

IN THE
Supreme Court of the United States

HALO ELECTRONICS, INC.,

Petitioner,

v.

PULSE ELECTRONICS, INC. AND
PULSE ELECTRONICS CORPORATION,

Respondents.

STRYKER CORPORATION, STRYKER PUERTO
RICO, LTD., AND STRYKER SALES CORPORATION,

Petitioners,

v.

ZIMMER, INC. AND ZIMMER SURGICAL, INC.,

Respondents.

ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE FEDERAL CIRCUIT

**BRIEF OF PUBLIC KNOWLEDGE, THE ELECTRONIC
FRONTIER FOUNDATION, AND ENGINE ADVOCACY
AS *AMICI CURIAE* IN SUPPORT OF NEITHER PARTY**

DANIEL NAZER
ELECTRONIC FRONTIER
FOUNDATION
815 Eddy Street
San Francisco, CA 94109
(415) 436-9333
daniel@eff.org

CHARLES DUAN
Counsel of Record
PUBLIC KNOWLEDGE
1818 N Street NW, Suite 410
Washington, DC 20036
(202) 861-0020
cduan@publicknowledge.org

Counsel for amici curiae

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INTEREST OF *AMICI CURIAE*

Public Knowledge¹ is a non-profit organization that is dedicated to preserving the openness of the Internet and the public's access to knowledge, promoting creativity through balanced intellectual property rights, and upholding and protecting the rights of consumers to use innovative technology lawfully. Public Knowledge advocates on behalf of the public interest for a balanced patent system, particularly with respect to new and emerging technologies.

The Electronic Frontier Foundation ("EFF") is a non-profit civil liberties organization that has worked for over 25 years to protect consumer interests, innovation, and free expression in the digital world. EFF and its more than 22,000 dues-paying members have a strong interest in helping the courts ensure that intellectual property law serves the public interest.

Engine Advocacy has worked with the White House, Congress, federal agencies, and state and local governments to discuss policy issues, write legislation, and introduce the tech community to Washington insiders. Engine Advocacy conducts research, organizes events, and spearheads campaigns to educate elected officials, the entrepreneur community and the general public on issues vital to fostering technological innovation.

¹Pursuant to Supreme Court Rule 37.3(a), the *Stryker* parties have consented to the filing of this brief; the *Halo* parties have granted blanket consent for all briefs. Pursuant to Rule 37.6, no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of the brief. No person or entity, other than *amici*, their members, or their counsel, made a monetary contribution to the preparation or submission of this brief.

Public Knowledge, the Electronic Frontier Foundation, and Engine Advocacy have previously served as *amici* in key intellectual property cases. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014); *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014); *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014).

SUMMARY OF ARGUMENT

Kate Doerksen had an idea. Just out of business school, she wanted to build a virtual reality system for trying on glasses. She raised funds, hired software developers, and launched a service in April 2012 to great success. The *New York Times Style Magazine* praised the concept; investors backed it with \$3 million in capital.

Only ten months later, Doerksen found herself the defendant against a patent bought by a competitor apparently for the specific purpose of obstructing her business. She laid off employees, delayed product development, and almost sold the company far under value. The threat of already strong patent remedies coupled with the looming prospect of protracted litigation nearly deprived her of her business, and nearly deprived the world of a useful and innovative service.

As this Court contemplates the appropriate role of enhanced damages in patent infringement lawsuits, it should bear in mind situations like that of Kate Doerksen, which are unfortunately all too common. The patent system is filled with those who use patents not as a shield of protection but rather as a sword to threaten operating businesses. Some, like that in Doerksen's case, are competitors seeking to cement their market dominance; others exist "primarily for obtaining licensing fees," as Jus-

tice Kennedy has observed. In either situation, the effect on targeted businesses is the same: the prospect of high litigation costs and damages can force smaller targets of such demands to acquiesce or, worse, close up shop.

To remove key limitations on the availability of enhanced damages under § 284, as Petitioners seek, would only worsen those prospects of insurmountable costs and increase the abusive and unnecessary pressure placed on those small companies. Indeed, between 1983 and 2007, the Federal Circuit *did* remove some of those limitations on § 284. This resulted in a state of the law widely considered to be disastrous. All to deal with an uncertain possibility of treble damages, companies in that period were forced to obtain expensive opinion letters, to waive attorney-client privilege during litigation, and even to avoid reading patents to gain knowledge. This is not an episode of history that this Court should want to repeat.

Amici do not take a position on the correct interpretation of § 284, but do believe that any proper construction should limit enhanced damages in at least the following three ways: district court discretion should not be left unbounded, subjective bad faith should be required, and a reasonable belief in invalidity should avoid a finding of bad faith.

First, this Court should avoid giving district courts wholesale discretion over awards of enhanced damages, to avoid exacerbating a longstanding problem of forum shopping in patent cases. Patentees enjoy nearly unconstrained control over the forum of infringement suits, and they clearly prefer one federal district, the Eastern District of Texas. The concentration of suits in one forum is concerning in itself, and even more concerning is the possibility that the district's rules and practices skew to-

ward patentees. Unbridled discretion over enhancement of damages would only widen the incentives toward this unproductive forum shopping behavior.

Second, any standard for enhanced damages should at least require a showing of the infringer's subjective bad faith. Treble damages are punitive, not compensatory. In wide-ranging areas of the law, this Court and others have stated that punitive damages must be attributable to culpable conduct. Imputing at least a subjective bad faith requirement to § 284 would make patent law consistent with other areas and, more importantly, would help to protect small companies from abusive threats.

Third, if a party has a good faith, reasonable belief that a patent is invalid, then courts should not impute bad faith upon such a party to the point of warranting enhanced damages. Given the prevalence of invalid patents, it would be inefficient and unfair to demand that a company avoid infringing any patent it encounters under penalty of treble damages, no matter how facially invalid that patent may be. Furthermore, this Court has long recognized the public need to encourage challenges to patent validity. To permit for increased, punitive damages against one who raises a serious challenge to patent validity would greatly discourage parties from mounting such challenges.

To make their case for expanding enhanced damages, Petitioners and *amici* supporting them describe a world of intentional copyists who steal patentees' ideas. But that is not the world of today. Examples of intentional copying are incredibly rare, even among litigated cases; these are not the paradigms this Court should be looking for to develop a general interpretation of § 284.

Instead, this Court should focus on the predominant situation: a company—often a small one, often an innovative one—blindsided by an unexpected infringement allegation, a questionable patent, and a demand for settlement in the shadow of an increasingly expensive litigation system. There is already little respite for such a company. Section 284 should not make it worse.

ARGUMENT

Without taking a position as to whether the particular Federal Circuit rule is correct, *amici* are concerned that the bar to obtaining enhanced patent damages under 35 U.S.C. § 284 remain sufficiently high and certain, for at least the following reasons.

I. THE REGULAR USE OF PATENTS AS INSTRUMENTS OF THREATS AGAINST SMALL COMPANIES COUNSELS AGAINST EXPANDING ENHANCED DAMAGES

In considering Petitioners' bid for increased patent remedies in the form of expanded enhanced damages, this Court should consider the effect that such an expansion would have on small companies who are threatened by patent asserters, frequently abusive ones. This situation is unfortunately common, and yet it is largely ignored by Petitioners, whose arguments narrowly focus on litigation effects rather than pre-litigation practice.

Today, patents are not used solely for their original purpose as protection for inventors; more often they are asserted as weapons to threaten others, frequently in an abusive manner. Most notable are “patent assertion entities”; as Justice Kennedy described them, an “industry has developed in which firms use patents . . . primarily

for obtaining licensing fees.” *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 396 (2006) (Kennedy, J., concurring), quoted in *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920, 1930 (2015). Many such entities take advantage of overbroad, indefinite patents combined with the high costs of litigation defense in an abusive scheme to force businesses into settlements.²

But equally problematic are incumbent companies who seek to use patents to suppress innovative new market entrants, a practice described as “patent predation.” Colleen V. Chien, *Of Trolls, Davids, Goliaths, and Kings: Narratives and Evidence in the Litigation of High-Tech Patents*, 87 N.C. L. Rev. 1571, 1587 (2009). The story of Kate Doerksen’s company fits this pattern. Her company, Ditto.com, developed a new and highly praised virtual-reality glasses shopping system.³ One month later, the \$900 million company 1-800-Contacts purchased a patent, initiating an infringement lawsuit

²See, e.g., *Eon-Net LP v. Flagstar Bancorp*, 653 F.3d 1314, 1327 (Fed. Cir. 2011) (patentee “acted in bad faith by exploiting the high cost to defend complex litigation to extract a nuisance value settlement”); Paul R. Gugliuzza, *Patent Trolls and Preemption*, 101 Va. L. Rev. 1579, 1581 (2015) (describing entities who “assert patents against numerous potential infringers, relying on the high cost of threatened litigation to extract quick settlements”); see also U.S. Gov’t Accountability Office, *GAO-13-465, Intellectual Property: Assessing Factors that Affect Patent Infringement Litigation Could Help Improve Patent Quality* 28 (2013), available at URL *supra* p. xii (noting “unclear and overly broad patents” as a key factor contributing to patent litigation); James Bessen & Michael J. Meurer, *Patent Failure* 164 (2008) (“[T]he deterioration of the notice function might be the central factor fueling the growth in patent litigation”).

³See Lydia Dishman, *Site to Be Seen: Ditto.com*, N.Y. Times Style Mag. (Oct. 12, 2012), URL *supra* p. viii; Ingrid Lunden, *Ditto Picks Up \$3 Million from August Capital, Others for Its Virtual, 3D Eyeglasses Sales Site*, TechCrunch (Apr. 26, 2012), URL *supra* p. x.

eight months thereafter. Defendant Ditto Technologies, Inc.’s Motion to Dismiss at 6, *1-800 Contacts, Inc. v. Ditto Techs., Inc.*, No. 2:13-cv-145 (D. Ut. Apr. 29, 2013).

In either case, this dark side of the patent system has real impacts on small companies. While a large company can afford the legal analysis to respond to a patent assertion, smaller ones cannot, and so they are forced to give up business lines, cut employees, or even close shop. See Colleen Chien, *Startups and Patent Trolls*, 17 Stan. Tech. L. Rev. 461, 474–75 & fig.1 (2014), available at URL *supra* p. viii. Entrepreneurs described receiving a patent demand as a “death knell” for a prefunded company. See *id.* at 474. And these cases are not out of the ordinary, as small companies are favorite targets of patent assertion.⁴

Enhanced damages expanded too far would only enhance these problematic threats to small technology businesses and the public, and so this Court should seek to cabin § 284 to avoid this concern. To make enhanced damages fully discretionary and devoid of sufficient constraints, as Petitioners seek, would allow abusive patent asserters to heighten their demands, leading to unnecessary disincentives to innovation. These unfortunate results are no mere speculation: history shows that they occurred during a brief period when the Court of Appeals for the Federal Circuit erroneously lowered the bar to obtaining enhanced damages. To prevent those same results from recurring today, this Court should take care not to lower the bar again.

⁴One survey found that 82% of defendants to patent suits brought by non-practicing entities were companies with revenues of less than \$100 million. James Bessen & Michael J. Meurer, Essay, *The Direct Costs from NPE Disputes*, 99 Cornell L. Rev. 387, 398 (2014). Another found that 55% of defendants to patent assertion entities make \$10 million or less. Chien, *supra*, at 464.

A. HISTORY SHOWS THE DEVASTATING RESULT OF EXPANDING ENHANCED DAMAGES

The history of enhanced damages in patent law instructively reveals the substantial problems caused by lowering the threshold to those enhanced damages. This is because, for a brief period, the Federal Circuit did in fact lower that threshold, causing numerous problems for a 24-year period before the offending decision was corrected.

In *Seymour v. McCormick*, this Court recognized a willfulness requirement in the then-prevailing enhanced damages statute. See 57 U.S. 480, 488–89 (1854). This willfulness requirement would remain undisturbed for over a century. See, e.g., *Union Carbide Corp. v. Graver Tank & Mfg. Co.*, 282 F.2d 653, 675 (7th Cir. 1960). See generally Matthew D. Powers & Steven C. Carlson, *The Evolution and Impact of the Doctrine of Willful Patent Infringement*, 51 Syracuse L. Rev. 53, 69 & n.95 (2001) (listing cases in accord).

But in 1983, the Court of Appeals for the Federal Circuit changed this general requirement of willfulness. In *Underwater Devices Inc. v. Morrison-Knudsen Co.*, that court held that a potential infringer “has an affirmative duty to exercise due care to determine whether or not he is infringing.” 717 F.2d 1380, 1389 (Fed. Cir. 1983). The Court of Appeals indeed went further, stating that such a duty “includes, *inter alia*, the duty to seek and obtain competent legal advice from counsel *before* the initiation of any possible infringing activity.” *Id.* at 1390 (emphases in original). This decision “significantly increase[d] the likelihood of a willful infringement finding.” John J. Pavlak, *The Increasing Risk of Willful Patent Infringement*, 65 J. Pat. Off. Soc’y 603, 603 (1983).

This change to the doctrine of willfulness immediately caused serious problems. The opinion letters required by *Underwater Devices* could easily cost up to \$100,000 per patent.⁵ Obviously this is a significant cost for even a large business, but for small businesses a \$100,000 expense could be business-terminating. “Smaller, start-up companies may not have the internal resources to evaluate patents,” commentators wrote. Powers & Carlson, *supra*, at 102. Thus, one practitioner described the *Underwater Devices* doctrine as “bad for start-ups.” Alexander E. Silverman, *Intellectual Property Law and the Venture Capital Process*, 5 Berkeley Tech. L.J. 157, 163 (1990).

Furthermore, reliance on such an opinion letter in litigation automatically waived attorney-client privilege. See *In re EchoStar Commc’ns Corp.*, 448 F.3d 1294, 1299 (Fed. Cir. 2006). So companies in litigation were forced into a “Hobson’s choice” between waiving attorney-client privilege to reveal the opinion letter on the one hand, and facing an inference of willfulness due to concealing the letter on the other hand. See Christopher B. Seaman, *Willful Patent Infringement and Enhanced Damages After In Re Seagate: An Empirical Study*, 97 Iowa L. Rev. 417, 427 (2012); Mark A. Lemley & Ragesh K. Tangri, *Ending Patent Law’s Willfulness Game*, 18 Berkeley Tech. L.J. 1085, 1099–108 (2003) (noting numerous problems created by such waiver of privilege).

⁵See Powers & Carlson, *supra*, at 102; Mark A. Lemley & Ragesh K. Tangri, *Ending Patent Law’s Willfulness Game*, 18 Berkeley Tech. L.J. 1085, 1092 (2003); Edwin H. Taylor & Glenn E. Von Terseh, *A Proposal to Shore Up the Foundations of Patent Law That the Underwater Line Eroded*, 20 Hastings Comm. & Ent. L.J. 721, 740 (1998).

And *Underwater Devices* oddly “create[d] a strong incentive not to read patents.” Lemley & Tangri, *supra*, at 1100. This contradicted the intended purpose of patent disclosures as “additions to the general store of knowledge,” *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 481 (1974), because it dissuaded the public from looking at that store of knowledge. See Jeanne C. Fromer, *Patent Disclosure*, 94 Iowa L. Rev. 539, 587–88 (2009).

Such concerns led Federal Circuit Judge Dyk and others to observe that “the imposition of the due care requirement has produced nothing of benefit to the patent system.” *Knorr-Bremse Systeme fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1351 (Fed. Cir. 2004) (Dyk, J., concurring and dissenting); see also Fed. Trade Comm’n, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* 29 (2003), available at URL *supra* p. viii (in *Underwater Devices* era, “the willfulness doctrine drew few defenders”).

The ongoing harms and criticisms of the *Underwater Devices* rule led the Court of Appeals to change course and return to the original high bar of willfulness. In *Knorr-Bremse*, the appeals court held that, in claims for enhanced damages, no negative inference should be drawn for failure to obtain an opinion of counsel. See 383 F.3d at 1341. This overruled a portion of *Underwater Devices*. See *Knorr-Bremse*, 383 F.3d at 1341.

Underwater Devices was fully overruled by *In re Seagate Technology, LLC*. See 497 F.3d 1360, 1371 (Fed. Cir. 2007). The Federal Circuit found that the prior standard both “fails to comport with the general understanding of willfulness in the civil context” and “allows for punitive damages in a manner inconsistent with Supreme Court precedent.” *Id.* The appeals court thus reestablished the

original standard for enhanced damages, following parallel copyright law and this Court’s related precedents. *See id.* at 1370–71.

The *Underwater Devices* world of expensive opinion letters and fear of reading patents is not one that this Court should seek to revive. Accordingly, this Court should carefully consider whether Petitioners’ bid to lower the threshold to enhanced damages would create the kinds of problems seen in that episode of history.

B. A LOWER THRESHOLD TO ENHANCED DAMAGES WOULD INCREASE THE THREAT VALUE OF ABUSIVE PATENT DEMANDS

This Court should be cautious in removing limitations on the scope of enhanced damages, because the effect of doing so is not merely to alter the balance of outcomes in fully litigated cases. The more prominent effect is to augment the *ex ante* threat value of patent assertion exploited by patent asserters, particularly abusive ones.

In the parallel context of injunctive relief, this Court has recognized how excessive patent remedies can engender excessive threats. In *eBay*, Justice Kennedy observed that in many cases “the threat of an injunction is employed simply for undue leverage in negotiations.” 547 U.S. at 396 (Kennedy, J., concurring). Consequently, this Court saw fit to limit the availability of injunctions. *See id.* at 394 (majority op.).

And Justice Kennedy’s general view was made particular in the case of Kate Doerksen. After her competitor launched a patent lawsuit seeking an injunction against her company, Doerksen had to lay off employees and redirect funds away from product marketing toward litigation costs; the process apparently devalued the company

by between \$3 and \$4 million. *See* Colleen V. Chien, New Am. Found., *Patent Assertion and Startup Innovation* 49 (2013), URL *supra* p. viii. The potential threat of a strong remedy had immediate negative consequences for business and innovation.

Similar to injunctions, overbroad enhanced damages would make abusive patent demands more powerful and thus more problematic in several ways.

For example, Petitioners lament that infringers are being let “off the hook” because they can raise an “after-the-fact defense” to infringement, intimating that this should not be the case. Halo Br. 24; Stryker Br. 49. But the alternate situation that Petitioners seek, where only defenses developed at the time of infringement can count, would give patent demands the excess power they enjoyed under *Underwater Devices*: the power to force parties to seek immediate advice of counsel. Such a situation would force a difficult quandary on small companies lacking the budget for \$100,000 opinion letters.⁶

Petitioners also argue that enhanced damages under § 284 may be awarded for compensatory rather than punitive purposes. Stryker Br. 42; *see also* Halo Br. 15. Besides being wrong on the law, *see* Section II.B *infra* p. 18, the possibility of treble damages even absent punishably culpable conduct would intensely magnify patent threats. The thought that a company could owe *more* than its

⁶Those budgets are sometimes indeed very small. The renowned startup incubator Y Combinator originally offered new companies an initial budget of merely \$11,000 plus \$3,000 per founder. Tomio Geron, *Y Combinator’s Paul Graham On The \$150K Per Start-Up Offer*, Wall St. J. (Feb. 1, 2011), URL *supra* p. ix. Venture capital investor Fred Wilson recommends a “burn rate” of only \$50,000 per month in the initial stages of product development. Fred Wilson, *Burn Rates: How Much?*, AVC (Dec. 12, 2011), URL *supra* p. xii.

own profits even for unwitting conduct would force some to submit to patent asserters' demands, and it would frighten others away from engaging in innovation in the first place.

Petitioners try strenuously to assuage these fears, hypothesizing that their liberal approach to § 284 “will not open a Pandora’s box of runaway trebling.” Halo Br. 28. But they exclusively focus on enhanced damages at the end stages of litigation; they ignore the *ex ante* effects on patent litigation threats that may never see a courtroom. At that pre-litigation stage, their unconstrained reading of § 284 leads to uncertainty; uncertainty leads to fear; fear leads to discouragement of innovation. A sufficiently rigorous and clearly defined bar to enhanced damages is necessary to avoid this.

II. A RIGOROUS BAR TO ENHANCED DAMAGES IS NECESSARY TO AVOID THESE PUBLIC HARMS

To avoid these negative consequences, awards of enhanced damages under § 284 should be subject at least to the following minimum requirements.

A. DISTRICT COURT DISCRETION SHOULD BE CABINED TO AVOID EXACERBATING AN ALREADY TROUBLING FORUM SHOPPING SITUATION

This Court should not accept Petitioners’ invitation to give district judges full discretion over enhanced damages. The patent system already suffers from a notorious problem of forum shopping, and greater discretion over damage awards would only worsen that problem.⁷

⁷It is certainly the case that many aspects of patent law are left to the discretion of trial judges. *See, e.g., Highmark Inc. v. Allcare*

1. A “renegade” jurisdiction with a “tilt in one direction,” as certain Justices have suggested,⁸ the Eastern District of Texas has quickly become known as the venue of choice for patent lawsuits. Under current Federal Circuit law,⁹ patentees enjoy near-total control over which forum will hear their infringement suits. And patentees consistently flock to that one court: 44% of patent cases filed in the first half of 2015 went to the Eastern District

Health Mgmt. Sys., Inc., 134 S. Ct. 1744, 1749 (2014). But that need not be the case here. As argued below, enhanced damages should require a showing of intent. See Section II.B *infra* p. 18. Determinations of intent, as this Court has recognized, are questions of law fully amenable to appellate *de novo* review. See *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011). Additionally, the facts for establishing enhanced damages generally will predate the litigation, meaning that the trial judge’s familiarity with the litigants’ conduct will be of less relevance.

⁸Transcript of Oral Argument at 11–12, *eBay*, 547 U.S. 388 (Mar. 29, 2006) (No. 05-130).

⁹Ordinarily, the limitations of venue and the opportunity for declaratory judgment cabin the possibility of forum shopping. But the Federal Circuit has interpreted patent venue to effectively lie nationwide against accused infringers selling products nationally. See *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1584 (Fed. Cir. 1990). Conversely, the Federal Circuit has interpreted personal jurisdiction for declaratory judgment actions very narrowly, allowing accused infringers little choice in forum for such actions. See *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1361 (Fed. Cir. 1998). See generally Megan M. La Belle, *Patent Litigation, Personal Jurisdiction, and the Public Good*, 18 Geo. Mason L. Rev. 43, 69–81 (2010). The combination of these rulings gives patentees near total choice of forum. Of note, these rulings appear to be questionable on the law, and *amici* are challenging them in separate proceedings. See, e.g., Brief of Amici Curiae Electronic Frontier Foundation, Public Knowledge, and Engine Advocacy in Support of Petitioner at 10, *In re TC Heartland, LLC*, No. 16-105 (Fed. Cir. Oct. 29, 2015) (seeking reversal of *VE Holding*).

of Texas, a remarkable volume for a district encompassing barely a percent of the nation's population. See Brian C. Howard, *2015 First Half Patent Case Filing Trends*, Lex Machina (July 14, 2015), URL *supra* p. ix.¹⁰

In particular, non-practicing entities who primarily focus on monetizing patents show the strongest preference for the Eastern District of Texas. See, e.g., U.S. Gov't Accountability Office, *GAO-13-465, Intellectual Property: Assessing Factors that Affect Patent Infringement Litigation Could Help Improve Patent Quality* 24 (2013), available at URL *supra* p. xii (patent monetization entities "filed more lawsuits in the Eastern District of Texas than other types of plaintiffs); Yan Leychkis, *Of Fire Ants and Claim Construction: An Empirical Study of the Meteoric Rise of the Eastern District of Texas as a Preeminent Forum for Patent Litigation*, 9 Yale J.L. & Tech. 193, 214 (2007) ("[M]any such 'trolls' have shown a clear preference for the Eastern District over other venues.").

The existence of a single preferred patent forum is troubling in itself, as it "conjures negative images of a manipulable legal system in which justice is not imparted fairly or predictably." Kimberly A. Moore, *Forum Shopping in Patent Cases: Does Geographic Choice Affect Innovation?*, 79 N.C. L. Rev. 889, 892 (2001). But a truly problematic possibility is that the forum may actively want more patent cases and thus engage in practices to make itself more favorable to plaintiffs.

Several scholars contend that the patentee popularity of the Eastern District of Texas is due to forum-specific rules particularly favorable to patentees, a practice that some call "forum selling." See Daniel Klerman & Greg

¹⁰Based on 2010 Census figures, the district's population was 3.5 million, while the total U.S. population was 309 million.

Reilly, *Forum Selling*, 2015 S. Cal. L. Rev. (forthcoming) (manuscript at 3–4), URL *supra* p. ix; J. Jonas Anderson, *Court Competition for Patent Cases*, 163 U. Pa. L. Rev. 631, 634 (2015) (theorizing that “forum shopping in patent law is driven, at least in part, by federal district courts competing for litigants”). They note a number of factors that would motivate the judges of that district to want to draw in more patent cases, including personal intellectual interests, increased prestige, better allocations of judicial budgetary resources, and local economic growth, *see* Anderson, *supra*, at 661–66; Klerman & Reilly, *supra*, at 26–29; all of these motivations appear to be supported by the facts.

Indeed, the Eastern District of Texas judges have adopted numerous procedural rules that favor patentees. They have imposed barriers to summary judgment.¹¹ They have joined unrelated defendants and limited their collective argument papers.¹² And they have refused to transfer cases under 28 U.S.C. § 1404 to the point that their superior appellate court has issued the extraordinary writ of mandamus *nineteen times since 2008* to reject denials of venue transfers.¹³

¹¹For example, Judge Gilstrap requires a round of letter briefs seeking permission to file any summary judgment motion. *See* Klerman & Reilly, *supra*, at 11 n.41 (citing judges’ standing orders); Lionel M. Lavenue et al., *New E.D. Tex. Procedural Hurdle for Early Alice-Based Dispositive Motions*, Finnegan (Sept. 25, 2015), URL *supra* p. ix.

¹²*See* Klerman & Reilly, *supra*, at 15–16.

¹³*See In re Google Inc.*, No. 15-138, 2015 WL 5294800 (Fed. Cir. July 16, 2015); *In re Apple, Inc.*, 581 F. App’x 886 (Fed. Cir. 2014) (per curiam); *In re Nintendo of Am., Inc.*, 756 F.3d 1363 (Fed. Cir. 2014); *In re Toyota Motor Corp.*, 747 F.3d 1338 (Fed. Cir. 2014); *In re Toa Techs, Inc.*, 543 F. App’x 1006 (Fed. Cir. 2013); *In re Nintendo Co.*, 544 F. App’x 934 (Fed. Cir. 2013); *In re Google Inc.*, 588 F. App’x 988 (Fed.

It should be greatly concerning for a district court to adopt practices—especially practices favoring one side—in order to attract certain plaintiffs. Such a possibility should strongly caution against interpretations of laws that would encourage or expand the practice of forum shopping in patent cases.

2. Wide discretion for district judges over § 284, as Petitioners seek, would substantially worsen this ongoing problem of forum shopping in patent cases.

Undoubtedly certain courts will be more inclined to grant enhanced patent damages, and one would expect patentees to flock to those courts that awarded enhanced damages more readily. Consistent with this, a 2012 study found that the Eastern District of Texas found willful infringement 52% of the time, 10% more than the national average. Seaman, *supra*, at 451 tbl.4. To eliminate appellate control beyond abuse of discretion would thus allow patent asserters to avail themselves of harmful disparities among courts.

Furthermore, to the extent that courts do engage in forum selling, consciously or not, wide discretion over enhanced damages would be an ideal vehicle for that practice. While merits rulings improperly favoring patentees

Cir. 2014); *In re Oracle Corp.*, 399 F. App'x 587 (Fed. Cir. 2010); *In re EMC Corp.*, 677 F.3d 1351 (Fed. Cir. 2012); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008); *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009); *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009); *In re Acer Am. Corp.*, 626 F.3d 1252 (Fed. Cir. 2010); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010); *In re Biosearch Techs., Inc.*, 452 F. App'x 986 (Fed. Cir. 2011); *In re Morgan Stanley*, 417 F. App'x 947 (Fed. Cir. 2011) (per curiam); *In re Verizon Bus. Network Servs. Inc.*, 635 F.3d 559 (Fed. Cir. 2011); *In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2011).

are easily corrected on appeal, discretionary and procedural rulings evade review. *See* Klerman & Reilly, *supra*, at 33. Making awards of enhanced damages more discretionary and subject to less appellate review, then, would offer a perfect opportunity for judges to use such damages to signal their favorableness toward patentees. This Court should seek to avoid even the possibility of such a damaging result.

Accordingly, limitations on the discretion of district judges to award enhanced damages under § 284 are necessary to avoid an enhanced forum shopping problem in patent cases. This Court should not accept Petitioners' invitation to leave enhancement of damages to the total discretion of district courts.

B. ENHANCED DAMAGES UNDER SECTION 284 SHOULD REQUIRE A SHOWING OF SUBJECTIVE BAD FAITH

This Court should further ensure that awards of enhanced damages are limited to situations where the infringer is shown to have acted in subjective bad faith. Enhanced damages are a species of punitive damages, and numerous lines of case law limit punitive damages to situations of culpable conduct. Furthermore, protecting independent inventors from burdensome enhanced damage awards would serve the aims of the patent system.

1. It is well established that enhanced damages under § 284 are punitive in nature. *Seymour*, which interpreted the predecessor to § 284, described trebling of damages as limited to situations “where the injury is wanton or malicious,” in which case “a jury may inflict vindictive or exemplary damages, not to recompense the plaintiff, but to punish the defendant.” *See* 57 U.S. at

489. Indeed, *Seymour* considered the predecessor damages statute that awarded treble damages in all cases, and found that “[t]his rule was manifestly unjust.” *Id.* at 488.

Cases following *Seymour* fell into accord. For example, the Seventh Circuit held that “it is only on the basis of conscious and wilful infringement that exemplary or punitive damages are allowed in addition to those which are compensatory.” *Union Carbide*, 282 F.2d at 675.¹⁴ Subsequently, that Court of Appeals read § 284 to “apply only in cases of bad faith where conscious and wilful infringement are found.” *Deere & Co. v. Int’l Harvester Co.*, 658 F.2d 1137, 1146 (7th Cir. 1981).

Thus, *Seymour* and its progeny placed enhancement of patent damages squarely within the long and settled tradition of Anglo-Saxon law of punitive damages. See *Silkwood v. Kerr-McGee Corp.*, 464 U.S. 238, 255 (1984) (“Punitive damages have long been a part of traditional state tort law.”); *Pac. Mut. Life Ins. Co. v. Haslip*, 499 U.S. 1, 15 (1999); *Wilkes v. Wood*, 98 Eng. Rep. 489, 498 (C.P. 1763).

And it is equally settled that punitive awards require a showing of culpable intent, that is, subjective bad faith. “There are a myriad of different formulations of the standards for punitive damages liability, but the unifying principle informing all of them is the defendant’s consciousness of wrongdoing or awareness of conduct from which harm can be reasonably expected to flow.” Section of Antitrust Law, Am. Bar Ass’n, *Punitive Damages and Business Torts* 38 (Thomas J. Collin ed., 1998); see

¹⁴Stryker claims that enhanced damages can be used “to compensate patentees,” see *Stryker Br. 30*, but the primary line of cases it cites predates *Seymour* and is thus unreliable as precedent.

Restatement (Second) of Torts § 908(2) (1977) (punitive damages require “evil motive” or “reckless indifference to the rights of others”); David G. Owen, *A Punitive Damages Overview*, 39 Vill. L. Rev. 363, 364–65 (1994).

Thus, in copyright law, increased statutory damages under 17 U.S.C. § 504(c)(2) require that “the infringement was committed willfully,” which courts have construed to mean that “the defendant had knowledge that its conduct constituted infringement or showed reckless disregard for the copyright holder’s rights.” *Lipton v. Nature Co.*, 71 F.3d 464, 472 (2d Cir. 1995). Similarly in admiralty, the owner of a vessel may be liable for actual damages to passengers but not for punitive damages where the owner “did not commit or in any manner countenance the wrong.” *McGuire v. The Golden Gate*, 16 F. Cas. 141, 143 (C.C.N.D. Cal. 1856).

This Court’s decisions on punitive damages in relation to the Due Process Clause further confirm that subjective bad faith is required under statutes like § 284. “Perhaps the most important indicium” among this Court’s guideposts for constitutionality of a punitive damages award is “the degree of reprehensibility of the defendant’s conduct.” *BMW of N. Am. v. Gore*, 517 U.S. 559, 575 (1996). Subsequently this Court said that such damages “should only be awarded if the defendant’s *culpability* . . . is so reprehensible as to warrant the imposition of further sanctions.” *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 419 (2003) (emphasis added).

Accordingly, diverse areas of law all point to the conclusion that enhanced damages under § 284 should be limited to subjective bad faith, as other punitive damage awards are limited.

2. Furthermore, a subjective bad faith requirement applied to § 284 would advance the public interest by protecting small companies from undue threats.

As discussed previously, small businesses are unusually susceptible to patent assertion demands, given the financial difficulty of analyzing and opposing such assertions. *See supra* p. 7. Such companies are almost always unsuspecting independent inventors rather than intentional, bad-faith copyists. *See infra* p. 29. Thus, a subjective bad faith requirement should shield companies from undue threats of treble damages by making such threats legally unsupportable.

Shielding those lacking bad faith from enhanced damages comports with the principle that patent remedies ought to be in proportion to the degree of wrongful conduct, in order to prevent conferring too much power upon threats of patent assertion. *See Garretson v. Clark*, 111 U.S. 120, 121 (1884); *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1326 (Fed. Cir. 2014). It further comports with a long line of scholarship criticizing the public costs of strong patent remedies charged to independent inventors. *See, e.g.*, Mark A. Lemley, *Should Patent Infringement Require Proof of Copying?*, 105 Mich. L. Rev. 1525, 1533 (2007) (recommending that § 284 “distinguish independent inventors from copiers, making treble damages available only against the latter”); Michelle Armond, *Introducing the Defense of Independent Invention to Motions for Preliminary Injunctions in Patent Infringement Lawsuits*, 91 Cal. L. Rev. 117, 120–21 (2003) (recommending an independent invention defense to preliminary injunctions, a remedy that “inspires fear” among accused infringers); Carl Shapiro, *Prior User Rights*, 96 Am. Econ. Rev. 92 (2006).

3. Petitioner Stryker agrees that culpability should be the “principal question” for § 284 enhanced damages, Stryker Br. 36, but nevertheless believes that enhanced damages could be levied against even a non-culpable defendant, *id.* at 42–43. This is unsatisfactory because it ignores pre-litigation threats.

A clear statement that non-culpability will protect a party from enhanced damages will ensure that undue threats directed to small, good-faith actors will have no leg to stand on. But Stryker’s unmoored standard, however charitably district courts may treat it, will still allow abusive patent asserters to use the force of doubt to extract undue settlements and demands.

Accordingly, subjective bad faith should be a prerequisite to enhanced damages under § 284. Such an interpretation would be consonant with existing law, and it would advance valuable public interest goals.

C. BAD FAITH SHOULD NOT FOLLOW FROM A REASONABLE BELIEF IN INVALIDITY, REGARDLESS OF WHEN THE BELIEF WAS PERFECTED

When a party has a reasonable belief that a patent is invalid, that party should not be deemed to have acted in bad faith.¹⁵ This should be so even if the party developed its complete reasons for invalidity at a later time such as during litigation. Both of these propositions are justified by strong policy considerations for protecting the interests of small innovators.

1. Enhanced damages should not generally be permitted against those with good faith, reasonable beliefs of invalidity, for at least the following reasons.

¹⁵It goes without saying that a good faith belief in noninfringement also is inconsistent with and should preclude a finding of bad faith.

a. There is little question that many patents are invalid. One study estimated that between 39% of software patents and 56% of business method patents in force today are invalid. *See* Shawn P. Miller, *Where's the Innovation: An Analysis of the Quantity and Qualities of Anticipated and Obvious Patents*, 18 Va. J.L. & Tech. 1, 7 (2013). Among patents challenged in litigation, “[r]oughly half” are invalidated. Mark A. Lemley & Carl Shapiro, *Probabilistic Patents*, 19 J. Econ. Persp. 75, 76 (2005). And of those challenged through the administrative procedure of *inter partes* review, 75% are fully invalidated or disclaimed. *See* Brian J. Love & Shawn Ambwani, *Inter Partes Review: An Early Look at the Numbers*, 81 U. Chi. L. Rev. Dialogue 93, 94 (2014).¹⁶

So unreliable for validity is the grant of a patent that Justice Kagan noted that “we’re in a different universe entirely,” one where “you could flip a coin as to whether a patent is valid or invalid and be pretty close.” Transcript of Oral Argument at 12, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (Mar. 31, 2015) (No. 13-896). Chief Justice Roberts, remarking on 35 U.S.C. § 282(a) which states that patents are presumed valid, quipped: “That’s not much of a presumption of validity.” *Id.* at 4.

¹⁶Furthermore, when this Court clarified the abstract ideas doctrine in *Alice Corp. Pty. Ltd. v. CLS Bank International*, *see* 134 S. Ct. 2347, 2357–59 (2014), many more issued patents were rendered invalid. Jasper L. Tran, *Software Patents: A One-Year Review of Alice v. CLS Bank*, 97 J. Pat. & Trademark Off. Soc’y 532, 540 (2015) (noting 69.7% invalidation rate in district courts for patents challenged under *Alice*). *But see TXED Rejects 73% of 35 USC § 101 Pretrial Challenges in 2015*, DocketNavigator DocketReport (Aug. 10, 2015), URL *supra* p. xii (noting the Eastern District of Texas to be a substantial outlier).

Since so many patents are invalid, it would be unsurprising and commonplace for a company faced with a patent assertion to believe that the asserted patent is invalid and to act accordingly. Such behavior cannot be called culpable or in bad faith; it would stretch those words beyond reasonable comprehension to say otherwise. And if threat of treble damages forces companies to treat issued patents as valid even when half of them are not, that would “multiply the opportunities for holders of invalid patents to exact licensing agreements.” *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 342 (1971). Ensuring that those with good faith beliefs in invalidity retain some shield from excessive damages will go far toward avoiding that unnecessary tribute.

b. Furthermore, if the prospect of enhanced damages chills defendants from challenging patents, the public interest suffers. The public “has a ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’” *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 134 S. Ct. 843, 851 (2014) (quoting *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 816 (1945)). Accordingly, this Court has repeatedly interpreted patent law to encourage challenges to patent validity. *See, e.g., Blonder-Tongue*, 402 U.S. at 350 (expanding applicability of collateral estoppel for patent invalidity); *Cardinal Chem. Co. v. Morton Int’l, Inc.*, 508 U.S. 83, 102–03 (1993) (rejecting Federal Circuit rule that automatically vacated invalidity determinations); *Lear, Inc. v. Adkins*, 395 U.S. 653, 670–71 (1969) (overruling precedent that prevented licensees from challenging validity).

Again, the threat of enhanced damages could discourage a defendant from fully litigating an invalidity chal-

lenge, pushing that defendant to early settlement. This result would frustrate that ongoing public purpose of encouraging validity challenges. By holding that those with good faith arguments for invalidity lack the bad faith necessary for enhanced damages, this Court would go a long way to encouraging parties to take up the public good.

c. Neither the statutory presumption of validity under 35 U.S.C. § 282(a) nor *Commil* requires otherwise. The presumption of validity relates to the burden of persuasion at trial, not substantive patent doctrine. *See, e.g., Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2130 n.10 (2014); *Microsoft Corp. v. i4i Ltd. P’ship*, 131 S. Ct. 2238, 2253 (2011) (Breyer, J., concurring). It thus has little to do with post-trial issues such as damages.¹⁷ And Petitioner Stryker agrees that *Commil* is distinguishable because that case “was dictated by the statutory text of the inducement provision,” a statute not at issue here.¹⁸

The problem of patent quality thus bolsters the view that enhanced damages should be limited to rare circumstances, lest the threat of treble damages force companies, even faced with the most plainly invalid patents, “to pay tribute to would-be monopolists without need or justification.” *Lear*, 395 U.S. at 670. This Court, in whatever standard it fashions for § 284, should ensure that enhanced damages remain so limited.

¹⁷Of note, Halo made much of the presumption of validity in its petition brief, *see* Halo Pet. Cert. 21–22, but apparently walks away from that argument, making no reference at all to 35 U.S.C. § 282(a) in its merits brief.

¹⁸*Commil* is further distinguishable because it dealt with a situation where “a defendant could prevail if he proved he reasonably believed the patent was invalid.” 135 S. Ct. at 1929. Here, by contrast, it is undisputed that the defendant will pay actual damages and thus not get off scot free.

2. Petitioners also argue that only invalidity arguments formed at the time of initial discovery of the patent should count in favor of good faith, and that “later-developed defenses” should be ignored. Halo Br. 24; Stryker Br. 49. But in fact there is nothing improper or culpable in perfecting an invalidity argument at the time of litigation rather than the time of infringement.

Petitioners would impose a heavy burden on those who receive patent demands. A company receiving a demand letter would be faced with a stark choice: immediately hire an attorney to prepare a written opinion as to the scope and validity of the asserted patents or face the prospect of treble damages. For all practical purposes, this would be a return to the disastrous regime of *Underwater Devices*. See Powers & Carlson, *supra*, at 78–82 (describing how *Underwater Devices* was applied in litigation). This burden would fall hardest on small innovators that cannot easily bear the cost of legal advice.

To see how wasteful this rule would be in practice, consider the infamous demand letter campaign of MPHJ Technology Investments (MPHJ), a patent assertion entity that owns a patent family relating to scanning documents to email. In 2012 and 2013, MPHJ sent demand letters to approximately 16,465 small businesses located in all fifty states. See *In re MPHJ Tech. Invs., LLC*, 159 F.T.C. 1004, 1008 (Mar. 13, 2015). In these letters, which it sent using the names of over 100 subsidiaries, MPHJ demanded that small businesses pay as much as \$1,000 per employee for using standard office equipment. See *id.* at 1007–08, 1010. If Petitioners’ proposal is accepted, then each of the more than 10,000 recipients of these letters would have to get an immediate opinion of counsel to ensure that, for damages purposes, its de-

fenses would not be ignored as “later-developed.” This would impose severe financial pressure on already vulnerable small businesses targeted by patent assertion entities. And it would be an especially wasteful exercise at least in the case of MPHJ, who apparently never actually intended to engage in patent litigation. *See id.* at 1012. Given the existence of entities like MPHJ, there is nothing wrong, let alone treble-damages punishable, with a small company taking the wait-and-see approach that Petitioners criticize.

Furthermore, in many instances, a company might have a good faith belief that it is not liable without formal advice of counsel. For example, the accused inducer may evaluate the charge and conclude—in good faith—that the patent owner’s rights have not been violated because the accused infringer had publicly used the accused functionality before the apparent priority date. *See* 35 U.S.C. § 102(a)(1). That is, the accused infringer could legitimately believe that if the patent is construed to cover the allegedly infringing acts, the patent will be invalidated as anticipated, but if the patent is construed so as to not be anticipated, then the accused acts will not read on the elements of the claim. *See Schering Corp. v. Geneva Pharm., Inc.*, 339 F.3d 1373, 1379 (Fed. Cir. 2003) (“that which would literally infringe if later in time anticipates if earlier” (internal quotation and citation omitted)). Under Petitioners’ proposed rule, however, this accused infringer will likely be pressured to develop a contemporaneous formal opinion to ensure its defenses can later be used to defeat any claim for enhanced damages.

Even one of the Petitioners concedes that the rule in *Underwater Devices* caused “years of problems.” Halo Br. 21. This Court should not accept the invitation to

return to this flawed regime. Rather than increase the *in terrorem* power of patent trolls, the Court should ensure that any rule is sensitive to the fact that many small businesses, acting in good faith, will not be able to immediately develop a legal defense upon learning about a patent. Such behavior is not the kind of culpable intent that warrants enhanced damages.

III. PETITIONERS' REASONS FOR EXPANDING ENHANCED DAMAGES ARE DETACHED FROM THE REALITY OF PATENT ASSERTION

Petitioners seek an expanded § 284 based on their account of large firms who intentionally copy and steal the ideas of small patentees, leaving those small patentees helpless in the face of impossible-to-reach enhanced damage awards. Other *amici* seeking to expand patent strength repeat this same story. But this account is largely uncharacteristic of actual patent practices today; the reality of patent assertion counsels toward limiting enhanced damage awards, not expanding them.

As an initial matter, Petitioners claim that “patent holders will almost never receive enhanced damages” in view of *Seagate*. Halo Br. 28; Stryker Br. 52. That is flatly not true. Willful patent infringement was found in 37% of cases even after *Seagate*; enhanced damages were awarded in 54% of those. Seaman, *supra*, at 441 tbls.1 & 466 table 6.¹⁹

¹⁹In contrast, awards of attorney fees under 35 U.S.C. § 285 prior to *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014), to which Petitioners analogize, were *actually* difficult to obtain: one study found that attorney fees were awarded a scant 0.6% of the time prior to that decision. See Mark Liang & Brian Berliner, *Fee Shifting in Patent Litigation*, 18 Va. J.L. & Tech. 59, 87 (2013).

More critically, Petitioners repeatedly couch their call for expanding enhanced damages within a narrative of “unscrupulous copyists determined to profit from the inventions of another.” Stryker Pet. Cert. 38; *see, e.g.*, Halo Br. 28 (lamenting how “copyists owe no more than unwitting infringers); Stryker Br. 52–53. But that is an aberrant narrative, uncharacteristic of modern innovation practices and poorly suited to guiding the general interpretation of § 284.

Intentional copying is actually very rare. One study found that a written finding of copying occurred in *less than half a percent* of patent cases, excluding a particular type of pharmaceutical patent litigation that requires an allegation of copying. *See* Christopher A. Cotropia & Mark A. Lemley, *Copying in Patent Law*, 87 N.C. L. Rev. 1421, 1452 (2009).²⁰ In fact, copying is not even alleged at all in almost 90% of patent infringement cases. *See id.* at 1443.

These results led the study’s authors to conclude that punitive measures like enhanced damages “have no place in a patent regime where virtually all infringement is unintentional.” *Id.* at 1463. They also make Petitioners’ reflections on the evils of invention copying seem positively antiquated, a relic of “a time when widespread disregard of patent rights was undermining the national innovation

²⁰Patent litigation under the Hatch-Waxman Act, known as ANDA litigation, requires a generic pharmaceutical manufacturer to declare that it has exactly copied a patented pharmaceutical compound for litigation to be triggered. *See id.* at 1444; Federal Food, Drug, and Cosmetic Act § 505(j)(2)(A)(iv), 21 U.S.C. § 355 (2012) (requiring application for new generic drug approval to assert bioequivalency with patented drug); 35 U.S.C. § 271(e)(2)(A) (making such application an act of infringement).

incentive.” *Knorr-Bremse*, 383 F.3d at 1343 (characterizing *Underwater Devices*). The Federal Circuit recognized that this time has long passed in overruling *Underwater Devices*; this Court should find no differently.

The common scenario, instead, is that of Kate Doerkson from the beginning of this brief. A company who independently builds or uses a new technology, only to have a patent unexpectedly sprung upon it. An asserter who uses patents as a saber, not a shield, ready to cut off the hands of innovators. A looming threat of high attorney fees and extraordinary damage awards.

This is the scenario that is so common and concerning as to catch the conscience of Congress, the White House, numerous commentators, and even this Court. And in the context of this case, it militates toward a principle of “do no harm.” This Court should not open the floodgates to threats of enhanced damages. To do otherwise would endow patent abusers with enhanced threats. That would discourage entrepreneurs from entering technology fields mined with such abusers. And that would deprive the public of innovation that could have been.

CONCLUSION

This Court should construe 35 U.S.C. § 284 in accordance with the principles laid out in this brief.

Respectfully submitted,

CHARLES DUAN

Counsel of Record

PUBLIC KNOWLEDGE

1818 N Street NW, Suite 410

Washington, DC 20036

(202) 861-0020

cduan@publicknowledge.org

DANIEL NAZER

ELECTRONIC FRONTIER

FOUNDATION

815 Eddy Street

San Francisco, CA 94109

(415) 436-9333

daniel@eff.org

Counsel for amici curiae

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