

No. 12-1158

IN THE
Supreme Court of the United States

MIRROR WORLDS LLC,
Petitioner,
v.

APPLE INC.,
Respondent.

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

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether a party can be held liable for directly infringing a patent's method claim even though it did not perform every step of the claimed method.

2. Whether the Federal Circuit correctly affirmed the district court's ruling that the trial record in this case does not contain substantial evidence that any party performed every step of the patented method.

RULE 29.6 STATEMENT

Apple Inc. has no parent corporation. To Apple's knowledge, no publicly held company owns 10% or more of Apple's stock.

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BRIEF IN OPPOSITION

INTRODUCTION

Apple Inc. respectfully submits that neither issue asserted by Petitioner Mirror Worlds LLC warrants this Court's attention.

The first question was not presented to the court of appeals and represents the latest significant change in argument Mirror Worlds has made throughout the appellate process. In addition to being waived, the question is not presented on the facts of this case because Apple's devices do not "embody" the claimed method. Even if it were preserved and properly presented, the question would not merit review. Mirror Worlds has not identified a single court decision that has adopted

its desired view of the law, a view that is inconsistent with the text of the Patent Act and this Court’s precedents, and Mirror Worlds has shown no reason to reconsider the well-established rule that, to be held liable for directly infringing a method patent under 35 U.S.C. § 271(a), a party must perform every step of the claimed method. There is certainly no need for this Court to reconsider that rule in the first instance.

Mirror Worlds’ second question is a barely-disguised effort to obtain a third round of factbound review of the evidentiary record in this case—a record that the district court and the court of appeals held did not contain substantial evidence of any act of direct infringement of the asserted patent claim. Mirror Worlds admits that both courts below articulated the rule for which it contends. Pet. 22 (“both the district court and the Federal Circuit stated that circumstantial evidence could be used to prove infringement of a patent”). Mirror Worlds merely quarrels with the courts’ application of that correctly stated rule in the context of this case. That request for error correction is not a proper basis for certiorari. *See* S. Ct. R. 10.

The petition should be denied.

STATEMENT

A. Background

Apple has developed and marketed numerous devices that have created or revolutionized entire product categories. These include the Macintosh, the first personal computer to use a mouse and graphical user interface; the iMac, an innovative all-in-one personal computer; iPod, a novel portable media player; iPhone, a pioneering smartphone with a touchscreen display; and iPad, a groundbreaking tablet computer.

Mirror Worlds is a Texas limited liability company, backed by a hedge fund, with no employees or products. Its business consists chiefly of efforts to monetize certain intellectual property holdings. On May 22, 2013, Mirror Worlds sold its entire patent portfolio (including the '227 patent at issue here) to a newly formed subsidiary of Network-1 Security Solutions, Inc., another non-practicing entity that describes its business as “the acquisition, development, licensing, and monetization of intellectual property.” *Network-1 Announces Acquisition of Patent Portfolio from Mirror Worlds*, The Herald Online (May 22, 2013), <http://www.heraldonline.com/2013/05/22/4885062/network-1-announces-acquisition.html#storylink=cpy>.

Mirror Worlds sued Apple in the United States District Court for the Eastern District of Texas for patent infringement. Mirror Worlds’ infringement contentions targeted Apple computers running the Mac OS X operating system (“Mac OS X products”) and Apple’s iPod, iPhone, and iPad devices (“mobile products”). Specifically, Mirror Worlds identified the Spotlight, Cover Flow, and Time Machine features of Apple’s products, when combined with additional steps performed by the user, as infringing the asserted patent claims.

Although Mirror Worlds asserted at trial that Apple infringed a total of twelve claims in three patents, Mirror Worlds’ petition focuses only on method claim 13 of U.S. Patent No. 6,006,227 (the '227 patent), which reads:

A method which organizes each data unit received by or generated by a computer system, comprising the steps of:

generating a main stream of data units and at least one substream, the main stream for receiving each data unit received by or generated by the computer system, and each substream for containing data units only from the main stream;

receiving data units from other computer systems;

generating data units in the computer system;

selecting a timestamp to identify each data unit;

associating each data unit with at least one chronological indicator having the respective timestamp;

including each data unit according to the timestamp in the respective chronological indicator in at least the main stream; and

maintaining at least the main stream and the substreams as persistent streams.

Pet. App. 6a-7a (quoting claim 13). The particular elements of this method claim—especially the steps of generating a “substream” (which must be “time-ordered,” *id.* 14a, 33a n.4), receiving and generating “data units,” and selecting a “timestamp to identify each data unit”—required Mirror Worlds to show not only that the Apple devices at issue were used, but that they were used in highly specific ways; Mirror Worlds did not and could not contend that a user operating an accused device would *necessarily* infringe claim 13.

B. District Court Proceedings

Mirror Worlds asserted that Apple directly infringed the claimed method, *see* 35 U.S.C. § 271(a), and that Apple indirectly infringed by actively inducing and contributing to infringement by its customers, *see id.* § 271(b), (c).

After claim construction, the district court ruled eleven claims of the '227 patent invalid for indefiniteness—a decision Mirror Worlds did not appeal. The court held a one-week jury trial on the remaining claims in Tyler, Texas. Mirror Worlds' trial strategy focused on eliciting the jury's sympathy. Rather than addressing evidence to each claim limitation, Mirror Worlds chose to present an emotionally charged story that sought to depict Apple and its late founder, Steve Jobs, as willful expropriators of technology. Mirror Worlds repeatedly emphasized irrelevant facts such as Apple's revenues during each day of trial. *E.g.*, CAJA 1070:14-16 (Mirror Worlds' trial counsel stating that Apple "will make a quarter of a billion while we are sitting here in this courtroom trying to get justice from you-all"). Mirror Worlds tried to minimize the more than \$600 million it sought in damages, asserting that it would take Apple "13 days" to "recoup the money that we're asking the jury to give us." *Id.* 1754:1-4. As the district court later remarked, "Mirror Worlds may have painted an appealing picture for the jury, but it failed to lay a solid foundation sufficient to support important elements it was required to establish under the law." Pet. App. 87a.

At the close of Mirror Worlds' case-in-chief, the district court granted Apple's motion for judgment as a matter of law (JMOL) that Apple neither induced nor contributed to any infringement by its customers. The

court ruled that “Mirror Worlds did not offer *any evidence that anyone*, Apple’s customers or otherwise, actually performed the patented steps.” Pet. App. 37a n.7 (emphasis added). Even Mirror Worlds’ own technical expert, Dr. John Levy, did not testify that he actually performed the claimed steps. *Id.* Similarly, “Mirror Worlds offered no documentary evidence (*e.g.* instructions, manuals, or user guides) that instructed others to practice the patented steps” and “failed to provide any corresponding testimony tying any documentation to the method steps or explanation of how Apple instructed users to perform each of the claim limitations.” *Id.* Accordingly, the court concluded, “no reasonable jury could conclude Apple was liable for indirect infringement.” *Id.*

The court also granted JMOL that Apple’s mobile products do not infringe literally or under the doctrine of equivalents, thereby removing all mobile products from the case. CAJA 1834:9-16; *id.* 70-75. The jury was left to consider whether Apple directly infringed Mirror Worlds’ three patents by making, using, selling, and/or offering to sell Mac OS X products. Pet. App. 41a. The jury found each patent valid and willfully infringed, listing \$208.5 million in damages next to each patent on the verdict form. CAJA 409-410.

The district court granted Apple’s post-verdict JMOL motion. The court noted “[a]ctual practice of the specific claim steps is required to infringe the asserted method claims.” Pet. App. 44a. The court rejected Mirror Worlds’ argument that Apple’s marketing of its products constituted “offer[ing] the accused methods for sale” sufficient to trigger liability for direct infringement. *Id.* 45a (“Apple’s computer sales containing the accused Mac OS X software do not constitute direct infringement of the method claims without the

requisite evidence showing Apple actually performed the claimed steps.”). The district court also rejected Mirror Worlds’ assumption that Apple directly infringed by “conduct[ing] tests that performed the method while the accused features were under development,” for the simple reason that “Mirror Worlds did not present any evidence of testing.” *Id.*

The court similarly rejected Mirror Worlds’ argument that the accused devices “automatically” infringed claim 13 of the ’227 patent. Pet. App. 46a-47a. At most, Mirror Worlds’ evidence purported to show a “*capability* of the accused Mac OS X to perform the claimed steps, but not without user involvement to perform these steps.” *Id.* 47a (emphasis added). Claim 13 required—even under Mirror Worlds’ infringement theory—that a user “enter a search query into Spotlight and receive search results (*i.e.* data units) in response to the query,” as well as several other steps. *Id.* 46a; *see also id.* 13a-14a (infringement of claim 13 “requires, at a minimum: searching in Spotlight, receiving data units from other computer systems (such as receiving e-mail), generating data units (sending an e-mail or creating a document), and generating a substream (‘time-ordered’ search results)”). Thus, “the steps required by the method claims are not ‘automatically’ infringed by the accused products.” *Id.* 47a.

The court then considered video clips of Steve Jobs’s demonstration of Spotlight at a January 2005 conference, which Mirror Worlds “continually referenced and played” throughout trial. Pet. App. 47a. The court ruled that any assertion that the demonstration showed direct infringement was “unsupported by the record.” *Id.* As the court noted, the video “did not demonstrate Mr. Jobs performing all of the steps of the claimed method,” and Mirror Worlds did not even es-

tablish that Mr. Jobs was using a version of the software actually accused of infringement. Indeed, Mirror Worlds’ damages expert admitted that “there was no evidence of infringement before April 2005 and the June 2004 version used in the video clips of Spotlight ‘wasn’t infringing.’” *Id.* 48a (quoting Mirror Worlds’ expert’s testimony).

Finally, the court addressed Mirror Worlds’ argument that “circumstantial evidence” showed direct infringement by Apple. Pet. App. 48a. The court began by recognizing that “[d]irect infringement of a method claim *can also be proved by circumstantial evidence.*” *Id.* (citing *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1317-1318 (Fed. Cir. 2009)) (emphasis added). The court noted that, in *Lucent*, “evidence of sales by the defendant with manuals teaching how to perform the claimed method steps,” together with “explanatory expert testimony,” was sufficient circumstantial evidence to support a finding that “someone had performed the claimed method steps using the accused products.” *Id.* By contrast, Mirror Worlds could cite no evidence, even circumstantial, that “any Apple employee actually performed all the claimed steps.” *Id.* 49a. If, as Mirror Worlds argued, it was “inconceivable” that Apple did not practice the claimed method, Mirror Worlds “should have had no difficulty in meeting its burden of proof and in introducing testimony of such use.” *Id.* 50a. The court concluded that, “[c]onstruing this evidence most favorably to Mirror Worlds, the record does not contain evidence that Apple performed each of the claimed steps in the asserted method claims.” *Id.*

The court separately ruled that Mirror Worlds had failed to prove infringement of the asserted system claims (Pet. App. 50a-61a) and that there was insuffi-

cient evidence to support the jury's damages award (*id.* 71a-78a).

C. Proceedings Before The Court Of Appeals Panel

The United States Court of Appeals for the Federal Circuit affirmed the district court's grant of JMOL of noninfringement.

On appeal, Mirror Worlds never advanced, and therefore abandoned, its argument—now pressed in its petition—that the sale or offer for sale of Apple's *products* constituted direct infringement of the *method* recited in claim 13 of the '227 patent. Instead, Mirror Worlds' direct infringement argument on appeal was limited to discussion of Mr. Jobs's January 2005 demonstration, a demonstration during trial by Apple executive Brian Croll, a statement by Spotlight's developer Bertrand Serlet, and alleged uses during Apple's "internal testing and development." Mirror Worlds C.A. Br. 46-47.

The court of appeals unanimously rejected Mirror Worlds' direct infringement arguments. The court recognized that "even one instance of the claimed method being performed" would support a finding of direct infringement, and that a patentee "need not always have direct evidence of infringement, as infringement may be established by circumstantial evidence." Pet. App. 14a. However, the court agreed with the district court that Mirror Worlds failed to carry that burden, even by circumstantial evidence. The court of appeals ruled that Mirror Worlds had failed to prove that Mr. Jobs's demonstration in January 2005 or any testing in 2004 involved an accused version of Spotlight; indeed, Mirror Worlds' damages expert testified that such versions

were not infringing. *Id.* 15a. The court acknowledged that Serlet’s statement was “at best circumstantial evidence that Serlet knew that Spotlight could be used to search e-mails,” but held that it did not suggest that anyone at Apple “used an infringing version of the accused products to search for e-mails.” *Id.* 16a. Mirror Worlds’ argument based on Croll’s demonstration to the jury was waived because it was “not raised below,” and in any event a “demonstration to a jury during trial does not constitute evidence of infringement on which a claim of infringement can be based.” *Id.*

The court of appeals divided on Mirror Worlds’ claim of induced infringement. The majority noted that Mirror Worlds relied only on “user manuals,” “software reviews,” and “Apple surveys” and identified “no trial testimony of customers actually using each step of the method claims or tying together the various manuals, reviews, and surveys as evidence of actual use of the claimed method.” Pet. App. 18a. The majority noted that the accused products, including the Spotlight software, “can be indisputably used in a non-infringing manner” and that “[t]he manual entries cited by Mirror Worlds do not directly instruct a user how to infringe.” *Id.* 19a. Nor was there any testimony—even by Mirror Worlds’ technical expert—that anyone used the accused devices to practice the infringing method. *Id.* 19a-20a.

Mirror Worlds’ reliance on “software review articles” was likewise misplaced. Pet. App. 20a. A “close review of those articles shows that, just like the manuals, they do not present the accused features together in an infringing manner.” *Id.* The court analyzed the articles in detail and concluded they were “minimally descriptive of actual use of the product.” *Id.*

The court also addressed Mirror Worlds’ misuse of the district court’s statement that it “defies logic to me that the users did not *turn on* these features.” Pet. App. 21a (emphasis added; internal quotation marks omitted). This statement arose in a sentence in which the district court reiterated that evidence of customer use did “*not ris[e]* to the level of inducement.” *Id.* (emphasis added; internal quotation marks omitted). As the court of appeals noted, “although people may ‘turn on’ these features ..., that does not mean that the features were used *to practice the claims* Indeed, Mirror Worlds’ claims are not passive; *they require additional user action beyond just turning on the tools[.]*” *Id.* (emphases added).

Because the court resolved Mirror Worlds’ infringement claims in this way, it did not need to address Apple’s alternative arguments that its products do not produce a time-ordered “main stream” or a “timestamp to identify each data unit,” as claim 13 of the ’227 patent requires. Apple C.A. Br. 43-46. Nor did the court address the district court’s ruling that Mirror Worlds failed to adduce sufficient evidence of damages. Pet. App. 10a-11a.

Judge Prost dissented in part, only as to the discussion of induced infringement. Pet. App. 23a. Judge Prost believed that “Mirror Worlds’ evidence should have sufficed” to permit a finding of an infringing use by customers. *Id.* 26a. Judge Prost notably did not accuse the majority of applying an incorrect principle of law, but simply disagreed with the majority’s analysis of the substantiality of Mirror Worlds’ evidence. *Id.* 27a (referring to “[t]he majority’s objection to the evidence”), 29a (finding “the majority’s reasons for discounting Mirror Worlds’ evidence” unconvincing).

D. Mirror Worlds’ Rehearing Petition

Mirror Worlds petitioned for panel rehearing and rehearing en banc, and Apple responded.

With respect to direct infringement, Mirror Worlds did not ask the en banc Federal Circuit to reconsider the settled rule that a party does not directly infringe a method claim merely by selling a product capable of performing the claimed method. Rather, the petition sought panel rehearing on the basis that the panel had “overlooked and misapprehended” certain “screen-shots” that, Mirror Worlds contended, showed direct infringement by Apple. Reh’g Pet. 4-8. In its response, Apple pointed out that Mirror Worlds’ panel briefing had not raised the direct infringement arguments it accused the panel of “overlook[ing]” or “misapprehend[ing].” Indeed, one of the screenshots was not even reprinted in the Joint Appendix. Reh’g Pet. Resp. 1, 4-6. Apple also rebutted Mirror Worlds’ new arguments in detail, explaining that nothing in the record permitted a conclusion that any screenshot showed that an Apple employee practiced the claimed steps in the United States, as required for direct infringement. *Id.* 6-10.

The petition only sought rehearing en banc as to one issue: Mirror Worlds’ assertion that the “circumstantial evidence” adduced at trial sufficed to support a jury verdict of infringing use. Reh’g Pet. 14-15. Mirror Worlds argued that, by reaching a contrary conclusion, the panel majority raised the relevant standard “to new heights significantly above prior decisions and pronouncements by this Court,” making “it practically impossible for litigants to ascertain the burden of proof to be met in a patent infringement case.” *Id.* 15. In response, Apple pointed out that the panel majority and

dissent both acknowledged the correct rule that circumstantial evidence *can* prove infringement and that they differed not on any issue of law, but simply on the evaluation of the record in this case, which did not conflict with any other decision or otherwise warrant rehearing en banc. Reh’g Pet. Resp. 13-14.

The court denied Mirror Worlds’ petition for panel rehearing and rehearing en banc without comment.

REASONS FOR DENYING THE PETITION

I. MIRROR WORLDS’ FIRST QUESTION IS UNWORTHY OF REVIEW

A. Mirror Worlds’ First Argument Was Waived Below And Is Not Presented In This Case

Mirror Worlds first asks this Court to decide a question it abandoned before the Federal Circuit. On appeal, Mirror Worlds did not assert that selling a *device* capable of performing the steps of a *method* claim somehow amounts to direct infringement of the claim. Apple pointed out the abandonment (C.A. Br. 34), and Mirror Worlds made no denial. Although Mirror Worlds did raise a version of this argument (unsuccessfully) in the *district* court, it did not suggest that this Court’s decision in *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008), had any bearing on the matter. Indeed, Mirror Worlds did not even cite *Quanta* in its opposition to JMOL in the district court, in its panel briefing in the Federal Circuit, or in its petition for rehearing.¹

¹ Mirror Worlds’ statements that the issue was “disputed ... in the *lower court*” (Pet. 21 (emphasis added)) and that the “lower courts refused to recognize” Mirror Worlds’ argument (*id.* 4) are

This Court is “a court of review, not of first view.” *Cutter v. Wilkinson*, 544 U.S. 709, 718 n.7 (2005). There is no reason for the Court to review a question that Mirror Worlds waived before the court of appeals and advances now based chiefly on *Quanta*, a case not cited in any relevant briefing below. Indeed, it does not appear that Mirror Worlds’ assertion of a conflict—nonexistent, as shown below—between this Court’s *Quanta* decision and the Federal Circuit’s decision six months later in *Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325 (Fed. Cir. 2008), has ever been presented to the Federal Circuit. None of the parties or amici in *Ricoh* suggested—even in seeking rehearing en banc—that *Ricoh* was in any way contrary to this Court’s decision in *Quanta*. When *Quanta* petitioned for certiorari in *Ricoh*, it did not argue inconsistency with, or even cite, this Court’s *Quanta* decision. *See* Pet., *Quanta Computer, Inc. v. Ricoh Co.*, No. 08-1203 (U.S. June 29, 2009), *cert. denied*, 129 S. Ct. 2864 (2009). Mirror Worlds has identified no case—including this one—in which a supposed conflict between *Ricoh* and this Court’s decision in *Quanta* has been presented to the Federal Circuit. It would be premature for this Court to consider whether *Quanta* effectively abrogated Federal Circuit precedent before the Federal Circuit has had a chance to consider the matter itself.

Furthermore, the question on which Mirror Worlds seeks review is not even presented in this case. Mirror

misleading. The only “lower court” in which this issue was raised—the district court—rejected Mirror Worlds’ argument, but it did not discuss *Quanta* because Mirror Worlds had not cited it. *See* Pet. App. 44a-45a. The reason the other “lower court”—the Federal Circuit—“refused to recognize” Mirror Worlds’ argument is because Mirror Worlds did not raise it in that court.

Worlds frames the question as whether the sale of a product “embodying a patented method” amounts to direct infringement of the method claim. Pet. 14. But Mirror Worlds points to no finding that Apple’s accused devices “embody” the method claimed in claim 13 of the ’227 patent. The only citation Mirror Worlds offers for this proposition is to two pages of the district court opinion (*see id.* 18, 19 (citing Pet. App. 44a-45a)), but those pages nowhere suggest that the accused devices “embody” claim 13. On the contrary, both courts below ruled that Apple’s accused devices do *not* necessarily or automatically infringe; rather, they can be used in non-infringing ways. Infringement requires a user to use the features in the highly specific ways required by claim 13. Pet. App. 19a (Apple’s devices “can be indisputably used in a non-infringing manner”); *id.* 46a (“the method claims are not ‘automatically’ infringed by Apple’s computers because of the accused products’ capabilities; rather the claims require user interaction to perform the steps”).²

Accordingly, in order to reach the question presented, this Court would first have to decide whether

² Mirror Worlds’ amici magnify this error, whether by asserting repeatedly and without citation that Apple’s products “embod[y]” the claimed invention (Raymond Br. 6, 8, 9) or by openly misstating the facts and proceedings below (*e.g.*, *id.* 6 (claiming that “[t]he Federal Circuit held that the sale of a product that embodies a method does not infringe”); *id.* 9 (asserting that the claimed method “runs as part of the computer’s operating system”); United Inventors Association of America Br. 3, 5 (twice asserting that “everyone agrees” the patent was infringed); *id.* 4 (asserting that Apple’s software was “designed to practice” the claimed method)). The Court should disregard amici’s unfounded and irresponsible assertions and the advocacy that depends on them.

Apple’s accused devices in fact “embodied” the method of claim 13. Not only is that factbound question wholly unworthy of this Court’s review, but Mirror Worlds offers nothing to support an affirmative answer to it. This Court in *Quanta* made plain that, for purposes of exhaustion of a method claim, a product “embodies” the method if it “is capable of use *only in practicing the patent*.” 553 U.S. at 631 (quoting *United States v. Univis Lens Co.*, 316 U.S. 241, 249 (1942)) (emphasis added); *see also id.* (exhaustion triggered where the product’s “only reasonable and intended use was to practice the patent”); *id.* 632 (LGE “suggested no reasonable use” for the sold products “other than incorporating them into computer systems that practice the LGE Patents”). Here, by contrast, Apple’s devices “can be indisputably used in a non-infringing manner.” Pet. App. 19a.

B. Mirror Worlds Identifies No Court That Has Adopted Its Position, Which Is Contrary To The Patent Act And This Court’s Precedents

Even if Mirror Worlds’ first question were preserved and properly presented here, the question would still not deserve review.

While Mirror Worlds complains of “the development of contrary law in the lower courts” (Pet. 21), it cites not one decision that has adopted its view of the law, under which a defendant can be held liable for directly infringing a *method* claim simply by selling a product *capable* of an infringing use. The court in *WesternGeco L.L.C. v. ION Geophysical Corp.*, 869 F. Supp. 2d 793, 799 (S.D. Tex. 2012), *rev’d in part on other grounds on reconsideration*, No. 09-1827 (S.D. Tex. May 12, 2013), had no difficulty in concluding that, had a defendant shown that it was only selling “products” (as

Apple did here), summary judgment of noninfringement of method claims “would be appropriate”; however, because the defendant was offering “to sell not only an allegedly infringing device, but also *its own performance of WesternGeco’s methods*,” the court permitted a claim of direct infringement to proceed. (Emphasis added.) The district court in *CLS Bank International v. Alice Corp. Pty. Ltd.*, 667 F. Supp. 2d 29, 37 (D.D.C. 2009), similarly ruled that the defendant offered to sell and sold the patented method because it “offers to perform the methods ... for a fee and does perform the methods for its U.S. members for a fee.” Neither decision adopted the extreme position Mirror Worlds urges, where mere sale of products allegedly capable of performing a method—not performance of a method itself—would trigger liability under a method claim.³

Mirror Worlds has thus not shown that the Federal Circuit’s jurisprudence in this area has created “[c]onfusion” in any lower court. Pet. 20. Even if it

³ The en banc Federal Circuit recently considered *CLS*, but on a different issue: whether the asserted patent claims are drawn to patent-eligible subject matter under 35 U.S.C. § 101. *See CLS Bank Int’l v. Alice Corp. Pty. Ltd.*, 2013 WL 1920941 at *1 (Fed. Cir. May 10, 2013) (en banc) (per curiam) (affirming district court holding that asserted claims are not drawn to patent-eligible subject matter). The discussion of direct infringement under 35 U.S.C. § 271(a) in *W.L. Gore & Associates, Inc. v. Medtronic, Inc.*, 874 F. Supp. 2d 526, 545 (E.D. Va. 2012), is dicta because the patentee “only argued infringement under 271(g), which provides the same relief as 271(a).” *See also id.* 545 n.9 (“It also appears [the patentee] may have abandoned a claim under 271(a) since they made no mention of the statute in their proposed conclusions of law and put forth no clear evidence or argument directed towards satisfying the elements of 271(a) at trial.”).

had, the proper approach would be to present such confusion first to the Federal Circuit, not to this Court.

Furthermore, if the Federal Circuit or this Court were to reconsider the settled principle that “sale of equipment to perform a process is not a sale of the process within the meaning of section 271(a),” *Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 773 (Fed. Cir. 1993), Mirror Worlds has shown no error in that proposition. Nothing in this Court’s decision in *Quanta* suggests that a defendant could be held liable for infringing a method claim simply by selling a product that a customer allegedly *could* (but would not necessarily) use to infringe. It is long settled that a process claim can only be infringed by one who performs all of its claimed steps. See, e.g., *Royer v. Coupe*, 146 U.S. 524, 527, 531, 533 (1892) (affirming holding of non-infringement of process patent consisting of eight steps because first of eight steps was not used); *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222, 230 (1880) (a process patent “is not infringed by the use of any number of its stages less than all of them”); *Nationwide Chem. Corp. v. Wright*, 584 F.2d 714, 717 (5th Cir. 1978) (“A patent is not infringed where any of the steps which constitute the patented method or process is omitted.”); *Roberts Dairy Co. v. United States*, 530 F.2d 1342, 1354 (Ct. Cl. 1976) (“It is well established that a patent for a method or process is not infringed unless all steps or stages of the claimed process are utilized.”); *Engelhard Indus., Inc. v. Research Instrumental Corp.*, 324 F.2d 347, 351 (9th Cir. 1963) (“A patent for a method or process claim is not infringed unless all of the steps or stages of the process are used[.]”); Matthews, 2 *Annotated Patent Digest* § 10:175 (2008) (“[A] method claim is only infringed if one performs all of the recited steps of the claimed method.”); 5 *Chisum on Patents* § 16.02[6]

(2012) (“A process consists of one or more operative steps, and, accordingly, direct infringement by unauthorized use of a process consists of the performance of all the process’s operative steps.” (footnotes omitted)); *see also Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 40 (1997) (infringement occurs when “the accused product or process contain[s] elements identical or equivalent to each claimed element of the patented invention”); *BB Chem. Co. v. Ellis*, 117 F.2d 829, 833 (1st Cir. 1941) (“To be direct infringers, the defendants must have used the plaintiff’s process.”), *aff’d*, 314 U.S. 495 (1942); *Philad Co. v. Lechler Lab., Inc.*, 107 F.2d 747, 748 (2d Cir. 1939) (“The patent sought to be enforced is on a process of waving hair. It does not give the plaintiff a monopoly in the appliances by which the process is operated.”); *Moore Filter Co. v. Tonopah-Belmont Dev. Co.*, 201 F. 532, 541 (3d Cir. 1912) (“[T]he test of infringement is whether such process is utilized by the infringer.”).⁴

Mirror Worlds’ argument would also render superfluous the language in Section 271(c) of the Patent Act, which provides that one who “*sells ... a material or apparatus for use in practicing a patented process*, constituting a material part of the invention, knowing the same to be especially made for or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substan-

⁴ Contrary to the assertion of Mirror Worlds’ amici (United Inventors Association of America Br. 5-6; Raymond Br. 9 n.3), the rule for anticipation is no different. *E.g.*, *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U.S. 403, 422 (1902) (“[A] process patent can only be anticipated by a similar process. It is not sufficient to show a piece of mechanism by which the process *might* have been performed.”).

tial noninfringing use, shall be liable as a *contributory infringer*.” 35 U.S.C. § 271(c) (emphases added). This language would add nothing if a defendant that sold “a material or apparatus” capable of practicing a patented method was already liable as a *direct* infringer under Section 271(a). Such an interpretation should be avoided. *E.g.*, *Cooper Indus., Inc. v. Aviall Servs., Inc.*, 543 U.S. 157, 167 (2004) (“[W]e must, if possible, construe a statute to give every word some operative effect.”); *Reiter v. Sonotone Corp.*, 442 U.S. 330, 338-339 (1979); *Eyster v. Centennial Bd. of Fin.*, 94 U.S. 500, 503 (1877).

Mirror Worlds’ argument thus appears to be a thinly veiled attempt to evade the additional proof requirements of induced or contributory infringement under Section 271(b) and (c)—most notably proof that a third party actually infringed the patent and that the defendant acted with specific intent to bring about such infringement. *See Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011) (“induced infringement under [Section] 271(b) requires knowledge that the induced acts constitute patent infringement”); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U. S. 476, 488 (1964) (same requirement as to contributory infringement under Section 271(c)). While Mirror Worlds might wish that Congress enact a law providing for strict liability for direct infringement whenever a defendant sells products that customers may (but need not) use to infringe method patents, that is not the policy Congress adopted in the Patent Act, and this Court should not adopt it now—certainly not in a case where

the issue was not even presented to the court of appeals.⁵

II. MIRROR WORLDS' SECOND QUESTION PRESENTED IS A REQUEST FOR REVIEW OF A FACTBOUND APPLICATION OF SETTLED RULES TO THE PARTICULAR RECORD IN THIS CASE

Mirror Worlds frames its second question presented as “[w]hether the Federal Circuit has created an improper de facto rule precluding the use of circumstantial evidence” to prove infringement. Pet. i. The answer to that question is evidently “no.” Mirror Worlds admits both courts below correctly recognized that a patentee *can* prove infringement using circumstantial evidence. *Id.* 22; *see also* Pet. App. 14a, 48a. The Federal Circuit has affirmed judgments of infringement that rest entirely on circumstantial evidence. *E.g.*, *Liquid Dynamics Corp. v. Vaughan Co.*, 449 F.3d 1209, 1219 (Fed. Cir. 2006) (“There is no requirement that direct evidence be introduced, nor is a jury’s preference for circumstantial evidence over direct evidence unreasonable *per se.*”); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272 (Fed. Cir. 1986) (affirming finding of direct infringement based on circumstantial evidence; “[i]t is hornbook law that direct evidence of a fact is not necessary”).

⁵ Mirror Worlds’ “[p]olicy” argument (Pet. 21) ignores that a patentee does indeed have recourse against a manufacturer that sells products that can be used to infringe a method patent, provided the patentee can prove the requirements of induced infringement under Section 271(b) or contributory infringement under Section 271(c). Mirror Worlds failed to do so in this case (Pet. App. 37a n.7), but that is not a reason to alter settled principles codified by the plain language of the Patent Act.

Mirror Worlds accordingly challenges only the *application* by the district court and Federal Circuit of the established rule under Federal Rule of Civil Procedure 50 that judgment as a matter of law is warranted if a jury’s verdict is not supported by “substantial evidence,” *i.e.* evidence sufficient to permit a reasonable factfinder to reach that conclusion.⁶

Mirror Worlds insists that it proffered “overwhelming” and “ample” circumstantial evidence of infringing uses (Pet. 22, 25), but both courts below disagreed, and their evaluation of the record under Rule 50 is not worthy of this Court’s review. Nor does Mirror Worlds point to any actual disagreement of *law*. Even Judge Prost’s dissent was confined to a discussion of the record, which she viewed as falling on the opposite side of the line. Judge Prost did not suggest that the panel majority (or the prior decision in *E-Pass Technologies, Inc. v. 3Com Corp.*, 473 F.3d 1213 (Fed. Cir. 2007)) had “creat[ed] a new de facto rule requiring direct evidence of infringement.” Pet. 23-24. Indeed, in its petition for rehearing before the Federal Circuit, Mirror Worlds argued that *E-Pass* was “inapposite,” not that it supposedly set forth a new and incorrect approach to circumstantial evidence. Reh’g Pet. 11.

As to the evidence itself, Mirror Worlds relegates its discussion to a single footnote (Pet. 23 n.5) and does not address the many deficiencies that the district court and court of appeals identified. The “screen

⁶ *E.g.*, *EEOC v. Go Daddy Software, Inc.*, 581 F.3d 951, 961 (9th Cir. 2009); *Bonner v. Dawson*, 404 F.3d 290, 295 (4th Cir. 2005); *Power-Tek Solutions Servs, LLC v. Techlink, Inc.*, 403 F.3d 353, 358-359 (6th Cir. 2005); *Odetics, Inc. v. Storage Tech. Corp.*, 185 F.3d 1259, 1269 (Fed. Cir. 1999).

shots” of Spotlight that Mirror Worlds cited were waived and/or unsupported by testimony suggesting when and where they were taken or whether they even reflected an accused version of the Spotlight software. *See* Pet. App. 18a-20a, 37a n.7; Reh’g Pet. Resp. 5-7. The software “reviews” were likewise deficient. *See* Pet. App. 20a, 37a n.7; Reh’g Pet. Resp. 11-12. And the January 2005 demonstration by Steve Jobs was defeated by Mirror Worlds’ own expert, who testified that no version of Apple’s software before April 2005 infringed. *See supra* pp. 7-8. This evidence failed not because it was circumstantial as opposed to direct, but because it did not permit a reasonable inference of an infringing use.

Mirror Worlds’ assertion that the Federal Circuit’s decision in this case will somehow have a “chilling effect on a patentee’s ability to use circumstantial evidence to prove its case” (Pet. 25) is difficult to fathom, as is its claim that this Court’s intervention is needed to “confirm that patentees have the ability to present circumstantial evidence” (*id.*). The Federal Circuit has not suggested that circumstantial evidence cannot be used; it has held the opposite. Pet. App. 14a. A patentee in any given case will presumably put forward its strongest evidence—direct, circumstantial, or both—in its effort to prove its case. In some situations, even though the patentee may succeed in “paint[ing] an appealing picture for the jury” (*id.* 87a), the district court and court of appeals may properly conclude that it failed to provide substantial evidence sufficient to satisfy Rule 50. There is no reason to think that that particular out-

come in this case will “chill” any future litigant from presenting its strongest case as it sees fit.⁷

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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⁷ Even if this Court were to review and reverse the Federal Circuit's judgment on the limited and entirely factbound question whether third parties used Apple's Spotlight software in the way Mirror Worlds asserts, that still would not change the outcome. Judgment of noninfringement would still be required because Apple's products do not “generat[e] a main stream of data units” and do not select a “timestamp to identify each data unit,” as claim 13 of the '227 patent requires. Apple C.A. Br. 43-46. Moreover, as the district court found, Mirror Worlds' damages claim was utterly unsupported by any substantial evidence. Pet. App. 71a-78a. Accordingly, the issue Mirror Worlds presents is insignificant even in the context of this case.