

No. 21-438

IN THE
Supreme Court of the United States

OLAF SÖÖT DESIGN, LLC,

Petitioner,

v.

DAKTRONICS, INC., *et al.*,

Respondents.

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

**SUPPLEMENTAL BRIEF
FOR THE PETITIONER**

CHRISTOPHER BROWNING
TROUTMAN PEPPER HAMILTON
SANDERS LLP
305 Church Street, Suite 1200
Raleigh, NC 27609
(919) 835-4100

KATHERINE HARIHAR
TROUTMAN PEPPER HAMILTON
SANDERS LLP
875 Third Avenue
New York, NY 10022
(212) 704-6000

Counsel for Petitioner

JAMES M. BOLLINGER
Counsel of Record
McCARTER & ENGLISH, LLP
One Canterbury Green
201 Broad Street
Stamford, CT 06901
(203) 399-5923
jbollinger@mccarter.com

313247



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(800) 274-3321 • (800) 359-6859

RULE 29.6 STATEMENT

Petitioner Olaf Sööt Design, LLC has no parent corporations and no publicly held company owns 10 percent or more of its stock.

TABLE OF CONTENTS

	<i>Page</i>
RULE 29.6 STATEMENT	i
TABLE OF CONTENTS.....	ii
TABLE OF CITED AUTHORITIES	iii
ARGUMENT.....	1
I. The United States implicitly concedes the problem of <i>O2 Micro</i>	1
II. The decision below is inconsistent with <i>Markman</i>	4
III. The petition presents a good vehicle for clarifying the uncertainty and confusion that has arisen in patent infringement trials subsequent to <i>O2 Micro</i>	8
1. The petition directly raises the problem of <i>O2 Micro</i>	8
2. The jury’s verdict is consistent with the district court’s claim construction.	9
CONCLUSION	11

TABLE OF CITED AUTHORITIES

	<i>Page</i>
Cases	
<i>Boyle v. United Techs. Corp.</i> , 487 U.S. 500 (1988).....	9
<i>Core Wireless Licensing S.A.R.L. v. Apple Inc.</i> , 899 F.3d 1356 (Fed. Cir. 2018)	9
<i>Eon Corp. IP Holdings LLC v. Silver Spring Networks, Inc.</i> , 815 F.3d 1314 (Fed. Cir. 2016)	2
<i>Kaufman v. Microsoft Corp.</i> , 2022 U.S. App. LEXIS 13652 (Fed. Cir. May 20, 2022)	3
<i>Markman v. Westview Instruments, Inc.</i> , 517 U.S. 370 (1996)	<i>passim</i>
<i>NobelBiz, Inc. v. Global Connect, LLC</i> , 701 Fed. App'x 995 (Fed. Cir. 2017)	2, 7
<i>NobelBiz, Inc. v. Glob. Connect, L.L.C.</i> , 876 F.3d 1326 (Fed. Cir. 2017).....	2, 3
<i>Nuance Communs., Inc. v. ABBYY USA Software House, Inc.</i> , 813 F.3d 1368 (Fed. Cir. 2016).....	3

Cited Authorities

	<i>Page</i>
<i>O2 Micro Int'l, Ltd. v. Beyond Innovative Tech. Co.</i> , 521 F.3d 1351 (Fed. Cir. 2008)	<i>passim</i>
<i>Teva Pharm. USA, Inc. v. Sandoz, Inc.</i> , 574 U.S. 318 (2015)	5
<i>United States Surgical Corp. v. Ethicon, Inc.</i> , 103 F.3d 1554 (Fed. Cir. 1997)	6
 Statutes & Other Authorities	
U.S. Const. amend. VII.	8
Hon. William C. Bryson, <i>Appeals in Patent Cases, Patent Litigation 2021: Advanced Techniques & Best Practices</i> , PRACTISING LAW INSTITUTE (Recorded Oct. 27, 2021)	3
Matthew Chivvis, <i>Patents: When the “Plain and Ordinary” Meaning is Neither Plain Nor Ordinary</i> , N.Y. L.J., Aug. 11, 2016.	3
Jason Mudd, <i>To Construe or Not to Construe: At the Interface Between Claim Construction and Infringement in Patent Cases</i> , 76 MO. L. REV. 709, 711 (2011)	3

Petitioner Olaf Sööt Design, LLC submits this Supplemental Brief in Response to the Brief of the United States as Amicus Curiae. The United States contends that certiorari should not be granted because the Federal Circuit's decision is consistent with *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). The *Markman* decision, however, does not require the trial court in patent infringement actions to construe claim terms that have a plain and ordinary meaning simply because the parties dispute whether the defendant's device is infringing. This is particularly true when, as here, the appealing party receives the exact claim construction that it requested.

The Federal Circuit's practice of converting the factual issue of infringement into an issue of claim construction merits review by this Court, and this petition raises a good vehicle for addressing this important issue.

ARGUMENT

I. The United States implicitly concedes the problem of *O2 Micro*.

In *O2 Micro Int'l, Ltd. v. Beyond Innovative Tech. Co.*, 521 F.3d 1351, 1361 (Fed. Cir. 2008), the Federal Circuit called into question the practice of construing a patent claim based on the plain and ordinary meaning of a claim term if that "term's 'ordinary' meaning does not resolve the parties' dispute." Following *O2 Micro*, the decisions of the Federal Circuit have been widely inconsistent as to if, and when, it is appropriate to instruct the jury to apply the plain and ordinary meaning of a patent term in an infringement action.

Citing *O2 Micro*, the Federal Circuit has repeatedly set aside factual findings of juries in contravention of the Seventh Amendment and *Markman*. In *Eon Corp. IP Holdings LLC v. Silver Spring Networks, Inc.*, 815 F.3d 1314 (Fed. Cir. 2016), the district court held that the terms “portable” and “mobile” should be given their plain meaning. The Federal Circuit reversed, construing the term “portable” to exclude the purported infringing device. As Judge Bryson emphasized in his dissent, the jury heard four days of testimony regarding the meters at issue, including their size (no bigger than a volleyball), the ease by which they can be moved and how they can be installed by hand.

In *NobelBiz, Inc. v. Global Connect, LLC*, 701 Fed. App’x 995 (Fed. Cir. 2017), the district court concluded that the patent term “replacement telephone number” should be given its plain and ordinary meaning. The jury found infringement, but the panel reversed and remanded. Dissenting, Judge Newman emphasized: “It is not reversible error for the district court to decline to ‘construe’ terms that have a plain and ordinary meaning as used in the patent. . . . There is no obligation for a district court to construe straightforward terms whose meaning and scope are readily understood.” *Id.* at 999 (Newman, J., dissenting). She concluded that when “claim terms do not have a disputed or complex technical meaning,” it is not error for “the trial judge to refer the question of infringement to the jury.” *Id.* at 1001. In such cases, it is the jury’s role “to compare the claimed technology with the accused system.” *Id.* Dissenting from the denial of *en banc* review, Judge O’Malley emphasized that “*O2 Micro* has caused difficulties for courts and litigants alike.” 876 F.3d 1326, 1327. She noted that the Federal Circuit has

applied *O2 Micro* inconsistently and that consequently “district courts have themselves struggled to find a consistent approach for resolving *O2 Micro* issues.” *Id.* at 1327-29.

This *O2 Micro* problem is pervasive and has left a trail of inconsistent decisions. *See, e.g.*, Jason Mudd, *To Construe or Not to Construe: At the Interface Between Claim Construction and Infringement in Patent Cases*, 76 MO. L. REV. 709, 711 (2011) (“[T]he Federal Circuit’s precedents often seem to provide inconsistent guidance on how far the judge’s duty to construe claims extends and where the fact finder’s role in determining infringement begins.”); Matthew Chivvis, *Patents: When the “Plain and Ordinary” Meaning is Neither Plain Nor Ordinary*, N.Y. L.J., Aug. 11, 2016; *see also* Hon. William C. Bryson, *Appeals in Patent Cases, Patent Litigation 2021: Advanced Techniques & Best Practices*, PRACTISING LAW INSTITUTE (Recorded Oct. 27, 2021) (remarks of Judge Bryson beginning at 18:24 mark) (*O2 Micro* and its progeny is a pervasive issue in patent infringement trials, resulting in awkward proceedings with additional claim construction occurring at several points during a case). While some panels have found the district court is not required to issue new claim constructions in the absence of a timely request, the panel here issued a claim construction *sua sponte* on appeal. *See Kaufman v. Microsoft Corp.*, 2022 U.S. App. LEXIS 13652, at *17 (Fed. Cir. May 20, 2022) (finding no error in failing to construe a claim term in the absence of a timely request); *accord Nuance Communs., Inc. v. ABBYY USA Software House, Inc.*, 813 F.3d 1368 (Fed. Cir. 2016).

The United States' brief does not address the *O2 Micro* problem, and only cites to *O2 Micro* once in a parenthetical. U.S. Amicus Br. 7 (summarizing panel's decision). Given the numerous judges on the Federal Circuit who have warned that *O2 Micro* is being used to convert factual questions of infringement into legal issues of claim construction, the United States has not and cannot argue that there is no *O2 Micro* problem. Instead, the United States argues that the petition is not cert-worthy because the Federal Circuit should be affirmed and the petition does not present a good vehicle for resolving the *O2 Micro* problem. The United States is wrong on both counts.

II. The decision below is inconsistent with *Markman*.

The United States' principal argument as to why certiorari should be denied is an assertion that the decision below is consistent with *Markman*. U.S. Amicus Br. 8. *Markman*, however, left unresolved whether it is error for the district court to construe a patent claim as having a plain and ordinary meaning when the parties disagree as to how the claim term applies to the defendant's device. Whether this Court ultimately resolves this issue in favor of Petitioner or Respondents does not go to whether the petition is cert-worthy.

More importantly, the United States errs in its argument that the panel's decision follows *Markman*.¹ The

1. Surprisingly, the Solicitor General repeatedly characterizes the position of Petitioner as that *Markman* is limited to terms of art. U.S. Amicus Br. 8, 13. This is not the case. The Solicitor General is aware that Petitioner agrees that *Markman* is not limited to terms of art and that "*Markman* is directed to all

Markman decision states: “the construction of a patent, including terms of art within its claim, is exclusively within the province of the court.” 517 U.S. at 372. While the district court properly performed this review, it was reversed by the Federal Circuit, not under *Markman* but under *O2 Micro*. The Federal Circuit applied *O2 Micro* because there is nothing in *Markman* that precludes the court, after a full review of the patent legal documents, from providing a construction that the patent claim should be applied in accordance with its plain and ordinary language. Nor does such a construction stand as a basis for the defendant to assert error when the defendant receives the precise claim construction that it requested.

The issue before this Court is whether *Markman* precludes a plain and ordinary claim construction simply because the parties later dispute whether the defendant’s device falls within the patent claim. For disputed terms, *Markman* mandates court construction to discern their proper meaning. Terms that have a special meaning in the relevant technical field or terms, including common terms, that have acquired a particular meaning under the arcane rules of patent law will be defined for the jury as a matter of law in accordance with the court’s findings. *See Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 574 U.S. 318, 333 (2015). The *Markman* approach recognizes and relies on the special interpretive skills judges have in assessing legal documents such as “construing the patent.” *Markman*, 517 U.S. at 384, 389. The assessment is to discern if the term has an “acquired” meaning based on these legal documents. *Id.* at 388. This is the foundation of its holding.

disputed claim terms.” Letter of James Bollinger to Malcolm L. Stewart (Feb. 21, 2022) (available on request from either the Solicitor General or Petitioner); *see* Pet. Reply Br. 3.

Under *Markman*, a district court that has reviewed the technical and patent records and prepared the appropriate definitions based thereon has complied with this Court's holding. If the disputed term is found after this process to be commonly understood and has not *acquired* a patent-specific meaning, a construction of ordinary meaning is proper. *United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed. Cir. 1997) ("The jury was instructed, as the parties agreed, to consider the ordinary meaning of the language used in the claims."). *Markman* recognizes and preserves the fine balance that exists between the judge's obligation to construe patent claims and the jury's role of making factual determinations in light of the judge's claim construction. *O2 Micro* and its progeny direct that the trial judge must further construe plain and ordinary patent terms whenever the parties continue to dispute whether the defendant's device falls within the claim construction provided. Such a directive is inconsistent with the balance set out in *Markman*.

The panel's decision requires – or at least encourages – trial courts to recast "plain meaning" claim constructions to resolve whether the defendant's device is infringing. Such an approach intrudes on the infringement issue and largely eliminates the role of juries in patent infringement trials. *Markman* does not preclude a court from issuing a claim construction that a claim term should be decided based on its plain and ordinary meaning of that term. While *Markman* is silent on giving terms their ordinary meaning, its governing logic does not authorize the court to use claim constructions that substitute as a factual analysis of the functions and features of the defendant's device. *Markman*, 517 U.S. at 388.

As the Solicitor General concedes, *Markman* emphasizes that the line between the role of the jury and the role of a judge in patent infringement cases is a fine one. U.S. Amicus Br. 18-19 (quoting *Markman*, 517 U.S. at 387). That fine line requires vigilant protection by this Court. Otherwise, the Federal Circuit will continue its practice of “deciding factual questions of infringement” by “converting such factual aspects into legal issues of claim construction.” *NobelBiz*, 701 Fed. App’x at 1000 (Newman, J., dissenting).

In its brief, the United States focuses on the lengthy wording of “element h.”² The United States, however, glosses over the key term “hollow drum” although it is uncontested that this simple term controls the issues in this case. Pet. 17 n.6; Pet. Reply Br. 8. The patent claim at issue expressly refers to “an elongated screw . . . connected to the drum.” Pet. App. 5a. This language confirms that the “drum” must include the “hollow hub” because, as set out in the patent, the elongated screw is only connected to the drum hub and has no separate connection to the tubular portion of the drum. In short, the only fair reading of the patent claim is that the “hollow hub” is simply a subpart of the “drum.” Pet. App. 30a-35a; Pet. Reply Br. 7 n.2. Thus, an elongated screw that enters the hollow hub also enters the drum – and therefore falls within the scope of the patent claim. This is also consistent with the plain and ordinary meaning of drum – a cylindrical container such as a 55-gallon drum. There is no plain meaning of “drum” defined as a cylindrical open-ended tube without a top or bottom (i.e., lacking end caps).

2. By limiting its review to “element h,” the United States apparently seeks to make the patent construction appear more complex than is necessary.

The district court came to a proper claim construction, and the jury found infringement based on that claim construction. The United States' argument that Petitioner's claim fails on the merits is unavailing and is not a reason to avoid resolving this important issue on the merits.³

III. The petition presents a good vehicle for clarifying the uncertainty and confusion that has arisen in patent infringement trials subsequent to *O2 Micro*.

1. The petition directly raises the problem of *O2 Micro*.

The petition presents a good vehicle for resolving the question presented and ensuring that the Federal Circuit does not decide factual questions, under the guise of claim construction, that should be determined by the jury.

The present petition stands as a strong factual scenario to address *O2 Micro* and bring the Federal Circuit back into line with *Markman*. Specifically, the claim construction that Respondents requested was adopted by the district court and the parties agreed that the jury should be instructed in accordance with that claim construction. Before the Federal Circuit, Respondents' counsel expressly stated that its appeal was not based on a claim construction. Even though neither party cited *O2*

3. The United States argues that setting aside the jury's verdict in this case does not violate the Seventh Amendment any more than the granting of any other motion for judgment as a matter of law. When, however, a circuit court circumvents the jury's role as the finder of fact by recasting factual determinations as issues of law, this Court should use its supervisory powers over federal courts to ensure compliance with the Seventh Amendment.

Micro in briefing before the Federal Circuit, the Federal Circuit reached out *sua sponte* to construe an undisputed claim term to reexamine a jury's factual determination. The United States suggests in error that this conduct may be permitted citing *Boyle v. United Techs. Corp.*, 487 U.S. 500, 513 (1988). U.S. Amicus Br. 17. The distinct factual setting here precludes meaningful application of *Boyle* to the present case which involves a *sua sponte* claim construction issue never raised below or on appeal. See *Core Wireless Licensing S.A.R.L. v. Apple Inc.*, 899 F.3d 1356, 1363 n.1 (Fed. Cir. 2018).

The present case illustrates the great length to which the Federal Circuit will go when it would have come to a different factual determination than reached by the jury. The Federal Circuit's effort to reconstrue patent claims so as to leave no role for the jury cannot be squared with the Seventh Amendment.

2. The jury's verdict is consistent with the district court's claim construction.

The United States also claims that the present petition is not a good vehicle because the jury and the Federal Circuit construed the patent in the same way. This argument is based on the incorrect assumption that because the jury found infringement under the doctrine of equivalents (rather than literal infringement), the jury must have concluded that the elongated screw did not enter the hollow drum. That assumption is speculation without support and counter to the record.

The record demonstrates that the jury concluded the accused product did not literally include a hollow

hub (which is also a required component of “element h”), but the jury found that the accused product included an “equivalent” of the hub under the doctrine of equivalents. Pet. App. 48a. This determination on the hub removed the possibility that all of “element h” was literally met, even if the hollow drum portion of “element h” was literally met by the accused product. Specifically, the jury finding that an equivalent of the claimed *hollow hub* in “element h” explains the jury’s verdict under the doctrine of equivalents – even though the requirement that the hollow drum “receive the screw” was literally satisfied. This is the same conclusion that the district court reached in its post-verdict rulings. Pet. App. 31a, 35a.

Given the facts of this case, the jury’s special verdict cannot and should not be read as a determination that there was no “hollow drum” that “literally” received the screw. The United States’ effort to read into the jury verdict an implied subsidiary finding (which does not exist in the jury’s findings and which is, at most, one potential interpretation of what may have been going through the minds of the jurors) does not make this petition any less cert-worthy.

The importance of this case is not tied to what constitutes a “hollow drum.” The petition should be granted because the Federal Circuit *sua sponte* issued a new claim construction (contrary to what the parties have requested) and because the Federal Circuit, under *O2 Micro*, authorizes claim constructions that recast a disputed infringement issue into an issue of claim construction for court resolution, thereby trivializing the role of juries in patent infringement cases. *O2 Micro* should be addressed by this Court. The Federal Circuit’s

expansion of *O2 Micro*, as reflected in this case, is not consistent with the Seventh Amendment.

CONCLUSION

For the reasons set forth herein and in Petitioner's other briefs, the petition for writ of certiorari should be granted.

May 24, 2022

Respectfully submitted,

CHRISTOPHER BROWNING
TROUTMAN PEPPER HAMILTON
SANDERS LLP
305 Church Street, Suite 1200
Raleigh, NC 27609
(919) 835-4100

KATHERINE HARIHAR
TROUTMAN PEPPER HAMILTON
SANDERS LLP
875 Third Avenue
New York, NY 10022
(212) 704-6000

JAMES M. BOLLINGER
Counsel of Record
McCARTER & ENGLISH, LLP
One Canterbury Green
201 Broad Street
Stamford, CT 06901
(203) 399-5923
jbollinger@mccarter.com

Counsel for Petitioner