

Nos. 2020-1041, -1043

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

WI-LAN INC.,
Plaintiff-Appellant

v.

SHARP ELECTRONICS CORPORATION,
Defendant-Appellee

Appeal from the United States District Court for the District of
Delaware in No. 1:15-cv-00379-LPS,
Chief Judge Leonard P. Stark

WI-LAN INC.,
Plaintiff-Appellant

v.

VIZIO, INC.,
Defendant-Appellee

Appeal from the United States District Court for the District of
Delaware in No. 1:15-cv-00788-LPS,
Chief Judge Leonard P. Stark

**PLAINTIFF-APPELLANT'S COMBINED PETITION FOR
PANEL REHEARING OR REHEARING EN BANC**

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Dated: May 6, 2021

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Wi-LAN Inc.

Sharp Elecs. Corp / VIZIO, Inc.

Case Nos. 20-1041 / 20-1043

CERTIFICATE OF INTEREST

Counsel for the:

(petitioner) (appellant) (respondent) (appellee) (amicus) (name of party)

Wi-LAN Inc.

certifies the following (use "None" if applicable; use extra sheets if necessary):

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held Companies that own 10 % or more of stock in the party
Wi-LAN Inc.	Wi-LAN Inc.	Quarterhill Inc.

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 (**and who have not or will not enter an appearance in this case**) are:

BRAGALONE OLEJKO SAAD PC: Jeffrey R. Bragalone and Stephanie R. Wood
 FARNAN LLP: Brian E. Farnan, Michael J. Farnan, and Rosemary J. Piergiovanni
 COLE SCHOTZ P.C.: James R. Perkins
 BUETHER JOE & CARPENTER, LLC: Nicholas C. Klierer
 NELSON BUMGARDNER ALBRITTON PC: Brian P. Herrmann

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeals. See Fed. Cir. R. 47. 4(a)(5) and 47.5(b).

Wi-LAN Inc. v. Sharp Elecs. Corp., No. 1:15-cv-00379-LPS (D. Del.); *Wi-LAN Inc. v. VIZIO, Inc.*, No. 1:15-cv-00788-LPS (D. Del.); *Wi-LAN USA, Inc., et al. v. LG Elecs., Inc., et al.*, No. 2:13-cv-04895-MCA-MF (D.N.J.); *Wi-LAN Inc. v. ON Corp US, Inc., et al.*, No. 1:15-cv-00786-LPS (D. Del.); *Wi-LAN Inc. v. Sansui Am., Inc., et al.*, No. 1:15-cv-00787-LPS (D. Del.)

May 6, 2021

Date

/s/ Daniel F. Olejko

Signature of counsel

Please Note: All questions must be answered

Daniel F. Olejko

Printed name of counsel

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COUNSEL'S STATEMENT

Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

May a district court properly disregard an expert's opinion on summary judgment when there is no dispute that the inadmissible facts or data forming the basis of the expert's opinion are those kinds of facts or data that an expert in the field would reasonably rely in forming an opinion on the subject under Federal Rule of Evidence 703, and without making a factual inquiry and finding as to what data experts in the field find reliable, or affording the proponent sufficient process for defending its evidentiary submission, as required by regional circuit law?

/s/ Daniel F. Olejko
ATTORNEY OF RECORD FOR
PLAINTIFF-APPELLANT

INTRODUCTION

This appeal presents a question of exceptional importance because the panel’s precedential opinion conflicts with authoritative decisions of the regional circuit that have addressed the issue.

A meaningful conflict in the opinions of opposing technical experts regarding infringement creates a genuine issue of material fact that makes summary judgment inappropriate. *See Metro. Life Ins. Co. v. Bancorp Servs., L.L.C.*, 527 F.3d 1330, 1338 (Fed. Cir. 2008). In this case, there was such a conflict. Based on his review and analysis of Defendants’ technical documents, native source code produced by the third-party manufacturers of the system-on-chips (“chips”) in the accused products, fact declarations from engineers with firsthand knowledge of that source code, and his own testing, Wi-LAN’s expert, Dr. Ionut Mirel, testified that the accused products infringed multiple claims of the patent-in-suit. *See* Appx009122–252, Appx009254–391, Appx009393–508. Based on his review and analysis of the same evidence, Defendants’ expert, Dr. Clifford Reader, reached the opposite conclusion. Appx010928–1052.

However, the district court ignored the conflicting testimony of Dr. Mirel and Dr. Reader and granted summary judgment of non-infringement on the ground that some of the evidence upon which Dr. Mirel relied in his report (i.e., printouts of the source code and the fact declarations regarding the source code) was inadmissible.

Appx000025–33. But “whether facts relied on by an expert are in evidence, or ever could be in evidence, *is not relevant.*” *Seese v. Volkswagenwerk A.G.*, 648 F.2d 833, 844 n.15 (3d Cir. 1981) (emphasis added). Federal Rule of Evidence 703 sets “[t]he pertinent inquiry,” which “is whether the facts are of a type reasonably relied on by experts in the particular field.” *Id.* Yet the district court never made this factual inquiry, much less made any findings related to it. *See* Appx000030–31. Further, the district court did not afford Wi-LAN a sufficient opportunity, such as through an *in limine* hearing, to defend its evidentiary submissions before granting summary judgment. These were fundamental legal errors that the panel failed to correct.

When there is a dispute about whether an expert reasonably relies on evidence under Rule 703, “as a matter of law, the district court must make a factual inquiry and finding as to what data experts in the field find reliable.” *In re Paoli R.R. Yard PCB Litig.*, 916 F.2d 829, 853 (3d Cir. 1990). “There is *no discretion* to forbear from making this inquiry and finding.” *Id.* (emphasis added). Further, “the detailed factual record requirement, firmly entrenched in [Third Circuit] jurisprudence, requires adequate process at the evidentiary stage, particular when a summary judgment may flow from it.” *Id.* at 854. “[T]he most efficient procedure that the district court can use in making the [required] determination is an *in limine* hearing,” where the “trial court may consider, *inter alia*, offers of proof, affidavits, stipulations, or learned treatises, in addition to testimonial or other documentary evidence (and, of course,

legal argument).” *United States v. Downing*, 753 F.2d 1224, 1241 (3d Cir. 1985). When an admissibility ruling turns on factual issues, such as the factual inquiry under Rule 703, a district court abuses its discretion by failing to hold an *in limine* hearing prior to granting summary judgment. *See Padillas v. Stork-Gamco, Inc.*, 186 F.3d 412, 418 (3d Cir. 1999).

Contrary to the panel’s decision, nothing permitted the district court to abdicate its responsibility to consider whether experts in the field would rely on the same evidence as Dr. Mirel. Defendants never moved to strike or exclude Dr. Mirel’s report on the ground that he based his opinions on unreliable evidence. In fact, there was *no dispute* that experts in the field would reasonably rely on the same evidence as Dr. Mirel. Moreover, Wi-LAN’s argument that experts in the field would reasonably rely on the same source code evidence and fact declarations as Dr. Mirel was supported by the record. Appx015454. Dr. Mirel “employed methods and analyses of a type reasonably relied upon by experts in [his] field in forming opinions or inferences on the subject.” Appx009128. The proper procedure for raising these arguments, and other evidence in support of Dr. Mirel’s reliance on the source code evidence and fact declarations, was an *in limine* hearing. But, because the district court failed to hold an *in limine* hearing before granting summary judgment, Wi-LAN was not afforded a sufficient opportunity to present its arguments to the district court and demonstrate that experts in the field would reasonably rely on the same evidence as

Dr. Mirel.

If the panel's decision is not corrected on rehearing, it will stand in conflict with the authoritative decisions of the Third Circuit and have adverse consequences far beyond this case.

**POINTS OF LAW OR FACT OVERLOOKED OR
MISAPPREHENDED BY THE PANEL**

In concluding that “Wi-LAN has not made a showing that source code experts reasonably rely on unauthenticated source code printouts” (ADD17), the panel overlooked or misapprehended the fact that Dr. Mirel did not base his opinions *solely* on source code printouts. Dr. Mirel based his infringement analysis on his personal review “over multiple weeks” of the full *native* source code produced by the manufacturers of the chips in the accused products. *See, e.g.*, Appx009196–97, Appx009200–02, Appx009329, Appx009333, Appx009395–97 (describing review of MediaTek, MStar, and Sigma source code). The source code printouts, which Dr. Mirel personally selected for printing by the third-party chip manufacturers, were simply used for reference in his reports. *See, e.g.*, Appx009196, Appx009200, Appx009202, Appx009330, Appx009333, Appx009335. Dr. Mirel's infringement analysis was also supported by the fact declarations obtained from engineers with firsthand knowledge of the native source code. *See, e.g.*, Appx009196–200, Appx009330–32 (citing Appx012584–87, Appx012602–04); Appx009200–01, Appx009334 (citing Appx012594–96); Appx009201–02 (citing Appx006016–18, Appx006019–20).

The panel also overlooked or misapprehended the fact that the district court failed to provide Wi-LAN with an adequate opportunity to defend Dr. Mirel's reliance on the native source code, the source code printouts, and the fact declarations from engineers with firsthand knowledge of the code. While the district court requested supplemental briefing on evidentiary issues that arose during the summary judgment hearing, the district court did not hold a subsequent *in limine* hearing to resolve those issues. As a result, Wi-LAN was not afforded an opportunity to present its full case for why Dr. Mirel's reliance on the native source code, source code printouts, and fact declarations was reasonable in an *in limine* hearing, as required by Third Circuit law. *See Padillas*, 186 F.3d at 418; *see also Hines v. Consol. Rail Corp.*, 926 F.2d 262, 272 (3d Cir. 1991) (setting aside summary judgment because district court did not provide proponent of expert evidence with sufficient process); *Paoli*, 916 F.2d at 854–55 (same).

Had Wi-LAN been afforded that opportunity, it would have demonstrated that experts in the field regularly rely on (a) native source code, (b) source code printouts selected by that expert, and (c) sworn statements from engineers with firsthand knowledge of the code and its implementation in the relevant chips. Dr. Mirel stated that, “[i]n preparing this report, I have employed methods and analyses of a type reasonably relied upon by experts in my field in forming opinions or inferences on the subject.” Appx009128; *see also* Appx009260 (same). Importantly, Defendants

never challenged Wi-LAN’s argument that experts in the field would reasonably rely on the same evidence as Dr. Mirel, including in its response brief on appeal. *Compare* Appx015454, *with* Appx015712, *and* Resp. Br. at 40–42. Nor could they.

As the panel rightly noted, it “is obviously correct” that “experts typically rely on material, like source code, in reaching opinions about infringement.” ADD17. It is equally obvious that an expert would rely on printouts of source code that he or she personally selected and requested for printing after conducting “multiple weeks” of native source code review. *See* Appx009196; Appx009200; Appx009201. Indeed, Dr. Reader affirmatively relied on the source code printouts selected by Dr. Mirel to support his non-infringement opinions. *See, e.g.*, Appx010938–39, Appx010943, Appx010948, Appx010955, Appx010973, Appx010979. In addition, because Dr. Reader affirmatively relied on fact declarations from the same engineers as Dr. Mirel to support his non-infringement opinions, Defendants took the position that experts in the field *would* reasonably rely on fact declarations from engineers with firsthand knowledge of that code when evaluating infringement. *See* Reply Br. at 22–23; Appx008988 (“Wi-LAN does not (and cannot) argue that experts in the field would not consider fact declarations from engineers with firsthand knowledge of the SoCs at issue.”).

The panel overlooked or misapprehended the fact that, because Defendants could not — and did not — dispute that experts in the field would reasonably rely

on the same source code evidence and fact declarations as Dr. Mirel, Defendants took the untenable position that Dr. Mirel could opine on the source code *only* if it was “first [] admitted into evidence,” a position which the district court erroneously adopted. Appx015712; Appx000030–31. Defendants *never* took the panel’s position that Wi-LAN failed to meet its burden of showing that other experts in the field would reasonably rely on the same evidence as Dr. Mirel, including on appeal. *See, e.g.,* Resp. Br. at 40–42. Because Defendants failed to make that argument below, and it was not addressed by the district court or raised on appeal, the panel should have declined to address the issue in the first instance. *Compare Rigsbee v. United States*, 226 F.3d 1376, 1380 (Fed. Cir. 2000) (declining to consider issue not addressed by the district court), *with Fireman’s Fund Ins. Co. v. United States*, 909 F.2d 495, 499 (Fed. Cir. 1990) (acknowledging that, “[w]here the grounds urged in support of the judgment have not been presented to and passed upon by the trial court, we prefer not to address them in the first instance,” but addressing a new issue anyway because the parties had fully briefed the issue on appeal).

Relatedly, the panel overlooked or misapprehended Third Circuit precedent requiring the district court to conduct a factual inquiry and make findings regarding whether experts in the field would reasonably rely on the same kinds of information in forming an opinion on the subject. *See Paoli*, 916 F.2d at 853–54 (vacating district court’s exclusion of expert testimony under Rule 703 because the court did not make

the required factual inquiry and findings); *see also Hines*, 926 F.2d at 269–72 (same); *DeLuca v. Merrell Dow Pharms., Inc.*, 911 F.2d 941, 952–53 (3d Cir. 1990), *abrogated on other grounds by Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993) (same); *In re Jap. Elec. Prods.*, 723 F.2d 238, 276 (3d Cir. 1983), *rev'd on other grounds sub nom., Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574 (1986) (same). Where, as here, “[t]he record contains no testimony that experts [in the field] would *not* rely on information such as that on which [an expert] relied in forming [his] opinions,” a district court may not strike an expert’s opinion under Rule 703. *Indian Coffee Corp. v. Procter & Gamble Co.*, 752 F.2d 891, 897 (3d Cir. 1985) (emphasis in original).

ARGUMENT

A. The Panel’s Decision Conflicts with Regional Circuit Precedent.

When there is a dispute concerning whether an expert is entitled to rely on inadmissible evidence under Rule 703, Third Circuit law requires the district court to “make a factual inquiry and finding as to what data experts in the field find reliable.” *Paoli*, 916 F.2d at 853. The district court has “no discretion” in the matter. *Id.* Where a district court excludes expert evidence under Rule 703, but fails to make the required factual inquiry and findings, its ruling must be vacated for further consideration in light of the record or set aside. *See id.* at 853–54; *DeLuca*, 911 F.2d at 953 (“[The district court’s] cursory ruling that Done’s testimony was inadequate

under Rule 703 does not comply with the standard set forth in *Japanese Products Litigation*, as it was not predicated upon a record-supported, factual finding that Done relied upon identified data not regarded as reliable by experts in the field.”); *Jap. Elec. Prods.*, 723 F.2d at 276–78 (disregarding district court’s rulings in determining what evidence to consider for purposes of summary judgment).

But under the panel’s new precedent, the district court may forbear from making this required inquiry and finding if the proponent of the expert opinion fails to cite testimony supporting its argument. ADD17 (“Wi-LAN points to no similar testimony by its expert here. Wi-LAN’s conclusory statement ... is not sufficient.”). However, the panel’s exception has no support in Third Circuit precedent.¹ While the burden to establish reasonable reliance under Rule 703 is on the proponent of the evidence, the proponent *must* be afforded an opportunity to be fully heard before a district court may grant summary judgment on that basis. *See Padillas*, 186 F.3d at 417–18 (“The need for this opportunity is compelling because the burden of es-

¹ The panel’s reliance on *Schuchardt v. President of the United States*, 802 F. App’x 69 (3d Cir. 2020), was misplaced. ADD17–18. *Schuchardt* is not binding precedent, and it certainly could not overrule the Third Circuit’s prior precedent requiring that a proponent of expert evidence be given a full opportunity to defend its admissibility before summary judgment is granted. *Schuchardt* is also procedurally and factually distinguishable. *Schuchardt* involved a motion to dismiss, not a motion for summary judgment. And Wi-LAN’s argument that experts in the field would reasonably rely on the same evidence was supported by Dr. Mirel. Appx009128.

tablising admissibility by a preponderance of the evidence ... is on the proponent.”); *Hines*, 926 F.2d at 272; *Paoli*, 916 F.2d at 854–55. Where, as here, the admissibility of an expert’s testimony turns on factual issues (such as whether experts in the field reasonably rely on the same data), the district court must hold an *in limine* hearing before deciding summary judgment. *See Padillas*, 186 F.3d at 418. That Wi-LAN may not have requested such a hearing is immaterial. *Id.* at 417.

Although the district court invited the parties to file supplemental briefs on the admissibility of the source code evidence and declarations, Wi-LAN was not presented with an opportunity to fully defend Dr. Mirel’s reliance on that evidence, such as through an *in limine* hearing, before the district court granted summary judgment. Because Wi-LAN was deprived of that opportunity, the panel should not have penalized Wi-LAN for failing to satisfy its burden of proof in its limited supplemental briefing. *See ADD17–18*. Had Wi-LAN been presented with that opportunity, it would have pointed the district court to a variety of important factors indicating that experts in the field would reasonably rely on the same native source code, source code printouts, and fact declarations as Dr. Mirel, including, for example:

- (1) Testimony from Dr. Mirel concerning the information regularly and reasonably relied on by experts in the field.
- (2) Wi-LAN’s “obviously correct” statement that “experts typically rely on material, like source code, in reaching opinions about infringement.”

ADD17.

- (3) Dr. Mirel's statement that, "[i]n preparing this report, I have employed methods and analyses of a type reasonably relied upon by experts in my field in forming opinions or inferences on the subject." *See, e.g.*, Appx009128.
- (4) Defendants' failure to dispute that experts in the field would reasonably rely on the same source code evidence and fact declarations as Dr. Mirel and failure to identify any evidence to the contrary. Appx015712.
- (5) Defendants' agreement that experts in the field reasonably rely on fact declarations from engineers with firsthand knowledge of the source code at issue. Appx008988.
- (6) Dr. Reader's reliance on the source code printouts and declarations from the same fact witnesses as Dr. Mirel in conducting his non-infringement analysis. *See, e.g.*, Appx010938–39, Appx010943, Appx010948, Appx010955, Appx010973, Appx010979.
- (7) The source code printouts were selected by Dr. Mirel for printing based on his personal review over "multiple weeks" of the native source code produced by the third-party chip manufacturers. *See* Appx009196; Appx009200; Appx009201.

Had the district court conducted the appropriate inquiry, and provided Wi-LAN with

a sufficient opportunity to defend Dr. Mirel's testimony, the district court would have been forced to conclude that Dr. Mirel's opinions were admissible under Rule 703. *See Indian*, 752 F.2d at 897.

B. The District Court's Decision Undermines the Purposes of Rule 703.

Rule 703 was "designed to broaden the basis for expert opinions beyond that current in many jurisdictions and to bring the judicial practice into line with *the practice of the experts themselves when not in court.*" *Seese*, 648 F.2d at 844 n.15 (emphasis added). In this case, there was no dispute that experts in the field rely on native source code, source code printouts, and fact declarations from engineers with firsthand knowledge of the code outside of court. Yet the district court imposed a heightened standard that discounted any expert testimony unless it relied on evidence admissible *in court*. *See* Appx000030–31. This erroneously "conflate[d] the separate issues of whether the [facts or data] can be admitted into evidence and whether [expert]'s opinion can be admitted if it is based on a consideration of the [facts or data]." *Pineda v. Ford Motor Co.*, 520 F.3d 237, 246–47 (3d Cir. 2008).

"Part of the purpose of allowing expert witnesses to rely on inadmissible evidence is to relieve parties of the difficult, *if not impossible*, burden of parading a large number of witnesses into court to do nothing more than to authenticate documents on which the experts have reasonably relied." 4 Weinstein's Federal Evidence § 703.05[1] (emphasis added). Because the source code used in Defendants' accused

products was developed by third-party chip manufacturers, there were heightened burdens associated with authenticating that source code. The custodians of the MediaTek and MStar source code were located overseas outside of the district court's subpoena power. *See* Appx012584; Appx012594; Appx012602. Wi-LAN should not have been forced to bring to trial uncooperative third parties (which were outside of the subpoena power of the court) just to authenticate source code when Rule 703 serves to alleviate parties of that burden.

In addition, “[t]he 2000 amendment to Rule 703 authorized the proponent of expert testimony to disclose otherwise inadmissible underlying factual information only for the limited purpose of assisting the jury in evaluating the expert witness’s testimony.” 4 Weinstein’s Federal Evidence § 703.05[2]. When a party seeks to disclose such information to the jury, the district court “*must* consider the information’s probative value in assisting the jury to weigh the expert’s opinion on the one hand, and the risk of prejudice resulting from the jury’s potential misuse of the information for substantive purposes on the other.” Fed. R. Evid. 703, Committee Notes on Rules—2000 (emphasis added). Although Wi-LAN explicitly requested that the district court allow the source code evidence and fact declarations cited by Dr. Mirel to be shown to the jury under Rule 703, and argued that the probative value of the evidence substantially outweighed any prejudice (Appx015455), the district court excluded the evidence without performing the required balancing test. *See*

Appx000030–31.

C. The Panel’s Precedential Decision Will Have Consequences Far Beyond This Case.

This case presents an increasingly common scenario in patent infringement disputes. After a plaintiff accuses a defendant’s product of infringing a patent, the defendant claims not to have access to, or the legal right to obtain, the key technical documents showing the accused product’s operation and functionality. What must the plaintiff do in such circumstances? It must obtain those documents from a third party, who is, in many cases, outside of the subpoena power of the district court. This is a time consuming and expensive task, but it also causes inevitable, complex evidentiary problems, especially when the document custodians are overseas and often uncooperative.

This case is exemplary. After Wi-LAN accused Defendants’ television products of infringement, Defendants claimed that Wi-LAN needed to obtain source code from third-party manufacturers of the chips used in the accused products, including MediaTek and MStar (both based in Taiwan). While Wi-LAN believed that Defendants had a legal right and obligation to obtain the source code from the chip manufacturers for this litigation, Wi-LAN took great lengths to obtain the source code on its own by issuing subpoenas to domestic subsidiaries of MediaTek and MStar. But MediaTek and MStar were uncooperative. Not only did MediaTek and MStar ini-

tially refuse to produce the source code voluntarily, they did not agree to make any-one available for deposition to authenticate the source code. Appx012812–13. Instead, MediaTek and MStar offered Wi-LAN only business record declarations, which both the district court and the panel found deficient. *Id.*; Appx000027–29; ADD09–10.

If the Court permits the panel’s precedential decision to stand, it will incentivize Defendants like SEC and VIZIO to hide the ball during discovery and claim that their core technical documents can be obtained only from third-party suppliers. It will likewise disincentivize third-party suppliers with business ties to Defendants, like MediaTek and MStar, from cooperating in discovery or assisting with the authentication of essential technical documents. It further incentivizes Defendants to make hyper-technical admissibility challenges to the third-party evidence demonstrating infringement. *See Fowle v. C & C Cola*, 868 F.2d 59, 67 (3d Cir. 1989) (“[E]vidence should not be excluded on summary judgment on hypertechnical grounds”). Finally, it leaves parties like Wi-LAN with the difficult, if not impossible, task of either authenticating documents produced by third parties who refuse to provide any assistance or attempting to prove infringement without the necessary core technical documents.

CONCLUSION

The panel's precedential opinion conflicts with Third Circuit precedent. Before granting summary judgment of non-infringement, the district court was required to inquire whether experts in the field would reasonably rely on the same evidence as Dr. Mirel and make appropriate findings of fact regarding that inquiry. Because that necessary inquiry involved issues of fact, the district court was required to hold an *in limine* hearing, so Wi-LAN had a sufficient opportunity to defend Dr. Mirel's reliance on native source code, source code printouts, and fact declarations from engineers with firsthand knowledge of that code. Accordingly, Wi-LAN respectfully requests that the Court grant panel rehearing or rehearing *en banc*, vacate the panel judgment, and rehear this appeal.

Dated: May 6, 2021

Respectfully submitted,

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ADDENDUM

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

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SHARP ELECTRONICS CORPORATION,
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2020-1043

Appeal from the United States District Court for the District of Delaware in No. 1:15-cv-00788-LPS, Chief Judge Leonard P. Stark.

Decided: April 6, 2021

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JOHN C. O'QUINN, Kirkland & Ellis LLP, Washington, DC, argued for all defendants-appellees. Defendant-appellee Sharp Electronics Corporation also represented by WILLIAM H. BURGESS; ADAM R. ALPER, San Francisco, CA; GIANNI CUTRI, KATHERINE E. RHOADES, Chicago, IL; MICHAEL W. DE VRIES, Los Angeles, CA.

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Before DYK, TARANTO, and STOLL, *Circuit Judges*.

DYK, *Circuit Judge*.

Wi-LAN Inc. appeals two related judgments of the United States District Court for the District of Delaware, on summary judgment in one instance and by stipulation in the other, holding that Sharp Electronics Corporation and Vizio, Inc. did not infringe the asserted claims of U.S. Patent No. 6,359,654 (“the ‘654 patent”) and U.S. Patent No. 6,490,250 (“the ‘250 patent”). We affirm.

BACKGROUND

Wi-LAN is the owner of the '654 and '250 patents. The '654 patent concerns “methods to display interlaced video on [a] noninterlaced monitor.” '654 patent, abstract. This is also known as “deinterlacing.” Interlaced video was developed at the inception of electronic television in 1936 and became the standardized video format adopted by the National Television Systems Committee. Most television sets used interlaced video formats during that time period and for decades afterwards. Interlacing video was developed to prevent a “flicker” effect, an effect that results from the difference in the frame rate of the television set and the frame rate in which a program was filmed. To interlace a video, the video frame is split into two fields, which correspond to the odd and even lines of a video frame. The first field (comprising of data on the odd lines) is scanned onto a television set in the first 1/60th of a second, and the second field (comprising of data on the even lines) is scanned in the next 1/60th of a second. Because the fields are displayed on television sets at a rate of 60 fields per second, the viewer does not notice any missing content and perceives the two fields as a single frame.

The need for deinterlacing arose in the 1980s and 1990s due to the development of higher-quality television sets and the need to display television video signals on computer monitors. All modern television sets use noninterlaced displays. Noninterlaced video, unlike interlaced video, displays an entire frame every 1/60th of a second and allows for increased detail to be displayed on a screen. The '654 patent does not claim to have invented deinterlacing but claims “methods and systems for displaying interlaced video on monitors [that] are non-interlaced.” '654 patent, col. 1 ll. 13–15.

The other patent at issue here, the '250 patent, “relates generally to multimedia encoders and specifically [to] an

integrated multimedia stream multiplexer.” ’250 patent, col. 1 ll. 5–7. A stream multiplexer receives separate audio and video data streams and combines them into a single multimedia data stream. The ’250 patent is directed to a system for dynamically adjusting the bit rates of the input audio and video data streams to obtain a combined multimedia data stream with an optimal bit rate.

Vizio currently sells and through 2015 Sharp sold “smart” television sets. On May 11, 2015, Wi-LAN brought suit for patent infringement against Sharp, alleging direct and induced infringement of various claims of the ’654 and ’250 patents. On September 8, 2015, Wi-LAN filed a similar complaint against Vizio, asserting the same claims of the ’654 and ’250 patents. The district court did not consolidate the Vizio and Sharp cases but managed the cases in parallel.

Wi-LAN accused Sharp and Vizio of infringing claims 1, 4, and 9 of the ’654 patent and claims 1, 4, and 6 of the ’250 patent. Claim 1 of the ’654 patent is an independent method claim and claims 4 and 9 depend on claim 1. Claim 1 of the ’250 patent is an independent apparatus claim and claims 4 and 6 depend on claim 1.

The deinterlacing functions (which allegedly infringe the asserted method claims of the ’654 patent) and the components that optimize bit streaming (which allegedly infringe the asserted system claims of the ’250 patent) reside on each television set’s “system-on-chip.” A system-on-chip combines numerous functions of a system (e.g., storage, memory, processing, and control), previously implemented in multiple chip sets, onto a single chip.

On February 27, 2018, the district court issued an order construing certain terms of the ’654 patent and the ’250 patent. Following the district court’s claim construction order, Wi-LAN conceded that that it could not prove infringement of the asserted claims of the ’250 patent under the

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district court's constructions of "output multimedia data stream" and "a multimedia processor, coupled to the data rate analyzer." These two terms are common to all asserted claims of the '250 patent. The district court entered a stipulated judgment of noninfringement of the '250 patent.

With respect to the '654 patent, Wi-LAN alleged both direct and induced infringement. The parties filed cross-motions for summary judgment on the issue of infringement. The district court explained that Wi-LAN has known that it could not establish infringement without establishing that the source code of Sharp's and Vizio's systems actually practiced the patented method.

The district court granted Sharp and Vizio's motion for summary judgment of noninfringement, holding that Wi-LAN lacked sufficient admissible evidence to prove direct infringement. The district court found that the printout of the source code that Wi-LAN sought to use as evidence was inadmissible.

Wi-LAN appealed in each case. Because the underlying cases were related, this court consolidated the appeals. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

DISCUSSION

I

With respect to the '654 patent, Wi-LAN challenges the district court's grant of summary judgment of noninfringement to Vizio and Sharp.¹ We review a grant of summary

¹ On appeal, Wi-LAN also argues that the district erred in certain discovery rulings that adversely affected its ability to prove induced infringement of the asserted claims of the '654 patent. Because we hold that Wi-LAN

judgment de novo. *MobileMedia Ideas LLC v. Apple Inc.*, 780 F.3d 1159, 1164 (Fed. Cir. 2015) (citing *Gonzalez v. Sec’y of Dep’t of Homeland Sec.*, 678 F.3d 254, 257 (3d Cir. 2012)). We apply regional circuit law to evidentiary determinations. *TecSec, Inc. v. Adobe Inc.*, 978 F.3d 1278, 1285 (Fed. Cir. 2020). The Third Circuit reviews a district court’s evidentiary rulings for abuse of discretion. *Acumed LLC v. Advanced Surgical Servs., Inc.*, 561 F.3d 199, 211 (3d Cir. 2009).

The district court granted summary judgment because Wi-LAN had failed to provide admissible evidence of the source code that Wi-LAN needed to prove its infringement theories as to claims 1, 4, and 9.²

cannot establish direct infringement, we do not need to reach these issues related to induced infringement.

² Claim 1 of the ’654 patent (the only asserted independent claim) provides:

1. A method for displaying interlaced video data on a non-interlaced monitor, the interlaced video data comprising a plurality of paired fields, each pair of fields being vertically offset relative to each other by one-half of a field line spacing distance, each field comprising a plurality of lines of video data, the method including:

(a) capturing a first field and a second field of each pair of fields into respective buffers;

(b) scaling each of the first field and second field of each pair of fields to fill vertical resolution of the non-interlaced monitor;

(c) adjusting one of the first field or second field of the pair of fields to substantially correct for the

Wi-LAN supplied documents from the third-party chip manufacturers purported to be the source code printouts together with declarations from employees of the manufacturers purporting to authenticate the source code printouts. The declarations stated that the source code “provide[d] the implementation of the deinterlacing process for digital video data in a specified list of chips” and “add[ed] that there [we]re ‘no material differences’ between the version of code produced and any versions used since 2009.” J.A. 26–27 (footnote omitted). The source code included “added commentary on the printed excerpts.” J.A. 29. The district court held that this evidence was inadmissible and that Wi-LAN had failed to raise a genuine issue of material fact as to noninfringement. On appeal, Wi-LAN has several theories as to why the district court erred and why the source code printout was admissible.

A

Wi-LAN argues that the source code printout constituted a business record, admissible under the business records exception to the hearsay rule. “The business records exception allows admission of records of regularly conducted activity through the testimony of a custodian or

vertical offset between the pairs of fields, where said adjusting is performed concurrently with said scaling;

(d) displaying the first field of each pair of fields on the non-interlaced monitor in a first time period; and

(e) displaying the second field of each pair of fields on the non-interlaced monitor in a second time period subsequent to the first time period.

'654 patent, col. 10 ll. 46–65.

other qualified witness.” *Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 1392 (Fed. Cir. 2010) (citing Fed. R. Evid. 803(6)). Specifically, the hearsay exception of Rule 803(6) permits a “record” that meets the following five requirements to be admitted into evidence:

(A) the record was made at or near the time by—or from information transmitted by—someone with knowledge;

(B) the record was kept in the course of a regularly conducted activity of a business, organization, occupation, or calling, whether or not for profit;

(C) making the record was a regular practice of that activity;

(D) all of these conditions are shown by the testimony of the custodian or another qualified witness, or by a certification that complies with Rule 902(11) or (12) or with a statute permitting certification;³ and

(E) the opponent does not show that the source of information or the method or circumstance of preparation indicate a lack of trustworthiness.

Fed. R. Evid. 803(6). “[I]f the proponent has established the stated requirements of the exception—regular business with regularly kept record, source with personal knowledge, record made timely, and foundation testimony

³ Under Rule 902(11), a domestic record is self-authenticating if it “meets the requirements of Rule 803(6)(A)–(C), as shown by a certification of the custodian or another qualified person,” and the adverse party had “reasonable written notice of the intent to offer the record . . . so that the party has a fair opportunity to challenge [it].” Fed. R. Evid. 902(11).

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or certification—then the burden is on the opponent to show that the source of information or the method or circumstances of preparation indicate a lack of trustworthiness.” Fed. R. Evid. 803(6) advisory committee’s notes to 2014 amendments.

To establish that the source code printout was an admissible business record under Rule 803(6), Wi-LAN was required to establish by testimony from a “custodian or other another qualified witness” that the documents satisfied the requirements of the Rule. Wi-LAN argues that it properly authenticated the source code printout through the declarations of the chip manufacturers’ employees. We agree with the district court that the declarations could not be used to authenticate the source code printout on the theory that the declarations were a proxy for trial testimony or themselves admissible as business records.

As Wi-LAN notes, declarations are typically used at summary judgment as a proxy for trial testimony. But declarations cannot be used for this purpose unless the witness will be available to testify at trial. Under Federal Rule of Civil Procedure 56(c)(2), Wi-LAN was required to “explain the admissible form that is anticipated.” Fed. R. Civ. P. 56(c)(2) advisory committee’s notes on 2010 amendments. Wi-LAN argued that it met this burden by explaining that the declarants were available to testify at trial. The district court, however, found the opposite. Indeed, when asked by the court at the summary judgment hearing whether the declarants would appear at trial, Wi-LAN’s counsel responded that Wi-LAN did not “think that [it would be] able to force them to come to trial.” J.A. 15,398–99.

Wi-LAN thus did not establish that the declarants would be available to testify at trial and, as a result, the declarations could not be used as a substitute for trial testimony. *E.g., Fraternal Order of Police, Lodge 1 v. City of*

Camden, 842 F.3d 231, 238 (3d Cir. 2016) (testimony admissible if declarants were available to testify at trial); *J.F. Feeser, Inc. v. Serv-A-Portion, Inc.*, 909 F.2d 1524, 1542 (3d Cir. 1990) (“[H]earsay evidence produced in an affidavit opposing summary judgment may be considered if the out-of-court declarant could later present the evidence through direct testimony, i.e., in a form that ‘would be admissible at trial.’” (quoting *Williams v. Borough of West Chester*, 891 F.2d 458, 465 n.12 (3d Cir. 1989))).

Wi-LAN also seems to argue that it properly authenticated the source code printout because the declarations were custodial declarations that were themselves admissible as business records under Rule 803(6). Wi-LAN, however, admits that it obtained the source code printout and declarations by filing lawsuits against the manufacturers and then dismissing the lawsuits without prejudice after the manufacturers provided Wi-LAN with the source code printout and declarations it sought. Wi-LAN even explains that “[t]he lawsuits were necessary to secure production of the source code and declarations because [the system-on-chip manufacturers] had refused to cooperate in discovery.” Appellant’s Br. 51. The declarations thus do not constitute a “record [that] was kept in the course of a regularly conducted activity of a business.” Fed. R. Evid. 803(6)(B). Instead, the declarations were created and prepared for the purposes of litigation, placing them outside the scope of the exception. As a result, the declarations were not admissible as business records for use to authenticate the source code printout.

Wi-LAN argues alternatively that, under Third Circuit law, these deficiencies in the declarations did not preclude their use. It bases its theory on the Third Circuit’s view that “the testimony of the custodian or another qualified witness” under Rule 803(6)(D) “can be met by documentary evidence, affidavits, or admissions of the parties, i.e., by circumstantial evidence, or by a combination of direct and

circumstantial evidence.” *In re Japanese Elec. Prods. Antitrust Litig.*, 723 F.2d 238, 288 (3d Cir. 1983), *rev’d on other grounds sub nom. Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574 (1986). The Third Circuit adopted this view after concluding that “[i]t would make little sense to require live witness testimony every time a business record is offered when, from the other materials open for the court’s consideration, it can make the required finding to its own satisfaction.” *Id.*

The Third Circuit’s approach runs counter to the text of Rule 803(6), which requires the conditions of the Rule to be shown “by the testimony of the custodian or another qualified witness[] or by a certification that complies with Rule 902(11) or (12) or with a statute permitting certification.” Fed. R. Evid. 803(6)(D). Its view appears not to have been widely adopted. *See 5 Weinstein’s Federal Evidence* § 803.08[c] & n.76. But even under this approach, the declarations do not suffice because Wi-LAN does not meet Rule 803(6)’s final requirement that “the opponent does not show that the source of information or the method or circumstance of preparation indicate a lack of trustworthiness.” Fed. R. Evid. 803(6)(E).

The district court concluded that Sharp and Vizio “have demonstrated a lack of trustworthiness in the materials; the source code contains inconsistent dates in the metadata, copyright, and revisions histories as well as added commentary on the printed excerpts.” J.A. 29. The court also found that Wi-LAN “failed to obtain change logs, file comparisons, or other evidence of code revisions that might clear up the inconsistencies in the code.” J.A. 29. And the district court found that

[t]he circumstances surrounding the production, including the fact that the [system-on-chip] manufacturers originally claimed that they could not produce one version of source code for all [system-

on-chips] at issue in the case, raise[d] further concern as to the credibility of both the source code and the [system-on-chip] declarations seeking to authenticate the code.

Id. The Third Circuit has affirmed a district court’s decision to not admit records on similar grounds. *See SEC v. Hughes Capital Corp.*, 124 F.3d 449, 456 (3d Cir. 1997) (holding that a district court did not abuse its discretion in refusing to admit altered copies of a record under Rule 803(6) because the records indicated “a lack of trustworthiness”).

The district court did not abuse its discretion in holding that the source code printout does not constitute a business record admissible under Rule 803(6).

B

Wi-LAN also appears to argue that the district court should have found the source code printout admissible under Federal Rule of Evidence 901(b)(4). Rule 901(b)(4) permits a record to be admitted into evidence if “[t]he appearance, contents, substance, internal patterns, or other distinctive characteristics of the item, taken together with all the circumstances” “support a finding that the item is what the proponent claims it is.” Fed. R. Evid. 901(a), (b)(4).

In support of its Rule 901(b)(4) argument, Wi-LAN states only that “there was no legitimate reason to question the trustworthiness of the source code.” Appellant’s Br. 54. The district court concluded that the source code printout’s “appearance, contents, substance, internal patterns, [and] other distinctive characteristics,” Fed. R. Evid. 901(b)(4), did not satisfy Rule 901(b)(4)’s strictures “given the highly dubious circumstances surrounding the production and the lack of indicia of trustworthiness in the source code,” J.A. 30, as described in the previous Section. On this record,

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the district court did not abuse its discretion in refusing to treat the source code printout as evidence under Rule 901(b)(4).

C

Wi-LAN alternatively argues that the source code printout should have been admitted into evidence under Federal Rule of Evidence 703.⁴ Wi-LAN's expert submitted a report stating that Sharp's and Vizio's television sets infringe the claimed methods of the '654 patent by the use of the source code. Wi-LAN's expert did not attempt to authenticate the source code printout. But Wi-LAN argues that its expert should be able to opine on the meaning of the inadmissible source code printout and to provide the inadmissible source code printout to the jury despite Wi-LAN's failure to authenticate the source code printout.

Wi-LAN's argument presents two separate and distinct questions: (1) whether the source code printout was admissible because it was relied on by the expert and (2) whether the expert's testimony relying on the source code was admissible to establish infringement. The answer to the first question is "no" because expert reliance does not translate

⁴ An expert may base an opinion on facts or data in the case that the expert has been made aware of or personally observed. If experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject, they need not be admissible for the opinion to be admitted. But if the facts or data would otherwise be inadmissible, the proponent of the opinion may disclose them to the jury only if their probative value in helping the jury evaluate the opinion substantially outweighs their prejudicial effect.

Fed. R. Evid. 703.

to admissibility. The answer to the second question is also “no” because Wi-LAN did not establish that experts in the field “reasonably rely on” unauthenticated source code.

As to the first question, “Rule 703 does not make admissible otherwise inadmissible evidence.” 4 *Weinstein’s Federal Evidence* § 703.05 n.12. That is because “Rule 703 is not, itself, an exception to or exclusion from the hearsay rule or any other evidence rule that makes the underlying information inadmissible.” *Id.* § 703.05. Rule 703 does not authorize admitting inadmissible evidence “on the pretense that it is the basis for expert opinion when, in fact, the expert adds nothing to the [inadmissible evidence] other than transmitting [it] to the jury.” 29 Charles Alan Wright, Arthur R. Miller & Victor J. Gold, *Federal Practice and Procedure* § 6274 (2d ed. 2020). “In such a case, Rule 703 is simply inapplicable and the usual rules regulating the admissibility of evidence control.” *Id.* Rule 703 permits the proponent of an expert’s opinion to disclose the underlying material to a jury if “experts in the particular field would reasonably rely on” the underlying material and “if [the underlying material’s] probative value in helping the jury evaluate the opinion substantially outweighs [its] prejudicial effect.” Fed. R. Evid. 703. But “the trial judge must give a limiting instruction upon request, informing the jury that the underlying information must not be used for substantive purposes.” Fed. R. Evid. 703 advisory committee’s notes to the 2000 amendments. These principles have been reaffirmed repeatedly.

Exemplary is the Second Circuit’s decision in *United States v. Mejia*, 545 F.3d 179 (2d Cir. 2008), where the court held that the government’s expert witness could not simply repeat hearsay to the jury. The Second Circuit explained that the expert “identified hearsay as the source of much of his information” during cross-examination and “did not analyze his source materials so much as repeat their contents.” *Id.* at 197–98. Because the expert simply provided

second-hand evidence to the jury, the court held that the expert's testimony fell outside the permissible bounds of Rule 703. *Id.* at 198.

The Second Circuit reached a similar conclusion in *Marvel Characters, Inc. v. Kirby*, 726 F.3d 119 (2d Cir. 2013). There, the Second Circuit held that, although Rule 703 “permit[ted] experts some leeway” in basing their opinions on inadmissible evidence, “a party cannot call an expert simply as a conduit for introducing hearsay under the guise that the testifying expert used the hearsay as the basis of his testimony.” *Id.* at 136 (citation omitted). Rather, the court explained, “[t]he appropriate way to adduce factual details of specific past events is, where possible, through persons who witnessed those events.” *Id.*

Similarly, the Fifth Circuit has explained that “[c]ourts . . . must serve a gate-keeping function with respect to Rule 703 opinions to ensure ‘the expert isn’t being used as a vehicle for circumventing the rules of evidence.’” *Factory Mut. Ins. Co. v. Alon USA L.P.*, 705 F.3d 518, 524 (5th Cir. 2013) (quoting *In re James Wilson Assocs.*, 965 F.2d 160, 173 (7th Cir. 1992)). The court further explained that “Rule 703 ‘was not intended to abolish the hearsay rule and to allow a witness, under the guise of giving expert testimony, to in effect become the mouthpiece of the witnesses on whose statements or opinions the expert purports to base his opinion.’” *Id.* (citation omitted).

In *United States v. Tomasian*, 784 F.2d 782 (7th Cir. 1986), the Seventh Circuit held that the trial court correctly prevented an expert from testifying when the expert did not plan to offer his own opinion but, instead, planned to repeat the out-of-court opinion of another person. *Id.* at 786. The court explained that “Rule 703 does not sanction

the simple transmission of hearsay; it only permits an expert opinion based on hearsay.” *Id.*⁵

United States v. Rollins, 862 F.2d 1282 (7th Cir. 1989), cited in the advisory committee notes to Rule 703, is also informative. There, the Seventh Circuit noted that it would be “improper” to use an expert as a “mouthpiece” to relay hearsay to the jury but held that the expert could properly give testimony interpreting hearsay because experts in the relevant field “ordinarily relied” on hearsay in reaching their opinions. *Id.* at 1293.

Here, the district court concluded that the source code printout could not be admitted under Rule 703 because it was not authenticated and, as a result, Wi-LAN was attempting to use Rule 703 as a “backdoor” to allow the admission into evidence of otherwise inadmissible declarations and other materials simply because they might assist the jury’s evaluation of an expert’s opinions.” J.A. 31. We agree. Wi-LAN attempts to do exactly what is impermissible under Rule 703 by using its expert as a substitute for a fact witness to circumvent the rules of evidence to admit otherwise inadmissible evidence.

As to the second question (the admissibility of the expert’s testimony as to infringement), under Rule 703, “[d]ata relied on by the expert ‘need not be admissible for the opinion to be admitted’ if experts in the field would reasonably rely on such data.” *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, 711 F.3d 1348, 1373

⁵ See also *United States v. Smith*, 869 F.2d 348, 355 (7th Cir. 1989) (“It is, of course, true that an expert witness may not simply summarize the out-of-court statements of others as his testimony.”); *United States v. Lawson*, 653 F.2d 299, 302 (7th Cir. 1981) (“The Government could not, for example, simply produce a witness who did nothing but summarize out-of-court statements made by others.”).

(Fed. Cir. 2013) (quoting Fed. R. Evid. 703). “[I]t is the judge who makes the determination of reasonable reliance, and . . . for the judge to make the factual determination under Rule 104(a) that an expert is basing his or her opinion on a type of data *reasonably* relied upon by experts, the judge must conduct an independent evaluation into reasonableness.” *In re Paoli R.R. Yard PCB Litig.*, 35 F.3d 717, 748 (3d Cir. 1994). The burden to establish reasonable reliance is on the proponent of challenged expert testimony. *See id.* at 743–44, 747–48.

Wi-LAN argues that experts typically rely on material, like source code, in reaching opinions about infringement. That is obviously correct. But Wi-LAN has not made a showing that source code experts reasonably rely on unauthenticated source code printouts.

In support of its position, Wi-LAN cites *Factory Mutual Insurance Co. v. Alon USA L.P.*, contending that the case stands for the proposition that experts can reasonably rely on inadmissible evidence (out-of-court statements as to property value) to reach their conclusions as appraisers. There, the Fifth Circuit permitted the testimony “[i]n light of the deferential standard on appeal” because the expert “clearly state[d] that the sort of information relied upon here—the opinions of others—is the sort of information reasonably relied upon by appraisers.” 705 F.3d at 525. Wi-LAN points to no similar testimony by its expert here.

Wi-LAN’s conclusory statement that “the declarations and source code evidence are the type of information that an expert ‘would reasonably rely on . . . in forming an opinion’ under FRE 703,” J.A. 15,454, is not sufficient. *See Schuchardt v. President of the United States*, 802 F. App’x 69, 76 (3d Cir. 2020) (holding that simply asserting that certain “documents are the ‘type of data that experts in the intelligence community would typically and reasonably rely upon’” “provided no basis for the Court to conduct an

independent evaluation into reasonableness” under Rule 703).

The district court did not abuse its discretion in rejecting Wi-LAN’s theory under Federal Rule of Evidence 703.⁶

D

In light of these admissibility issues, Wi-LAN’s fallback position is that the district court should have granted it additional time to obtain an admissible version of the source code. We disagree. Wi-LAN had ample time to obtain the source code and to find custodial witnesses to authenticate the source code over the course of discovery but failed to do so.

Wi-LAN had been on notice since early 2016 that it was going to need the system-on-chip source code from third parties to prove its direct infringement case. Throughout the litigation, Wi-LAN repeatedly requested extensions of time to obtain the source code from the third-party manufacturers. Ultimately, however, Wi-LAN only procured a single printout version of the source code with declarations after suing the third-party manufacturers.

Wi-LAN, as the district court found, “had ample time and opportunities over years of litigation to obtain evidence of infringement from the [system-on-chip] manufacturers” but failed to do so. J.A. 32. Given this record, the district court did not abuse its discretion in denying Wi-LAN an additional opportunity to obtain an admissible form of the source code.

⁶ We have reviewed Wi-LAN’s other arguments concerning the admissibility of the source code printout and declarations and find them to be without merit.

II

With respect to the '250 patent, Wi-LAN challenges the district court's construction of two claim limitations: (1) "output multimedia data stream" and (2) "a multimedia processor, coupled to the data rate analyzer." We review a district court's ultimate claim construction *de novo* where, as here, there is no extrinsic evidence that bears on the claim construction. *Allegan Sales, LLC v. Sandoz, Inc.*, 935 F.3d 1370, 1373 (Fed. Cir. 2019).

The two limitations at issue appear in each of the asserted claims. Claim 1, the one asserted independent claim on which the other two asserted claims depend, provides:

1. In a system for combining input multimedia data streams to form an *output multimedia data stream*, an apparatus for adjusting rates of the input multimedia data streams comprising:

a data rate analyzer, coupled to the *output multimedia data stream*, for determining the data rate of the *output multimedia data stream*; and

a multimedia processor, coupled to the data rate analyzer, for comparing the determined *output multimedia data stream* data rate to a target output data stream data rate, and generating rate control signals for adjusting the data rates of the input multimedia data streams responsive to the comparison.

'250 patent, col. 9 ll. 28–41 (emphases added).

The district court construed "output multimedia data stream" to mean a "combined audio and video stream that are output from the system." J.A. 68. Wi-LAN argues that "the limitation imposed by the court's construction . . . — that it must be 'output from the system'—is not supported by any intrinsic evidence." Appellant's Br. 61. In

Wi-LAN's view, the district court's construction improperly limits the claims because the plain meaning of the term "is not restricted to any device or system." *Id.* at 61–62. We disagree.

The '250 patent's specification explains that the "claimed input multimedia data streams" are combined into a single output data stream within the claimed "integrated multimedia encoding system" and that that system transmits the data stream to other components of the larger computer system. *E.g.*, '250 patent, col. 3, ll. 14–19 ("The *output* of the integrated multimedia encoding system 120 *is transmitted to a communications device 112* for transporting the encoded and multiplexed data or a storage medium 116 for storage of the program or transport stream data, or a decoder for decoding the data for playback." (emphases added)); *id.* col. 4 ll. 14–17 ("The combined stream data 224 is stored back into the unified memory module 204. Bus 122 is used to access the combined stream data 224 *for transmission to other components* of the system 100." (emphasis added)).

The '250 patent's description of its figures adds further support for the district court's construction. For example, the specification explains that, in Figure 2, which "illustrates the [claimed] integrated multimedia encoding system 120," *id.* col. 3 ll. 23–24, "the combined stream data 224 for transmission to other components of the system 100." *Id.* col. 4 ll. 15–17. Similarly, the specification explains that, as illustrated in Figure 1, "[t]he output of the integrated multimedia encoding system 120 is transmitted to a communications device 112 for transporting the encoded and multiplexed data or a store medium 116 for storage of the program or transport stream data, or a decoder for decoding the data playback." *Id.* col. 3 ll. 14–19. The specification also describes Figure 7 as showing "the data 224 . . . temporarily [being] written back to memory 204, *for later transfer to* the communications device 112, or

other recipient of the Program or Transport Stream 224.” *Id.* col. 6 ll. 23–26 (emphasis added). In each of these examples, the output multimedia data stream is being output from the integrated multimedia encoding system. The district court’s construction of “output multimedia data stream” as a “combined audio and video stream that are output from the system” was correct.

Next, we address the construction of “a multimedia processor, coupled to the data rate analyzer.” The district court construed this limitation to mean “a multimedia processor connected to the data rate analyzer, where the multimedia processor is separate from, and not a sub-component of, the data rate analyzer.” J.A. 70. The district court’s construction was based on the patent’s consistent use of “coupled” “to refer to components that are not sub-components of each other” and “in” “to refer to components that could be sub-components of each other.” J.A. 71. Wi-LAN asserts that the district court “incorrectly limited the plain meaning of the term ‘couple’—i.e., ‘connected’—by further requiring ‘the multimedia processor [to be] separate from, and not a sub-component of, the data rate analyzer.’” Appellant’s Br. 63 (quoting J.A. 70). Further, Wi-LAN contends that the district court “improperly extracted a limitation from the specification based on exemplary embodiments without identifying evidence that the patentee intended the claims to be so limited, let alone evidence that would meet the strict standards for clear disavowal of claim scope.” Appellant’s Br. 64 (quoting J.A. 70–71). We reject Wi-LAN’s arguments and conclude that the district court’s construction of this limitation was correct.

CONCLUSION

For the reasons stated above, the district court’s judgment is affirmed.

AFFIRMED

United States Code Annotated
Federal Rules of Evidence (Refs & Annos)
Article VII. Opinions and Expert Testimony

Federal Rules of Evidence Rule 703, 28 U.S.C.A.

Rule 703. Bases of an Expert's Opinion Testimony

Currentness

An expert may base an opinion on facts or data in the case that the expert has been made aware of or personally observed. If experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject, they need not be admissible for the opinion to be admitted. But if the facts or data would otherwise be inadmissible, the proponent of the opinion may disclose them to the jury only if their probative value in helping the jury evaluate the opinion substantially outweighs their prejudicial effect.

CREDIT(S)

(Pub.L. 93-595, § 1, Jan. 2, 1975, 88 Stat.1937; Mar. 2, 1987, eff. Oct. 1, 1987; Apr. 17, 2000, eff. Dec. 1, 2000; Apr. 26, 2011, eff. Dec. 1, 2011.)

ADVISORY COMMITTEE NOTES

1972 Proposed Rules

Facts or data upon which expert opinions are based may, under the rule, be derived from three possible sources. The first is the firsthand observation of the witness with opinions based thereon traditionally allowed. A treating physician affords an example. Rheingold, *The Basis of Medical Testimony*, 15 Vand.L.Rev. 473, 489 (1962). Whether he must first relate his observations is treated in Rule 705. The second source, presentation at the trial, also reflects existing practice. The technique may be the familiar hypothetical question or having the expert attend the trial and hear the testimony establishing the facts. Problems of determining what testimony the expert relied upon, when the latter technique is employed and the testimony is in conflict, may be resolved by resort to Rule 705. The third source contemplated by the rule consists of presentation of data to the expert outside of court and other than by his own perception. In this respect the rule is designed to broaden the basis for expert opinions beyond that current in many jurisdictions and to bring the judicial practice into line with the practice of the experts themselves when not in court. Thus a physician in his own practice bases his diagnosis on information from numerous sources and of considerable variety, including statements by patients and relatives, reports and opinions from nurses, technicians and other doctors, hospital records, and X rays. Most of them are admissible in evidence, but only with the expenditure of substantial time in producing and examining various authenticating witnesses. The physician makes life-and-death decisions in reliance upon them. His validation, expertly performed and subject to cross-examination, ought to suffice for judicial purposes. Rheingold, *supra*, at 531; McCormick § 15. A similar provision is [California Evidence Code § 801\(b\)](#).

The rule also offers a more satisfactory basis for ruling upon the admissibility of public opinion poll evidence. Attention is directed to the validity of the techniques employed rather than to relatively fruitless inquiries whether hearsay is involved. See Judge Feinberg's careful analysis in *Zippo Mfg. Co. v. Rogers Imports, Inc.*, 216 F.Supp. 670 (S.D.N.Y.1963). See also Blum et al., *The Art of Opinion Research: A Lawyer's Appraisal of an Emerging Service*, 24 U.Chi.L.Rev. 1 (1956); Bonyng *Trademark Surveys and Techniques and Their Use in Litigation*, 48 A.B.A.J. 329 (1962); Zeisel, *The Uniqueness of Survey Evidence*, 45 Cornell L.Q. 322 (1960); Annot., 76 A.L.R.2d 919.

Rule 703. Bases of an Expert's Opinion Testimony, FRE Rule 703

If it be feared that enlargement of permissible data may tend to break down the rules of exclusion unduly, notice should be taken that the rule requires that the facts or data “be of a type reasonably relied upon by experts in the particular field.” The language would not warrant admitting in evidence the opinion of an “accidentologist” as to the point of impact in an automobile collision based on statements of bystanders since this requirement is not satisfied. See Comment, Cal.Law Rev.Comm'n, Recommendation Proposing an Evidence Code 148-150 (1965).

1987 Amendments

The amendment is technical. No substantive change is intended.

2000 Amendments

Rule 703 has been amended to emphasize that when an expert reasonably relies on inadmissible information to form an opinion or inference, the underlying information is not admissible simply because the opinion or inference is admitted. Courts have reached different results on how to treat inadmissible information when it is reasonably relied upon by an expert in forming an opinion or drawing an inference. Compare *United States v. Rollins*, 862 F.2d 1282 (7th Cir. 1988) (admitting, as part of the basis of an FBI agent's expert opinion on the meaning of code language, the hearsay statements of an informant), with *United States v. 0.59 Acres of Land*, 109 F.3d 1493 (9th Cir. 1997) (error to admit hearsay offered as the basis of an expert opinion, without a limiting instruction). Commentators have also taken differing views. See e.g., Ronald Carlson, *Policing the Bases of Modern Expert Testimony*, 39 Vand.L.Rev. 577 (1986) (advocating limits on the jury's consideration of otherwise inadmissible evidence used as the basis for an expert opinion); Paul Rice, *Inadmissible Evidence as a Basis for Expert Testimony: A Response to Professor Carlson*, 40 Vand.L.Rev. 583 (1987) (advocating unrestricted use of information reasonably relied upon by an expert).

When information is reasonably relied upon by an expert and yet is admissible only for the purpose of assisting the jury in evaluating an expert's opinion, a trial court applying this Rule must consider the information's probative value in assisting the jury to weigh the expert's opinion on the one hand, and the risk of prejudice resulting from the jury's potential misuse of the information for substantive purposes on the other. The information may be disclosed to the jury, upon objection, only if the trial court finds that the probative value of the information in assisting the jury to evaluate the expert's opinion substantially outweighs its prejudicial effect. If the otherwise inadmissible information is admitted under this balancing test, the trial judge must give a limiting instruction upon request, informing the jury that the underlying information must not be used for substantive purposes. See Rule 105. In determining the appropriate course, the trial court should consider the probable effectiveness or lack of effectiveness of a limiting instruction under the particular circumstances.

The amendment governs only the disclosure to the jury of information that is reasonably relied on by an expert, when that information is not admissible for substantive purposes. It is not intended to affect the admissibility of an expert's testimony. Nor does the amendment prevent an expert from relying on information that is inadmissible for substantive purposes.

Nothing in this Rule restricts the presentation of underlying expert facts or data when offered by an adverse party. See Rule 705. Of course, an adversary's attack on an expert's basis will often open the door to a proponent's rebuttal with information that was reasonably relied upon by the expert, even if that information would not have been discloseable initially under the balancing test provided by this amendment. Moreover, in some circumstances the proponent might wish to disclose information that is relied upon by the expert in order to “remove the sting” from the opponent's anticipated attack, and thereby prevent the jury from drawing an unfair negative inference. The trial court should take this consideration into account in applying the balancing test provided by this amendment.

This amendment covers facts or data that cannot be admitted for any purpose other than to assist the jury to evaluate the expert's opinion. The balancing test provided in this amendment is not applicable to facts or data that are admissible for any other purpose but have not yet been offered for such a purpose at the time the expert testifies.

Rule 703. Bases of an Expert's Opinion Testimony, FRE Rule 703

The amendment provides a presumption against disclosure to the jury of information used as the basis of an expert's opinion and not admissible for any substantive purpose, when that information is offered by the proponent of the expert. In a multi-party case, where one party proffers an expert whose testimony is also beneficial to other parties, each such party should be deemed a "proponent" within the meaning of the amendment.

GAP Report--Proposed Amendment to Rule 703

The Committee made the following changes to the published draft of the proposed amendment to Evidence Rule 703:

1. A minor stylistic change was made in the text, in accordance with the suggestion of the Style Subcommittee of the Standing Committee on Rules of Practice and Procedure.
2. The words "in assisting the jury to evaluate the expert's opinion" were added to the text, to specify the proper purpose for offering the otherwise inadmissible information relied on by an expert. The Committee Note was revised to accord with this change in the text.
3. Stylistic changes were made to the Committee Note.
4. The Committee Note was revised to emphasize that the balancing test set forth in the proposal should be used to determine whether an expert's basis may be disclosed to the jury either (1) in rebuttal or (2) on direct examination to "remove the sting" of an opponent's anticipated attack on an expert's basis.

2011 Amendments

The language of Rule 703 has been amended as part of the general restyling of the Evidence Rules to make them more easily understood and to make style and terminology consistent throughout the rules. These changes are intended to be stylistic only. There is no intent to change any result in any ruling on evidence admissibility.

The Committee deleted all reference to an "inference" on the grounds that the deletion made the Rule flow better and easier to read, and because any "inference" is covered by the broader term "opinion." Courts have not made substantive decisions on the basis of any distinction between an opinion and an inference. No change in current practice is intended.

[Notes of Decisions \(393\)](#)

Fed. Rules Evid. Rule 703, 28 U.S.C.A., FRE Rule 703
Including Amendments Received Through 5-1-21

United States Court of Appeals
for the Federal Circuit

Wi-LAN Inc. v. Sharp Elecs. Corp., No. 2020-1041

Wi-LAN Inc. v. VIZIO, Inc., No. 2020-1043

CERTIFICATE OF SERVICE

I, Daniel F. Olejko, certify that on **May 6, 2021**, I caused the foregoing **PLAINTIFF-APPELLANT'S COMBINED PETITION FOR PANEL RE-HEARING OR REHEARING EN BANC** to be electronically filed with the Clerk of Court using the CM/ECF System, which will serve via e-mail notice of such filing to all counsel registered as CM/ECF users, including the following:

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