addition to the basis provided in Section I) proving that the circuit split Ericsson asserts disappears once one places the district court's summary judgment ruling in the proper context—i.e., as a summary-judgment denial that was effectively a grant of summary judgment in favor of Ericsson on a purely legal issue.

Ericsson attempts to minimize the impact of the district court's effective grant of summary judgment, arguing that *any* denial of summary judgment on a legal issue is tantamount to an effective grant of summary judgment, and that appeals from such effective grants are thus prohibited if the issue is not re-raised at the Rule 50 stage. Ericsson Pet. 27-28. This assertion does not withstand scrutiny. As the precedent described above shows, nearly every circuit

² There does not appear to be a case in the Eleventh Circuit addressing the exact issue of whether summary-judgment denials on pure legal grounds can be heard on appeal when the summary-judgment issue was not re-raised at the Rule 50 stage. But closely related case law described above suggests that the Eleventh Circuit would hear such an appeal. *Telecom Tech.*, 388 F.3d at 823-28) (reviewing appeal from an order granting summary judgment in a case that proceeded to a jury trial on other issues).

court acknowledges a distinction between summary-judgment denials on legal issues and summary-judgment denials that effectively or sua sponte grant summary judgment. Indeed, the precedent described above shows that even the most restrictive circuits on issues involving the appealability of summary-judgment denials (e.g., the First, Second, Third, Fourth, Fifth, Sixth, and D.C. Circuits), would allow TCL's appeal *because of the distinction* that the district court's summary-judgment denial effectively granted summary judgment to Ericsson. Thus, Ericsson's argument should be rejected—it ignores the relevant circuit court precedent showing that there is no circuit split.

III. Even if There Was a Circuit Split on the Waiver Issue, It Is Mooted by the Federal Circuit's Use of Its Inherent Discretion to Excuse any Waiver

The question of whether the '510 patent was invalid under § 101 was presented to the district court, and the Federal Circuit found that it could excuse any waiver of this argument on appeal. This Court has repeatedly acknowledged that appellate courts have discretion in deciding whether to apply waiver, and there is “no general rule” for when that discretion should or should not be exercised. App. 7a (quoting *Singleton* 428 U.S. at 106 (1976)); *Exxon Shipping*, 554 U.S. at 487 (2008) (“We have previously stopped short of stating a general principle to contain appellate courts' discretion, and we exercise the same restraint today.” (internal citation omitted)). Courts consistently use their discretion to excuse waiver in cases such as this one where an allegedly waived matter of law was fully briefed, resolution on appeal would not prejudice either party, there would be no purpose served by remand, and declining to review the issue on appeal

would result in a manifest injustice. App. 7a-9a (citing *Automated Merch. Sys., Inc. v. Lee*, 782 F.3d 1376, 1379–80 (Fed. Cir. 2015); *Interactive Gift Express., Inc. v. Compuserve, Inc.*, 256 F.3d 1323, 1344 (Fed. Cir. 2001)); *Fabri v. United Techs. Int’l, Inc.*, 387 F.3d 109, 119 (2d Cir. 2004) (finding that the Second Circuit may “reach a waived issue if to ignore it would result in manifest injustice” or if doing so would “correct a purely legal error”). The use of discretion is “especially appropriate” where, as here, no new issue is presented on appeal. App. 7a.

Here, the issue of patent eligibility was presented, fully briefed, and decided in district court, and then further briefed and argued on appeal, the Federal Circuit was justified in deciding to exercise its discretion to hear the § 101 issue even if the issue would otherwise have been waived. App. 6a-11a. Thus, there is no prejudice to Ericsson because it was given an opportunity to fully litigate the § 101 issue. Moreover, there would be no purpose served by a remand because the § 101 issue was resolved on purely legal grounds by both the district court and Federal Circuit—there is nothing left to do in this case under § 101. Further, not addressing the § 101 issue on appeal would have resulted in a manifest injustice because Ericsson would have been allowed to collect damages on a patent that was invalid under the law. Under such circumstances, there is no circuit split regarding whether a circuit court can exercise its jurisdiction to excuse waiver. Thus, the Federal Circuit was justified in exercising jurisdiction.

Even if the patent-eligibility issue had not been fully briefed and decided below, Supreme Court precedent still allows appellate courts to exercise their discretion to reach an otherwise waived issue for the first time

on appeal. “It is the general rule,” the Court explained in *Exxon Shipping*, “that a federal appellate court does not consider an issue not passed upon below,’ when to deviate from this rule being a matter ‘left primarily to the discretion of the courts of appeals, to be exercised on the facts of individual cases.’” 554 U.S. at 487 (2008) (quoting *Singleton*, 428 U.S. at 120). Without creating any rule governing the use of such discretion, the Court has explicitly approved the use of discretion to hear an otherwise waived issue on appeal where, for example, “the proper resolution is beyond any doubt,” *Singleton*, 428 U.S. at 121 (citing *Turner v. City of Memphis*, 369 U.S. 350 (1962)), or “injustice might otherwise result” *id.* (citing *Hormel v. Helvering*, 312 U.S. 552, 557 (1941)). While these expressly approved scenarios are entirely applicable to this case, it is also important to note that they in no way form an exclusive list. *Id.* at 121 n.8. Given an appellate court’s discretion to hear and decide issues raised for the first time on appeal, there can be no doubt that such discretion extends to issue fully briefed and decided with finality at the district court level.

The cases Ericsson cites from this Court on the waiver issue are unavailing because they do not address the issue of appellate court discretion. See Ericsson Pet. at 22 (citing *Ortiz*, 562 U.S. at 189; *Cone v. W. Va. Pulp & Paper Co.*, 330 U.S. 212, 218 (1947); *Unitherm Food Sys., Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394 at 405 (2006)). While these cases may be instructive on the requirements of Rule 50, they in no way encroach upon an appellate court’s discretionary power. This Court has repeatedly declined to apply any general rule limiting the discretionary power of an appellate court to reach an otherwise waived issue. *Exxon Shipping*, 554 U.S. at 487 (“We have previously stopped short of stating a general principle to contain

appellate courts' discretion, and we exercise the same restraint today." (internal citation omitted)). Having refused, repeatedly, to *expressly* limit an appeals court's discretion in this area, Ericsson's suggestion that *Ortiz*, *Cone*, and *Unitherm* implicitly have this effect is simply wrong. In sum, the Federal Circuit's exercise of discretion to excuse any potential waiver on the § 101 issue would have been proper in any circuit and presents yet another, independent reason why this appeal is not a good candidate for certiorari.

CONCLUSION

For these reasons, the petition for a writ of certiorari should be denied.

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