

Nos. 2020-1921, -1922, -1943, -1944

**United States Court of Appeals
For the Federal Circuit**

ZAXCOM, INC., Appellant,

v.

LECTROSONICS, INC., Cross-Appellant,

v.

ANDREI IANCU, Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office, Intervenor

*Appeals from the United States Patent and Trademark Office, Patent Trial and
Appeal Board in Nos. IPR2018-01129 and IPR2018-01130.*

**BRIEF OF AMICUS CURIAE PAUL R. MICHEL, U.S. CIRCUIT JUDGE
(RET.), SUPPORTING NEITHER PARTY**

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December 16, 2020

FORM 9. Certificate of Interest

Form 9 (p. 1)
July 2020

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

CORRECTED CERTIFICATE OF INTEREST

Case Number Nos. 2020-1921, -1922, -1943, -1944

Short Case Caption Zaxcom, Inc. v. Lectrosonics, Inc.

Filing Party/Entity Hon. Paul R. Michel/ Amicus Curiae

Instructions: Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box.** Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

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Date: 12/16/2020

Signature: /s/ John T. Battaglia

Name: John T. Battaglia, Counsel for Amicus

FORM 9. Certificate of Interest

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1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	2. Real Party in Interest. Fed. Cir. R. 47.4(a)(2).	3. Parent Corporations and Stockholders. Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	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. ☒ None/Not Applicable	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. ☒ None/Not Applicable
Hon. Paul R. Michel, U.S. Circuit Judge (ret.)		

☐ Additional pages attached

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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. Fed. Cir. R. 47.4(a)(4).

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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. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

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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). Fed. Cir. R. 47.4(a)(6).

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RULE 29 STATEMENT¹

Amicus Curiae is a former U.S. Circuit Judge of the U.S. Court of Appeals for the Federal Circuit, appointed in 1988 and serving until his retirement as Chief Judge in 2010. This case concerns Amicus because the §103 rulings-at-issue threaten to undercut patent law and its innovation-promoting goals.

ARGUMENT

On the issue of § 103 objective-indicia evidence and the presumption of a nexus with the patentee's claims, the panel should read this Court's recent *Fox Factory* decision in the context of two basic but animating principles, applicable to every case: (1) "in the setting of the particular case[] and as the product of preoccupation with their special facts," *see Freeman v. Hewit*, 329 U.S. 249, 252 (1946), *overruled on other grounds*; and (2) the categorical rule that one panel decision—such as *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1374 (Fed. Cir. 2019)—cannot overrule, disregard or conflict with this Court's prior en-banc or panel decisions. Under the earliest-case rule, the prior decision is indeed controlling if *Fox Factory* conflicts with it on these nexus-presumption issues. *See, e.g., Newell Cos., Inc. v. Kenney Mfg. Co.*, 864 F.2d 757, 765 (Fed. Cir. 1988) (explaining that

¹ This brief was not authored in whole or in part by any party's counsel; no person or entity other than amicus financially contributed to its preparation or submission; and amicus has no stake in the parties or case outcome. All parties have consented to or not opposed this amicus filing.

upon a direct conflict between Federal Circuit decisions, “the precedential decision is the first” and its principles control); *Kimberly-Clark Corp. v. Ft. Howard Paper Co.*, 772 F.3d 860, 863 (Fed. Cir. 1985) (“Counsel is apparently unaware that a panel of this court is bound by prior precedential decisions unless ... overruled en banc.”).

Accordingly, and to the extent the panel addresses the issue, it should clarify *Fox Factory* so that it properly resides within this Court’s longstanding nexus-presumption precedents, as explained below. Alternatively, under Federal Circuit Rule 35, the panel should *sua sponte* seek to have this case taken *en banc* on the limited issue of addressing the nexus-presumption rules that governed before *Fox Factory* imposed its admittedly *new* “essentially”-identical requirement:

To be sure, we have *never* held that the existence of one or more *unclaimed features*, standing alone, means nexus may not be presumed. *** *[W]hat we do [now] require is that the patentee demonstrate that the product is essentially the claimed invention.*

944 F.3d at 1374, 1376.² That is to say, after some 30 years of settled precedent on this nexus-presumption, *Fox Factory* added for the patentee new burdens “*never*” previously required by this Court’s case law—most notably, *Fox Factory*’s requirement that the claim-at-issue not only cover or “correspond[]” to the product for which there exists objective evidence (such as commercial success or—as asserted in this case—Oscar- and Emmy-award-winning praise in the industry); but

² All emphasis added unless otherwise noted.

also that the product in turn *not* have any “*significant*” un-claimed features. *E.g.*, *Fox Factory*, 944 F.3d at 1374-75. Given this backdrop, the analysis of the Patent Trial and Appeal Board’s decision here, and its consideration of the nexus-presumption specifically, should adhere to the following precedential rules.

I. A Patentee Meets its *Prima Facie* Burden and Establishes a Presumption-of-Nexus by Showing the Product is an “Embodiment[] of the Invention as Claimed in the Asserted Claims.”

First, this Court’s precedents have long settled how a patentee meets its burden to obtain this presumption of a nexus between the proffered objective evidence of non-obviousness and the claim-at-issue; namely, by showing that (1) its “proffered objective evidence relates to” a specific product; and (2) this product (or products) “are embodiments of the invention as claimed in the asserted claims.” *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1329, 1331 (Fed. Cir. 2016) (“At trial, WBIP presented evidence that specific products ... are *embodiments of the invention as claimed in the asserted claims*. And its proffered objective evidence relates to these specific products,” including evidence on commercial success and industry praise); *J.T. Eaton & Co. v. Atl. Paste & Glue Co.*, 106 F.3d 1563, 1571 (Fed. Cir. 1997) (same); *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392-93 (Fed. Cir. 1988). “*This [two-part] showing*—that the specific products are embodiments of the claimed invention and that the proffered objective evidence relates to these products—is *sufficient to establish the presumption of*

nexus for the objective considerations at issue” *WBIP*, 829 F.3d at 1330; *accord Apple Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034, 1057-58 (Fed. Cir. 2016) (en banc) (reversing panel opinion that initially held the trial evidence didn’t establish a nexus between objective considerations and the patentee’s asserted claims; “[a]t trial, [patentee] Apple’s expert ... testified that the iPhone practiced the asserted claims”).

Tellingly, in explaining its new nexus-presumption rules, *Fox Factory* all but ignored this two-part test. *See* 944 F.3d at 1373-75, 1377 (repeatedly justifying its new “insignificant”-features requirement based on precedential phrase that the “product ‘*is* the invention disclosed and claimed’”) (quoting *Demaco*, 851 F.2d at 1392) (emphasis in original). And to be sure, a court errs if it requires that the *patentee* also prove that other *unclaimed* features or factors *didn’t* contribute to that product’s success or other objective factors:

A patentee is *not* required to prove as part of its *prima facie* case that the commercial success of the patented invention [for example] is *not* due to factors other than the patented invention. *** *A requirement for proof of the negative of all imaginable contributing factors would be unfairly burdensome, and contrary to the ordinary rules of evidence.*

*** By placing the *burden on [the patentee]* to prove that commercial success was *not* due primarily to advertising or other factors such as technical service to licensees and the licensing of other products, *the district court put the shoe on the wrong foot.* [The accused infringer] *Demaco* did not meet its burden of rebutting the *prima facie* case of nexus between the [patentee’s] patented invention and its commercial success, and the district court clearly erred in its contrary finding.

Demaco, 851 F.2d at 1393-94 (citation omitted). In short, imposing proof requirements on the patentee *beyond* the two-part test recited above is error. *E.g.*, *id.*; *WBIP*, 829 F.3d at 1329-31.

II. The Presumption-of-Nexus is *Not* Precluded for a Claim’s Product “Even When the Product Has Additional, Unclaimed Features.”

Second, and decades before the December 2019 *Fox Factory* decision, this Court’s precedents established that this nexus-presumption still applies “*even when the product has additional, unclaimed features.*” *PPC Broadband*, 815 F.3d at 747 (reversing Board’s finding that the nexus-presumption was inapplicable; “[b]ecause the evidence shows that the SignalTight connectors are ‘the invention disclosed and claimed in the patent,’ *we presume that any commercial success of these products is due to the patented invention.* This is true even when the product has additional, unclaimed features.”); *Ecolochem*, 227 F.3d at 1378 (applying nexus-presumption when embodiment had unclaimed mobility feature); *J.T. Eaton*, 106 F.3d at 1571 (presumption applicable even when product has additional, unclaimed features). Thus, insofar as the parties dispute the law here and how the Board handled this particular nexus issue, this Court’s pre-*Fox Factory* precedents have addressed it.

III. Given this Court’s Precedents, such as *WBIP*, the Panel Should Clarify Certain Points about *Fox Factory*.

Third, and as noted at the outset, this Court’s earlier-case rule requires that its earlier decisions, *see, e.g., WBIP; PPC Broadband; Demaco, supra*, trump any

inconsistent requirements that a later decision such as *Fox Factory* purportedly imposed. In that respect, the panel should clarify four points about *Fox Factory*, whether in its opinion here or via its *sua sponte* authority under Rule 35, to ensure that *Fox Factory* properly fits within this Court’s nexus-presumption jurisprudence.

1. The *Fox Factory* panel decision purportedly established a new “presumption” requirement—viz., that the embodiment relating to the objective evidence must be “essentially” identical to the invention recited in the claim-at-issue in all respects—with ***no additional un-claimed features*** between them. *See* 944 F.3d at 1374-75. But as demonstrated above, any such *Fox* holding conflicts with this Court’s precedents, which hold that the nexus-presumption arises upon proof of the two-part test recited above—and ***“even when the product has additional, unclaimed features.”*** *E.g.*, *PPC Broadband*, 815 F.3d at 747; *Ecolochem*, 227 F.3d at 1378; *J.T. Eaton*, 106 F.3d at 1571. Indeed, a patentee need only show that the product to which the objective evidence relates is an ***“embodiment[] of the invention as claimed in the asserted claims.”*** *WBIP*, 829 F.3d at 1329-31; *J.T. Eaton*, *supra*.

2. To make that point clearer still, this Court has repeatedly deemed it an error of law to require that a patentee ***also*** prove that the product has ***no*** additional, un-claimed features—or that those un-claimed features didn’t contribute to the product’s success or other supporting objective evidence. *E.g.*, *Demaco*, 851 F.2d at 1393-94 (“A patentee is ***not*** required to prove as part of its *prima facie* case that the

commercial success of the patented invention [for example] is *not* due to factors other than the patented invention. *** By placing the burden on [the patentee] to prove that commercial success was *not* due primarily to advertising or other factors ..., the district court put the shoe on the wrong foot.”). As noted, the two-part test recited above is all a patentee need show in order to trigger the rebuttable nexus presumption. *E.g.*, *WBIP; Demaco, supra*. Requiring more than that—including *Fox Factory’s* proof of an “essentially”-identical or “insignificant”-differences “requirement” between claim and commercial product—is putting the reversible-error “shoe on the wrong foot.” *See, e.g., Demaco*, 851 F.2d at 1393-94.

3. *Fox Factory* justified its ratcheting-up of this nexus-presumption standard based on its misreading of *Demaco*. Specifically, it thrice emphasized *Demaco’s* phrase that, for the presumption to apply, the patentee must show that the relevant “product *is* the invention disclosed and claimed.” *Fox Factory*, 944 F.3d at 1373-74, 1377 (quoting *Demaco*, 851 F.2d at 1392) (emphasis in original). But that terse *Demaco* phrase does *not* mandate that, for the presumption to apply, the product and claim cannot have any differences, let alone any additional, un-claimed features. Indeed, as just noted, this Court’s precedents hold to the contrary. *E.g.*, *PPC Broadband*, 815 F.3d at 747 (nexus-presumption applicable “even when the product has additional, unclaimed features”); *J.T. Eaton; Ecolochem, supra*.

Properly read, *Demaco* and its progeny at most say what the patent law routinely says in this circumstance; namely, that the claim covers an embodiment so long as it has the elements recited by the claim-at-issue. *PPC Broadband*, 815 F.3d at 747 (reversing Board’s rejection of nexus-presumption when “[t]he Board ... did not explain why the SignalTight connectors fail to embody the claimed features, or what claimed features in particular **are missing** from the SignalTight connectors.”); *WBIP*, 829 F.3d at 1329, 1331 (nexus-presumption established when “WBIP presented evidence that **specific products ... are embodiments of the invention as claimed in the asserted claims**”). As with nearly everything in patent law, the focus is on what the patent “claims” about the “invention” and what claim elements are or are not **missing** in the product-at-issue—**not** on freestanding notions about additional un-claimed features or what the “the invention **is**.” See, e.g., *id.*; *Apple Inc. v. Motorola, Inc.*, 757 F.3d 1286, 1298 (Fed. Cir. 2014) (“[T]he name of the game is the claim”). Indeed, even as recounted by *Fox Factory*, this Court’s pre-*Fox* case law didn’t spell-out any obligation to show that the product-at-issue have each-and-every element of the asserted claim; having a claim **“tied to** [the] specific product” sufficed, as did a sufficient **“correspondence** between the objective evidence and the claim scope.” 944 F.3d at 1373 (quoting, *inter alia*, *Henry Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1332 (Fed. Cir. 2019) and *Demaco*, *supra*).

In any event, and even putting aside these watered-down “tied-to” and “correspondence” tests, one may reasonably read *Fox Factory* as requiring that the patentee *also* prove that the product is “*essentially*” *identical* to the claimed invention—with no additional unclaimed features—or that these unclaimed features are “*insignificant*.” 944 F.3d at 1374. Either way, in imposing these new-and-additional burdens on the patentee, *Fox Factory* contradicts this Court’s nexus-presumption precedents. *See, e.g., WBIP*, 829 F.3d at 1329-31; *J.T. Eaton*, 106 F.3d at 1571; *Demaco*, 851 F.2d at 1392-94; *Apple v. Samsung*, 839 F.3d at 1057-58. Given the earlier-case rule, *see, e.g., Newell; Kimberly-Clark, supra*, this Court should clarify and properly limit *Fox Factory* to its facts.

4. Last, *Fox Factory*’s new “insignificant” requirement is precedent-defying for another reason; *viz.*, it addresses potentially *different* questions than this Court’s precedent might otherwise address. That is, under this Court’s 30-year-plus case law, a patentee triggers the nexus-presumption upon meeting the two-part test recited above. *E.g., Demaco*, 851 F.2d at 1393-94. The *accused infringer* may then rebut the presumption by showing that un-claimed features or factors such as marketing contributed to, *e.g.*, the claimed product’s commercial success, industry praise, or other objective indicia of non-obviousness. *Id.* Depending on the circumstances, *Fox Factory*’s new “*insignificant*” test might be assessing the technical significance of a patent’s particular claim elements to the invention or prior art as a whole—when

the *relevant* dispute under *Demaco* and other still-controlling precedent might have focused on, e.g., industry praise. The broader point is that *Fox Factory* had no need or authority to change *Demaco*'s two-part test and procedural framework. The panel, accordingly, should clarify and confine *Fox Factory* on this point as well, thus ensuring that this 2019 panel decision doesn't impermissibly enjoy the *en-banc* power to disregard all the binding cases that preceded it. See, e.g., *Demaco*; *WBIP*; *PPC Broadband*; *Ecolochem*; *JT Eaton*; *Apple v. Samsung* (en banc), *supra*.

CONCLUSION

For the foregoing reasons, Amicus Curiae, retired Circuit Judge Michel, respectfully requests that the Court explicitly clarify its presumption-of-nexus precedents, as set forth herein.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I hereby certify that, using the Word program's word-count feature, this brief contains 2328 words, in compliance with Federal Rule of Appellate Procedure 27(d)(2).).

/s/ John T. Battaglia

CORRECTED CERTIFICATE OF SERVICE

I hereby certify that, on December 16, 2020, an electronic copy of the CORRECTED foregoing document was filed with the Clerk of Court for the U.S. Court of Appeals for the Federal Circuit, using the CM/ECF system, which thereby served a copy upon all counsel of record.

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