

No. 20-863

In The
Supreme Court of the United States

—◆—
AKEVA L.L.C.,

Petitioner,

v.

NIKE, INC., ADIDAS AMERICA, INC.,
NEW BALANCE ATHLETIC SHOE, INC.,
PUMA NORTH AMERICA, INC.,

Respondents.

—◆—
**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

—◆—
**BRIEF FOR US INVENTOR INC. AS *AMICUS*
CURIAE IN SUPPORT OF PETITIONER**

—◆—
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QUESTION PRESENTED

Whether the Federal Circuit’s “heavy presumption” line of cases or its “holistic” line should govern claim construction.

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INTEREST OF *AMICUS CURIAE*¹

US Inventor, Inc. is an inventor-led and inventor-funded non-profit advocacy organization. We represent more than 10,000 independent inventors along with the small businesses they founded, own, and operate. We seek to educate lawmakers, agencies, and courts on matters that affect our members, and participate as permitted in shaping and reforming those policies.

We are neither lawyers nor lobbyists, merely inventors who were shocked and harmed by unintended consequences of policies from the past and desire a better environment so that the next generation of inventors can flourish and help society. Our directors and volunteers would prefer to be tinkering in our garages or launching new products, but we have come to recognize that policymakers and courts benefit from our experiences and viewpoints as they make and apply patent law.

US Inventor was founded to support the innovation efforts of the “little guy” inventors, seeking reliable patent rights for developing our inventions, bringing those inventions to a point where they can be commercialized, creating jobs and industries, and promoting continued innovation. In short, we are proponents of “securing for limited times to . . . inventors

¹ No counsel for a party authored this brief in whole or in part. No person or entity other than *Amicus* or its counsel made a monetary contribution to the preparation or submission of this brief. Consent for filing this *amicus* brief has been obtained from all parties. All parties received timely Rule 37.2 notice of the filing of this brief.

the exclusive right to their . . . discoveries” in order to “promote the progress of Science and Useful arts.” U.S. Const. art. I, § 8, cl. 8. Our broad experience with the patent system, new technologies, and creating companies, gives us a unique perspective on the important issues presented in this appeal.

US Inventor’s membership includes small businesses and inventors who have been forced to determine and/or litigate the scope of their patent rights without knowing what measuring stick is used by the courts. As a friend of the Court, US Inventor has perspective to supply additional reasons beyond those named by Petitioner for why this Court’s intervention is needed to resolve an intra-circuit split at the Federal Circuit about how to perform patent claim construction.



SUMMARY OF THE ARGUMENT

Just as textualism is now accepted as the way to interpret statutes, this Court should grant certiorari to resolve a split within the Federal Circuit whether textualism should also guide how courts interpret the claims in an issued patent.



ARGUMENT

Petitioner Akeva L.L.C. has identified the most sweeping and vexing inconsistency in patent law. The

debate over the claim-centered versus holistic approach to claim construction goes by many labels, and has existed for the entire duration of the Federal Circuit’s existence. Scholars sometimes call it formalism versus substantialism. See Kelly Casey Mullally, *Patent Hermeneutics: Form and Substance in Claim Construction*, 59 FL. L. REV. 333 (2007). Whatever it is called, it is a real problem.

The Federal Circuit’s failure to settle on one claim construction methodology “really represents a conflict about the underlying goal of claim construction: is it to give effect to the linguistic meaning of text, or is it to tailor patent claim scope to the real invention. [T]hese two goals are fundamentally different, and the inquiry becomes incoherent—and uncertain—when judges oscillate between them.” Tun-Jen Chiang & Lawrence B. Solum, *The Interpretation-Construction Distinction in Patent Law*, 123 YALE L.J. 530, 536 (2013)

Federal Circuit judges generate confusion when they fail to agree on what claim construction methodology to apply from case to case. Petitioner is right that their latest en banc effort—the *Phillips v. AWH Corp.* case—resolved little with its “something for everyone” resolution of the question. Every patent case today operates in a haze of meta-uncertainty. It is bad enough when nearly every patent case involves disagreement about the scope of the property rights in question. It is infinitely worse when there is disagreement over how to resolve the disagreement.

The instant case exemplifies the problem, and the futility of the “holistic” approach. “Rear sole secured” was held to mean “rear sole connected and rotatable.” This was a radical and unpredictable departure from the unambiguous and clear text.

Imagine if courts were to use a “holistic” approach to interpreting property deeds. The following scenario is not far-fetched if that were so: “You own the land behind your ranch next to the river and only you can graze your sheep there . . . unless the front of your ranch happens to face away and point instead at the mountain, which means you didn’t *really* intend to make an ownership claim to that back yard river terrain, so we’ll let other people’s sheep graze there despite what your deed says.” That is not how property rights are supposed to be interpreted. But this very sort of thing is happening now at the Federal Circuit.

Amicus stands with Petitioner on the claim-centered / textualist / formalist side of the question. With caveats already recognized by this Court,² claim construction analogizes well to statutory construction. The undeniable evolution in this Court’s approach to statutory construction should answer how to resolve to

² In *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831 (2015), the majority declined make a complete analogy between resolution of factual disputes in the construction of statutes and resolution of factual disputes in the construction of patent claims. The issue presented here is not how factual disputes get resolved, but what set of potential facts is relevant to the question in the first place. Thus, it is not germane that *Teva* held that clear-error review applies (instead of de novo review) in the rare instance of district court fact finding during claim construction.

the claim construction methodology split. Movement toward textualism in statutory construction should be matched by movement toward textualism in claim construction.

I. This Court’s Adoption of Statutory Construction Textualism Should Result in Adoption of Patent Claim Construction Textualism

Over decades, this Court has gravitated to a textualist approach to statutory construction. Time and again, it has sent to history’s dustbin statutory construction methodologies that would read meaning into the words of a statute not placed within statutory language. Jesse D.H. Snyder, *How Textualism Has Changed the Conversation in the Supreme Court*, 48 U. BALT. L. REV. 413, 415 (2019) (describing a particular 2018 Term Court decision as “a sleeper decision that should receive greater appreciation and reflection because the [textual] method of statutory interpretation on display seemingly [capped] a transition of displacement from divining intent through a variety of sources—including legislative history—to wholesale reliance on the statutory text.”). Rejecting vague holistic notions of legislative intent, this Court has held Congress (and bill-signing presidents) to their words. And for good reason. The unambiguous words of a statute are always, and self-evidently, the primary source for divining Congressional purpose. “We have stated time and again that courts must presume that a legislature says in a statute what it means and means in a statute what it says. When the words of a

statute are unambiguous, then, this first canon is also the last: ‘judicial inquiry is complete.’” *Connecticut Nat. Bank v. Germain*, 503 U.S. 249, 253-54 (1992) (citations omitted).

Separation of powers principles make the legislature (not the courts) responsible to hold public hearings to receive diverse points of view of one policy direction versus another. Legislatures use statutory text to communicate the ultimate compromise of those interests. The judiciary lacks this institutional capacity. *See Almendarez-Torres v. United States*, 523 U.S. 224, 238 (1998) (limiting “constitutional doubt” canon because this canon must “serve its basic democratic function of maintaining a set of statutes that reflect, rather than distort, the policy choices that elected representatives have made.”).

Law and economics principles inform that when nontextual factors influence statutory meaning, this increases transaction costs among interested stakeholders with no return of societal benefit. *See* Edward Heath, *How Federal Judges Use Legislative History*, 25 J. LEGIS. 95, 102-03 (1999) (“Abandonment [of the use of legislative history] would have several practical effects. In addition to reining in the willful judge, it would lessen the transaction costs of doing business in a statutory society.”).

Finally, full embrace of textualist approaches to statutory construction improves *ex ante* legislator behavior. It forces writers of statutes to be clear and unambiguous in their intent. *Id.* at 103 (“The onus would

then shift to the Congress to enact clearer statutes.”). Textualist statutory construction squelches gamesmanship among individual legislators who might use floor statements to inject meaning that would be rejected by the representative body as a whole. The textualist approach seeds orderly change in the law when a need arises to accommodate new policy imperatives—statutory amendment through new legislation. Accordingly, judges no longer blue-pencil the words of a statute, no matter how excellent the new policy seems, nor how well-intentioned its advocates. *Murphy v. NCAA*, 138 S. Ct. 1461, 1485 (2018) (Thomas, J., concurring) (“[C]ourts cannot take a blue pencil to statutes. . .”).

Each of these reasons for this Court’s move toward textualism applies with at least equal force to patent documents.

Just as statutory text reflects a compromise of interests after a collision of wills, patent claims do the same. A patent examiner represents the public in an ongoing transaction with the inventor or applicant known as “patent examination.” Like legislation, patent examination occurs over time. Initially, an inventor or applicant submits a draft of desired claim text to define the property rights (alongside a full written detailed description of embodiments and drawings). After a prior art search (essentially, an investigation of the state of the art and what technologies pre-exist in the public domain), a skilled examiner issues a first office action. In the vast majority of instances for eventually-issuing patents, the first office action is a rejection. This starts the process of compromise between the

examiner and the would-be rights holder as they continue to legislate a set of patent claims worded broadly enough to be of some value to the inventor or applicant, but narrowly enough to preserve for the public what it already has.

Just as uncertainty in statutory sources of meaning create unwarranted transaction costs in public behavior, so does claim construction methodology uncertainty among private parties. Petitioner Akeva's saga exemplifies this. Had everyone agreed at the outset that the word "secured" received the full scope of its meaning in a shoe sole context (regardless of details about the embodiments), the parties would never have spent the vast litigation resources they did, over nearly a decade, on the question of whether "secured" ought to mean a particular subtype of "secured" (*i.e.*, fixed but rotatable). Multiply this wasted litigation expense over the thousands of patent cases that get litigated every year, and the Akeva saga highlights that transaction costs swamp every patent enforcement. And this is merely because certain Federal Circuit judges will not embrace textualism for patent claim construction, preserving a role for themselves to divine and blue-pencil what the inventor actually invented.

Finally, requiring textualism among Federal Circuit (and district court) judges will force more efficient and precise *ex ante* behavior. This is so at many levels.

With textualist-interpreted patent claims, there will be sufficient certainty to keep matters out of litigation. Industry actors will know better when and how

to design around third-party patent rights. Patentees will be more sure when rights do or do not cover a potential trespassing product, and will accordingly improve decision making over whether to start a pre-suit negotiation over infringement (whether via cease-and-desist activities or licensing overtures).

Textualist-based claim scope will also avert litigation by making it more straightforward to prove invalidity (if applicable), or infringement, incentivizing out-of-court resolutions. If suit becomes necessary, parties, trial judges and juries will benefit from less waste of time and scarce resources on debates and confusion over the impact of atextual patent elements for influencing the result (*e.g.*, how a patent's numerous examples might currently affect claim meaning under prevailing atextual methodologies). And finally, textualism will help patentees know when they need to "amend the legislation" about their patents if discovered to be too broad (invalid) or too narrow (not infringed) (*e.g.*, through the filing of a type of corrective patent application called a "reissue."). *See* 35 U.S.C. § 251.

By contrast, the "holistic" approach to claim construction criticized by Petitioner creates wasteful uncertainty. Under the "holistic" approach, certain Federal Circuit judges have tried to divine the purpose of the overall patent claims, only enforcing whatever scope the patentee "actually invented." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005) (*en banc*) ("Ultimately, the interpretation to be given a term can only be determined and confirmed with a full

understanding of what the inventors actually invented and intended to envelop with the claim.”) (citation omitted). This viewpoint justifies departures from claim language in cases like *Akeva*’s, where the panel divined the invention of the patented athletic shoe to require not just a fixed rear sole, but also a fixed rear sole that pivots (even though the pivot concept is not within any plain text of the claim). In essence, the “holistic” approach imbues the Federal Circuit with a vague and undefined power to disregard the words of a patent claim to attain the ends of justice.

II. The Court Should Reject Holistic Claim Construction, Just As It Has Rejected the Medieval “Equity of the Statute” Doctrine

This “holistic” approach is most analogous to one particular now-disused type of statutory construction: “equity of the statute.” “Equity of the statute”—a now-rejected canon of statutory construction—used to do what “holistic” claim construction does today in patent litigation. The equity of the statute was “a vague and undefined power . . . vested in the judiciary . . . to disregard the letter of the law to attain the ends of justice.” W.H. Loyd, *The Equity of a Statute*, 58 U. PA. L. REV. 76, 77 (1909). But as Justice Kagan famously declared in a 2015 lecture at Harvard Law School, “we are all textualists now.” See Snyder, *supra*, 48 U. BALT. L. REV., at 413. So “equity of the statute” is no more. The path this Court took to get there is instructive. It shows that this Court should also reject the

Federal Circuit’s “holistic” approach to claim construction.

“*Church of the Holy Trinity v. United States*[, 143 U.S. 457 (1892)] remains the leading precedent” for statutory enforcement based on policy or purpose. John F. Manning, *Textualism and the Equity of the Statute*, 101 COLUM. L. REV. 1, 14 (2001). That decision focused on a statute criminalizing encouragement of an alien to immigrate to the United States to “perform labor or service of any kind.” *Church of the Holy Trinity*, 143 U.S. at 458. A church fell within the plain words of the statute when it encouraged a clergyman to immigrate from England to work for a New York congregation. *Id.* at 458-59. Despite its plain words, the Court held that the statute did not criminalize the church’s action because the legislature could not have “intended” to reach it, and any “reach” of the statute to that extent would have been “unexpected.” *Id.* at 459, 472. Throughout the twentieth century, the Court would go on to apply equity of the statute principles countless times. *See, e.g.*, Manning, 101 COLUM. L. REV. at 11-12 n.46, 15 n.61 (citing Court decisions from 1932, 1940, 1946 and 1989).

While dissenting in *Cannon v. University of Chicago*, 441 U.S. 677 (1979), Justice Powell disagreed with such statutory construction philosophies. According to that dissent, the Court should not determine “what the goals of a [legislative] scheme should be” or “how those goals should be advanced.” 441 U.S. at 740 (Powell, J., dissenting). He believed that such a mode of analysis “cannot be squared with the doctrine of the

separation of powers.” *Id.* at 730. “When Congress chooses not to provide a private civil remedy,” he concluded, “federal courts should not assume the legislative role of creating such a remedy and thereby enlarge their jurisdiction.” *Id.* at 730-31; *see also* Manning, 101 COLUM. L. REV. at 7 (cataloguing “new textualist” reasons for rejecting analytical modes of “strong purposivists” who would conclude that “variance between a clear text and its apparent purpose” should open the door to overriding clear text with such purpose, including that (1) lawmaking involves compromise among interest groups, (2) legislative intent is impossible to reconstruct “in a complex legislative process that includes agenda manipulation and logrolling,” and (3) elevating background purpose over text “may, in fact, defeat Congress’s evident choice to legislate by rule rather than by standard.”).

Justice Powell’s approach to separation of powers in this regard is now the full Court’s approach. On this basis, the Court will not elevate purpose over text in statutory construction. “Private rights of action to enforce federal law must be created by Congress.” *Alexander v. Sandoval*, 532 U.S. 275, 286 (2001). Courts may only “interpret the statute Congress has passed to determine whether it displays an intent to create not just a private right but also a private remedy.” *Id.*; *see also Hernandez v. Mesa*, 140 S. Ct. 735, 741 (2020) (“impl[y]ing] claim[s] for damages” risks “arrogating legislative power”); *Ziglar v. Abbasi*, 137 S. Ct. 1843, 1855-56 (2017) (explaining that the “mid-20th century . . . approach” to purposive rather than textual

statutory interpretation no longer has force when considering if an implied cause of action exists under the Constitution itself). The death of “equity of the statute” is now beyond reasonable debate. *Connecticut Nat. Bank*, 503 U.S. at 254 (“When the words of a statute are unambiguous, . . . ‘judicial inquiry is complete.’”) (citation omitted). “The judge’s power to write law mirroring the judge’s sense of justice belongs to an era that lacked a popular branch of government.” *Lemy v. Direct Gen. Fin. Co.*, 884 F. Supp. 2d 1236, 1239 (M.D. Fla. 2012).

In short, the “holistic” approach to claim construction analogizes perfectly to the now-defunct Middle Ages methodology known as “equity of the statute.” A “sense of justice” (surfacing as a sense of what the inventor “actually invented”) should play no role. Vague notions of what is right that ignore the plain meaning of patent claims only confuse stakeholders, while imposing wasteful and unnecessary transaction costs.

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CONCLUSION

For a brief time at the Federal Circuit, “the name of the game [was] the claim.” *Arlington Indus., Inc. v. Bridgeport Fittings, Inc.*, 632 F.3d 1246, 1255 n.2 (Fed. Cir. 2011) (quoting Giles S. Rich, *The Extent of the Protection and Interpretation of Claims—American Perspectives*, 21 INT’L REV. INDUS. PROP. & COPYRIGHT L. 497, 499, 501 (1990)). Now that is uncertain, and depends on random panel assignment. The name of the

game might be the claim, unless it is something else, like the written description examples, a stray remark disparaging some aspects of a claimed feature, or someone's sense of justice in divining what ought to be (but was not written out as) the "actual invention." For the reasons discussed above and in Akeva's Petition, this Court should grant certiorari to resolve that "textual" patent claim construction methodologies, not "holistic" ones, will govern the meaning of claim terms.

Respectfully submitted,

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