

No. 10–290

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IN THE  
**Supreme Court of the United States**

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MICROSOFT CORPORATION,  
*Petitioner,*  
*v.*

i4i LIMITED PARTNERSHIP AND  
INFRASTRUCTURES FOR INFORMATION, INC.,  
*Respondents.*

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

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**AMICUS CURIAE BRIEF**  
**elcommerce.com.inc.**  
**IN SUPPORT OF RESPONDENTS**

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### **QUESTION PRESENTED**

If federal district courts employ the preponderance of the evidence burden of proof while sitting as original triers of fact in the first instance, relative to public sale condition for patentability invalidity defenses asserted under 35 U.S.C. §102(b) and §282(2), would the constitutional principle of separation of powers be violated?

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## **INTEREST OF AMICUS CURIAE**<sup>1</sup>

This *Amicus Curiae* Brief is submitted on behalf of elcommerce.com.inc. (“elcommerce”) which is the assignee<sup>2</sup> of U.S. Patent No. 6,947,903. elcommerce is presently maintaining a patent infringement suit in the United States District Court for the Eastern District of Pennsylvania against SAP AG and SAP America, Inc. Said defendants have asserted condition for patentability invalidity defenses against elcommerce’s patent infringement claims. elcommerce is interested in the present litigation, as is SAP America, Inc.,<sup>3</sup> since it will determine the standard by which condition for patentability invalidity defenses will be reviewed by federal district courts.<sup>4</sup>

## **SUMMARY OF ARGUMENT**

The core constitutional obligation of Congress, in executing the Patent Clause,<sup>5</sup> is to make patentability determinations as the original trier of fact in the first instance. “[S]ecuring for limited Times to Authors and Inventors the exclusive Right to their

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<sup>1</sup> By December 8, 2010 all parties filed blanket letters of consent relative to the filing of *amicus curiae* briefs, on the merits, “in support of either party or of neither party”. No party, *amici* or their counsel authored, in whole or in part, any portion of this *Amicus* Brief nor did they provide any monetary contribution to fund its preparation, submission or printing. elcommerce bore all expenses associated with these tasks.

<sup>2</sup> The Inventor is Brian M. Perry of Upton, Massachusetts.

<sup>3</sup> SAP America, Inc. joined *Amicus Curiae* Briefs filed in support of Microsoft’s Petition and the Writ itself.

<sup>4</sup> The public sale invalidity defense, asserted here by Microsoft, is a “condition for patentability”. See 35 U.S.C. §102(b), 282(2).

<sup>5</sup> The Patent Clause is set forth in the Appendix.

respective Writings and Discoveries...” imposes this unambiguous constitutional obligation directly upon Congress alone. Art. I, §8, cl. 8 (brackets supplied); See Goldstein v. California, 412 U.S. 546, 555 (1973). When a federal district court, employing the preponderance of the evidence burden of proof and sitting as the original trier of fact in the first instance, makes a 35 U.S.C. §102(b) condition for patentability invalidity defense determination it, not Congress or its designee, “execute[s] the...[Patent] [C]ause of the Constitution...” Butterworth v. United States, 112 U.S. 50, 58 (1884) (brackets supplied). This execution violates constitutionally premised separation of powers principles. See Art. I, §8, cl. 8; Art. III, §I.<sup>6</sup> These separation of powers violations are actually exacerbated when implicated prior art is not initially considered by the PTO. Federal district courts may constitutionally sit only as reviewing bodies in this context and may only apply standards of review.

The clear and convincing standard of review is employed when “particularly important individual in-

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<sup>6</sup> The new legal issues raised by the *Amicus* give rise to multiple exceptions to the “the general rule...that a federal appellate court does not consider an issue not passed upon below.” Singleton v. Wulff, 428 U.S. 106, 120 (1976). Paramount amongst these exceptions is the fact that the newly raised issues are of a constitutional dimension, they affect institutional interests, they require no additional facts and they are law based. Claims of prejudice would likewise be untenable since Microsoft may file a Reply Brief. See National Association of Social Workers v. Hardwood, 69 F. 3d 622, 627-628 (1<sup>st</sup> Cir. 1995); Hormel v. Helvering, 312 U.S. 552, 557 (1941). The Due Process Clause of the Fifth Amendment does not permit cases to be decided in a manner inconsistent with the Constitution simply because purely constitutional issues were not previously raised. See Turner v. City of Memphis, 369 U.S. 350, 351-354 (1962).

terests or rights are at stake.” Herman & MacLean v. Huddleston, 459 U.S. 375, 389 (1983). The Patent Clause, the Patent Act, the intent of the Framers and the time honored constitutional jurisprudence of this Court unwaveringly dictate that patents implicate “particularly important” individual, societal and governmental interests. See Art. I, §8, cl. 8; The Federalist Paper No. 43, pp. 238-239 (E. H. Scott ed. 1898) (Madison, J.); Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 146-151 (1989). The importance of these interests has never been doubted.<sup>7</sup> Id.

**I. SEPARATION OF POWERS PRINCIPLES AND THE DICTATE OF THE DUE PROCESS CLAUSE OF THE FIFTH AMENDMENT COMPEL THE USE OF THE CLEAR AND CONVINCING STANDARD OF REVIEW, AT MINIMUM, RELATIVE TO ALL CONDITION FOR PATENTABILITY INVALIDITY DEFENSES**

An important threshold issue becomes whether the condition for patentability invalidity defense at issue here presents questions of fact or issues of law. It is not disputed that the legal issues in this case arise from findings of fact, made by a federal district court jury, attendant to the determination as to whether the public sale condition for patentability invalidity

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<sup>7</sup> There was actually no debate on the floor of the Constitutional Convention in 1787 concerning the decision to delegate the present day Patent Clause powers to Congress. See Fenning, Karl, “The Origin of the Patent and Copyright Clause of the Constitution”, 11 J. Pat. Off. Soc. 438, 443 (1929).

defense was viable.<sup>8</sup> The fact laden and substantially divergent factual positions of the parties are set forth in the briefing. See 35 U.S.C. §§102(b), 282(2); Microsoft’s Opening Merits Brief at pp. 2-7.

In 1884 Mr. Justice Matthews poignantly noted that the patent prosecution process is infested with the obligation to make myriad factual determinations in an abundance of distinct areas:

The questions of fact arising in this field find their answers in every department of physical science, in every branch of mechanical art; the questions of law, necessary to be applied in the settlement of this class of public and private rights, have founded a special branch of technical jurisprudence. The investigation of every claim presented involves the adjudication of disputed questions of fact, upon scientific or legal principles, and is, therefore, essentially judicial in its character, and requires the intelligent judgment of a trained body of skilled officials, expert in the various branches of science and art, learned in the history of invention, and proceeding by fixed rules to systematic conclusions.

Butterworth, 112 U.S., at 59; See also Dickinson v. Zurko, 527 U.S. 150, 152-165 (1999); Morgan v. Daniels, 153 U.S. 120, 122-124 (1894). “Now, in deciding whether a patent shall issue or not, the Com-

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<sup>8</sup> The “conditions for patentability” in 35 U.S.C. §102(b) are set forth in the “negative”. Id.; See Appendix.

missioner acts on evidence, finds facts, applies the law, and decides questions affecting not only public but private interests...and in all this he exercises judicial functions.”<sup>9</sup> United States v. Duell, 172 U.S. 576, 586 (1899). Questions of fact pervade, are fundamental too and are at the heart of every patent prosecution including all condition for patentability determinations made within it. This compels the unassailable conclusion that attempts to invalidate patents, on these very same conditions, are by sheer necessity laden with these same questions of fact. Ibid., Id.; 35 U.S.C. §§101-103. We already know that the condition for patentability invalidity defense at issue here is fact laden.

This Court held, some 117 years ago in Morgan,<sup>10</sup> that findings of fact made by the Patent Office could not be subjected to a “mere preponderance” standard:

But this is something more than a mere appeal. It is an application to the court to set aside the action of one of the executive departments of the government...A new proceeding is instituted in the courts...to set aside the conclusions reached by the administrative de-

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<sup>9</sup> “While the ultimate question of patent validity is one of law...the §103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries.” Graham v. John Deere Co., 383 U.S. 1, 17 (1966) (citation omitted). Each of the conditions for patentability fit this bill. Dickinson, 527 U.S., at 152-165; 35 U.S.C. §§101-103; Butterworth, 112 U.S., at 59.

<sup>10</sup> Morgan addressed the fact based determination as to which of two claimants was the Inventor. Morgan, 153 U.S., at 122.

partment...It is not to be sustained by a mere preponderance...It is a controversy between two individuals over a question of fact which has been once settled by a special tribunal, entrusted with full power in the premises.<sup>11</sup>

Morgan, 153 U.S., at 124 (emphasis supplied).

This Court embraced this Morgan holding in 1999 in Dickinson, 527 U.S., at 159. The Dickinson Court even rejected a heightened standard of review as well (“clearly erroneous”), insofar as it too was not deferential enough to the PTO’s factual findings, before settling on the standard which was most deferential to the PTO’s findings of fact (“arbitrary and capricious”). Dickinson, 527 U.S., at 152-155, 158-165.<sup>12</sup> Prior to delving into the constitutional issues the *Amicus* will first engage in a cursory review of both Dickinson and Morgan because their holdings, logic and reasoning will assist in framing the constitutional arguments made. The *Amicus* will then engage in a generic review of the implicated “burden of

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<sup>11</sup> “Through all the verbal variances, however, there runs this common core of thought and truth, that one otherwise an infringer who assails the validity of a patent fair upon its face bears a heavy burden of persuasion, and fails unless his evidence has more than a dubious preponderance.” Radio Corporation of America v. Radio Engineering Laboratories, Inc., 293 U.S. 1, 8 (1934) (“RCA”).

<sup>12</sup> The Dickinson Court noted that the prior precedent of this Court actually even applied the criminal burden of proof regarding fact laden invalidity defenses asserted in the courts. See Dickinson, 527 U.S., at 158-159; Morgan, 153 U.S., at 122-124; Cantrell v. Wallick, 117 U.S. 689, 695-696 (1886); Coffin v. Ogden, 85 U.S. 120, 124 (1874).

proof” and “standard of review” for these same reasons.

In Dickinson, 527 U.S., at 152-155 this Court was called upon to determine whether the Administrative Procedure Act (5 U.S.C. §706) (“APA”) was applicable to the PTO and, if so, which of two heightened standards of review should be utilized to review findings of fact made by the PTO in the context of a patent applicant’s administrative appeal to the Federal Circuit. The Federal Circuit asserted that the “clearly erroneous” standard should apply while the Commissioner of Patents (PTO Head) contended that the “arbitrary and capricious standard” should apply. Dickinson, 527 U.S., at 153-154.<sup>13</sup>

The Dickinson case involved the initial determination by the PTO as to whether an inventor’s method claim was “obvious in light of prior art” which determination the parties conceded and the Court necessarily held was a finding of fact. Id., at 153-154, 152, 155; 35 U.S.C. §103; 5 U.S.C. §706.<sup>14</sup> This Court rejected the contention by the Federal Circuit that its stricter “court/court” judicial standard, “allowing somewhat closer judicial review” but less deference to agency fact finding, should be employed in the “court/agency” setting. Dickinson, 527 U.S., at 155,

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<sup>13</sup> The parties in Dickinson agreed “that the PTO is an ‘agency’ subject to the APA’s constraints, that the PTO’s finding at issue in [that] case [was] one of fact, and that the finding constitute[d] ‘agency action.’” Dickinson, 527 U.S., at 154 (brackets supplied) (quoting 5 U.S.C. §706).

<sup>14</sup> Indeed, the ability of this Court to decide the Dickinson case was necessarily premised upon antecedent findings of fact having been made by the implicated federal agency. Dickinson, 527 U.S., at 152-154; See 5 U.S.C. §706.

153, 158-165. This Court concluded that the utilization of this judicially strict “clearly erroneous” standard, as opposed to the “arbitrary and capricious” standard, would impermissibly divest the process of some PTO deference and expertise. *Id.* It is critical to note that there is an inverse correlation between “close judicial review” and federal agency fact finding deference: close judicial review results in less fact finding deference to the federal agency. Likewise, less exacting judicial scrutiny results in greater fact finding deference to the federal agency. *Id.*, at 153.

Microsoft urges this Court to adopt the preponderance of the evidence burden of proof, relative to its fact laden public sale condition for patentability invalidity defense, even though this standard was rejected by this Court in 1884 and again in 1999 as a means to review factual findings made (or which should have been made) by the PTO. See *infra*; Morgan, 153 U.S., at 122-124; Dickinson, 527 U.S., at 152-165. Thus, Microsoft expressly requests this Court, in light of Dickinson and Morgan, to employ one judicial standard for a patentee who sought to review the factual findings of the PTO (arbitrary and capricious) while an entirely different judicial standard (preponderance) is employed by a stranger to the patent (possible infringer) asserting fact based condition for patentability invalidity defenses in a federal district court infringement action. The former standard, as it must be under Dickinson, Morgan and the Constitution, is extremely deferential to the agency fact finding (judicially “weak”) while the latter standard is wholly lacking in agency deference (judicially “strict”). See Dickinson, 527 U.S., at 153, 160, 165, 158-159; *supra*. The use of these dual stan-

dards would both result in an acute anomaly and perpetuate several constitutional violations as well. The *Amicus* is mindful that the Dickinson holding was made in the context of an administrative appeal from the PTO's Board of Appeal to the Federal Circuit while Microsoft's appeal to the Federal Circuit emanated from a federal district court patent infringement proceeding. Regardless of the paths they took to get there, the parties in Dickinson, Morgan, and Microsoft all sought judicial review of factual findings made or which should have been made by the PTO regarding fact laden conditions for patentability. *See infra*. Why should the vast expertise and knowledge of a constitutionally premised agency, addressing as it does the infinitely complex matters that come before it, be so thoroughly infused into one fact based "appeal" (administrative appeal) while, at the same time, its influence is so thoroughly divorced out of another (judicial "appeal")?

In this scenario, patentees would struggle mightily to obtain their patents but yet these same patents would be subject to invalidation upon only a featherweight burden, a "dubious preponderance" as this Court has put it, which would concurrently serve as the mechanism to unconstitutionally cleanse the proceeding of PTO deference and expertise. Radio Corporation of America, 293 U.S., at 8; Dickinson, 527 U.S., at 153, 160, 165, 158-162; Morgan, 153 U.S., at 124. The Dickinson Court "recognize[ed] the importance of maintaining a uniform approach to judicial review of administrative action..." *Ibid.*, at 154 (brackets supplied). Divergent standards, as between patentees and ostensible infringers, would be inconsistent with this approach.

In 1966 this Court held that:

The patent monopoly was not designed to secure to the inventor his natural right in his discoveries. Rather, it was a reward, an inducement, to bring forth new knowledge. The grant of an exclusive right to an invention was the creation of society—at odds with the inherent free nature of disclosed ideas—and was not to be freely given.

Graham, 383 U.S, at 9.

That the patent laws were intended “to do equal justice between [the Inventor] and those who profit by his invention....” has been clear from the beginning. Brown v. Duchesne, 60 U.S. 183, 197 (1857) (brackets supplied). “Equal justice” is not done to Inventors when “those who would profit by [their] invention” (infringers) can invalidate the Inventors’ patents by resorting to a mere featherweight burden while the Inventors themselves are subjected to a far more vexing standard. Id. (brackets supplied). Moreover, the use of the preponderance standard would have the Inventors placing their inventions and associated proprietary secrets into the marketplace for free - instead of keeping them in a “veil of secrecy” while still profiting from their sale as they could- and **then** having their patents invalidated upon this featherweight standard by an “original trier of fact” not even constitutionally entitled to sit as one. Bonito Boats, Inc., 489 U.S., at 149; See infra. This “invalidation”, however, would come only after a successful patent prosecution had first been completed before the only constitutionally sanctioned original trier of

fact. See *infra*. This scenario bespeaks neither of “reward” nor “inducement”.<sup>15</sup>

The *Amicus* retreats to the burden of proof which is at the center of this storm:

The burden of showing something by a ‘preponderance of the evidence,’ the most common standard in the civil law, ‘simply requires the trier of fact ‘to believe that the existence of a fact is more probable than its nonexistence before [he] may find in favor of a party who has the burden to persuade the [judge] of the fact’s existence.’

Concrete Pipe & Products of California, Inc. v. Construction Laborer’s Pension Trust for Southern California, 508 U.S. 602, 622 (1993) (brackets in original; citations omitted).

“In other words, the preponderance standard goes to how convincing the evidence in favor of a fact must be in comparison with the evidence against it before the fact may be found...” Metropolitan Stevedore Co. v. Rambo, 521 U.S. 121, 137 & n. 9 (1997). This “standard results in a roughly equal allocation of the risk of error between litigants...” Grogan v. Garner, 498 U.S. 279, 286 (1991). It is a standard “customarily used to prescribe one possible burden or standard of proof before a trier of fact in the first instance...” Concrete Pipe, 508 U.S., at 622. Simply stated, “a degree of certainty that some fact has been proven in the first instance...” Id., at 622-623.

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<sup>15</sup> This featherweight burden also incentivizes infringing activity since invalidity would be more easily proven.

Conversely, the “clear and convincing” standard assesses that “degree of certainty that a factfinder in the first instance made a mistake in concluding that a fact had been proven under the applicable standard of proof.” *Id.*<sup>16</sup> Reviewing bodies employ standards of review while original finders of fact employ burdens of proof. *Id.* The use by a reviewing body of the preponderance standard renders the initial factfinder’s efforts “ultimately useless”, deprives the reviewing body of the initial factfinder’s “judgments about the reliability of some forms of evidence” and deprives the initial factfinder of “some degree of deference.” *Id.*, at 623. This holding is acutely consequential here.

The question becomes whether the use of the preponderance of the evidence burden of proof, in and of itself, effects a “violation of the constitutional principle of separation of powers.” *Morrison v. Olson*, 487 U.S. 654, 660 (1988). It does. “The principle of separation of powers is expressed in our Constitution in the first section of the first three articles.” *Id.*, at 697 (Scalia, J., dissenting); *See* Art. I, §1, Art. II, §1, Art. III, §1. In 1933 this Court held that:

The Constitution, in distributing the powers of government, creates three distinct and separate departments – the legislative, the executive, and the judicial. This separation is not merely a matter of convenience or of governmental mechanism. Its object is basic and

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<sup>16</sup> This Court has equated the “clearly erroneous” and “clear and convincing” standards of review. *See Concrete Pipe*, 508 U.S., at 622-623; Fed R. Civ. P. 52(a); *United States v. United States Gypsum Co.*, 333 U.S. 364, 395 (1948).

vital...namely, to preclude a comingling of these essentially different powers of government in the same hands.

O'Donoghue v. United States, 289 U.S. 516, 530 (1933) (citation omitted).

“This Court consistently has given voice to, and has reaffirmed, the central judgment of the Framers of the Constitution that, within our political scheme, the separation of governmental powers into three coordinate Branches is essential to the preservation of liberty.” Mistretta v. United States, 488 U.S. 361, 380 (1989); See also Hamdi v. Rumsfeld, 542 U.S. 507, 536 (2004). This Court has “recognized, as Madison admonished at the founding, that...our Constitution mandates that ‘each of the three general departments of government [must remain] entirely free from the control or coercive influence, direct or indirect, of either of the others...’” Mistretta, 488 U.S., at 380 (quoting Humphrey’s Executor v. United States, 295 U.S. 602, 629 (1935)) (brackets in original). “The Framers of the Federal Constitution...viewed the principle of separation of powers as the absolute central guarantee of a just government.” Morrison, 487 U.S., at 697, 698 (Scalia, J., dissenting) (citing The Federalist No. 47, p. 301 (C. Rossiter ed. 1961) (Madison, J.); The Federalist No. 73, p. 442 (Hamilton, A.); The Federalist No. 51, pp. 321-322 (Hamilton, A.)). Madison also “admonished at the founding” that “neither of [the Branches] ought to possess directly or indirectly, an overruling influence over the others in the administration of their respective powers...” Mistretta, 488 U.S., at 409 (brackets in original; quoting The Federalist No. 48, p. 332 (J. Cooke ed. 1961)).

“The Constitution provides that ‘[a]ll legislative powers herein granted shall be vested in a Congress of the United States,’ U.S. Const. Art. I, §1...” Mistretta, 488 U.S., at 371 (brackets in original). In 1963 this Court held that:

It is upon Congress that the Constitution has bestowed the power **‘To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries,’ Art. I, §8, cl. 8, and to take all steps necessary and proper to accomplish that end, Art. I, §8, cl. 18, pursuant to which the patent office and its specialized bar have been established.**

Sperry v. Florida Ex. Rel. Florida Bar, 373 U.S. 379, 401 (1963) (emphasis added). “The general object of...[the patent] system is to execute the intention of...[the Patent] [C]lause of the Constitution...” Butterworth, 112 U.S., at 58 (brackets supplied).

The Constitution further provides that “The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as Congress may from time to time ordain and establish.” Art. III, §1. In 1989 this Court held that:

In [separation of powers] cases specifically involving the Judicial Branch, we have expressed our vigilance against two dangers: first, that the Judicial Branch neither be assigned nor allowed ‘tasks that are more properly accom-

plished by [other] branches,’ Morrison v. Olson, 487 U.S., at 680-681, 101 L. Ed. 2d 569, 108 S. Ct. 2597, and, second, that no provision of law ‘immissibly threatens the institutional integrity of the judicial branch.’

Mistretta, 488 U.S., at 383 (quoting Commodity Futures Trading Commissioner v. Schor, 478 U.S. 833, 851 (1986)) (initial brackets supplied; second brackets in original).

It is of great import to first note the precise nature of the “invalidity defense” relative to which Microsoft proposes to employ the preponderance standard. The Patent “Act sets out the conditions of patentability in three sections.” Graham, 383 U.S., at 12, 13-14; See also 35 U.S.C. §§101-103; Bilski v. Kappos, 560 U.S. —, 130 S. Ct. 3218, 3225 (2010). “An analysis of the structure of these three sections indicates that patentability is dependent upon three explicit conditions: novelty and utility as articulated and defined in §101 and §102, and nonobviousness, the new statutory formulation, as set out in §103.” Graham, 383 U.S., at 12; See also Aristocrat Technologies Australia PTY Limited v. International Game Technology, 543 F. 3d 657, 661 (Fed. Cir. 2008). The “titles of the sections themselves make clear that they relate to fundamental preconditions for obtaining a patent.” Id. “Section 101, relating to utility and patent eligibility, is entitled ‘Inventions Patentable’. Likewise, sections 102 and 103, relating to novelty and obviousness, respectively, are explicitly entitled ‘[c]onditions for patentability’”. Id. (brackets in original).

The public sale condition for patentability, which is implicated here, has been set forth in every Patent Act since 1790 when then Secretary of State Thomas Jefferson was “the driving force behind early federal patent policy.” Bonito Boats, Inc., 489 U.S., at 147-149. No condition for patentability is older than it. Id.<sup>17</sup> The unlimited monopolization of publicly sold goods was clearly an evil which the Framers sought to eradicate through the Patent Clause. The Patent Clause, after all, “was written against the backdrop of practices—eventually curtailed by the Statute of Monopolies—of the Crown in granting monopolies to court favorites in goods or businesses which had long been employed by the public.” Graham, 383 U.S., at 5, 6-12.

Patent “invalidity defenses”, asserted in federal district court actions, encompass all “conditions for patentability” set forth in the Patent Act including the public sale condition for patentability asserted here. See 35 U.S.C. §§102(b), 101-103, 282(2);<sup>18</sup> Aristocrat Technologies Australia PTY Limited, 543 F. 3d, at 661; Graham, 383 U.S., at 12-14; Bonito Boats, Inc., 489 U.S., at 146-151. The proverbial bottom line is very simple but of great constitutional magnitude: when a federal district court tries a condition for patentability invalidity defense (35 U.S.C. §102(b)) in the first instance as the original trier of fact, while applying the preponderance standard, its determination is necessarily one of “patentability”.

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<sup>17</sup>The nonobviousness condition for patentability was not spawned until 1851 and was not statutorily codified until 1952. Hotchkiss v. Greenwood, 52 U.S. 248, 267 (1851); 35 U.S.C. §103; Bonito Boats, Inc., 489 U.S., at 150.

<sup>18</sup> Section 282 of the Patent Act was enacted in 1948.

The core constitutional obligation of Congress, in executing the Patent Clause, is to make patentability determinations as the original trier of fact in the first instance. “[S]ecuring for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries...” imposes this unambiguous constitutional obligation directly upon Congress alone. Art. I, §8, cl. 8 (brackets supplied). The Patent “[C]ause thus describes both the objective which Congress may seek and the means to achieve it.” Goldstein, 412 U.S., at 555 (brackets supplied). The “objective” of the Patent Clause, as per Goldstein and the plain text of the clause itself, is “to promote the progress of the sciences and the arts”. Id. Congress’ “means to achieve” this objective is by “securing” the “exclusive Rights” of “Authors and Inventors”. Id. Thus, to “accomplish its purpose, ***Congress may grant*** to authors [and Inventors] the exclusive rights to the fruits of their respective works.” Id. (brackets and emphasis supplied); See Graham, 383 U.S. at 5-6, 12-14.

“The patent standard is basically constitutional...” Anderson’s - Black Rock, Inc. v. Pavement Salvage Co., Inc., 396 U.S. 57, 61 (1969) (Douglas, J.). The Framers chose their Patent Clause verbiage with the precision of a diamond cutter. When they obligated Congress to “secure” the “exclusive Rights” of “Authors and Inventors” they imposed upon it the obligation to make these “security” determinations in the first instance. Art. I, §8, cl. 8; Goldstein, 412 U.S., at 555. These first instance patentability (“security”) determinations can obviously only be made by assessing the very “conditions” which determine “patentability” (ability to “secure”) in the first place. Section 102(b) is one such condition. It has been since 1790. See 35 U.S.C. §102(b); Bonito Boats, Inc.,

489 U.S., at 148-149; Art. I, §8, cl. 8; Goldstein, 412 U.S., at 555.

The plain text of the statutory sections which implement the Patent Clause, by sheer constitutional necessity, address the patent application (“security”) process before the PTO, not the Judicial Branch. See 35 U.S.C. §§101-103. Indeed, these statutory sections set forth the “fundamental preconditions for obtaining a patent” from the PTO via the application process. Aristocrat Technologies Australia PTY Limited, 543 F. 3d, at 661; See 35 U.S.C. §§101-103. Part II of Title 35, which includes Sections 101-103, is actually expressly entitled “Patentability of Inventions and Grant of Patents”. (See Appendix at pp. 3a-5a). When a federal district court, applying the preponderance standard and sitting as an original trier of fact in the first instance, makes condition for patentability determinations it, not Congress, by sheer constitutional necessity, “execute[s] the...[Patent] [C]ause of the Constitution...” Butterworth, 112 U.S., at 58 (brackets supplied).

Patentability determinations in the first instance connote the very essence of the “execution” of the Patent Clause and necessarily abridge separation of powers principles, without further consideration, if performed by the Judicial Branch. Art. I, §8, cl. 8; Art. III, §1; Butterworth, 112 U.S., at 58-59; Goldstein, 412 U.S., at 455; Graham, 383 U.S., at 12-14, 18; Bonito Boats, Inc., 489 U.S., at 146-151; Mistretta, 488 U.S., at 380, 383, 409; 35 U.S.C. §102(b). An observation by Mr. Justice Scalia, some 23 years ago in his Morrison dissent, aptly describes the nature of the separation of powers violations which would occur here:

Frequently an issue of this sort will come before the Court clad, so to speak, in sheep's clothing: the potential of the asserted principle to effect important change in the equilibrium of power is not immediately evident, and must be discerned by a careful and perceptive analysis. But this wolf comes as a wolf.

Morrison, 487 U.S., at 699 (Scalia, J., dissenting).

The use of the mere preponderance burden of proof would, all by itself, effectuate a total divestiture by the Judicial Branch of the constitutional power expressly granted to Congress under the Patent Clause at the founding. Every condition for patentability of a previously granted patent would be fair game for federal district courts to try anew as the “original” fact finder in the “first instance” due to the burden of proof (preponderance) which could be employed by them. Federal district courts would be empowered, indeed actually compelled, to refuse to respect, defer to or even consider the PTO’s originally found facts concerning a patent in suit due to their new found status as the “original trier of fact”.<sup>19</sup> These powers would, in turn, provide the Judicial Branch with the raw and unfettered first instance power to “grant or deny” patents that come before it on “patentability determinations”. All Patent Clause powers would be

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<sup>19</sup> Acute separation of powers violations independently result when, as would be the case here, “some degree of deference” is not paid to the PTO’s constitutionally compelled fact finding obligations, when these same obligations are rendered “ultimately useless” and when the PTO’s “judgments about the reliability of some forms of evidence” are ignored. Concrete Pipe, 508 U.S., at 623; Mistretta, 488 U.S., at 380, 383, 409; Art. I, §8, cl. 8.

wrestled from the Legislative Branch in this context. This divestiture would subject the Legislative Branch to the “control or coercive influence” of the Judicial Branch regarding legislative powers and would assign to the Judicial Branch “tasks that are more properly accomplished by [other] Branches...” Mistretta, 488 U.S., at 380, 383, 409 (citation omitted).

The *Amicus* turns now to the context where the federal district court condition for patentability invalidity defense embeds prior art previously unconsidered by the PTO. Microsoft’s foundational premise in this case essentially is that since the PTO did not consider the prior art, associated with its condition for patentability invalidity defense, the clear and convincing standard of review must fall by the wayside. This contention misses the constitutional mark. Since the Judicial Branch has no constitutional right to fish in the condition for patentability pond, in the first instance, litigants cannot constitutionally complain about conditions (unconsidered prior art) prevailing there upon arrival. These unconsidered prior art contentions are, in Fourth Amendment parlance, nothing more than the “fruit of the poisonous tree”. Wong Sun v. United States, 371 U.S. 471, 488 (1963). Insofar as the Judicial Branch is without the constitutional ability *ab initio* to sit as an original trier of fact, relative to conditions for patentability, it follows, by sheer constitutional necessity, that it cannot engage in first instance prior art determinations in this very context.

The *Amicus* will, nonetheless, demonstrate that the presence of previously unconsidered prior art actually accentuates the pungency of the constitutional violations already proven. The fact that the Section

102(b) condition for patentability and its embedded prior art are previously unconsidered by the PTO dictates that the Judicial Branch would unequivocally sit, if permitted to do so, as both the figurative and literal original trier of fact in the first instance. This it cannot do since this conduct is expressly forbidden by the unambiguous text of the Constitution. See supra.

The public sale condition for patentability invalidity defense, at its baseline, devolves into a prior art analysis. See 35 U.S.C. §102(b); Pfaff v. Wells Electronics, Inc., 525 U.S. 55, 68-69, 57-67 (1998) (Stevens, J.). In short, proof must be had that the proposed “invention’... has been ‘on sale’ more than one year before filing a patent application.” Id., at 57 (quoting 35 U.S.C. §102(b)). This process amounts to a straight up prior art<sup>20</sup> analysis, as Microsoft so readily concedes, requiring a comparison between the product sold or offered for sale and the invention claimed. Id., at 67-69; 57. When a federal district court, applying the preponderance standard and sitting as an original trier of fact in the first instance, determines a condition for patentability (public sale) based on Section 102(b) prior art ***never considered*** by the PTO it, not Congress or its designee, necessarily “execute[s] the...[Patent] [C]ause of the Constitution...” Butterworth, 112 U.S., at 58. Discerning, in the first instance as the original trier of fact, whether a “product”, which has been “reduc[ed] to practice” or codified in “drawings or other descrip-

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<sup>20</sup> This Court noted in Dickinson that a Federal Circuit Panel observed that “the question of what the prior art teaches is one of fact...” Dickinson, 527 U.S., at 153. The Federal Circuit’s holding is wholly consistent with both Butterworth, 112 U.S., at 59 and Duell, 172 U.S., at 586.

tions”, actually practices an invention claimed in a patent or patent application calls for the very technological prowess which lay courts do not possess and calls upon them also to resort to powers not within their constitutional quiver. Pfaff, 525 U.S., at 67 (brackets supplied); Art. I, §8, cl. 8; 35 U.S.C. §102(b).

The failure of the PTO to have considered implicated prior art does not arm the Judicial Branch with the Patent Clause powers belonging exclusively to Congress. See Art. I, §8, cl. 8, 18. Certainly, the “inaction” of one Branch cannot be used as the predicate to arm another Branch with constitutional powers not belonging to it. The Judicial Branch can only sit as a “reviewing body” in the present context, even in relation to “unconsidered” prior art, and they may only employ “standards of review” while sitting in this capacity. These concepts actually are not new to this Court’s jurisprudence.<sup>21</sup> Neither is the concept that only the PTO may constitutionally sit as the original trier of fact in the first instance relative to condition for patentability determinations. Art. I, §8, cl. 8; Morgan, 153 U.S., at 124; Dickinson, 527 U.S.,

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<sup>21</sup> This Court expressly held in Dickinson that even when a patent applicant presents new evidence to a federal district court, in the context of an administrative appeal of the PTO’s factual findings, the federal district court still only sits as a reviewing body. Dickinson, 527 U.S., at 164. “The presence of such new or different evidence makes a factfinder of the district judge. We concede that an anomaly might exist insofar as the district judge does no more than review PTO factfinding, but nothing in this opinion prevents the Federal Circuit from adjusting related review standards where necessary.” Id. This holding is entirely consistent with separation of powers principles. (Microsoft and its *Amici* consistently cite only the first sentence of this holding). See Morgan, 153 U.S., 122-124.

at 164, 158-165; Graham, 383 U.S., at 12-14, 18; Bonito Boats, Inc., 489 U.S., at 146-151; Goldstein, 412 U.S., at 555; Butterworth, 112 U.S., at 59; Duell, 172 U.S., at 586; 35 U.S.C. §§1, 101-103.

After having exhaustively traced the “obviousness” condition for patentability in Graham, 383 U.S., at 3-18, from both a legal and historical perspective, this Court took note of its own analysis. “While we have focused attention on the appropriate standard to be applied by the Courts, it must be remembered that the primary responsibility for sifting out unpatentable material lies in the Patent Office.”<sup>22</sup> Id., at 18. There can only be one original trier of fact concerning condition for patentability determinations.<sup>23</sup> That

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<sup>22</sup> The historical use of the preponderance standard by the PTO in reexamination proceedings is consistent with its constitutional status as the original trier of fact. In Re Etter, 756 F. 2d 852, 857-858 (Fed. Cir. 1985)(en banc) (preponderance standard employed in reexamination proceedings).

<sup>23</sup> This Court has also held that the PTO performs judicial functions. Butterworth, 112 U.S., at 59; Duell, 172 U.S., at 586; Graham, 383 U.S., at 18. It must be recalled that the PTO is a “special tribunal, entrusted with full power in the premises.” Morgan, 153 U.S., at 124. The power to find facts in the first instance and resolve all disputed facts, attendant to condition for patentability determinations, is strictly within the province of the Legislative Branch as Butterworth, Duell, Graham, Dickinson, Goldstein, the Patent Clause and 35 U.S.C. §§101-103 teach us. The proposed use of the preponderance standard presupposes, *sub silentio*, that the Judicial Branch is equally well equipped to deal, in the first instance, with the complex matters routinely placed before the PTO. It simply is not as this Court has consistently acknowledged throughout its history. See Dickinson, 527 U.S., at 158-165; Morgan, 153 U.S., at 124; Butterworth, 112 U.S., at 59. In fact, this is precisely why this Court has consistently counseled for extreme deference being paid to PTO factual findings. Dickinson, 527 U.S., at 158-165.

the Framers delegated this function exclusively to Congress is made plain by the unambiguous text of the constitutional grant. The precedent of this Court is consistent with this grant.

If there is a perceived glitch in the patent system—the PTO allegedly does not permit public sale condition for patentability invalidity challenges to be asserted in reexamination procedures—it can be remedied by rule, regulation or statute. The remedy cannot come in the form of an abridgement to our Constitution for that would make the “cure worse than the disease” to quote a venerable Country Barrister. In fact, in the USPTO’s 2004 Report to Congress it specifically proposed a remedy which would have provided it with the ability, apart from its unfettered obligation to do so under the Patent Clause, to hear Section 102(b) “prior use or sale” challenges. See USPTO 2004 Report to Congress. Congress is necessarily aware of the PTO’s 2004 proposal insofar as bicameral legislation was introduced by it in 2009 which expressly sought to permit the PTO to consider prior use and sale invalidity challenges within reexamination proceedings. See H.R. 1260, 111<sup>th</sup> Cong., 1<sup>st</sup> Session, pp. 35, 37-38 (2009); S. 515, 111<sup>th</sup> Cong., 1<sup>st</sup> Session, pp. 33, 35-36 (2009).

There may be an asserted glitch in the patent system but there certainly is not an actual one. The alleged inability to raise prior use or sale challenges, via reexamination or any other proceedings filed with the PTO, assumedly arises through the dictate of the statutes which define the scope of the prior art (printed publications and patents) which can be subjected to reexamination. See 35 U.S.C. §§ 301, 302, 311, 102(b). It is respectfully submitted, however,

that the PTO may not constitutionally decline to hear any condition for patentability invalidity challenge in the first instance including all Section 102(b) challenges.<sup>24</sup> The Constitution is, after all, the “supreme Law of the Land” and this Court is its “ultimate interpreter”.<sup>25</sup> Art. VI; Marbury v. Madison, 5 U.S. 137, 177-178 (1803); Cooper v. Aaron, 358 U.S. 1, 18 (1958); Baker v. Carr, 369 U.S. 186, 211 (1962) (Brennan, J.); Art. I, §8, cl. 8. The core constitutional function of Congress, in executing the Patent Clause, is, again, to make initial condition for patentability determinations of the sort embodied in Section 102(b). Art. I, §8, cl. 8; 35 U.S.C. §§ 101-103; Goldstein, 412 U.S., at 455. This concept is but a constitutional corollary of the proposition that federal district courts cannot constitutionally sit as original triers of fact in the first instance relative to condition for patentability determinations. Art. I, §8, cl. 8; 35 U.S.C. §1; Sperry, 373 U.S., at 401; Id.; Ibid.; See supra.

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<sup>24</sup> Products “reduced] to practice”, “drawings” and “specifications”, although all possible embodiments of “prior art”, are not within the facial ambit of the reexamination statutes. Pfaff, 525 U.S., at 67; See 35 U.S.C. §§ 301, 302, 311, 102(b); H.R. 1260; S. 515; 2004 USPTO Report (Congress).

<sup>25</sup> If any federal statute, rule, regulation, protocol or any other authority is employed, alone or in conjunction with each other, to contend that 35 U.S.C. §102(b) challenges may not be asserted before the PTO, as the original trier of fact, then such authorities would be unconstitutional on their face and as applied in derogation of the Patent Clause. Art. I, §8, cl. 8, 18; See supra. The Solicitor General has been served with this *Amicus* Brief under Sup. Ct. R. 29.4(b) and 28 U.S.C. §2403(a) may apply. To the knowledge of the *Amicus*, no court has informed the Attorney General that the constitutionality of an Act of Congress has been drawn into question in this case.

The PTO's 2004 report to Congress necessarily demonstrates that it is not without the technological or logistical ability to hear public sale condition for patentability challenges in the first instance. It necessarily could not be given the text of the Patent Clause. It would be a strange anomaly indeed if only some conditions for patentability (Section 103) could be heard in the first instance by the PTO while others (Section 102(b)) could not. This would be particularly whimsical given the agedness (1790) of the latter condition. Determining some, but not all, of these conditions violates the Patent Clause, as proved, and would violate the Due Process Clauses too. Lest it be forgotten, the "touchstone of due process is the protection of the individual against arbitrary action of the government." Wolff v. McDonnell, 418 U.S. 539, 558 (1974).

Microsoft's central premise in this litigation is simply not true. Microsoft had a constitutional right to present its public sale condition for patentability challenge to the PTO, together with the prior art embedded in it, in the first instance. That it chose not to do so should not now result in reshuffling the Patent Clause powers between the Branches. If a federal district court infringement defendant forsakes its constitutional ability to have the PTO hear a condition for patentability challenge, in the first instance, it cannot then constitutionally seek to have the federal district court act as the original trier of fact in relation to this same condition. Moreover, a federal district court simply cannot constitutionally even sit in such a capacity. See supra. The observation made by this Court in KSR International Co. v. Teleflex, Inc., 550 U.S. 398, 426 (2007), to the effect that "rationale underlying" the presumption of validity in Section 282 seems "much diminished" in the

unconsidered prior art context, does not reflect the circumstances here. The asserted “unconsidered prior art” is a constitutional “red herring” and such that it actually could have been initially considered by the PTO.

**II. THE CONSTITUTIONALLY PREMISED BURDEN OF PROOF PRECEDENT OF THIS COURT COMPELS, AT MINIMUM, USE OF THE CLEAR AND CONVINCING STANDARD OF REVIEW**

Microsoft contends that patentees cannot resort to the clear and convincing standard of review because the precedent of this Court precludes them from doing so. This position belittles the importance placed upon the Patent Clause by the Framers at the founding, and this Court in the years since, and it misconstrues the “clear and convincing” precedent of this Court as well. Microsoft also incorrectly posits that liberty interests are not extant.

This Court has “required proof by clear and convincing evidence where particularly important individual interests or rights are at stake.” Herman & MacLean, 459 U.S., at 389; See also Santosky v. Kramer, 455 U.S. 745, 766-771 (1982) (parental rights termination); Addington v. Texas, 441 U.S. 418, 428-433 (1979) (involuntary commitment); Woodby v. INS, 385 U.S. 276, 285-286 (1966) (deportation). Conversely, the “preponderance of the evidence” standard is normally employed in “civil case[s] involving a monetary dispute” because “society has a minimal concern with the outcome of such private

suits...” Addington, 441 U.S., at 423 (brackets supplied).<sup>26</sup>

That “particularly important” individual, societal and governmental interests and rights are at stake here is self-evident, at the start, just from reading the Patent Clause<sup>27</sup> and *The Federalist* No. 43, pp. 238-239 (E. H. Scott ed. 1898) (Madison, J.).

James Madison’s observations at the founding were as follows:

**The utility of this [Patent Clause] power, will scarcely be questioned. The copyright of authors has been solemnly adjudged in Great Britain, to be a right at Common Law. The right to useful inventions, seems with equal reason to belong to the inventors. The public good fully coincides in both cases, with the claims of the individuals.** The States cannot separately make effectual provision for either of the cases, and most of them have anticipated the decision of this point, by laws passed at the instance of Congress.

Id. (brackets and emphasis supplied).

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<sup>26</sup>Use of the preponderance standard is constitutionally foreclosed. *See supra*.

<sup>27</sup> See Appendix.

In 1989 this Court held that:

The federal patent system thus embodies a carefully crafted bargain for encouraging the creation and disclosure of new, useful, and nonobvious advances in technology and design in return for the exclusive right to practice the invention for a period of years. ‘[The Inventor] may keep his invention secret and reap its fruits indefinitely. In consideration of its disclosure and the consequent benefit to the community, the patent is granted.’

Bonito Boats, Inc., 489 U.S., at 150-151 (quoting United States v. Dubilier Condenser Corp., 289 U.S. 178, 186-187 (1933)) (brackets in original); See also Graham, 383 U.S., at 9.

“That a patent is property, protected against appropriation both by individuals and by government, has long been settled.” Hartford Empire Co. v. United States, 323 U.S. 386, 415 (1945).<sup>28</sup> “The rights conferred by the issuance of letters patent are federal rights.” Sperry, 373 U.S., at 401. The patent system implicates both “public” and “private interests”. Duell, 172 U.S., at 586; See also The Federalist No. 43, pp. 238-239. The Patent Clause is actually so critical to our commercial success as a Nation that the Constitution expressly permits patentees to implement limited monopolies which otherwise would be violative of the criminal and civil components of

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<sup>28</sup> Since property interests are implicated so are the Due Process Clauses of the Fifth and Fourteenth Amendments. Ingraham v. Wright, 430 U.S. 651, 672 (1977).

the Sherman and Clayton Acts. Butterworth, 112 U.S., at 58-59; Art. I, §8, cl. 8; 15 U.S.C. §§1, 2, 15.

On September 17, 1787 we found the Patent Clause embedded into the Eighth Section of the First Article of our Constitution when it was adopted and executed that day by the Delegates of the States.<sup>29</sup> Its provisions have remained unchanged for 224 years. Throughout this time the Patent Clause has thrived as has our Nation because of it. Our Founders, especially Virginia Delegate James Madison and South Carolina Delegate Charles Pinckney, were steadfast in their resolve that Patent Clause powers were critical to developing our then infant Nation. They were right. Id.; at 438-445. See also Graham, 383 U.S. at 5-13; Bonito Boats, Inc., 489 U.S. at 146-151 (tracing American patent history including the legal views of James Madison and Thomas Jefferson). As Madison observed at the founding, the “utility of the [Patent Clause] power will scarcely be questioned.” The Federalist No. 43, pp. 238-239. Microsoft and its *Amici* sure question both the utility of the Patent Clause and the Legislative Branch’s power to execute it.

The Patent Clause, Inventors, the patent system and patents have always held a sacred place in the constitutional jurisprudence of this Court. To suggest, as Microsoft and its *Amici* have, that patents do not implicate “particularly important” individual, societal and governmental interests is specious, at odds with the plain text of the Constitution, inconsistent with the intent of our Framers and in derogation of

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<sup>29</sup> See 11 J. Pat. Off. Soc. 438, 443 (1929). The Constitution was thereafter ratified on June 21, 1788 when the ninth of our then thirteen States (New Hampshire) ratified it. See Art. VII.

the time honored precedent of this Court. Herman & MacLean, 459 U.S., at 389. To suggest, as Microsoft and its *Amici* also have, that patents are but garden variety “property” with which “society has a minimal concern” only exacerbates Microsoft’s egregious errors. Addington, 441 U.S., at 423. It can be viably contended by nobody that constitutional provisions do not address themselves to “particularly important” individual and governmental interests since, by definition, this is precisely why they are adopted in the first place. Ibid.

Liberty is yet another “important interest” implicated here. The substantive aspect of liberty under the Due Process Clause “denotes not merely freedom from bodily restraint but also the right of the individual to contract, to engage in the common occupations of life, to acquire useful knowledge...and generally to enjoy those privileges long recognized at common law as essential to the orderly pursuit of happiness by free men.” Meyer v. Nebraska, 262 U.S. 390, 399 (1923); See also Northwest National Life Insurance Co. v. Riggs, 203 U.S. 243, 252-253 (1906).

As part and parcel of many “common occupations of life”—scores of them come immediately to mind—there is a need to seek out the constitutional protections of the Patent Clause in order to insulate, perpetuate and improve these callings and to “carry out th[eir] purposes...” Id. (brackets supplied). Moreover, patent rights have been “long recognized at common law as essential to the orderly pursuit of happiness by free men...” given the Crown’s 1624 Statute of Monopolies and the adoption of our Patent Clause in 1787. Meyer, 262 U.S., at 399; Graham,

383 U.S., at 5, 6-12.<sup>30</sup> Insofar as “particularly important” interests exist the “clear and convincing” standard, at minimum, must be employed by Courts reviewing PTO condition for patentability determinations. Herman & MacLean, 459 U.S., at 389; See also RCA, 293 U.S., at 2.

Microsoft’s foundational premise in this case—unconsidered prior art forecloses use of a heightened standard of review—misses the mark in the burden proof/standard of review arena as well. It is the “*particular importance*” of these constitutional interests and rights in the abstract—not the action or inaction of the federal agency granting them—which fuels the obligation to apply the clear and convincing standard in federal district court proceedings. Id. Likewise, the use of a heightened burden of proof in criminal cases is not dependent upon what evidence the jury considers but rather the nature of the abstract “interests” at play. See Addington, 441 U.S., at 423-424.

The use of a “heightened” standard of review—beyond “clear and convincing”—is actually constitutionally compelled here. This Court has held that the clear and convincing standard of review must result in affirmance by the reviewing body unless it has a “definite and firm conviction that a mistake has been committed.” by the original factfinder. Concrete Pipe, 508 U.S., at 622. (citation omitted). Why should the “firm conviction” of a lay court, as to fact laden condition for patentability invalidity defenses, eclipse the “firm conviction” of the technologically proficient and constitutionally empowered PTO relative to the very patent which it issued? The use of

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<sup>30</sup> See footnote 29.

the “beyond a reasonable doubt” standard would likewise be unconstitutional for identical reasons. The lay “abiding conviction” of a federal district court would again be preferred to the “abiding conviction” of the technologically proficient and constitutionally empowered PTO relative to patents issued by it. Victor v. Nebraska, 511 U.S. 1, 8 (1994). This criminal standard would also unconstitutionally imbue federal district courts with original trier of fact status since it is a burden of proof. See supra.

This analysis demonstrates precisely why it is that only the “arbitrary and capricious” standard, which this Court employed in Dickinson, 527 U.S., at 152-165, that can be utilized to review PTO condition for patentability determinations. This is the only standard known to American law which will not result in the substitution of the Judicial Branch’s judgment for that of the PTO, as to factual matters, and the consequent impermissible vesting of Patent Clause powers in the Judicial Branch. The PTO, as noted, is “a special tribunal, entrusted with full power in the premises.” Morgan, 153 U.S., at 124.

Use of the “arbitrary and capricious” review standard is also consonant with equal protection principles as between patentees (administrative appellants) and alleged infringers (judicial appellants). It would indeed be quite an anomaly if a stranger to the patent, who has quite possibly engaged in illegal conduct by infringing it, could resort to the “clear and convincing” standard while a patentee, possessing as she does property rights protectable under the Fifth Amendment, is relegated to a more vexing standard of review (arbitrary and capricious). These inequities would certainly produce violations of the equal protection strand of the Fifth Amendment’s

Due Process Clause. See Bolling v. Sharp, 347 U.S. 497, 499 (1954). If a mere preponderance standard is employed in federal district court proceedings the discrimination, between the classes, becomes even more acute. “[A]s this Court has recognized, discrimination may be so unjustifiable as to be violative of due process.” Id. (brackets supplied).

### **CONCLUSION**

The Federal Circuit, with great cause and correctly so, clung mightily to a heightened standard of review relative to condition for patentability determinations in both the “considered” and “unconsidered” prior art contexts. The Judgment of the Federal Circuit should be affirmed and this Court should also hold that:

1. The Constitution compels the use of the “arbitrary and capricious” standard of review by the Judicial Branch relative to condition for patentability invalidity defenses asserted in federal district court proceedings;<sup>31</sup>
2. The Judicial Branch may only constitutionally sit as a reviewing body in the condition for patentability invalidity defense determination context; and
3. It is the exclusive constitutional obligation of the PTO to consider in the first

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<sup>31</sup> Since the standard upon which i4i prevailed (“clear and convincing”) is judicially stricter than the arbitrary and capricious standard it is legally unnecessary to retry this case. See Dickinson, 527 U.S., at 153-155, 160, 162, 165.

instance as the original trier of fact, while applying the preponderance of the evidence burden of proof, all condition for patentability challenges including the public sale condition set forth in 35 U.S.C. §102(b).

Respectfully submitted,

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**APPENDIX**

**CONSTITUTIONAL PROVISIONS:**

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U.S. Const. Art. I, §8, cl. 8 .....1  
U.S. Const. Art. I, §8, cl. 18 .....1  
U.S. Const. Art. II, §1 .....1  
U.S. Const. Art. III, §1 .....2  
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**CONSTITUTIONAL PROVISIONS**

**ART. I, §1**

All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.

**ART. I §8, cl. 8**

The Congress shall have Power...To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

**ART. I §8, cl. 18**

The Congress shall have Power...To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

**ART. II, §1**

The executive Power shall be vested in a President of the United States of America.

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**ART. III, §1**

The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behaviour, and shall, at stated times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

**ART. VI**

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This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

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**ART. VII**

The Ratification of the Conventions of nine States, shall be sufficient for the Establishment of this Constitution between States so ratifying the Same.

**AMENDMENT V**

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

**FEDERAL STATUTORY PROVISIONS****35 U.S.C §101****TITLE 35 - PATENTS****PART II - PATENTABILITY OF INVENTIONS  
AND GRANT OF PATENTS****CHAPTER 10- PATENTABILITY OF INVENTIONS****35 U.S.C. §101 Inventions Patentable.**

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**35 U.S.C §102**

**TITLE 35 – PATENTS**

**PART II - PATENTABILITY OF INVENTIONS  
AND GRANT OF PATENTS**

**CHAPTER 10- PATENTABILITY OF INVEN-  
TIONS**

**35 U.S.C. §102 Conditions for patentability; no-  
velty and loss of right to patent.**

A person shall be entitled to a patent unless–

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

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**35 U.S.C §103**

**TITLE 35 - PATENTS**

**PART II - PATENTABILITY OF INVENTIONS  
AND GRANT OF PATENTS**

**CHAPTER 10- PATENTABILITY OF INVEN-  
TIONS**

**35 U.S.C. §103 Conditions for patentability;  
non-obvious subject matter.**

(a) a patent may not be obtained though the inven-  
tion is not identically disclosed or described as set  
forth in Section 102 of this title, if the differences be-  
tween the subject matter sought to be patented and  
the prior art are such that the subject matter as a  
whole would have been obvious at the time the in-  
vention was made to a person having ordinary skill  
in the art to which said subject matter pertains. Pa-  
tentability shall not be negatived by the manner in  
which the invention was made.

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**35 U.S.C. §282 Presumption of validity; de-  
fenses.**

A patent shall be presumed valid. Each claim of a  
patent (whether in independent, dependent, or mul-  
tiple dependent form) shall be presumed valid inde-  
pendently of the validity of other claims; dependent  
or multiple dependent claims shall be presumed va-  
lid even though dependent upon an invalid claim.  
Notwithstanding the preceding sentence, if a claim

to a composition of matter is held invalid and that claim was the basis of a determination of nonobvious solely on the basis of Section 103(b)(1), the process shall no longer be considered nonobvious solely on the basis of Section 103(b)(1). The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- (1) Noninfringement, absence of liability for infringement, or unenforceability,
- (2) Invalidity of the patent or any claim in suit on any ground specified in Part II of this title as a condition for patentability.

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**35 U.S.C. §301 Citation of prior art.**

Any person at any time may cite to the Office in writing prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent. If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request of the person citing the prior art, his or her identity will be excluded from the patent file and kept confidential.

**35 U.S.C. §302 Request for reexamination.**

Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title. The request must be in writing and must be accompanied by payment of a reexamination fee established by the Director pursuant to the provisions of section 41 of this title. The request must set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested. Unless the requesting person is the owner of the patent, the Director promptly will send a copy of the request to the owner of record of the patent.

**35 U.S.C. §311 Request for inter partes reexamination.**

(a) IN GENERAL – Any third-party requester at any time may file a request for inter partes reexamination by the Office of a patent on the basis of any prior art cited under the provisions of Section 301.

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