

No. 10-290

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In the Supreme Court of the United States

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MICROSOFT CORPORATION,  
*Petitioner,*

v.

14I LIMITED PARTNERSHIP, *ET AL.*,  
*Respondent.*

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

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**BRIEF OF FÉDÉRATION INTERNATIONALE  
DES CONSEILS EN PROPRIÉTÉ  
INDUSTRIELLE AS *AMICUS CURIAE* IN  
SUPPORT OF NEITHER PARTY**

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## INTEREST OF *AMICUS CURIAE*

Pursuant to Supreme Court Rule 37, Fédération Internationale Des Conseils En Propriété Industrielle (“FICPI”) submits this brief as *amicus curiae* in support of neither party.<sup>1</sup> All parties were notified of FICPI’s intent to file this brief and their consents to this filing have been filed with this Court.

Established in 1906, FICPI is a Switzerland-based international and non-political association of approximately 5,000 intellectual property attorneys from over eighty countries, including the United States. See About FICPI, <http://www.ficpi.org/aboutframe.html> (follow “History-Future” hyperlink) (last visited Feb. 1, 2011). FICPI’s members are in private practice and their clients include individual inventors as well as large, medium and small companies. One of the members’ major roles is to advise inventors in intellectual property matters and secure protection for industrial innovation. FICPI supports predictable, balanced global protection of patents, the global harmonization of substantive patent law, and the interests of inventors and the U.S. Patent and Trademark Office (the “PTO”) in recognizing a fair scope of patent protection consistent with the claimed invention.

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<sup>1</sup> Pursuant to Supreme Court Rule 37.6, counsel for *Amicus Curiae* certifies that this brief was not written in whole or in part by counsel for any party, and that no person or entity other than *Amicus Curiae* or its counsel has made a monetary contribution to the preparation or submission of this brief.

FICPI is concerned that the Federal Circuit has created an inflexible bright-line rule with respect to the evidentiary standard for invalidating a patent that is neither supported by precedent nor prudent for the patent system.

FICPI's members serve the world's community of inventors in seeking protection for their inventions. Because many of its members are foreign practitioners, FICPI has a unique perspective on the global impact of a lower evidentiary standard for invalidating patents in the United States, long recognized as one of the most lucrative markets for patented inventions. In this vein, FICPI desires to ensure that its members' clients are afforded fair protection for their inventions, and therefore respectfully submits this brief in support of neither party.

## INTRODUCTION AND SUMMARY OF ARGUMENT

The law clearly requires that “[a] patent shall be presumed valid . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.” 35 U.S.C. § 282. With this underpinning, Congress recognized that issued patents should generally be afforded some degree of deference without defining any specific burden of proof necessary for a finding of invalidity or stating that the burden should be reduced in certain circumstances. In the decades that followed, the courts have variously grappled with the proper burden of proof, coming to different conclusions. Shortly after its establishment, the Federal Circuit drew from one quadrant of this body of law that favored establishing a clear and convincing evidentiary burden for the party seeking to invalidate. Thus, for the past quarter of a century, the clear and convincing standard has been the law of the land, regardless of circumstances and undisturbed by the Supreme Court. However, the Court’s decision in *KSR v. Teleflex*, 550 U.S. 398 (2007), called this practice into question, and the issue has finally been called up for decision.

However, the question of what deference is due to an issued patent is complicated, and must be informed by the facts and circumstances of each case. Bright-line rules and equivocal terms like “clear and convincing” lend themselves to abuse and jury confusion. On the other hand, subjecting all patents to the same “preponderance of the evidence” standard does violence to Congress’s express



mandate. A hybrid standard that shifts the burden to a preponderance whenever “more pertinent” evidence than what was before the patent office is presented likewise oversimplifies the analysis, unduly prejudicing patent owners.

Thus, FICPI urges the Court to strike down the Federal Circuit’s clear and convincing standard while rejecting any preponderance standard, or any bright-line burden shifting analysis. The proper burden of proof to be met by the challenger must be determined on a case-by-case basis using a familiar flexible approach.

## ARGUMENT

### I. BRIGHT LINE EVIDENTIARY STANDARDS ARE IMPROPER FOR AN INVALIDITY ANALYSIS.

#### A. The Case Law Does Not Call For a Bright-Line Standard

Since the enactment of § 282, this Court has not found it necessary to opine on the question presented. Even the Federal Circuit has acknowledged that “the case law was far from consistent—even contradictory—about the presumption” that the Statute codifies. *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1360 (Fed. Cir. 1984). In opposition to the Petition for Certiorari, Respondent essentially argued that the Court’s extended silence on the issue equates to an affirmation of the Federal Circuit’s practice of applying a clear and convincing evidence standard,

notwithstanding the conflicting decisions from other circuits and this Court. Whatever wisdom Respondent's view may have had, however, is belied by the Court's decision in *KSR*, 550 U.S. 398.

This Court has never seen fit to create a bright-line evidentiary rule for invalidating a patent. *Cf. Radio Corp. of Am. v. Radio Eng'g Labs. Inc.*, 293 U.S. 1, 2, 7-8 (1934). In *Radio Corp.*, the Court noted that past decisions on the issue, even those contemplating proof "beyond a reasonable doubt" to invalidate a patent, for example *Morgan v. Daniels*, 153 U.S. 120, 123 (1894), "were not defining a standard in terms of scientific accuracy or literal precision," but simply suggesting that something greater than "a dubious preponderance" was required. *See* 293 U.S. at 8. The Court thus understood that a mere preponderance is not sufficient to defeat an issued patent's presumed validity. By the same token, the Court expressed an unwillingness to inflexibly define the quantum of proof necessary.

The Federal Circuit is keen on imposing bright-line standards where a more nuanced analysis is preferred, but this Court has consistently rejected the Federal Circuit's overtly simplistic approaches. *See, e.g., Bilski v. Kappos*, 129 U.S. 2735 (2010) (rejecting bright-line test for patent-eligible subject matter); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002) (rejecting bright-line test for prosecution history estoppel); *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008) (rejecting bright-line rule that unilateral notice to customers is not sufficient to prevent a

patent from being exhausted upon first authorized sale); *KSR*, 550 U.S. 398 (2007) (rejecting bright-line test for obviousness); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) (rejecting a bright-line presumption of injunctive relief where patent is found valid and infringed); *Pfaff v. Wells*, 525 U.S. 55 (1998) (rejecting a bright-line test to determine whether there is an “invention” based on a reduction to practice).

#### B. Definitional Vagaries Make Bright-Line Standards Impractical and Confusing

That “clear and convincing” happens to be the third and final arrow in the legal lexicon’s quiver of evidentiary standards should not mean that it is by default suitable when the other two are not. The concept of “clear and convincing evidence” is, perhaps necessarily, a relatively amorphous concept, requiring a degree of certainty by the fact finder that is greater than “a preponderance of the evidence” (generally accepted as little more than fifty-fifty), but less than “beyond a reasonable doubt,” itself a standard that escapes precise definition.

Considering the fluidity of the “clear and convincing” standard, lowering the required evidentiary showing for invalidity to a preponderance of the evidence may be equivalent to allowing, as per current Federal Circuit practice, such new prior art to meet a heightened burden. *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1549 (Fed. Cir. 1983). In other words, reducing the size of a glass can cause an overflow just as pouring more water into it can. If both the size of the glass, *i.e.*, the evidentiary standard, and the amount of water inside, *i.e.*, the

weight of the evidence presented to support invalidity, are subjectively and imprecisely measured by the trier of fact, the question of whether a preponderance or a clear and convincing standard applies becomes a meaningless semantic quibble. Nonetheless, the public would be well served in minimizing the linguistic hurdles faced by non-expert juries that are required to decide the fate of patents deemed valuable enough to stake millions of dollars in litigating.

C. A Default Preponderance Standard Fails to Afford Issued Patents their Congressionally-Mandated Presumption of Validity

The preponderance of evidence standard is the most easily defined and least subjective, being a simple balance of probabilities. However, its use as a default standard, as urged by some *amici*, would also unduly prejudice patentees. A preponderance standard would deprive a patentee of the value of his invention even where the evidence for invalidity is only a hair stronger than the counterevidence, with no deference afforded the patent office's determination of patentability. Such a result flies in the face of the clear language of § 282.

D. The Shifting Burden of Proof Urged by Petitioner Fails To Balance the Interests of Patentee and Alleged Infringer

Even in a situation where the court determines that "more pertinent" prior art that was not presented to the patent office serves as a basis for

attacking the patent's validity, stripping the aegis of § 282's presumption of validity is an unnecessarily harsh remedy. *See W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553 (Fed. Cir. 1983). There is a spectrum of prior art that can be considered "more pertinent" than that which was considered by the patent office in issuing a patent. Some "more pertinent" art may simply create a nuanced argument for a narrowing of a claim at issue that has only marginal bearing on the alleged infringement, while other "more pertinent" art could completely destroy the claims. It all depends on the specific facts and circumstances at bar. On the other hand, a bright line rule that shifts the burden of proof to a preponderance standard where "more pertinent" art surfaces uniformly puts the patentee at the peril of a coin's throw.

E. A Bright-Line Clear and Convincing Standard Fails to Account for Dissimilar Procedures by Which Patents are Issued

Maintaining the Federal Circuit's clear and convincing evidence standard, applied in all circumstances with respect to patent validity, is likewise undesirable, as our overburdened patent office continues to churn out a large volume of patents, where a reliably high percentage of such patents destined for a judicial determination on validity, are found to have invalid claims. The rigor with which a patent is examined by the patent office may vary widely based on a number of factors, from the crowdedness of the relevant field, the policies of the examiner and art unit in question, the quality, knowledge, and effectiveness of typically newly-

approved and little tested first year examiners, to the huge backlog present in the patent office. *Cf. Williams Mfg. Co. v. United Shoe Mach. Corp.*, 316 U.S. 364, 392 (1942) (Black, J., dissenting) (“The public . . . are represented only insofar as the enormous volume of business permits the examining staff of the Patent Office to watch out for the public interest.”) Some patents may be issued without a single office action, while others may have been carefully honed through multiple amendments, continuations, and even reexamination, all of which can be very lengthy, costly and burdensome proceedings vis-à-vis the patent that issues. Thus, affording all patents an equal presumption of validity is incongruous with the often dissimilar scrutiny with which they receive the patent office’s “seal of approval.”

F. The Proper Standard of Proof Must Be Determined on a Case-By-Case Basis

Given the wide variance of the relevant circumstances and the potentially confusing nature of terminology, the Court should maintain its aversion to establishing any bright line rule for the evidentiary standard necessary to invalidate a patent, whether the Federal Circuit’s clear and convincing evidence standard or the preponderance standard urged by the Petitioner. A standard of proof that varies based on the totality of the circumstances has been found to be a useful tool where the application of a heightened standard may be warranted in some occasions but not others. *See U.S. v. Pike*, 473 F.3d 1053, 1057 (9th Cir. 2007) (applying a totality of the circumstances analysis to

determine whether a clear and convincing evidence or preponderance standard applies to a finding that a sentencing enhancement would have an extremely disproportionate effect) (*cert. denied*, 128 S. Ct. 256 (2007)).<sup>2</sup>

## CONCLUSION

For the foregoing reasons, the judgment of the court of appeals should be reversed.

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<sup>2</sup> An evidentiary standard that depends on the circumstances is moreover consistent with *Pfaff v. Wells*, the case in which this Court established the “ready for patenting” test for the on-sale bar defense. 525 U.S. 55 (1998). The *Pfaff* Court adopted a two-part analysis for the on-sale bar that requires the party raising the defense to produce “proof of reduction to practice before the critical date” or “proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention.” *Id.* at 67-68. Although *Pfaff* criticized the Federal Circuit’s use of a totality of the circumstances approach under the former “substantially complete” test, *id.* at 67 n.11, the question of what evidentiary burden is faced by the party asserting the on-sale bar defense is not addressed.

