

No. 15-561

IN THE
Supreme Court of the United States

NAUTILUS, INC.,
Petitioner,

v.

BIOSIG INSTRUMENTS, INC.,
Respondent.

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

**BRIEF OF GARMIN INTERNATIONAL, INC.,
LECORPIO, LLC, LIMELIGHT NETWORKS, INC.,
NEWEGG INC., QVC, INC., SAP AMERICA, INC., SAS
INSTITUTE INC., SYMMETRY LLC, AND XILINX, INC.
AS *AMICI CURIAE* IN SUPPORT OF PETITIONER**

PETER K. STRIS
BRENDAN S. MAHER
ELIZABETH ROGERS BRANNEN
Counsel of Record
DANIEL L. GEYSER
MICHELLE KIM-SZROM
VICTOR O'CONNELL
Stris & Maher LLP
725 S. Figueroa St., Ste. 1830
Los Angeles, CA 90017
Telephone: (213) 995-6800
elizabeth.brannen@strismaher.com

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*Counsel for Amici Curiae**

(Additional Counsel Listed On Inside Cover)

MATTHEW D. MONTAIGNE
SAS Institute Inc.
100 SAS Campus Dr.
Cary, NC 27513
Telephone: (919) 531-2754
Facsimile: (919) 677-8177
matthew.montaigne@sas.com

*Counsel for Amicus Curiae
SAS Institute Inc.*

**Counsel for Amici Curiae Garmin International, Inc.,
Lecorpio, LLC, Limelight Networks, Inc., Newegg Inc., QVC,
Inc., SAP America, Inc., Symmetry LLC, and Xilinx, Inc.*

QUESTION PRESENTED

Petitioner has framed the questions as follows:

1. Is a patent claim invalid for indefiniteness if its scope is not reasonably certain the day the patent issues, even if statements in later Patent Office proceedings clarify it?
2. Is a patent claim invalid for indefiniteness if its scope is distinguished from prior art solely by a functional requirement, rather than by any structural difference?

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STATEMENT OF INTEREST¹

Amici include a vast array of companies that create groundbreaking products, offer innovative services, and employ thousands of people in supplying important products and services to economic markets nationwide. Many engage in cutting-edge research and development and manage diverse patent portfolios. They have invested, and will continue to invest, significant resources to bring successful products and services to market, and have a vital interest in ensuring that the country's patent laws are interpreted and applied to promote the core progress, innovation, and investment that drives our nation's economy. *Amici* also frequently draw the attention of those seeking to exploit the patent system, accusing legitimate products and services of infringement based upon ambiguous patent claims. As companies that both develop and defend against the abusive assertion of intellectual-property rights, they have a distinct interest in a proper and balanced application of the law of definiteness. *Amici* have an important interest in the correct disposition of this case, and their extensive experience with patent litigation affords a valuable perspective for the Court's consideration.

¹ Pursuant to Supreme Court Rule 37.6, counsel for *amici* represent that they authored this brief in its entirety and that none of the parties or their counsel, nor any other person or entity other than *amici* or their counsel, made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to Rule 37.2(a), counsel for *amici* represent that all parties were provided notice of *amici*'s intention to file this brief at least 10 days before its due date. Pursuant to Rule 37.2(a), counsel for *amici* represent that all parties have consented to the filing of this brief. Their written consent is being submitted contemporaneously with the brief.

SUMMARY OF ARGUMENT

As was true during its last trip to this Court, this case continues to present an issue of exceptional importance: how must federal courts assess “definiteness” under Section 112 of the Patent Act. 35 U.S.C. § 112, ¶ 2 (2006 ed.).² Lack of definiteness has long been a statutory defense in infringement litigation, but for years it lacked any real effect. The Federal Circuit had routinely applied an exceedingly forgiving standard that required virtually no clarity, under which patent claims were excused as sufficiently definite if merely “amenable to construction” or not “insolubly ambiguous.”

This Court granted review last Term to reject that standard in favor of a new and more rigorous test. *Nautilus, Inc. v. Biosig Instruments, Inc. (Nautilus II)*, 134 S. Ct. 2120, 2129 (2014). Specifically, under *Nautilus II*, to be sufficiently definite under the statute “a patent’s claims, viewed in light of the specification and prosecution history, [must] inform those skilled in the art about the scope of the invention with *reasonable certainty*.” *Id.* at 2129 (emphasis added).

Not so, however, according to the Federal Circuit. Rather than faithfully applying this Court’s new standard, the Federal Circuit on remand nodded to the newly announced “reasonable certainty” test and then

² As the petition notes (at 2 n.1), when it was enacted in 2012, the Leahy-Smith America Invents Act replaced ¶ 2 of 35 U.S.C. § 112 with § 112(b). Pub. L. No. 112-29, § 4(c), 125 Stat. 284, 296 (2011). While newly added § 112(b) is inapplicable here, the pertinent language remains unchanged. All citations to Section 112 in this brief refer to the 2006 edition.

continued to apply its old standard. Pet. App. 7a-23a (*Nautilus III*).

This reversion presents serious problems for industry participants. First, by suggesting that the standard has changed in form but not substance, *Nautilus III* leaves the country's true innovators to wallow in the very "innovation discouraging 'zone of uncertainty'" against which this Court has warned, and which its decision in *Nautilus II* should have foreclosed. See 134 S. Ct. at 2130 (quoting *United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228, 236 (1942)). Second, *Nautilus III* improperly relies on evidence from reexamination proceedings conducted years after the patent issued (indeed, when it was close to expiration) about tests that skilled artisans supposedly *could* have performed to determine the patent's scope (but of course did not perform and had no reason to perform at the relevant time). This post-hoc showing contradicts this Court's guidance about when and on what basis claims must be sufficiently definite. It allows the meaning of ambiguous claims to evolve over time, which epitomizes *uncertainty*, not reasonable certainty: under the Federal Circuit's approach, patentees again can and will continue to wield claims "like a nose of wax, which may be turned and twisted in any direction"—exactly the opposite of what patent claims are supposed to do. *White v. Dunbar*, 119 U.S. 47, 51 (1886). Finally, *Nautilus III* tolerates the uncertainty of purely functional claim language—words describing what a claim *does* (or might do) without specifying (or even hinting) about *how* the claimed result is accomplished. This conflicts with *Nautilus II*, because claims describing only what they purport to accomplish or achieve fail to provide any certainty, let alone

“reasonable certainty,” about the scope of the actual invention.

Amici respectfully ask this Court to grant review to avoid widespread propagation of these errors by lower courts throughout the nation. The patent system and all of its players would benefit from prompt clarification that this Court meant what it said in *Nautilus II*—that “reasonable certainty” is something more rigorous than insoluble ambiguity, and that such certainty must exist at the time of the patent application and be grounded in the claim language and original prosecution history available when the patent issues. Review is further warranted to clarify that “reasonable certainty” does not tolerate claims that purport to cover unspecified ways to achieve a result: contrary to the decision below, such purely functional claiming does indeed render a patent invalid for indefiniteness.

Denying the petition would permit the Federal Circuit to remain out of step with this Court’s clear guidance. Patent claims are designed to provide public notice of an invention—what it covers and what it does not cover. The post-remand opinion undermines that vital function and stands to encourage far-ranging misapplication of the Court’s “reasonable certainty” test. Without review, it may stifle innovation and leave industry participants to make critical decisions in the dark despite the light that was—or at least should have been—shed by this Court’s decision in *Nautilus II*. Review is warranted.

REASONS FOR GRANTING CERTIORARI

I. The Federal Circuit’s Decision Conflicts With *Nautilus II* And Encourages Far-Ranging Misapplication Of This Court’s Standard.

A. The Federal Circuit Purported To Apply The “Reasonable Certainty” Test Announced By This Court—But in Truth, It Did Not.

1. The patent at issue³ is directed to a heart-rate monitor for exercise machines. A doctor applied for it in 1992. The patent issued in 1994, was the subject of reexamination proceedings before the Patent Office many years later, and was then asserted in litigation in 2010 shortly before it expired.

The patent describes a cylindrical bar for a user to grip with both hands. The claims require two electrodes to be mounted on the bar in a “spaced relationship”—without more. As the district court found, the patent thus failed to tell “anyone what precisely the space should be,” or even supply “any parameters” for determining the appropriate spacing. Pet. App. 36a (*Nautilus I*).⁴

While the Federal Circuit readily agreed that the patent failed to supply “actual parameters” for the relationship, it concluded that this critical imprecision

³ U.S. Patent No. 5,337,753 (‘753 patent).

⁴ See also Pet. App. 42a (explaining that the “district court found nothing in evidence that provided how a skilled artisan would have determined the appropriate parameters yielding the necessary ‘spaced relationship’ as recited by the ‘753 patent: ‘[W]hat [the expert] says is that through trial and error, which he doesn’t describe, one can find a spaced relationship. That may be. But there’s no description.’”) (citation omitted).

was acceptable under Section 112. The Court of Appeals originally found the patent sufficiently definite because it was amenable to construction and not insolubly ambiguous. Pet. App. 42a. The District Court's inquiries, it held, "miss the mark." *Ibid.* Two members of the panel concluded that the claimed spacing was something larger than "infinitesimally small" but no "greater than the width of a user's hands." *Id.* at 37a. The relationship was not clear on its face, but it could be identified through testing by isolating its "function"—"substantially removing EMG signals." *Id.* at 38a.

In *Nautilus I*, the third panel member also concluded that the patent was not indefinite but interpreted the "spaced relationship" limitation differently. Pet. App. 51a-53a (Schall, J., concurring). Specifically, Judge Schall in *Nautilus I* wrote separately to state that in his view, unlike that of the panel majority, the "spaced relationship" limitation "does not contain a functional requirement." *Id.* at 53a.

Nautilus petitioned for certiorari. This Court granted review and unanimously announced a new standard for evaluating definiteness: a patent's "claims, read in light of the specification and prosecution history, must inform persons skilled in the art about the scope of the invention with *reasonable certainty*." *Nautilus II*, 134 S. Ct. at 2129 (emphasis added).

2. On remand, however, the Federal Circuit again found the patent definite. Pet. App. 4a, 18a, 23a. The panel did not revisit or specifically address whether the district court's reasoning was closer to the mark under this Court's new standard. Nor did it address the telling fact that multiple federal judges had interpreted the "spaced relationship" limitation differently. And it did

not articulate a construction to resolve the panel's original disagreement over whether the limitation contains a functional requirement.

The parties disputed whether this Court had announced a new, stricter standard, or simply clarified the *language* that lower courts should use in assessing definiteness, and the Federal Circuit incorrectly reached the latter conclusion. Pet. App. 10a-11a. Under a heading denoting reasonable certainty as “familiar,” the Federal Circuit suggested that this Court rejected the “insolubly ambiguous” standard merely because it was too “imprecise” *as an articulation*: “The Court has accordingly modified the standard by which lower courts examine allegedly ambiguous claims; we may now steer by the bright star of ‘reasonable certainty,’ rather than the unreliable compass of ‘insoluble ambiguity.’” *Id.* at 12a.

In explaining what “reasonable certainty” entails, the new opinion cited a number of cases from other contexts, and later stated that (after this Court's decision in *Nautilus II*) “judges have had no problem operating under the reasonable certainty standard” in the definiteness context. Pet. App. 15a. As its core analysis, the Federal Circuit simply reiterated much of its original analysis—without explaining whether or how earlier Federal Circuit cases comport with the “reasonable certainty” standard. *Id.* at 18a-22a.

Tellingly, the new opinion simply omitted other portions of its original decision suggesting it had tolerated something less than reasonable certainty. For example, the panel majority had originally observed that, “[i]f the meaning of the claim is discernible, even though the task may be formidable and the conclusion

may be one over which reasonable persons will disagree, we have held the claim sufficiently clear to avoid invalidity on indefiniteness grounds.” Pet. App. 43 (quoting *Exxon Research & Eng’g Co. v. United States*, 265 F.3d 1371, 1379 (Fed. Cir. 2001)). The panel, however, did not clearly disclaim this standard or confirm that its disposition would be identical in a world where its past statements were definitively wrong (as they most definitely are after *Nautilus II*).

The implicit message from *Nautilus III* is that the standard has changed in style, not substance. That message conflicts with *Nautilus II*; it threatens to unwind all this Court’s progress to ensure that patent claims must comport with the statutory definiteness requirement and serve their vital public notice function.

B. The Post-Remand Opinion Fails To Recognize That “Reasonable Certainty” Is More Rigorous Than The Federal Circuit’s Discredited Prior Standard.

Despite acknowledging the “reasonable certainty” standard and purporting to apply it, the post-remand opinion *in fact* required much less. But this Court did not merely announce different words for the same standard: *Nautilus II* changed the substance of the test.

This Court recognized that Section 112 mandates clarity, and it does so for a reason. *Nautilus II*, 134 S. Ct. at 2130 (“To tolerate imprecision just short of that rendering a claim ‘insolubly ambiguous’ would diminish the definiteness requirement’s public-notice function and foster the innovation-discouraging zone of uncertainty, against which this Court has warned.”) (citation omitted).

The Federal Circuit's prior jurisprudence, by contrast, invited the very innovation-stifling uncertainty that the statute was designed to foreclose. In announcing the new standard, this Court was clear that the Federal Circuit's approach was not "probative of the essential inquiry." *Nautilus II*, 134 S. Ct. at 2130. Put simply, it was too permissive to comport with Section 112's requirements:

We conclude that the Federal Circuit's formulation, which tolerates some ambiguous claims but not others, does not satisfy the statute's definiteness requirement.

Nautilus II, 134 S. Ct. at 2124. Ascribing "some meaning to a patent's claims," as the Federal Circuit's discredited prior standard allowed, is not enough. *Id.* at 2130 (emphasis added). This Court's sole qualification was that the certainty required is "reasonable," not absolute. But the Court clearly required additional certainty in both substance *and* form.

C. The Post-Remand Opinion Fails To Recognize That Claims Must Be Reasonably Clear On Their Face When A Patent Issues.

Moreover, this Court's decision in *Nautilus II* made clear that the new test requires definiteness based upon the claim language and prosecution history in existence at the time a patent was issued: "[T]he definiteness inquiry trains on the understanding of a skilled artisan at the time of the patent application, not that of a court reviewing matters *post hoc*." 134 S. Ct. at 2130. It is impossible to reconcile the Federal Circuit's approach on remand with that clear guidance.

In most cases, a patent's claims and specification alone should provide reasonable certainty upon filing of the patent application. *Nautilus II*, 134 S. Ct. at 2128 (holding that courts should assess reasonable certainty from the viewpoint of a person of skill in the art “at the time the patent was filed”); *see also, e.g., Interval Licensing LLC v. AOL, Inc.*, 776 F.3d 1364, 1371 (Fed. Cir. 2014) (“[F]aced with a ‘purely subjective’ claim phrase, we must look to the written description for guidance.”) (citation omitted). To the extent a claim's scope is clarified during prosecution, however, it is also appropriate to rely on the original prosecution history. *Nautilus II*, 134 S. Ct. at 2128 (recognizing agreement of all parties that “definiteness is measured from the viewpoint of a person skilled in [the] art at the time the patent was filed” and citing Joshua D. Sarnoff & Edward D. Manzo, “An Introduction to, Premises of, and Problems With Patent Claim Construction,” in *Patent Claim Construction in the Federal Circuit* 9 (E. Manzo ed. 2014) (“Patent claims . . . should be construed from an objective perspective of a [skilled artisan], based on what the applicant actually claimed, disclosed, *and stated during the application process.*”) (emphasis added)). *Nautilus II* therefore confirmed that a patent's scope must be reasonably certain on the intrinsic record by the time the patent issues.

On remand, however, the panel overlooked this Court's guidance and relied on evidence from reexamination proceedings conducted years later and near the patent's expiration. Even though this evidence was not present when the patent was issued, to find the claim language sufficiently definite the panel credited the inventor's new declaration that a skilled artisan could perform testing to determine the electrode

spacing covered by the patent “by calculating the point in which EMG signals are substantially removed.” Pet. App. 22a.

This reasoning is squarely at odds with *Nautilus II*. Nothing in the claims, specification, or original prosecution history made clear to the public that the patentee intended to claim only spaced relationships based upon this new calculation. Even if the inventor’s declaration somehow limited the claims, this late suggestion still left an impermissible zone of uncertainty for far too long. The public was deprived of rights “without being clearly told what it is that limits these rights.” *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996) (quoting *Merrill v. Yeomans*, 94 U.S. (4 Otto) 568, 573 (1876)).

The panel underscored its own error by invoking Federal Circuit authority outside the definiteness context. It cited *01 Communique Lab., Inc. v. LogMeIn, Inc.*, 687 F.3d 1292, 1298 (Fed. Cir. 2012), for the proposition that “statements made during reexamination” are “intrinsic evidence for purposes of claim construction.” Pet. App. 22a. It is true that reexamination disclaimers can disavow claim scope, but it does not follow that evidence submitted in reexamination may properly clarify an otherwise fatally ambiguous claim. Clarity must exist at the time of a patent application, and certainly by the time a patent issues. *Nautilus II* does not allow courts to divine claim scope during litigation when viewing “matters *post hoc*.” *Nautilus II*, 134 S. Ct. at 2130.

This result is not only at odds not only with *Nautilus II* but also with the fundamental public notice function of patent claims. The patent “monopoly is a property

right,” and “like any property right, its boundaries should be clear.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730 (2002). Claims must be clear when they issue to be “fair . . . to the public,” *Merrill*, 94 U.S. at 573, and to avoid innovation-hampering uncertainty. Industry participants must be able to ascertain and rely on precise patent boundaries before making manufacturing decisions. A decade or more is too long to wait.

D. The Post-Remand Opinion Impermissibly Tolerates Uncertainty By Allowing Purely Functional Claiming Of Unspecified Ways To Achieve A Result.

Under Section 112, a patent claim is definite only if it “particularly point[s] out and distinctly claim[s]” the invention to give the public notice of what infringes and what does not. 35 U.S.C. § 112, ¶ 2. Purely functional claims fail to satisfy the statutory language, a point made clear from *Nautilus II* all the way back to *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1, 12 (1946).

On remand, the panel—this time all three judges—first suggested that “spaced relationship” would cover *any relationship* that was “neither infinitesimally small nor greater than the width of a user’s hands,” Pet. App. 18a, but then suggested that a skilled artisan would understand that the “spaced relationship” would be further defined by its intended functionality (substantially removing EMG signals), *id.* at 22a-23a. As a result, the Federal Circuit reiterated its conclusion that the limitation was sufficiently definite because skilled artisans could perform testing to discern what “spaced relationship” was being claimed—presumably

based on testing to determine what “spaced relationship” achieved the EMG-removing functionality. *Ibid.* Originally, the panel had disagreed about whether the limitation even entailed this functionality. Now, all three concluded that this functionality was “highly relevant” to ascertaining the boundaries of the “spaced relationship.” *Ibid.*

As a practical matter, what that means for industry participants is that the scope of claims can still be wildly uncertain. Consider, for example, technological innovations: If testing capability improves (or other aspects of the technology evolve) over time such that a different spaced relationship achieves the required functionality, what happens? Do those advancements expand the claimed scope? What happens if those advancements occur five or ten years later—long after the inquiry is supposed to take place—does the claim change in scope? It should not, but the post-remand Federal Circuit decision suggests that a claim may effectively grow as patentees discover new and improved ways to achieve the required functionality. Industry cannot reliably invest and innovate where ambiguous claims may evolve over time along with testing capability.

If a patent is described in purely functional terms—such as a new way to transport people from point A to point B—without clear structural boundaries (as would be required for statutorily contemplated means-plus-function claims), how could anyone be reasonably certain of what was and was not covered? No one could be reasonably certain (or even cautiously optimistic), for example, that a patent properly limited to high-speed rail would not be wielded against aerospace. This is a common occurrence under the Federal Circuit’s regime, especially in the software context. *See, e.g.,* FTC, *The*

Evolving IP Marketplace: Aligning Patent Notice and Remedies with Competition 100 (2011) (observing that general descriptions of results without an explanation of “how the computer performs the claimed functions may leave the outer boundaries of the claim difficult to decipher”) (citing *Halliburton*, 329 U.S. at 12). Under this Court’s standard, the definiteness requirement should foreclose this.

In the decision below, by allowing the claim to be defined by whatever spacing works (as revealed through testing), the Federal Circuit’s decision created added uncertainty about the role of functionality in the definiteness context. *Nautilus I* had stated that claim language is not indefinite “simply because it covers some embodiments that may be inoperable.” Pet. App. 44a (quoting *Exxon Research & Eng’g Co. v. United States*, 265 F.3d 1371, 1382 (Fed. Cir. 2001)). If claims can be definite despite covering inoperable embodiments, how could anyone in 1992 or 1994 have relied upon test results to become reasonably certain of what is patented versus what is available to the public? See, e.g., *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730-31 (2002) (“A patent holder should know what he owns, and the public should know what he does not.”).

II. The Petition Raises Significant Issues Of Great Importance To American Industry.

1. In *Nautilus II*, the Court carefully announced a new and rigorous standard to ensure that ambiguous patent claims cannot be used to stifle innovation. That decision was of exceptional importance because “competing manufacturers and dealers” need to know

“exactly what they are bound to avoid.” *The Incandescent Lamp Patent*, 159 U.S. 465, 474 (1895).

Although the Federal Circuit purported to apply this Court’s newly announced standard on remand, its analysis confirms that the court of appeals simply reverted back to the prior standard, complete with all the intolerable uncertainty that this Court sought to eliminate. This leaves industry exposed, again, to the same harms that were present before *Nautilus II*.

Now, as before, it remains equally true that “[p]oor patent notice undermines innovation and competition by raising the risk of . . . infringement and imposing ‘a very high overhead’ on innovation.” FTC, *The Evolving IP Marketplace* at 76 (citation omitted); accord James Bessen & Michael J. Meurer, *Patent Failure: How Judges, Bureaucrats, and Lawyers Put Innovators at Risk* 219 (2008) (“Our empirical analysis has shown that poor patent notice has reduced the incentives to invent.”). Review is urgently needed to avoid this tax on industry and innovation.

2. At a minimum, the Federal Circuit’s new decision leaves industry participants to wonder what standard will actually govern: the authoritative standard this Court announced, the markedly different standard the Federal Circuit applied on remand, or some hybrid falling somewhere in between. Industry cannot function efficiently against the backdrop of such legal uncertainty.

Given the clear daylight between *Nautilus II* and the Federal Circuit’s new opinion, companies will not know which test will apply, what that test looks like in practice, or how that test (whatever it is) predictably affects business and innovation. Stakeholders should not be left

to guess—litigation will increase and innovation will ultimately suffer. *See, e.g.*, William M. Landes & Richard A. Posner, *The Economic Structure of Intellectual Property Law* 347 (2003) (“Other things being equal, the more certain law is, the less likely is litigation.”). The Court can resolve this problem by simply reaffirming that it meant what it said in *Nautilus II*.

3. Immediate review is sorely needed. It is always possible that, in time, future Federal Circuit decisions will prove the decision below to be a simple outlier. *See, e.g.*, *Dow Chem. Co. v. Nova Chems. Corp.*, 803 F.3d 620, 630 (Fed. Cir. 2015) (correctly recognizing that “there can be no serious question that *Nautilus [III]* changed the law of indefiniteness.”). But that delay comes at a serious cost as companies suffer from the interim uncertainty.

Our judicial hierarchy, functioning properly, demands that lower courts faithfully apply this Court’s decisions immediately, not according to their own schedule. *Nautilus II* announced a new and important shift in the law of indefiniteness; it is important that this critical development take hold today. It should not depend on which panel hears a case or how a potential intra-circuit rift unfolds. Absent constitutional or statutory amendment, when this Court speaks, the public should have confidence that what it says is and will immediately become controlling law. *See Rodriguez de Quijas v. Shearson/Am. Exp., Inc.*, 490 U.S. 477, 486 (1989) (Stevens, J., dissenting) (“when our earlier opinion gives a statutory provision concrete meaning . . . our duty to respect Congress’ work product is strikingly similar to the duty of other federal courts to respect our work product”). *See also Evans v. Chavis*, 546 U.S. 189, 198 (2006) (reversing Ninth Circuit, entering judgment, and

noting that “[t]his is what we believe we asked the Circuit to do” in a recent decision from the Ninth Circuit on the same issue, and “[t]his is what we believe it should have done.”). *Amici* respectfully ask this Court to grant review to correct the Federal Circuit’s clear departure from *Nautilus II*.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

MATTHEW D. MONTAIGNE
SAS Institute Inc.
100 SAS Campus Dr.
Cary, NC 27513
Telephone: (919) 531-2754
Facsimile: (919) 677-8177
matthew.montaigne@sas.com
Counsel for Amicus Curiae
SAS Institute Inc.

PETER K. STRIS
BRENDAN S. MAHER
ELIZABETH ROGERS BRANNEN
Counsel of Record
DANIEL L. GEYSER
MICHELLE KIM-SZROM
VICTOR O'CONNELL
Stris & Maher LLP
725 S. Figueroa St., Ste. 1830
Los Angeles, CA 90017
Telephone: (213) 995-6800
elizabeth.brannen@strismaher.com

Counsel for Amici Curiae
Garmin International, Inc.,
Lecorpio, LLC, Limelight
Networks, Inc., Newegg Inc.,
QVC, Inc., SAP America, Inc.,
Symmetry LLC, and Xilinx, Inc.

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