

No. 19-2215

---

**In the United States Court of Appeals  
for the Federal Circuit**

---

GODO KAISHA IP BRIDGE 1,  
Plaintiff-Appellee,

v.

TCL COMMUNICATION TECHNOLOGY HOLDINGS LIMITED,  
TCT MOBILE LIMITED, TCT MOBILE (US) INC., TCT MOBILE, INC.,  
Defendants-Appellants.

---

Appeal from the United States District Court  
for the District of Delaware, Case No. 1:15-cv-00634-JFB-SRF,  
Senior Judge Joseph F. Bataillon

---

**PETITION OF DEFENDANTS-APPELLANTS TCL COMMUNICATION  
TECHNOLOGY HOLDINGS LIMITED, TCT MOBILE LIMITED, TCT MOBILE  
(US) INC., TCT MOBILE, INC. FOR RECONSIDERATION EN BANC**

---

John E. Nilsson  
Nicholas M. Nyemah  
Andrew T. Tutt  
Arnold & Porter Kaye Scholer LLP  
601 Massachusetts Ave., NW  
Washington, DC 20001  
Telephone: (202) 942-5000  
Facsimile: (202) 942-5999

*Counsel for Defendants-Appellants*

October 5, 2020

---

**UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

**CERTIFICATE OF INTEREST**

Pursuant to Federal Circuit Rule 47.4, undersigned counsel for Defendant-Appellants certifies the following:

**1. Represented Entities.** Provide the full names of all entities represented by undersigned counsel in this case.  
**TCL Communication Technology Holdings Limited; TCT Mobile (US), Inc.; TCT Mobile Limited; TCT Mobile, Inc.**

**2. Real Party in Interest.** Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities. **N/A**

**3. Parent Corporations and Stockholders.** Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.  
**TCL Communication Technology Holdings Limited is the parent company of TCT Mobile Limited. TCT Mobile (US) Holdings Inc. is the parent company of TCT Mobile (US), Inc. and TCT Mobile, Inc.**

**4. Legal Representatives.** List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court.  
**Anne M. Steadman and Nicholas D. Mozal of Ross Aronstam & Moritz LLP; Benjamin J. Schladweiler of Greenberg Traurig, LLP; Edward Han, Michael D.K. Nguyen, and Nicholas H. Lee of Arnold & Porter Kaye Scholer LLP; Ken K. Fung of TechKnowledge Law Group LLP**

**5. Related Cases.** Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. **None.**

**6. Organizational Victims and Bankruptcy Cases.** Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). **N/A.**

Dated: October 5, 2020

/s/ John E. Nilsson  
John E. Nilsson

**TABLE OF CONTENTS**

CERTIFICATE OF INTEREST .....i

TABLE OF AUTHORITIES ..... v

STATEMENT OF COUNSEL UNDER FED. CIR. R. 35(b)(2) ..... 1

STATEMENT OF RELATED CASES ..... 2

INTRODUCTION..... 3

STATEMENT OF THE CASE..... 6

ARGUMENT ..... 7

    A. Allowing a patentee to prove literal infringement by relying solely on standard-essentiality violates Supreme Court precedent..... 7

    B. The panel’s decision conflicts with the reasoning and express holding in *Fujitsu* and with Supreme Court claim construction precedent. .... 9

        1. Fujitsu requires the judge, not the jury, to determine whether the “reach of the claims” covers every implementation of the standard ..... 9

        2. The essentiality analysis should be conducted by the judge as a matter of law despite evidentiary underpinnings..... 11

        3. Standard-essentiality should be a question of law, even if it is not determined “as part of claim construction” ..... 15

        4. Treating standard-essentiality as a question of law promotes uniformity and lessens the risk of inconsistent verdicts..... 16

    C. The panel’s decision turns a narrow and questionable exception to the rule of proving literal infringement into a broad and easier path to prove infringement, with far-reaching consequences..... 17

        1. The very concepts of “standard-essentiality” and “standard-compliance” are beset with ambiguity..... 18

2. Patentees can easily declare patents essential to a standard without independent verification.....	19
CONCLUSION.....	21
CERTIFICATE OF COMPLIANCE	
CERTIFICATE OF FILING AND SERVICE	
ADDENDUM	

**TABLE OF AUTHORITIES**

	<b>Page(s)</b>
<b>Cases</b>	
<i>Aro Mfg. Co. v. Convertible Top Replacement Co.</i> , 365 U.S. 336 (1961).....	8
<i>Conoco, Inc. v. Energy &amp; Env’t Int’l, L.C.</i> , 460 F.3d 1349 (Fed. Cir. 2006).....	15
<i>Cybor Corp. v. FAS Techs. Inc.</i> , 138 F.3d 1448 (Fed. Cir. 1998).....	17
<i>DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.</i> , 567 F.3d 1314 (Fed. Cir. 2009).....	16
<i>Dynacore Holdings Corp. v. U.S. Philips Corp.</i> , 363 F.3d 1263 (Fed. Cir. 2004).....	7, 12, 13
<i>Ericsson, Inc. v. D-Link Sys., Inc.</i> , 773 F.3d 1201 (Fed. Cir. 2014).....	12
<i>Fujitsu Ltd. v. Netgear Inc.</i> , 620 F.3d 1321 (Fed. Cir. 2010).....	<i>passim</i>
<i>Godo Kaisha IP Bridge 1 v. TCL Commc’n Tech. Holdings Ltd.</i> , slip opinion (Fed. Cir. Aug. 4, 2020), ECF No. 69.....	4, 7, 11, 12, 15
<i>Graver Tank &amp; Mfg. Co. v. Linde Air Prods. Co.</i> , 336 U.S. 271 (1949).....	8
<i>Graver Tank &amp; Mfg. Co. v. Linde Air Prods. Co.</i> , 339 U.S. 605 (1950).....	8
<i>Impression Prods., Inc. v. Lexmark Int’l, Inc.</i> , 137 S. Ct. 1523 (2017).....	8
<i>Jang v. Bos. Scientific Corp.</i> , 872 F.3d 1275 (Fed. Cir. 2017).....	16

*Limelight Networks, Inc. v. Akamai Techs., Inc.*,  
572 U.S. 915 (2014)..... 8

*Markman v. Westview Instruments, Inc.*,  
517 U.S. 370 (1996)..... *passim*

*Markman v. Westview Instruments, Inc.*,  
52 F.3d 967 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370  
(1996).....10

*McClain v. Ortmyer*,  
141 U.S. 419 (1891)..... 8

*Stored Value Sols., Inc. v. Card Activation Techs., Inc.*,  
499 F. App'x 5 (Fed. Cir. 2012) .....15

*Teva Pharms. USA, Inc. v. Sandoz, Inc.*,  
574 U.S. 318 (2015).....14

**Constitutions**

U.S. CONST. amend. VII ..... 3

**Statutes**

35 U.S.C. § 154(a) ..... 8

35 U.S.C. § 271 .....1, 9

35 U.S.C. § 271(a) ..... 8

**Other Authorities**

9 J. Wigmore, Evidence § 2461 (J. Chadbourn rev. ed.1981) .....11

Agilent Technologies, *Conformance and Acceptance Testing, in LTE  
AND THE EVOLUTION TO 4G WIRELESS: DESIGN AND MEASUREMENT  
CHALLENGES* 556–59 (Moray Rumney ed., Wiley Telecom 2d ed.  
2013), *available at*  
<https://ieeexplore.ieee.org/document/8043964>..... 18

Black’s Law Dictionary (11th ed. 2019) .....11

Carl F. Cargill, OPEN SYSTEMS STANDARDIZATION: A BUSINESS APPROACH  
(1997).....18

Fed. Cir. R. 35(b)(2) ..... 1

Hans van der Veer & Anthony Wiles, ETSI WHITE PAPER No. 3,  
ACHIEVING TECHNICAL INTEROPERABILITY - THE ETSI APPROACH (3d  
ed. 2008), *available at*  
<https://www.etsi.org/images/files/ETSIWhitePapers/IOP%20whitepaper%20Edition%203%20final.pdf> .....19

Jorge L. Contreras, *Essentiality and Standards-Essential Patents*, in  
THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW:  
COMPETITION, ANTITRUST, AND PATENTS 209 (Jorge L. Contreras ed.,  
2018)..... 19, 20

Justus Baron & Tim Christoph Pohlmann, *Mapping Standards to  
Patents using Declarations of Standard-Essential Patents* (27 J.  
ECON. & MGMT. STRATEGY 2018), *available at*:  
<https://ssrn.com/abstract=3119145>.....21

Mark Lemley & Timothy Simcoe, *How Essential are Standard-  
Essential Patents?* 104 CORNELL L. REV. 607 (March 2019) .....20

Robin Stitzing et al., *Over-Declaration of Standard Essential Patents  
and the Determinants of Essentiality* (2018), *available at*  
<https://ssrn.com/abstract=2951617> .....20



**STATEMENT OF COUNSEL UNDER FED. CIR. R. 35(b)(2)**

Based on my professional judgment, I believe that this appeal requires answers from the full Court of Appeals for the Federal Circuit to two precedent-setting questions of exceptional importance:

1. Under 35 U.S.C. § 271 and Supreme Court precedent, may a patentee prove literal infringement, not by comparing the accused product to the asserted claim and showing that each limitation in the claim is present in the accused product, but instead by relying on the essentiality of its patent to an industry standard?
2. If so, for a patentee to rely on an industry standard in proving infringement, must the court first construe the asserted claims and conclude as a matter of law that their reach covers each implementation of the standard, or may the jury undertake that analysis as a matter of fact at trial?

Dated: October 5, 2020

/s/ John E. Nilsson  
John E. Nilsson

**STATEMENT OF RELATED CASES**

There are no cases pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal.

## INTRODUCTION

The panel's decision in this case directly violates Supreme Court precedent, namely *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). *Markman* could not have been clearer: “[T]he construction of a patent, including terms of art within its claim, is exclusively within the province of the court.” *Id.* at 372 (expressly rejecting the proposition that claim construction is “subject to a Seventh Amendment guarantee that a jury will determine the meaning of any disputed term of art about which expert testimony is offered”). From there, the jury applies the claims as already construed to the accused products. This is bedrock patent law.

Here, the panel erred by allowing an infringement verdict to stand where the district court failed to construe the claims on the issue of standard-essentiality and instead left that decision to the jury. In particular, IP Bridge argued that TCL infringed because the accused products practiced an industry standard (the LTE standard). But IP Bridge never linked the standard to the patent claims during claim construction. Thus, IP Bridge only had one option at trial—map the accused products directly to the patent claims. Instead, IP Bridge took a shortcut—it argued to the jury that TCL infringed solely because its products practiced the industry standard. Accordingly, IP Bridge's infringement theory, and this Court's approval of it, contravenes *Markman*.

This error was a product of the panel’s misapplication of *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321 (Fed. Cir. 2010), which was also a standards-essential-patent case. While *Fujitsu* held that a district court “may rely on an industry standard in analyzing infringement,” it also held that a claim construction by the district court on the issue was a prerequisite. *Id.* at 1327–28.

Here, however, the panel misapplied *Fujitsu*. IP Bridge never sought or obtained a construction linking the industry standard to the patent claims before arguing for standard essentiality at trial—a clear violation of *Fujitsu*. Nonetheless, the panel overlooked its own precedent and “agree[d] with IP Bridge that standard-essentiality is a question for the factfinder.” *Godo Kaisha IP Bridge 1 v. TCL Commc’n Tech. Holdings Ltd.*, No. 19-2215, slip op. at 6 (Fed. Cir. Aug. 4, 2020) (hereinafter, “Op.”). This violated *Markman* because it allowed the jury, rather than the judge, to decide the reach or coverage of the claims. Proving infringement at trial by showing compliance with a standard without first tying the standard to the patent claims during claim construction, as conducted by the court as a matter of law, is not “fact-finding” but instead constitutes the jury construing the claims.

En banc review is necessary to correct this error. And this is an important legal error to correct—more than 40,000 U.S. patents have been

declared standard-essential. If the panel decision is left as is, standard-essential patent owners will have an unwarranted shortcut to proving infringement, solely through reliance on the “essentiality” of their patents.

## STATEMENT OF THE CASE

Defendants-Appellants TCL Communication Technology Holdings Limited, TCT Mobile Ltd., TCT Mobile (US) Inc., and TCT Mobile, Inc. (collectively, “TCL”) manufacture and sell a broad range of electronic devices, including mobile phones that communicate via LTE networks. Plaintiff-Appellee Godo Kaisha IP Bridge 1 (“IP Bridge”) is a patent-holding company that owns hundreds of patents, some of which—like the two patents-in-suit—were declared essential to the LTE standard.

At trial (where IP Bridge asserted literal infringement of four dependent claims in two patents), IP Bridge argued to the jury that, “because these two patents are needed to practice the LTE standard, every time TCL makes or sells an LTE phone, it’s infringing these two patents.” It summed up this theory as “middle school algebra”—“if A equals B and B equals C, then A equals C.” The jury returned a verdict of literal infringement, and TCL appealed.

The appeal centered on whether this Court’s decision in *Fujitsu* permitted IP Bridge to prove literal infringement (its only theory of infringement at trial) by convincing the jury that its patents were standard-essential and showing that the accused products were standard-compatible. This was the holding in *Fujitsu*:

We hold that a district court may rely on an industry standard in analyzing infringement. ***If a district court construes the claims and finds that the reach of the claims includes any device that practices a standard***, then this can be sufficient for a finding of infringement.

*Id.* at 1327 (emphasis added). TCL argued that IP Bridge had improperly expanded the holding of *Fujitsu* by asking the **jury** to compare the patents to the standard and decide their essentiality.

The panel, though, affirmed the jury's verdict. In so doing, the panel took the position that "[t]he passing reference in *Fujitsu* to claim construction is simply a recognition of the fact that the first step in any infringement analysis is claim construction." Op. 7 (emphasis added). The panel also claimed that its reading of *Fujitsu* was supported by *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263 (Fed. Cir. 2004). According to the panel, "under *Dynacore*, which *Fujitsu* referenced in its holding, standard-essentiality of patent claims is a fact issue." Op. 8.

## ARGUMENT

### **A. Allowing a patentee to prove literal infringement by relying solely on standard-essentiality violates Supreme Court precedent.**

The full Federal Circuit should address the question of whether a patentee may prove infringement by relying solely on the standard

essentiality of its patent. TCL respectfully submits that this approach violates Supreme Court precedent.

***“[A] patentee’s rights extend only to the claimed combination of elements, and no further.”*** *Limelight Networks, Inc. v. Akamai Techs., Inc.*, 572 U.S. 915, 921 (2014) (emphasis added); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 336 U.S. 271, 277 (1949) (“We have frequently held that it is the claim which measures the grant to the patentee.”); *McClain v. Ortmyer*, 141 U.S. 419, 424-25 (1891) (“The rights of the plaintiff depend upon the claim in his patent, according to its proper construction”) (internal quotation marks omitted). And a patentee may only exclude others from using “[its] invention,” ***as set forth in the claims.*** *Impression Prods., Inc. v. Lexmark Int’l, Inc.*, 137 S. Ct. 1523, 1529 (2017) (citing 35 U.S.C. § 154(a) and § 271(a)).

Because the “sole measure” of the patent grant is defined by the claims, *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 339 (1961), the Supreme Court has made clear repeatedly that, “[i]n determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it.” *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 607 (1950); *see also Markman*, 517 U.S. at 374 (“Victory in an infringement suit **requires** a finding



that the patent claim ‘covers the alleged infringer’s product or process[.]’”) (emphasis added) (citation omitted).

The Supreme Court has never countenanced the use of standard-essentiality and standard-compliance as proxies for proving that the claim elements are each found in the accused product. Likewise, Congress has never endorsed reliance on standard essentiality to prove infringement under 35 U.S.C. § 271. The measure of a patentee’s rights is defined by the claims of its patent, not by an industry standard, and the accused product must fall within the claims to infringe, regardless of whether it is compatible with an industry standard.

**B. The panel’s decision conflicts with the reasoning and express holding in *Fujitsu* and with Supreme Court claim construction precedent.**

*Fujitsu* has been, until now, a narrow exception to the settled rule for how a patentee must prove literal infringement. The panel’s decision erred in expanding that narrow exception and departing from the holding and logic of *Fujitsu*.

1. *Fujitsu* requires the judge, not the jury, to determine whether the “reach of the claims” covers every implementation of the standard

To the extent that standard-essentiality should ever be permitted to factor into the infringement analysis, the judge—not the jury—should make

the threshold determination that the asserted patent is truly essential to the standard in question. *Fujitsu* expressly requires a “district court” to consider whether the “**reach of the claims** includes any device that practices a standard” and whether a “patent **covers** every possible implementation of a standard.” *Fujitsu*, 620 F.3d at 1327–28 (emphases added). Claim construction—the determination of the “reach” or “coverage” of the claims—must be undertaken by the judge, not the jury. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 970–71 (Fed. Cir. 1995) (en banc) (the analysis as “[to] the scope of the patentee’s rights under the patent, is a matter of law exclusively for the court.”), *aff’d*, 517 U.S. 370 (1996).

Additional language in the *Fujitsu* opinion confirms that the court intended standard-essentiality to be a question of law. For example, the court explained that “the district court **held** that compliance with the fragmentation sections of the 802.11 Standard would result in infringement of the asserted claims,” that “the district court **held** that these sections are optional,” and that “[t]he district court **held** that unless a customer activated the fragmenting option, then there was no direct infringement.” *Fujitsu*, 620 F.3d at 1328 (emphases added). The court’s use of the term “held” in connection with the analysis of the industry standard indicates that the analysis was performed as

a matter of law. See Black's Law Dictionary (11th ed. 2019) ("holding n. (15c)

1. A court's determination of a matter of law pivotal to its decision").

2. *The essentiality analysis should be conducted by the judge as a matter of law despite evidentiary underpinnings*

In rejecting TCL's position that standard-essentiality should be determined "as a matter of law and as part of claim construction," the panel reasoned that determining essentiality "is more akin to an infringement analysis . . . than to a claim construction analysis" because it involves analysis of extrinsic evidence. (Op. 8.) This reasoning was flawed for two reasons.

**First**, a standard-essentiality analysis centers upon the construction and comparison of written instruments, namely, patents and industry standard documents. As discussed in *Markman*, this is precisely the kind of work that judges, not juries, have historically undertaken. *Markman*, 517 U.S. at 382–83, n.7 ("it was generally the practice of judges in the late 18th century 'to keep the construction of writings **out of the jury's hands** and reserve it for themselves'") (emphasis added) (citing 9 J. Wigmore, Evidence § 2461, p. 194 (J. Chadbourn rev. ed.1981)). Justice Souter explained that judges were better suited to analyze the meanings of written instruments: "The construction of written instruments is one of those things that judges often do and are likely

to do better than jurors unburdened by training in exegesis.” *Markman*, 517 U.S. at 388–89.

It is for this reason that the panel’s reliance on *Dynacore* for the proposition that the essentiality analysis is one of fact that may be decided by the jury was misplaced.<sup>1</sup> The rulings of the trial court and court of appeals in *Dynacore* all turned on claim construction and textual analysis, not fact-finding. Because “[a]ll of *Dynacore*’s allegations [were] premised on the assertion that networks complying with the IEEE 1394 Standard directly infringe the [asserted patent],” the trial court compared the claim (as previously construed by the Special Master in *Datapoint*) to the standard and found that the claims imposed additional limitations not found in the standard. *Dynacore*, 363 F.3d at 1272-73. In so doing, the trial court noted

---

<sup>1</sup> Notably, *Dynacore* confirmed that, in deciding infringement, (1) “[t]he court must first interpret the claims to determine their scope and meaning;” and (2) “[i]t must then *compare the properly construed claims to the allegedly infringing device.*” 363 F.3d at 1273 (emphasis added). Similarly, the *Ericsson* decision, also cited by the panel (Op. 5), confirmed that “[t]o prove literal infringement, the patentee must show that the accused device contains each and every limitation of the claims.” *Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1215 (Fed. Cir. 2014) (emphasis added). The language quoted by the panel concerning infringement of standard-essential patents by standard-compliant devices comes in *Ericsson*’s discussion of the dangers of royalty stacking and patent holdups. *Id.* at 1209. In its actual infringement analysis, the court examined evidence as to how the accused devices actually worked. *Id.* at 1215-16, 1220-21.

that it was conducting a purely textual analysis: “There are no material issues of fact in dispute because there is no need to go beyond the *Datapoint* claim construction and the clear language of the IEEE 1394 standard.” *Id.* at 1273.

On appeal, this court acknowledged that “[t]he principal argument both here and in *Datapoint* is that the court ‘erred by limiting the claims to the preferred embodiment disclosed in the specification.’” *Id.* at 1276 (citation omitted). After rejecting the patentee’s argument that the underlying claim construction was overly narrow, the court also rejected its alternative argument because the underlying claim construction imposed imitations not present in the standard. *Id.* at 1276-77. Again, this was a purely textual analysis. *Dynacore* does not support the proposition that determining essentiality is an issue of fact for the jury.

Second, claim construction is a matter of law for the judge even when it involves extrinsic evidence and evidentiary underpinnings. *Markman* expressly acknowledged that claim construction may involve extrinsic evidence, including expert testimony as well as credibility judgments about testifying experts. *Markman*, 517 U.S. at 389. But the Supreme Court reasoned that a jury’s capacity to evaluate expert credibility is outweighed by a judge’s trained ability to evaluate an expert’s testimony in relation to the overall structure of written documents. *Id.* at 389–90 (“We accordingly think

there is sufficient reason to treat construction of terms of art like many other responsibilities that we cede to a judge in the normal course of trial, notwithstanding its evidentiary underpinnings.”).

In *Teva v. Sandoz*, the Supreme Court reiterated this point. *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 574 U.S. 318, 330 (2015) (“this case provides a perfect example of the factfinding that sometimes underlies claim construction: The parties here presented the District Court with competing fact-related claims by different experts, and the District Court resolved the issues of fact that divided those experts.”). Looking back to *Markman*, the Supreme Court noted that, “[w]hile we held ... that the ultimate issue of the proper construction of a claim should be treated as a question of law, we also recognized that in patent construction, subsidiary factfinding is sometimes necessary.” *Teva*, 574 U.S. at 326. Nonetheless, “the construction of a patent, including terms of art within its claim,’ is not for a jury but ‘exclusively’ for ‘the court’ to determine. . . . ***That is so even where the construction of a term of art has ‘evidentiary underpinnings.’***” *Id.* at 321 (quoting *Markman*, 517 U.S. at 390) (emphasis added).

3. *Standard-essentiality should be a question of law, even if it is not determined “as part of claim construction”*

To the extent the panel’s affirmance was rooted in the notion that determining standard essentiality “*as part* of claim construction” (Op. 7 (emphasis added)), or that “[d]etermining standard-essentiality *during* claim construction” (Op. 8) (emphasis added), is impractical, that notion does not lead to the conclusion that determining standard-essentiality is a question of fact for the jury. Describing the essentiality analysis as one of claim construction (or the determination of claim *scope* or *reach*) does not mean that the determination must occur in the context of claim construction proceedings prior to fact and expert discovery. This Court has made clear that “a district court may engage in claim construction during various phases of litigation, not just in a *Markman* order.” *Conoco, Inc. v. Energy & Env’t Int’l, L.C.*, 460 F.3d 1349, 1359 (Fed. Cir. 2006). Indeed, district courts often make claim construction rulings in the context of summary judgment proceedings. *E.g.*, *Stored Value Sols., Inc. v. Card Activation Techs., Inc.*, 499 F. App’x 5, 12 (Fed. Cir. 2012).

Moreover, even if this Court were to draw a distinction between claim construction and a standard-essentiality analysis, the standard-essentiality analysis should still be treated as a matter of law. In an analogous context,

this Court has held that the ensnarement analysis in a defense to assertion of infringement under the doctrine of equivalents—which involves the comparison of a hypothetical patent claim to an asserted patent claim and to prior art references—is a question of law for the court. *See Jang v. Bos. Scientific Corp.*, 872 F.3d 1275, 1287–88 (Fed. Cir. 2017); *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1324 (Fed. Cir. 2009). This is despite the fact that the analysis may be triggered by a motion for summary judgment and may even require a separate evidentiary hearing. *Jang*, 872 F.3d at 1281, 1287–88; *DePuy*, 567 F.3d at 1321–24.

4. *Treating standard-essentiality as a question of law promotes uniformity and lessens the risk of inconsistent verdicts*

Treating standard-essentiality as a question of fact for juries will lead to inconsistent jury findings regarding standard-essentiality in cases involving the same patent. It will also preclude this Court from reviewing standard-essentiality determinations *de novo* and raise the question of whether a particular jury’s standard-essentiality determination is binding on subsequent cases involving the same patent, which would be unfair to future accused infringers who had no opportunity to present evidence to the jury that made such a determination. On the other hand, deciding standard-essentiality, like claim construction, as a matter of law will promote uniformity in the patent’s



treatment across cases, the importance of which the Supreme Court stressed in *Markman*. 517 U.S. at 390–91 (“we see the importance of uniformity in the treatment of a given patent as an independent reason to allocate all issues of construction to the court”).

**C. The panel’s decision turns a narrow and questionable exception to the rule of proving literal infringement into a broad and easier path to prove infringement, with far-reaching consequences.**

There is nothing about standard-essential patents that makes proving infringement more difficult than proving infringement in any other patent case. In each instance, the properly construed claims can and should be compared to the accused product. *Cybor Corp. v. FAS Techs. Inc.*, 138 F.3d 1448, 1454 (Fed. Cir. 1998). Allowing patentees to prove infringement simply by arguing that a patent is standard-essential and that an accused product is standard-compliant provides an improper shortcut for patentees to obtain infringement verdicts, often against products that would not infringe under a proper, traditional analysis. This problem is exacerbated by the ease at which patents can be declared essential, and the number of patents that have been so declared.

1. *The very concepts of “standard-essentiality” and “standard-compliance” are beset with ambiguity.*

A certificate of standard-compliance **is not** an indication that a product satisfies every mandatory requirement of an industry standard, let alone that it meets each and every claim element of a patent declared essential to the standard. There may be a gulf between how a standards body drafts a specification for a standard and the manner in which engineers later implement the required functionality. *See, e.g.,* Carl F. Cargill, *OPEN SYSTEMS STANDARDIZATION: A BUSINESS APPROACH* 77–78 (1997) (noting that setting technical standards can sometimes be a political activity as well as a technological one). Thus, a manufacturer may report that a product is standard-compliant because the product achieves a specific function, regardless of the details of how it achieves that function. And a manufacturer may report that a product has been certified as standard-compliant because the product has performed successfully in a particular set of test procedures. But a certificate of standard-compliance may simply indicate that a product exhibits some minimum level of performance, which the market has deemed is acceptable. *See e.g.,* Agilent Technologies, *Conformance and Acceptance Testing, in* *LTE AND THE EVOLUTION TO 4G WIRELESS: DESIGN AND MEASUREMENT CHALLENGES* 556–59, (Moray Rumney ed., Wiley Telecom 2d ed. 2013),

available at <https://ieeexplore.ieee.org/document/8043964> (explaining that certification tests indicate that a device reaches a “minimum performance level” and that different certification bodies may select and prioritize specific certification tests in view of operators’ deployment plans and market priorities). Indeed, the development of an industry standard by a standard setting organization is distinct from the development of a compliance certification scheme, which is done by entities external to the standard setting organization. See Hans van der Veer & Anthony Wiles, ETSI WHITE PAPER NO. 3, ACHIEVING TECHNICAL INTEROPERABILITY - THE ETSI APPROACH 21 (3d ed. 2008), available at <https://www.etsi.org/images/files/ETSIWhitePapers/IOP%20whitepaper%20Edition%203%20final.pdf>. And, no set requirements exist to ensure that a certification scheme addresses each and every mandatory requirement of an industry standard. See *id.* at 20.

2. *Patentees can easily declare patents essential to a standard without independent verification.*

The concept of standard-essentiality was developed, not as a legal doctrine related to the law of patent infringement, but as an economic constraint on licensing demands for patents declared essential to an industry standard. See Jorge L. Contreras, *Essentiality and Standards-Essential Patents*,

*in* THE CAMBRIDGE HANDBOOK OF TECHNICAL STANDARDIZATION LAW: COMPETITION, ANTITRUST, AND PATENTS 209, 210 (Jorge L. Contreras ed., 2018) (discussing American Standards Association policy in the 1950s of requiring standard-essential patent owners to “make available to any interested and qualified party a license on reasonable terms”). When a patent owner declares its patent essential to a standard-setting organization such as “3GPP” (which drafted the LTE standard), the organization does not verify whether the patent truly is essential; it merely accepts the patent owner at its word. As a consequence, many patents are declared “essential” when, in fact, they are not—a phenomenon known as “over-declaration” or “overdisclosure.” See Mark Lemley & Timothy Simcoe, *How Essential are Standard-Essential Patents?* 104 CORNELL L. REV. 607, 628-29 (March 2019) (noting “evidence that suggests that overdisclosure of SEPs is common” and that “[w]hen SEPs are asserted in court, most of them turn out not to be infringed”); Contreras, *supra*, at 222–24 (describing factors leading to over-declaration); Robin Stitzing et al., *Over-Declaration of Standard Essential Patents and the Determinants of Essentiality* 10 (2018), available at <https://ssrn.com/abstract=2951617> (explaining that none of the major standard-setting organizations stipulate a formal process for adjudicating the essentiality of patents, and that ETSI, the organization that develops the LTE standard, “calls for patentees to declare, even if in doubt

of the patent's essentiality"). And patents may have certain claims that are essential to the standard while also having others that are not.

Such lax rules for declaring essentiality have led to a proliferation of allegedly standard-essential patents. By some estimates, more than 40,000 U.S. patents have been declared standard-essential. Justus Baron & Tim Christoph Pohlmann, *Mapping Standards to Patents using Declarations of Standard-Essential Patents* 52, Fig. A2 (27 J. ECON. & MGMT. STRATEGY 2018), available at: <https://ssrn.com/abstract=3119145> (showing "[n]umber of declared SEPs as to country of publication"). These purportedly essential patents, if allowed to be asserted using the "middle school algebra" shortcut permitted by the panel's decision, would undoubtedly impose a significant and unfair burden on industries relating to standard-compliant products.

### **CONCLUSION**

For all of these reasons, and in view of the exceptional importance of the questions presented herein, as well as the conflict between established precedent and the panel's decision, this Court should consider these questions en banc.

Dated: October 5, 2020

Respectfully submitted,

/s/ John E. Nilsson

John E. Nilsson

Nicholas M. Nyemah

Andrew T. Tutt

Arnold & Porter Kaye Scholer LLP

601 Massachusetts Ave., NW

Washington, DC 20001

Telephone: (202) 942-5000

Facsimile: (202) 942-5999

*Counsel for Defendants-Appellants*

### **CERTIFICATE OF COMPLIANCE**

1. This petition complies with the type-volume limitations of Fed. R. App. P. 35(b)(2) because this Petition contains 3,876 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(f) and Federal Circuit Rule 32(b)(2).
2. This Petition complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word in 14 point New Century Schoolbook.

Dated: October 5, 2020

Respectfully submitted,

*/s/ John E. Nilsson*

John E. Nilsson

**CERTIFICATE OF FILING AND SERVICE**

I hereby certify that, on October 5, 2020, I electronically filed the foregoing with the Clerk of Court using the CM/ECF System, which will send notice of such filing to all registered users.

Dated: October 5, 2020

Respectfully submitted,

*/s/ John E. Nilsson*

John E. Nilsson



## **ADDENDUM**

**INDEX TO ADDENDUM**

Panel Opinion, dated August 4, 2020 (ECF No. 69)

# United States Court of Appeals for the Federal Circuit

---

GODO KAISHA IP BRIDGE 1,  
*Plaintiff-Appellee*

v.

TCL COMMUNICATION TECHNOLOGY  
HOLDINGS LIMITED, TCT MOBILE LIMITED, TCT  
MOBILE (US) INC., TCT MOBILE, INC.,  
*Defendants-Appellants*

---

2019-2215

---

Appeal from the United States District Court for the  
District of Delaware in No. 1:15-cv-00634-JFB-SRF, Senior  
Judge Joseph F. Bataillon.

---

Decided: August 4, 2020

---

KEVIN JOHN POST, Ropes & Gray LLP, New York, NY,  
argued for plaintiff-appellee. Also represented by  
ALEXANDER E. MIDDLETON, STEVEN PEPE; DOUGLAS  
HALLWARD-DRIEMEIER, Washington, DC; SAMUEL  
LAWRENCE BRENNER, Boston, MA; JAMES RICHARD  
BATCHELDER, East Palo Alto, CA.

JOHN NILSSON, Arnold & Porter Kaye Scholer LLP,  
Washington, DC, argued for defendants-appellants. Also  
represented by NICHOLAS M. NYEMAH, ANDREW TUTT.

---

Before PROST, *Chief Judge*, NEWMAN and O'MALLEY,  
*Circuit Judges*.

O'MALLEY, *Circuit Judge*.

In this appeal, the parties dispute whether the patentee was permitted to prove that the Appellants' products infringed the claims of the asserted patent by showing that: (1) the patent claims are essential to mandatory aspects of the Long-Term Evolution ("LTE") standard; and (2) the accused products practice that standard. Appellants assert that, if Appellee wanted to resort to that theory of infringement, it was required to ask the court to decide the question of the claims' essentiality to the standard in the claim construction context and that the court needed to decide that question as a matter of law. Unsurprisingly, Appellee disagrees. We find no error in the submission of these questions to the jury in the context of an infringement trial.

#### BACKGROUND

This appeal arises from a patent infringement action filed in the United States District Court for the District of Delaware. Patent Owner Godo Kaisha IP Bridge 1 ("IP Bridge") sued TCL Communication Technology Holdings Limited, TCT Mobile Limited, TCT Mobile (US) Inc., and TCT Mobile, Inc. (collectively, "TCL"), alleging infringement of U.S. Patent Nos. 8,385,239 and 8,351,538.

The district court held a jury trial in 2018. At trial, IP Bridge's theory of infringement hinged on what it told the jury were two "bedrock facts": that the patents-in-suit are essential to the LTE standard and that TCL's accused devices are LTE-compatible. Relying on *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321 (Fed. Cir. 2010) (holding, on appeal from a summary judgment decision, that a district court may rely on an industry standard in analyzing

infringement), IP Bridge put forth evidence to demonstrate that (1) the asserted claims are essential to mandatory sections of the LTE standard; and (2) the accused products comply with the LTE standard. *Godo Kaisha IP Bridge 1 v. TCL Commc'n Tech. Holdings Ltd.*, No. CV 15-634-JFB, 2019 WL 1879984, at \*3 (D. Del. Apr. 26, 2019) (“*Infringement Op.*”). As the district court pointed out, TCL did not present any evidence to counter that showing. *Id.*

After a seven-day jury trial, the jury found that TCL was liable for infringement of the asserted claims by its sale of LTE standard-compliant devices such as mobile phones and tablets. The jury also awarded IP Bridge damages in the amount of \$950,000. *Godo Kaisha IP Bridge 1 v. TCL Commc'n Tech. Holdings Ltd.*, No. CV 15-634-JFB, 2019 WL 1877189, at \*1 (D. Del. Apr. 26, 2019) (“*Damages Op.*”). Following the verdict, both parties filed motions for post-trial relief.

In its motion for judgment as a matter of law (“JMOL”), TCL contended that IP Bridge’s theory of infringement was flawed because the *Fujitsu* “narrow exception” to proving infringement in the standard way—*i.e.*, by showing that each element in the asserted claim is present in the accused devices—should not apply in this case. *Infringement Op.* at \*1. Specifically, TCL argued that IP Bridge could not rely on the methodology approved in *Fujitsu* because *Fujitsu* only approved that methodology in circumstances where the patent owner asks the district court to assess essentiality in the context of construing the claims of the asserted patents. The district court did not accept TCL’s argument that IP Bridge’s theory of infringement was legally flawed. It denied TCL’s motion, concluding that substantial evidence supported the jury’s infringement verdict. *Id.* at \*3–4.

IP Bridge also sought post-trial relief in the context of a motion to amend the judgment under Federal Rule of Civil Procedure 59(e). IP Bridge sought supplemental

damages and an accounting of infringing sales of all adjudicated products through the date of the verdict, and ongoing royalties for TCL's LTE standard-compliant products, "both adjudicated and non-adjudicated." *Damages Op.* at \*2. The court awarded the requested pre-verdict supplemental damages. It also found that the jury's award represented a FRAND royalty rate of \$0.04 per patent per infringing product and awarded on-going royalties in that amount for both the adjudicated products and certain unadjudicated products. It reasoned that, because IP Bridge demonstrated at trial that LTE standard-compliant devices do not operate on the LTE network without infringing the asserted claims, the unaccused, unadjudicated products "are not colorably different tha[n] the accused products." *Id.* at \*6. TCL timely appealed the court's infringement finding and its rulings regarding royalties. We affirm all of the court's rulings and the verdict predicated thereon. We write only to address—and refute—TCL's contention that whether a patent is essential to any standard established by a standard setting organization is a question of law to be resolved in the context of claim construction.

#### DISCUSSION

We review a denial of JMOL under the law of the regional circuit. *Energy Transp. Grp., Inc. v. William Demant Holding A/S*, 697 F.3d 1342, 1350 (Fed. Cir. 2012). "In the Third Circuit, review of denial of JMOL is plenary." *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1202 (Fed. Cir. 2010) (citations omitted). JMOL is "granted only if, viewing the evidence in the light most favorable to the nonmovant and giving it the advantage of every fair and reasonable inference, there is insufficient evidence from which a jury reasonably could find' for the nonmovant." *TransWeb, LLC v. 3M Innovative Props. Co.*, 812 F.3d 1295, 1301 (Fed. Cir. 2016) (quoting *Lightning Lube, Inc. v. Witco Corp.*, 4 F.3d 1153, 1166 (3d Cir. 1993)). Infringement is a question of fact, "reviewed for substantial

evidence when tried to a jury.” *ACCO Brands, Inc. v. ABA Locks Mfrs. Co.*, 501 F.3d 1307, 1311 (Fed. Cir. 2007). A factual finding is supported by substantial evidence if a reasonable jury could have found in favor of the prevailing party in light of the evidence presented at trial. *See Tec Air, Inc. v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1357–58 (Fed. Cir. 1999).

In cases involving standard essential patents, we have endorsed standard compliance as a way of proving infringement. *See, e.g., Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1209 (Fed. Cir. 2014) (because a “standard *requires* that devices utilize specific technology, compliant devices *necessarily* infringe certain claims . . . cover[ing] technology incorporated into the standard”); *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d 1263 (Fed. Cir. 2004) (affirming non-infringement judgment because patentee did not show that a particular claim limitation was mandatory in the standard). This appeal presents a question not expressly answered by our case law: who determines the standard-essentiality of the patent claims at issue—the court, as part of claim construction, or the jury, as part of its infringement analysis?

On appeal, as it did before the district court, TCL argues that IP Bridge’s theory of infringement relied on an improper reading of our decision in *Fujitsu*. TCL states that, to establish literal infringement, a patentee must demonstrate that every limitation set forth in a claim is present in the accused product. In TCL’s view, *Fujitsu* carved out a narrow exception to this requirement by stating that “[i]f a district court construes the claims and finds that the reach of the claims includes any device that practices a standard, then this can be sufficient for a finding of infringement.” TCL Br. 31–32 (quoting *Fujitsu*, 620 F.3d at 1327). TCL argues that, under *Fujitsu*, the court must first make a threshold determination *as part of claim construction* that all implementations of a standard infringe the claims. It argues that IP Bridge never asked the

district court to conduct such an analysis and the question should not have gone to the jury.

IP Bridge responds that standard-essentiality is a classic fact issue, and is the province of the factfinder. IP Bridge Br. 27. In IP Bridge's view, *Fujitsu* does not stand for the proposition that the determination of standard-essentiality must occur in the context of claim construction. IP Bridge asks us to read *Fujitsu* in the context of its procedural posture—*Fujitsu* involved an appeal from summary judgment and there was no involvement of a jury for that reason. We agree with IP Bridge that standard-essentiality is a question for the factfinder.

In *Fujitsu* the appellant asked us to find no evidence of direct infringement because the district court relied on the standard, rather than the accused products, in assessing infringement. We rejected the appellant's demand for a rule "precluding the use of industry standards in assessing infringement." *Fujitsu*, 620 F.3d at 1326. The holding of *Fujitsu*, in its proper context, is illuminating:

We hold that a district court may rely on an industry standard in analyzing infringement. If a district court construes the claims and finds that the reach of the claims includes any device that practices a standard, then this can be sufficient for a finding of infringement. We agree that claims should be compared to the accused product to determine infringement. However, if an accused product operates in accordance with a standard, then comparing the claims to that standard is the same as comparing the claims to the accused product. We accepted this approach in *Dynacore* where the court held a claim not infringed by comparing it to an industry standard rather than an accused product. An accused infringer is free to *either prove* that the claims do not cover all implementations of



the standard *or to prove* that it does not practice the standard.

*Id.* at 1327 (emphasis added). We recognized in *Fujitsu* that the fact that a patent's claims cover an industry standard does not necessarily establish that all standard-compliant devices implement the standard in the same way. And we noted that an asserted patent claim might not cover all implementations of an industry standard. In such cases, we guided, infringement *must* be proven by comparing the claims to the accused products, or by proving that the accused devices "implement any relevant optional sections of the standard." *Id.* at 1328. Thus, *Fujitsu* teaches that where, but only where, a patent covers mandatory aspects of a standard, is it enough to prove infringement by showing standard compliance.

TCL's entire appeal rests on its misreading of a single statement from *Fujitsu*. *See id.* at 1327 ("If a district court construes the claims and finds that the reach of the claims includes any device that practices a standard, then this can be sufficient for a finding of infringement."). But we did not say in *Fujitsu* that a district court must first determine, as a matter of law and as part of claim construction, that the scope of the claims includes any device that practices the standard at issue. To the contrary, in reviewing the district court's summary judgment decision (where no facts were genuinely in dispute), we stated that, if a district court *finds* that the claims cover any device that practices a standard, then comparing the claims to that standard is the same as the traditional infringement analysis of comparing the claims to the accused product. That statement assumed the absence of genuine disputes of fact on the two steps of that analysis, which would be necessary to resolve the question at the summary judgment stage. The passing reference in *Fujitsu* to claim construction is simply a recognition of the fact that the first step in any infringement analysis is claim construction.

Our reading of *Fujitsu* is buttressed by that decision's reference to *Dynacore*. There, too, we reviewed a decision stemming from a summary judgment motion. We affirmed the judgment of non-infringement because the patentee did not show that a particular claim limitation was mandatory in the standard. *Dynacore*, 363 F.3d at 1278. We also noted the district court's finding that the patentee's experts "contribute[d] little other than a conclusory opinion," failing to raise a dispute over material facts for trial. *Id.* at 1277–78.<sup>1</sup> Although we referenced the claim construction by which the patentee was bound, *Dynacore* considered the possibility of the dispute going to the jury and rejected it based on undisputed facts. Thus, under *Dynacore*, which *Fujitsu* referenced in its holding, standard-essentiality of patent claims is a fact issue. Like any other fact issue, it may be amenable to resolution on summary judgment in appropriate cases. But that does not mean it becomes a question of law.

Determining standard-essentiality of patent claims during claim construction, moreover, hardly makes sense from a practical point of view. Essentiality is, after all, a fact question about whether the claim elements read onto mandatory portions of a standard that standard-compliant devices must incorporate. This inquiry is more akin to an infringement analysis (comparing claim elements to an accused product) than to a claim construction analysis (focusing, to a large degree, on intrinsic evidence and saying what the claims mean). As we explained in *Fujitsu*, one way an accused infringer can successfully defeat allegations of infringement in the standard essential patent

---

<sup>1</sup> Here, by contrast, IP Bridge's expert testified at length about how each claim limitation is present in mandatory portions of the LTE standard and how TCL's LTE standard-compliant devices practice mandatory portions of the standard.

context, is by rebutting a patentee's assertion that its patents are essential to the standard. 620 F.3d at 1327. This statement would make no sense if claim construction were sufficient to resolve the question.

Accordingly, we reject TCL's reading of *Fujitsu*. Where, as here, there are material disputes of fact regarding whether asserted claims are in fact essential to all implementations of an industry standard, the question of essentiality must be resolved by the trier of fact in the context of an infringement trial. Viewed through this lens, we find that substantial evidence fully supports the jury's infringement verdict.<sup>2</sup>

#### CONCLUSION

We have carefully considered TCL's remaining arguments—including its argument that the district court abused its discretion in awarding on-going royalties in this case. We see no reason to disturb the district court's conclusions. Accordingly, we affirm.

#### AFFIRMED

---

<sup>2</sup> TCL's own documents and marketing materials make clear that its products are standard-compliant—a conclusion TCL does not refute on appeal. And the jury was free to credit IP Bridge's substantial expert evidence that IP Bridge's patent claims are essential to mandatory portions of the standard.