

No. 13-477

IN THE
Supreme Court of the United States

SOVERAIN SOFTWARE LLC,
Petitioner,

v.

NEWEGG INC.,
Respondent.

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

BRIEF OF LAW PROFESSORS AS *AMICI CURIAE*
IN SUPPORT OF PETITIONER

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INTEREST OF *AMICI CURIAE*¹

Amici Curiae are law professors specializing in intellectual property law. The *amici* teach and write in this field, and they have an interest in ensuring that the Seventh Amendment is properly applied in the context of patent law.

SUMMARY OF THE ARGUMENT

This case presents a conflict between the Court of Appeals for the Federal Circuit and this Court regarding the application of the Seventh Amendment. For decades, this Court has applied the historical test to assess the scope of jury trial rights under the Seventh Amendment. *See, e.g., Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 376 (1996) (citing Charles Wolfram, *The Constitutional History of the Seventh Amendment*, 57 Minn. L. Rev. 639, 640-643 (1973)). The Federal Circuit did not follow this precedent in this case, which involves a claim of right to trial by jury on the contested facts related to the defense of obviousness. Instead of applying the historical test, the Federal Circuit treated obviousness as if it were a pure issue of law, despite the holding of this Court in *Graham v.*

¹ Pursuant to Rule 37.6 of the Rules of the Supreme Court, *amici curiae* state that no counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. The Center for the Protection of Intellectual Property at George Mason University School of Law paid for the printing of the brief, and neither of the parties to this case are supporters of or contributors to CPIP. Pursuant to Rule 37.2(a) of the Rules of the Supreme Court, counsel of record for all parties received notice 10 days prior to the due date of the *amici curiae*'s intention to file this brief. All parties have consented to the filing of this brief, and those consents are being filed herewith.

John Deere Co. of Kansas City, 383 U.S. 1, 17 (1966), that obviousness, while ultimately a question of law, is based upon “several basic factual inquiries.” In its decision in this case, the Federal Circuit has contravened the combined Seventh Amendment jurisprudence of this Court, as well as the holding of this Court in *Graham*.

The Federal Circuit specifically erred in this case by misapplying *Markman*. In *Markman*, this Court established that patent infringement cases must be tried to a jury, and discussed in detail the required inquiry for determining if a “particular trial decision” must be made by a jury under the Seventh Amendment. The “particular trial decision” that this Court addressed in *Markman* related to a specific aspect of patent claim construction. However, the “particular trial decision” at issue in this case involves factual questions related to obviousness. Rather than addressing this, or any, aspect of obviousness in its summary analysis in this case, the Federal Circuit erroneously imported this Court’s Seventh Amendment decision in *Markman* relating to patent claim construction, an entirely different issue.

Moreover, the Federal Circuit generally erred in this case by failing to apply the long-standing historical test required by this Court’s Seventh Amendment precedent. The Federal Circuit’s failure in this regard is not unique to this case. It is part of a continuing pattern by the Federal Circuit of totally ignoring the historical test and reducing complex issues to either pure law or pure fact. It cannot be excused on the basis that the case involves patent law. There are no exemptions to the Seventh Amendment for patent law.

It is critically important that this Court grant certiorari in this case because the consequences of leaving the Federal Circuit's error uncorrected are far-reaching. The existing decision will lead to problems in the area of obviousness, by undermining the role of the jury in this important area of patent law related to patent validity. In addition, the Federal Circuit's error in this case in applying the Seventh Amendment is part of a continuing pattern that threatens to pervade patent law. For this reason, it is vitally important that this Court grant certiorari to provide guidance to the Federal Circuit concerning Seventh Amendment rights.

ARGUMENT

I. THE FEDERAL CIRCUIT HAS FAILED TO FOLLOW THIS COURT'S SEVENTH AMENDMENT PRECEDENT

Determining the scope of jury trial rights under the Seventh Amendment² is an important issue of constitutional law that cannot be minimized simply because these fundamental constitutional rights arise in the context of a patent case. This Court has the ultimate authority and expertise to define these rights and to provide guidance on the application of the Seventh Amendment. These rights are not subservient to patent law. Yet the Federal Circuit has repeatedly departed from this Court's precedent in this area. In this case, the Seventh Amendment cannot be sidestepped.

² The Seventh Amendment states as follows: "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of common law." U.S. Const. amend. VII.

This Court has expressly held that the question of obviousness, contested in this case, is based upon “several basic factual inquiries.” *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17 (1966). Therefore, the Federal Circuit’s departure from this Court’s Seventh Amendment precedent compels review in this case.

A. The Federal Circuit Misapplied This Court’s *Markman* Decision.

In *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 377 (1996), a patent infringement suit, this Court applied its long-standing historical test³ in analyzing Seventh Amendment rights, and concluded that “there is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago.” This Court went on in *Markman* to

³ *Id.* at 376. The “historical test” seeks to determine whether the action in question is one that could have been brought in a court of law at the time of the ratification of the Seventh Amendment in 1791, or is analogous to such an action. *See, e.g., Markman*, 517 U.S. at 376. It involves an inquiry into cases brought in the courts of law in England at that time. The inquiry is largely rooted in the historical distinction between actions at law and actions in equity, with the right to a jury trial historically available for the former but not the latter. *See generally* James Fleming, Jr., *Right to a Jury Trial in Civil Actions*, 72 Yale L.J. 655 (1963). This Court in *Markman* attributed the “historical test” to the era of Justice Story, citing *United States v. Wonson*, 28 F. Cas. 745, 750 (C.C. Mass. 1812) (No. 16,750) and Charles Wolfram, *The Constitutional History of the Seventh Amendment*, 57 Minn. L. Rev. 639, 640-643 (1973). *Markman*, 517 U.S. at 376. The “historical test” has been continuously applied in Seventh Amendment analyses since at least 1935, when this Court issued its decision in *Baltimore & Carolina Line, Inc. v. Redman*, 295 U.S. 654 (1935). *See generally* Margaret L. Moses, *What the Jury Must Hear: The Supreme Court’s Evolving Seventh Amendment Jurisprudence*, 68 Geo. Wash. L. Rev. 183, 187-198 (2000).

apply its Seventh Amendment precedent to the particular issue of whether the jury should play a role in patent claim construction in order “to preserve the ‘substance of the common-law right of trial by jury.’” *Id.* at 377 (quoting *Tull v. United States*, 481 U.S. 412, 426 (1987)). After a lengthy analysis tailored specifically to claim construction, which included consideration of the “mongrel” nature of claim construction (*id.* at 378, 388), historical sources (*id.* at 378-384), existing precedent (*id.* at 384-388) and the expertise of judges in construing “written instruments” (*id.* at 388-390), this Court held that claim construction lies “exclusively within the province of the court (*id.* at 372).”

Despite this Court’s detailed guidance in *Markman* and prior Seventh Amendment cases, the Federal Circuit performed no analysis in this case that was specifically directed to the question of whether the jury should play a role in the determination of obviousness in order “to preserve the ‘substance of the common-law right of trial by jury.’” Instead, the Federal Circuit summarily dismissed the Seventh Amendment claim and misapplied *Markman*.

In its original opinion,⁴ the Federal Circuit stated as follows:

Although here both sides had presented witnesses and evidence on the question of obviousness, the district court’s removal of the legal question from the jury did not violate the right to jury trial. See *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 389 (1996)(“[A]ny

⁴ The Federal Circuit panel did not address the issue in its amended ruling (Pet. App. 75a-82a), and the Federal Circuit denied rehearing en banc (*id.* 83a-84a).

credibility determinations will be subsumed within the necessarily sophisticated analysis of the whole document.”).

(Pet. App. 5a). The Federal Circuit followed this reasoning to support its decision to rule on obviousness without remanding for a jury trial. (Pet. App. 6a). The Federal Circuit’s reliance in this case on the quoted language from *Markman* is misplaced. It is a misleading comparison of apples and oranges.

Markman involved claim construction, not a determination of obviousness, and therefore the quote from *Markman* relied upon by the Federal Circuit must be put in context. It appeared in a discussion of the relative abilities of judges and juries *to construe patent claims*. *Markman*, 517 U.S. 370 at 388-390. This Court stated that judges are better equipped for this task because they have special training and experience *in construing legal documents*. *Id.* at 388-389. Moreover, it is of critical importance that this Court addressed the relative abilities of judges and juries in *Markman* because of the “mongrel” nature of claim construction, noting as follows:

[W]hen an issue “falls somewhere between a pristine legal standard and a simple historical fact, the fact/law distinction at times has turned on a determination that, as a matter of the sound administration of justice, one judicial actor is better positioned than another to decide the issue in question.”

Id. at 388 (quoting *Miller v. Fenton*, 474 U.S. 104, 114 (1985)(emphasis added)).

Once the *Markman* language cited by the Federal Circuit is viewed in its proper context, the inappropri-

ateness of the Federal Circuit’s reliance on it in an obviousness case becomes apparent. In stark contrast to claim construction, which this Court described as a “mongrel practice,” the determination of obviousness has been expressly acknowledged by this Court to be based upon specific “factual inquiries.” *Graham*, 383 U.S. at 17. In *Graham*, this Court held that while the ultimate question of obviousness is one of law, it is based upon “several basic factual inquiries,” consisting of “the scope and content of the prior art,” “differences between the prior art and the claims at issue,” “the level of ordinary skill in the pertinent art,” and “secondary considerations.” *Id.* Moreover, the relative expertise of judges in construing legal documents, while highly relevant to patent claim construction, may have little or no bearing on the “factual inquiries” involved in determinations of obviousness. In this case, for instance, the conflicting views of experts regarding the content and significance of prior art user manuals for online shopping raise disputed questions of technical facts. Determining the scope and content of the prior art from the perspective of a person of ordinary skill in the pertinent art, as required by the obviousness inquiry under 35 U.S.C. § 103, is a very different task than the construction of a legal document.

B. The Federal Circuit Ignored The Historical Test Set Forth In This Court’s Seventh Amendment Opinions.

Pursuant to this Court’s precedent, specifically tailoring an analysis of Seventh Amendment rights to the “particular trial decision” at issue is a required component of this Court’s historical test.

[W]e ask, first, whether we are dealing with a cause of action that either was tried at law at

the time of the founding [i.e., 1791, when the Seventh Amendment was adopted] or is at least analogous to one that was.... If the action in question belongs in the law category, we then ask whether the particular trial decision must fall to the jury in order to preserve the substance of this common-law right as it existed in 1791.

Markman, 517 U.S. at 376 (citation omitted). This required component of the test was not applied by the Federal Circuit in this case.

Rather than apply the historical test as articulated by this Court, the Federal Circuit has essentially announced what amounts to a special exemption from the Seventh Amendment for determinations of obviousness in patent cases, namely, that there is no right to a jury determination of any underlying questions of fact because such underlying questions of fact are “subsumed” into the ultimate issue of law. As pointed out in the Question Presented in the Petition for a Writ of Certiorari, the Federal Circuit has engaged in an “effective redefinition of obviousness as a pure question of law.” (Pet. (i)). In reaching this erroneous outcome, which flies in the face of this Court’s *Graham* decision, the Federal Circuit not only completely ignored the framework articulated in this Court’s Seventh Amendment precedent for determining jury trial rights, it also failed to apply numerous decisions (collected in Pet. 15 n.7), in which this Court recognized that the jury should decide fact issues related to “invention,” a judicial precursor to the statutory requirement of obviousness originally enacted in 1952.

By inexplicably importing a portion of the Seventh Amendment analysis in *Markman* that was targeted

towards claim construction into an obviousness case, the Federal Circuit appears to sanction the elimination of the jury from any aspect of an obviousness determination. The result reached in this case by the Federal Circuit should be reviewed by this Court because it is contrary to this Court's precedent and undermines the role of juries in patent cases. Moreover, it should be reviewed because it exemplifies a continuing pattern of error by the Federal Circuit in its method of analyzing Seventh Amendment issues.

C. The Federal Circuit Has Established A Pattern Of Applying A Flawed Approach To Seventh Amendment Issues.

In its recent Seventh Amendment cases, the Federal Circuit has utterly failed to follow this Court's precedent setting forth the test for determining jury trial rights under the Constitution. The Federal Circuit has failed to apply an historical approach to the determination of Seventh Amendment rights. The Federal Circuit has instead developed its own approach to the determination of jury trial rights; one that is based on the Federal Circuit's own definition of a law versus fact divide.⁵

In this case, the Federal Circuit has essentially re-defined the determination of obviousness as a pure is-

⁵ See generally Eileen M. Herlihy, *The Ripple Effect of Seventh Amendment Decisions on the Development of Substantive Patent Law*, 27 Santa Clara Computer & High Tech. L.J. 333, 348-358, 368-377 (2011) [hereinafter Herlihy, *Ripple Effect*]. See also Eileen M. Herlihy, *Appellate Review of Patent Claim Construction: Should the Federal Circuit Be Its Own Lexicographer in Matters Related to the Seventh Amendment?*, 15 Mich. Telecomm. & Tech. L. Rev. 469, 476-493 (2009), available at <http://www.mttlr.org/volfifteen/herlihy.pdf>. [hereinafter Herlihy, *Appellate Review*].

sue of law. It has done this despite the clear teaching of this Court in *Graham* that while the ultimate question of obviousness is one of law, it is based upon “several basic factual inquiries” (*Graham*, 383 U.S. at 17). The Federal Circuit’s effective redefinition of obviousness as a pure issue of law follows from its misapplication of a quote from this Court’s *Markman* decision, a case which concerns claim construction. Moreover, the error in this case is not an anomaly. It is a direct result of the Federal Circuit’s repeated failure to apply the historical test established in this Court’s precedent.

In other recent Seventh Amendment decisions, the Federal Circuit has followed the same pattern of ignoring the historical test altogether and reducing complex issues to either pure law or pure fact in the course of deciding what role the jury should play. In its *Markman* decision (*Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (en banc), *aff’d*, 517 U.S. 370 (1996)), the Federal Circuit expressly framed the issue of whether a jury should be involved in claim construction solely in terms of distinguishing law from fact (*id.* at 976), and defined claim construction as purely an issue of law. It did not follow the historical test. In *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512 (Fed. Cir. 1995), *rev’d on other grounds*, 520 U.S. 17 (1997), the Federal Circuit relied primarily upon its classification of the doctrine of equivalents as an issue of fact in deciding what role the jury should play in its application.⁶ It did not follow the historical test.

While this Court’s review of the Federal Circuit’s *Markman* decision did not result in a reallocation of the

⁶ See Herlihy, *Ripple Effect*, *supra* note 5, at 368-377.

role of the jury with respect to claim construction, it did result in a wholly different analysis.⁷ It is incumbent on the Federal Circuit to follow the long standing historical test and the guidance provided by this Court in its *Markman* decision. The Federal Circuit has consistently failed to do so. Therefore, it is vitally important that this Court correct the Federal Circuit's error in this case with respect to determinations of obviousness and bring to a halt the Federal Circuit's continued wayward analysis of Seventh Amendment rights.

II. THERE ARE NO EXEMPTIONS TO THE SEVENTH AMENDMENT FOR PATENT LAW.

Patent law holds no special status when it comes to the constitutional protections of the Seventh Amendment. The guarantee of a right to trial by jury that is protected by the Seventh Amendment applies in patent cases, just as it applies to trials in other complex areas of the law, such as antitrust. This proposition was established by this Court in its *Markman* decision, which expressly held that patent infringement cases “must be tried to a jury” under the Seventh Amendment. *Markman*, 517 U.S. at 376.

The Federal Circuit's decision in this case essentially establishes an unwarranted exemption from the Seventh Amendment that is contrary to this Court's precedent. By relying on *Markman*'s claim construction ruling in an obviousness case, in a manner contrary to this Court's precedent setting forth and explaining

⁷ There may well be adverse impacts in the development of other areas of the law that result from the flawed analysis of Seventh Amendment rights in the Federal Circuit's *Markman* opinion. See Herlihy, *Ripple Effect*, *supra* note 5, at 358-368, 380-392. See generally Herlihy, *Appellate Review*, *supra* note 5.

the historical test, the Federal Circuit has performed a sleight of hand. It has collapsed the multi-dimensional structure of obviousness as an ultimate question of law based upon factual inquiries into a one-dimensional version of the application of the Seventh Amendment: pure law versus pure fact. There is a real danger that the Federal Circuit will apply this faulty reasoning again in another patent law context to remove underlying fact questions from the jury.

The Federal Circuit's treatment of underlying questions of fact must be corrected. Underlying questions of fact are not withheld from the jury in other areas of the law. There is no support under the Constitution for withholding such questions from the jury on the basis that they arise in a patent case.

III. THE PETITION FOR CERTIORARI SHOULD BE GRANTED TO PROVIDE GUIDANCE TO THE FEDERAL CIRCUIT ON THE APPLICATION OF THE SEVENTH AMENDMENT.

This Court has not addressed a Seventh Amendment claim on the merits in a patent case since *Markman*.⁸ There is now a pressing need for this Court to take up such an issue again. Despite this Court's decision in *Markman*, the Federal Circuit has not been following this Court's long-standing test for determining jury trial rights under the Seventh Amendment. Given the factual inquiries required in an obviousness analy-

⁸ While a Seventh Amendment issue was subsequently raised in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 38-39 (1997) in the context of a patent case, this Court expressly declined to rule on whether, and to what extent, infringement under the doctrine of equivalents should be decided by a judge rather than a jury.

sis, this case presents a compelling vehicle for this Court to provide guidance to the Federal Circuit.

CONCLUSION

For the foregoing reasons, *amici* urge this honorable Court to grant the Petition for a Writ of Certiorari.

Respectfully submitted.

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