

Case no. 2012-1014

IN THE
**United States Court of Appeals
for the Federal Circuit**

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United States Court of Appeals
For The Federal Circuit

LIGHTING BALLAST CONTROL LLC,
Plaintiff-Appellee,

—v.—

PHILIPS ELECTRONICS NORTH AMERICA CORPORATION,
Defendant,

AND

UNIVERSAL LIGHTING TECHNOLOGY, INC.,
Defendant-Appellant.

FILED
U.S. COURT OF APPEALS FOR
THE FEDERAL CIRCUIT

FEB 22 2013

JAN HORBALY
CLERK

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS, CASE NO. 09-CV-0029.
THE HONORABLE **REED O'CONNOR**, JUDGE PRESIDING

REPLY BRIEF IN SUPPORT OF PETITION FOR REHEARING *EN BANC*

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20 FEBRUARY 2013

CERTIFICATE OF INTEREST

Counsel for Appellee Lighting Ballast LLC, certifies the following:

1. The full name of every party or amicus represented by me is: Lighting Ballast Control LLC.
2. The name of the real party in interest I represent is: Lighting Ballast Control LLC.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are: Lighting Ballast Control LLC is a wholly owned subsidiary of Acacia Research Group LLC, which is a wholly owned subsidiary of Acacia Research Corporation.
4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

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ARGUMENT

In support of its petition for rehearing *en banc*, Plaintiff-Appellee Lighting Ballast Control LLC (“Lighting Ballast”) respectfully submits this reply to the Response filed by Defendant-Appellant Universal Lighting Technologies, Inc. (“Universal”).

I. Summary of Argument.

In its opposition, Universal fails to address the two key issues raised in the petition.

First, Universal fails to address the trial court’s express factual finding:

[T]he Court *finds* that while the “voltage source means” term does not denote a specific structure, it is nevertheless understood by persons of skill in the lighting ballast design art to connote a class of structures, namely a rectifier, or structure to rectify the AC power line into a DC voltage for the DC input terminals.

J.A. 22 (emphasis added). Under *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) (*en banc*), the panel gave no deference to this factual finding and set it aside. For this reason alone, this case squarely presents the issue of whether *Cybor* was correctly decided.

Based on its review of the intrinsic record, expert testimony and other extrinsic evidence, the trial court made the above factual finding that this claim language *is* understood by those skilled in the art to mean a rectifier. Universal disagrees with this factual finding, arguing that *in fact* those skilled in the art

understand the limitation to mean many different structures, including a rectifier. Universal contends, based on Lighting Ballast's expert testimony, that this limitation is understood to mean rectifiers, batteries, generators and solar voltaic cells. The panel, applying *Cybor*, gave no deference to the trial court's rectifier finding, found that the "voltage source means" limitation is understood to mean a number of different structures, and ultimately ruled the patent to be indefinite on that basis.

It is indisputable that the panel set aside the trial court's factual finding that the disputed limitation is understood by those skilled in the art to be a rectifier. If that finding were undisturbed on appeal, then the "claim term itself corresponds to sufficiently definite structure." *See* Panel Op. 10.

Cybor forced the panel to give the trial court's rectifier finding no deference. However, this factual finding "must not be set aside unless clearly erroneous" under Federal Rule of Civil Procedure 52(a)(6). Regardless of whether the trial court's rectifier finding can withstand the heightened standard of review Rule 52(a) requires, this case warrants *en banc* rehearing to overrule *Cybor* and to apply the correct standard of review for fact-finding incident to claim construction.

Second, on the issue of waiver, Universal has literally no response to Lighting Ballast's point that *Ortiz v. Jordan*, 131 S. Ct. 884 (2011) would govern the waiver analysis in this case if the Court were to overrule *Cybor* on the ground

that claim construction is not a purely legal question. Indeed, Universal does not even cite to *Ortiz*. Universal's only potential escape from the broad reach of *Ortiz* is to embrace the fiction required by *Cybor* – namely, that claim construction is purely an issue of law. If *Cybor* collapses, so too does Universal's appeal of the trial court's second *Markman* order and the trial court's denial of Universal's motion for summary judgment. See Universal (blue) Br. 2-3 (“Issues Presented” nos. 1-3). Universal's challenge to the “voltage source means” construction would be among the issues it failed to preserve for appellate review.

II. This Case Squarely Presents the Question of Whether *Cybor* Was Correctly Decided Because the Trial Court Made a Factual Finding Incident to Claim Construction, and *Cybor* Required the Panel to Review That Finding *De Novo*.

Lighting Ballast's expert testified in part that the disputed claim language suggested sufficient structure to one skilled in the applicable art:

[T]he “voltage source” limitation, when read in the context of the specification and claims, suggests to me a sufficient structure, or class of structures, namely: a rectifier (if converting AC from a “power line source” to DC for a “DC supply voltage”) or, in a very few specialized applications, a battery (if providing the DC supply voltage directly to the DC input terminals).

J.A. 22. The trial court seized upon a portion of the expert's testimony, and it made an express factual finding in construing the disputed claim language:

[T]he Court *finds* that while the “voltage source means” term does not denote a specific structure, it is nevertheless understood by persons of skill in the lighting ballast design art to connote a class of structures,

namely a rectifier, or structure to rectify the AC power line into a DC voltage for the DC input terminals.

J.A. 22 (emphasis added). The panel acknowledged that this was a factual finding. Panel Op. 5 (“The court found that, according to the limitation’s ordinary meaning, the claimed ‘voltage source means’ corresponds to a class of structures...”).

If the above-quoted factual finding is correct, then means-plus-function claiming rules cannot apply to this limitation. In that case, the limitation is understood to be a rectifier and only a rectifier – not a wide variety of structures. A rectifier is a “sufficiently definite structure.” See Panel Op. 9, citing *Rembrandt Data Techs., LP v. AOL*, 641 F.3d 1331, 1340-41 (Fed. Cir. 2001). For means-plus-function claiming rules to apply, this factual finding must be set aside. That is what Universal urged the Court to do, and that is what the panel did.

Overruling *Cybor* would harmonize claim construction with Doctrine of Equivalents standards, where findings are reviewed for clear error – even if the appellant purports to accept the opposition’s expert testimony:

A finding of equivalence is a determination of fact. Proof can be made in any form: through testimony of experts or others versed in the technology; by documents, including texts and treatises; and, of course, by the disclosures of the prior art. Like any other issue of fact, final determination requires a balancing of credibility, persuasiveness and weight of evidence. It is to be decided by the trial court and that court’s decision, under general principles of appellate review, should not be disturbed unless clearly erroneous.

Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605, 609-10 (1950).

Similarly, in its review of obviousness determinations, this Court has long recognized that “Rule 52(a) is applicable to all findings on the four inquiries listed in *Graham* [*v. John Deere Co.*, 383 U.S. 1, 17, 33 (1966)]: scope and content of prior art; differences between prior art and claimed invention, level of skill, and objective evidence (secondary considerations).” *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1569 (Fed. Cir. 1987). For example, just like Universal in the instant case, the appellant in *Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348 (Fed. Cir. 2007) contended that the opponent’s own expert testimony showed a factual finding to be clearly erroneous. Even though Apotex’s contention of trial court error was based on Pfizer’s expert testimony, that did not render inapplicable the deferential review standard required of trial court fact-finding under Rule 52(a). *See id.* at 1359 (clear error standard of review for fact-finding incident to obviousness determination).

In many contexts, the Court has considered an appellant’s argument that an inferential factual finding is incorrect based on undisputed evidence or adverse testimony. Still, the clearly erroneous standard of review has been applied in such cases.¹ Inferences from undisputed evidence are thus reviewed for clear error.

¹ *See, e.g., Panduit*, 810 F.2d at 1580-82 (factual findings incident to obviousness determination reviewed for clear error under Rule 52(a) and set aside based solely on the undisputed contents of prior art references); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1384-85 (Fed. Cir. 1986) (best mode concealment finding based on patentee’s employees’ testimony set aside as clearly erroneous

III. Universal Does Not Dispute That *Ortiz* Would Govern a Post-*Cybor* Claim Construction Waiver Analysis, Which Underscores the Need to Address the Waiver Implications of Overruling *Cybor*.

Universal admitted that its appeal was from the district court's non-final *Markman* order and from a denial of Universal's motion for summary judgment. Universal (blue) Br. 2-3 ("Issues Presented" nos. 1-3). Under *Ortiz*, such an appeal is not permitted. 131 S. Ct. at 888-89 ("May a party, as the Sixth Circuit believed, appeal an order denying summary judgment after a full trial on the merits? Our answer is no.") (internal footnote omitted). Undecided within *Ortiz*'s holding – criticized by three concurring justices as being overly-broad (*id.* at 893-95, Thomas, J., concurring) – is whether "purely legal" issues within denied summary judgment motions that present "neat abstract issues of law" must also be re-raised at trial to be preserved. *Id.* at 892-93.

Universal has nothing to say about *Ortiz*, and for good reason. The trial court's second *Markman* order and the trial court's denial of Universal's motion for summary judgment are non-final interlocutory orders under *Ortiz*. Where there

under Rule 52(a)); *L.A. Gear, Inc. v. Tom McAn Shoe Co.*, 988 F.2d 1117, 1126-27 (Fed. Cir. 1993) (even assuming the truth of accused infringer's testimony, finding that infringement was not willful ruled clearly erroneous); *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 828 F.2d 1567, 1570-71 (Fed. Cir. 1987) (examiner's finding, affirmed by the Trademark Trial and Appeal Board, that mark is merely descriptive set aside as clearly erroneous based on undisputed record of financial publications); *W. Fla. Seafood, Inc. v. Jet Rests., Inc.*, 31 F.3d 1122, 1125 (Fed. Cir. 1994) (single piece of documentary evidence established Trademark Trial and Appeal Board's clear error in making prior use finding).

is a trial on the merits (and *Ortiz* made no distinction between bench and jury trials), objections to such interlocutory orders must be raised at trial unless they concern purely legal issues. How those skilled in the lighting ballast art understand the “voltage source means” claim limitation in the patent-at-issue is a far cry from a “neat abstract issue of law.” *Ortiz* will govern the question of claim construction issue waivers when this Court or the Supreme Court overrules *Cybor*.

An *en banc* decision in this case would clarify that *Ortiz* governs claim construction issues – a clarification that would prevent waivers in future cases. That is why the presence of the waiver issue makes this case an exceptionally good vehicle through which the Court should revisit and overrule *Cybor*.

CONCLUSION

The petition for rehearing *en banc* should be granted.

Dated: 20 February 2013

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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that two true and correct copies of the following document:

REPLY BRIEF OF PLAINTIFF-APPELLEE LIGHTING BALLAST CONTROL LLC IN SUPPORT OF PETITION FOR REHEARING *EN BANC*

were deposited in the United States mail on the 20th day of February 2013 in a postage-paid envelope addressed to:

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On this 20th day of February, 2012, I declare under penalty of perjury that the foregoing is true and correct.

By: _____
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General Information

Court	U.S. Court of Appeals for the Federal Circuit; U.S. Court of Appeals for the Federal Circuit
Federal Nature of Suit	Property Rights - Patent[830]
Docket Number	12-01014
Status	CLOSED