

No. 10-290

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

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MICROSOFT CORPORATION,

*Petitioner,*

*v.*

141 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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**BRIEF OF *AMICUS CURIAE*  
TRIANTAFYLLOS TAFAS, PHD  
IN SUPPORT OF RESPONDENTS**

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**TABLE OF CONTENTS**

	<i>Page</i>
TABLE OF CONTENTS.....	i
TABLE OF CITED AUTHORITIES .....	iii
INTEREST OF <i>AMICUS CURIAE</i> .....	1
SUMMARY OF ARGUMENT.....	3
“Great Men Are Not Always Wise.” Job 32:9 ...	3
ARGUMENT.....	5
A. Congress Intended for the Presumption of Validity to be Overcome Only Upon a Showing of Invalidity by Clear and Convincing Evidence .....	5
B. In Order to Give all of the Words of Section 282 Meaning, the Clear and Convincing Evidence Standard Must be Incorporated Into the Statute .....	7
1. Cases cited by Petitioner do not Evidence an Alternative Congressional Intent ..	9
2. Congresses’ Failure to Amend Section 282 in the Face of Twenty-Five Years of Case Law Applying Clear and Convincing Evidence Further Demonstrates Congresses’ Intent in 1952 to Incorporate the Clear and Convincing Standard into Section 282.....	11

*Table of Contents*

	<i>Page</i>
C. This Court Should Refuse to Adopt a Sliding Scale Burden of Proof Based on Information Reviewed by the USPTO Prior to a Patent’s Issuance.....	14
1. A Sliding Evidentiary Standard Would be Nearly Impossible to Administer Since Litigants can Never Truly Know what an Examiner Reviewed .....	14
2. A Sliding Evidentiary Standard Would Overwhelm the USPTO With References in the Examination Phase .....	16
D. The Preponderance of the Evidence Standard Gives no Deference to the USPTO’s Expertise .....	18
E. A Lesser Burden of Proof on Invalidity Provides a Disincentive to Small Companies to Disclose their Inventions to the Public .....	19
CONCLUSION .....	21

## TABLE OF CITED AUTHORITIES

	<i>Page</i>
<b>CASES</b>	
<i>America Hoist &amp; Derrick Co. v. Sowa &amp; Sons, Inc., 725 F.2d 1350 (Fed. Cir. 1984) . . . . .</i>	11, 12, 13
<i>Applied Materials, Inc. v. Advanced Semiconductor Materials America, Inc., 98 F.3d 1563 (Fed. Cir. 1996) . . . . .</i>	18, 19
<i>Applied Medical Resources Corp. v. U.S. Surgical Corp., 147 F.3d 1374 (Fed. Cir. 1998) . . . . .</i>	12
<i>Bateman v. America Multi Cinema, Inc., 623 F.3d 708 (9th Cir. 2010) . . . . .</i>	7
<i>Cantrell v. Wallick, 117 U.S. 689 (1886) . . . . .</i>	6
<i>Carcieri v. Salazar, 129 S. Ct. 1058 (2009) . . . . .</i>	11
<i>City of Roseville v. Norton, 348 F.3d 1020 (D.C. Cir. 2003) . . . . .</i>	9
<i>Coffin v. Ogden, 85 U.S. 120 (1873) . . . . .</i>	5-6
<i>Corley v. United States, 129 S. Ct. 1558 (2009) . . . . .</i>	8

*Cited Authorities*

	<i>Page</i>
<i>Flick-Reedy Corp. v.</i> <i>Hydro-Line Manufacturing Co.,</i> 351 F.2d 546 (7th Cir. 1965) . . . . .	20
<i>Gillette Co. v. S.C. Johnson &amp; Son, Inc.,</i> 919 F.2d 720 (Fed. Cir. 1990) . . . . .	12
<i>Heuter v. Sears, Roebuck and Co.,</i> 91 U.S.P.Q. 238 (N.D. Ohio 1951) . . . . .	9, 10
<i>Hibbs v. Winn,</i> 542 U.S. 88 (2004) . . . . .	9
<i>Insul-Wool Insulation Corp. v.</i> <i>Home Insulation, Inc.,</i> 176 F.2d 502 (10th Cir. 1949) . . . . .	6, 10
<i>Iron Grip Barbell Co., Inc. v. USA Sports, Inc.,</i> 392 F.3d 1317 (Fed. Cir. 2004) . . . . .	12
<i>Medical Designs, Inc. v.</i> <i>Medical Technology, Inc.,</i> 786 F. Supp. 614 (N.D. Tex. 1992) . . . . .	12
<i>Merck &amp; Co., Inc. v. Reynolds,</i> 130 S. Ct. 1784 (2010) . . . . .	7, 13
<i>Mueller v. Campbell,</i> 68 F. Supp. 464 (S.D. Ohio 1945) . . . . .	6

*Cited Authorities*

	<i>Page</i>
<i>Myers v. Beall Pipe &amp; Tank Corp.</i> , 90 F. Supp. 265 (D. Ore. 1948) . . . . .	9, 10
<i>Newport Industrial, Inc. v. Crosby Naval Stores</i> , 48 F. Supp. 422 (S.D. Miss. 1942) . . . . .	6
<i>Powell v. United States</i> , 123 F.2d 472 (9th Cir. 1941) . . . . .	8
<i>Purdue Pharma L.P. v. Faulding, Inc.</i> , 230 F.3d 1320 (Fed. Cir. 2000) . . . . .	18
<i>Radio Corp. of America v.</i> <i>Radio Engineering Laboratories, Inc.</i> , 293 U.S. 1 (1934) . . . . .	5, 6, 13
<i>Stryker Trauma S.A. v. Synthes (USA)</i> , No. Civ.A.01CV3879, 2005 WL 2245385 (D.N.J. Sept. 8, 2005) . . . . .	12
<i>Tafas v. Doll</i> , 559 F.3d 1345 (Fed. Cir. 2009) . . . . .	2
<i>The Penza</i> , 9 F.2d 527 (2d Cir. 1925) . . . . .	7
<i>Uniloc USA, Inc. v. Microsoft Corp.</i> , Nos. 2010-1035, 2010-1055, 2011 WL 9738 (Fed. Cir. Jan. 4, 2011) . . . . .	12

*Cited Authorities*

	<i>Page</i>
<i>United States v. Blasius</i> , 397 F.2d 203 (2d Cir. 1968).....	9
<i>Washburn &amp; Moen Manufacturing Co. v.</i> <i>Beat'em All Barbed-Wire Co.</i> , 143 U.S. 275 (1892) .....	6
<i>Western Electric Co., Inc. v. Piezo Tech., Inc.</i> , 860 F.2d 428 (Fed. Cir. 1988).....	16
<i>Yu Cong Eng v. Trinidad</i> , 271 U.S. 500 (1926) .....	14
 <b>STATUTES</b>	
Sup. Ct. R. 37.6 .....	1
35 U.S.C. § 69.....	8
35 U.S.C. § 261.....	19
35 U.S.C. § 282.....	<i>passim</i>
 <b>MISCELLANEOUS</b>	
America Invents Act, S.23, 112th Cong. § 7 .....	17
America Invents Act, S.23, 112th Cong. § 16 .....	13

*Cited Authorities*

	<i>Page</i>
Charles J. Zinn, Commentary on New Title 35 U.S. Code “Patents,” <i>reprinted in 1952</i> U.S.C.C.A.N. 2507 .....	6
Manual of Patent Examining Procedure § 1302.12 .....	14
Manual of Patent Examining Procedure § 1302.14 .....	15
Manual of Patent Examining Procedure § 1701 ...	15
Manual of Patent Examining Procedure § 1701.01 .....	15
S. Rep. No. 1923 (1952) .....	6, 7, 8
Pub.L. 98-417 .....	13
Pub.L. 104-41 .....	13
Pub.L. 106-113 .....	13
Pub.L. 107-273 .....	13
U.S. Patent and Trademark Office, Why Work for PTO, About the USPTO, <a href="http://usptocareers.gov/Pages/WhyWork/About.aspx">http://usptocareers. gov/Pages/WhyWork/About.aspx</a> .....	18-19



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

Triantafyllos Tafas, PhD (“Dr. Tafas”) is a founder of a company that manufactures robotic microscopes and he is named on multiple issued United States patents and patent applications. Dr. Tafas has no financial interest in any of the parties to the current action.

Dr. Tafas is a founder of Ikonisys, Inc. (“Ikonisys”), a company which manufactures a technologically-complex robotic microscope designed to automatically read microscope slides and proffer tentative diagnoses. After many unsuccessful attempts to raise capital in Europe, where he found little support for investing significant capital in an unproven start-up, Dr. Tafas turned to the United States. Dr. Tafas found this country exceptional in that it provided strong patent protection affordable not only by large corporate entities, but also by small businesses and individuals. As a result Dr. Tafas and his colleagues were able to file U.S. patent applications and utilize those applications in raising the needed seed funding to start their microscopy company. After many painstaking and lean years, Ikonisys now manufactures and sells a fully automated robotic microscope.

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1. Pursuant to Supreme Court 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 this brief. No person other than amicus curiae or its counsel made a monetary contribution to its preparation or submission. Additionally, counsel for both parties have consented to the filing of this brief, and their consents have been filed with the Clerk of this Court.

Dr. Tafas is one of the few recipients of the Jefferson Medal, an award given yearly by the New Jersey Intellectual Property Association in honor of exceptional contributions to the field of intellectual property law. Dr. Tafas was given the award for his contribution in protecting the interests of emerging companies, universities, and the life science industry in the case of *Tafas v. Doll*, 559 F.3d 1345 (Fed. Cir. 2009). In that case, Dr. Tafas challenged certain regulations promulgated by the United States Patent and Trademark Office which he felt would seriously impact future investment in technology. Dr. Tafas undertook the challenge against the USPTO regulations although he had never filed suit under any of his patents or patent applications, never had licensed any of his intellectual property rights to a third-party, and despite the fact that he was awaiting permission to be admitted as a U.S. citizen, Dr. Tafas undertook the long and arduous task because he believed the U.S. patent system, unlike other patent systems in the world, actually worked for both small and large entities, and because he felt the United States patent system was largely responsible for the success of his company's endeavors. To date, neither Dr. Tafas, nor his company, has asserted or licensed any of his or their patents.

Dr. Tafas' ultimate goal is to use his robotic microscope to detect early stage cancers, on a wide scale, using proprietary biological markers. Dr. Tafas' theory is that this could be accomplished through monitoring of blood samples taken at routine physician visits. This is possible because Dr. Tafas' automated microscope will allow for rapid, twenty-four (24) hour screening of blood samples. This is something that is not presently feasible on any large-scale absent the automated microscope due

to the limited number of histologists available in the medical field. Dr. Tafas' research holds out the potential to revolutionize the field of early cancer detection and treatment.

### **SUMMARY OF ARGUMENT**

#### **“Great Men Are Not Always Wise.” Job 32:9**

Sometimes wisdom is not in the domain of the powerful or the learned, but resides in the small and seemingly insignificant. While in this case certain powerful IT companies which obtain untold patents each year battle for a position to strengthen their edge in this and future litigations, and certain academicians seek to prove their intellectual prowess by once more knocking conventional understandings, Dr. Tafas respectfully asks this Court to take pause before too hastily dispensing with a standard of proof that this Court, and many Courts afterward, have held to be law of the land, and which has served the innovative community well. Dr. Tafas understands better than most the importance of strong patent rights to emerging companies, and the problems associated with foreign systems that are too often structured so as to be far more favorable to multi-national companies, than to emerging companies and research institutes. Thus, Dr. Tafas asks that the Court carefully consider the arguments made by those in favor of the diminution of the standard of proof for invalidity of a patent claim from a “clear and convincing” standard to a “preponderance of evidence” standard, and to carefully dissect the inherent inconsistencies in their arguments.

In 1952, Congress codified then existing law by enacting 35 U.S.C § 282, declaring that a patent shall be presumed valid. The clear and convincing standard required to invalidate a patent was adopted by most courts after its passage, and has been the undisputed standard applied by federal courts since at least 1984 (that is, more than twenty five (25) years). Although Congress has considered amending the patent laws numerous times in the interim, Congress has not sought fit to amend section 282 to alter the “clear and convincing” evidence standard applicable to invalidity defenses. If this settled principal is to be changed, it is Congress, not the Courts, that should make that change.

Petitioner, and its amici, argue for a sliding scale in respect to the standard of proof necessary to prove invalidity of a patent claim. The burden an infringer must meet to prove invalidity set by statute can not, as Petitioner urges, morph based on what the examiner who examined the patent at issue reviewed, or relied on in making the decision to allow the patent to issue. As would be understood, in the vast majority of cases it would be impossible to establish what an examiner did or did not review because, as in any search, much is reviewed but not considered relevant. A preponderance of the evidence standard at either end of the scale simply provides no deference to the decision of the Patent and Trademark Office, the very entity charged with granting constitutionally endorsed monopolies to inventors, and arguably the Federal Agency which should be given the most deference in its decisions given its uniquely highly trained and educated staff.

**ARGUMENT****A. Congress Intended for the Presumption of Validity to be Overcome Only Upon a Showing of Invalidity by Clear and Convincing Evidence**

In 1934 this Court, adhering to years of precedent, held that a party asserting invalidity as a defense to an infringement action must prove invalidity by clear and convincing evidence:

A patent regularly issued, . . . , is presumed to be valid until the presumption has been overcome by convincing evidence of error. The force of that presumption has found varying expressions in this and other courts. Sometimes it is said that in a suit for infringement, when the defense is a prior invention, the burden of proof to make good this defense is upon the party setting it up, and every reasonable doubt should be resolved against him. . . .

\* \* \*

Through all the verbal variances, however, there runs this common core of thoughts 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 Corp. of America v. Radio Eng'g Labs., Inc.*, 293 U.S. 1, 7-8 (1934)(citations omitted); *see also Coffin v.*

*Ogden*, 85 U.S. 120, 124 (1873)(defendant bears the burden of proving prior invention and “every reasonable doubt should be resolved against him”); *Cantrell v. Wallick*, 117 U.S. 689, 695-96 (1886)(defendant has the burden of proving prior use and lack of novelty and, in doing so, “every reasonable doubt should be resolved against him”) (quoting *Coffin*, 85 U.S. at 124); *Washburn & Moen Mfg. Co. v. Beat'em All Barbed-Wire Co.*, 143 U.S. 275, 285 (1892).

The clear and convincing evidence standard synthesized by the *Radio Corp.* Court was adhered to by trial and appellate courts, and by 1950 was the prevailing standard applied to claims of invalidity. *See, e.g., Newport Indus., Inc. v. Crosby Naval Stores*, 48 F. Supp. 422, 431 (S.D. Miss. 1942)(“The issuance of a patent raises a presumption of validity and this presumption prevails until overcome by evidence convincing of error.”); *Mueller v. Campbell*, 68 F. Supp. 464, 468 (S.D. Ohio 1945)(“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.”); *Insul-Wool Insulation Corp. v. Home Insulation, Inc.*, 176 F.2d 502, 505 (10th Cir. 1949)(“But, throughout all the cases runs the concept that the proof [of invalidity] must be more than a dubious preponderance- it must be strong clear and convincing.”).

In 1952 Congress codified the presumption of validity as it then existed. S. Rep. No. 1923, at 2402 (1952)(“Section 282 introduces a declaration of the presumption of validity of a patent, which is now a statement made by the courts in decisions, but has had no expression in the statutes.”). *See also* Charles J. Zinn, Commentary on New Title 35 U.S. Code “Patents”, *reprinted in* 1952 U.S.C.C.A.N. 2507, 2523

(“The existing judicial presumption of validity of patents is expressed in the statute for the first time in section 282, . . .”); S. Rep. No. 1923, at 2422 (“The first paragraph [of section 282] declares the existing presumption of validity of patents.”) As the case law makes abundantly clear, the presumption of validity that existed in 1952 required the accused infringer to overcome the presumption with clear and convincing evidence.

If Congress had intended to incorporate something other than the then prevailing law which included the clear and convincing standard it most certainly would have made its intentions clear. This is especially true since the Senate Report indicates that Congress was aware of the presumption of validity stated in court decisions. S. Rep. No. 1923, at 2402; *Merck & Co., Inc. v. Reynolds*, 130 S. Ct. 1784, 1795 (2010)(“We normally assume that, when Congress enacts statutes, it is aware of relevant judicial precedent.”); *Bateman v. Am. Multi Cinema, Inc.*, 623 F.3d 708, 720 (9th Cir. 2010)(courts assume “that Congress is aware of ‘past judicial interpretations and practices’ when it legislates”)(citation omitted). The assumption that Congress is aware of the current state of precedent prior to enacting legislation existed long before the enactment of section 282 in 1952. *See The Penza*, 9 F.2d 527, 528 (2d Cir. 1925)(“It is always assumed that statutes are passed in the light of, and with reference to preexisting law...”).

**B. In Order to Give all of the Words of Section 282 Meaning, the Clear and Convincing Evidence Standard Must be Incorporated Into the Statute**

In addition to adding a new paragraph codifying the then existing presumption of validity, section 282, as enacted in 1952, also incorporated then existing

affirmative defenses. Compare 35 U.S.C. § 282 (1952) with 35 U.S.C. § 69 (1946). *See* S. Rep. No. 1923, at 2403 (“The defenses to a suit for infringement [in section 282] are stated in general terms, changing the language in the present statute, but not materially changing the substance.”). Section 282 specifically provides, after paragraph 1 codifying the then existing presumption of validity, that “the following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded.” 35 U.S.C. § 282. Included within the enumerated affirmative defenses are invalidity “based on any ground specified in part II of this title, *id.* at (2), and invalidity “for failure to comply with any requirement of sections 112 or 251 of this title. *Id.* at (3). Thus, Congress clearly knew how to create an affirmative defense.

But Congress did much more in section 282 than codify a then existing affirmative defense, it actually codified the deference due the USPTO by declaring that “a patent shall be presumed valid.” An affirmative defense, by definition, requires the party asserting the defense to prove the defense. *Powell v. United States*, 123 F.2d 472, 475 (9th Cir. 1941)(the burden of proving an affirmative defense rests on the party asserting the defense). If the presumption of validity creates nothing more than an affirmative defense without a heightened burden of proof, then the sentence in section 282 that “[t]he burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity” would be completely superfluous. It is a tenet of statutory construction that Congress does not enact superfluous legislation; every word matters. *Corley v. United States*, 129 S.Ct. 1558, 1566 (2009)(one of the most basic canons of statutory interpretation provides that “a statute should



be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant...” (quoting *Hibbs v. Winn*, 542 U.S. 88, 101 (2004)); *United States v. Blasius*, 397 F.2d 203, 207 n.9 (2d Cir. 1968)(“There is a presumption against construing a statute as containing superfluous or meaningless words or giving it a construction that would render it ineffective.”); *City of Roseville v. Norton*, 348 F.3d 1020, 1028 (D.C. Cir. 2003)(“It is generally presumed that Congress does not intend to enact surplusage.”). Thus, in order to give all of the words of section 282 meaning, the clear and convincing standard must be incorporated into the statute.

Based on Congresses’ apparent awareness of decisional law holding that an infringer was required to prove invalidity by clear and convincing evidence, and the maxim that Congress does not enact superfluous legislation, the only logical conclusion is that Congress intended to incorporate the “clear and convincing” evidence standard into section 282 when it was enacted in 1952.

### **1. Cases cited by Petitioner do not Evidence an Alternative Congressional Intent**

Petitioner argues that the presumption of validity that existed in 1952 was in flux, not well settled, and in certain instances courts even placed the burden on the patentee to prove validity. (Petitioner’s Brief, at 24-25). In support of this argument Petitioner cites *Myers v. Beall Pipe & Tank Corp.*, 90 F. Supp. 265 (D. Ore. 1948) and *Heuter v. Sears, Roebuck and Co.*, 91 U.S.P.Q. 238 (N.D. Ohio 1951). In *Myers*, the court stated that it was treating the burden as if it was on the patentee to establish validity because,

according to the court, the presumption of validity was being “treated by the appellate courts as evanescent as a cloud.” *Myers*, 90 F. Supp. at 268. The court does not cite any authority for its statement concerning the purported treatment of the presumption of validity by the appellate courts. Moreover, less than a year after the decision in *Myers*, the Tenth Circuit issued its decision in *Insul-Wool* in which it stated:

The courts have expressed many views as to the force of this presumption and the degree of proof necessary to overcome it, when the validity of the patent is in issue. But, throughout all the cases runs the concept that the proof must be more than a dubious preponderance- it must be strong, clear and convincing.

176 F.2d at 504-05 (emphasis added). The *Insul-Wool* decision thus demonstrates that as of July 1949, after *Myers*, the burden remained squarely on the infringer to demonstrate invalidity by strong, clear, and convincing evidence.

Similarly, in *Heuter*, the court noted a trend from the decisions of the higher courts requiring the patentee to prove validity by “at least a preponderance of the evidence.” 91 U.S.P.Q. at 241. Like the *Myers* Court, the *Heuter* Court does not cite any authority for the conclusion that the burden had shifted from the infringer to prove invalidity to the patentee to prove validity. Thus, since neither *Myers* nor *Heuter* cite any authority to support their respective conclusions, both of which are in direct contradiction to the strong statement made by the Tenth Circuit in *Insul-Wool* concerning the on-going viability

of the presumption of validity and necessity of proof by clear and convincing evidence, neither case should be considered as evidencing a departure by courts from the existing presumption of validity and clear and convincing burden of proof codified by Congress in 1952.

One of two of the principal drafters of the 1952 statute, Judge Giles Rich, certainly saw no basis for the lower preponderance of evidence standard advocated by these few courts. In *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359-60 (Fed. Cir. 1984), Judge Rich urged that Section 282 of the 1952 Act was meant to codify both the assignment of burden and the presumption of validity that had existed in the common law before passage of the statute, noting that “[n]either does the *standard* of proof change; it must be by clear and convincing evidence or its equivalent, by whatever form of words it may be expressed.” (emphasis in original). This Court has recognized that the meaning attributed to relevant statutory language by a principal author of the language is a persuasive source as to the true meaning of the relevant statutory language. *See Carciari v. Salazar*, 129 S. Ct. 1058, 1065 n.5 (2009).

**2. Congresses’ Failure to Amend Section 282 in the Face of Twenty-Five Years of Case Law Applying Clear and Convincing Evidence Further Demonstrates Congresses’ Intent in 1952 to Incorporate the Clear and Convincing Standard into Section 282**

On January 12, 1984 the Federal Circuit Court of Appeals held:

To summarize on this point, § 282 creates a presumption that a patent is valid and imposes the burden of proving invalidity on the attacker. That burden is consistent and never changes and is to convince the court of invalidity by clear evidence.

*Am. Hoist & Derrick Co.*, 725 F.2d at 1360. The Federal Circuit has not wavered on the necessity of an infringer to prove invalidity by clear and convincing evidence. *See, e.g., Gillette Co. v. S.C. Johnson & Son, Inc.*, 919 F.2d 720, 722-23 (Fed. Cir. 1990)(The claims of the [patentee] are entitled to a presumption of validity and Gillette faces the burden of showing, by clear and convincing evidence, their invalidity.”); *Applied Med. Res. Corp. v. U.S. Surgical Corp.*, 147 F.3d 1374, 1378 (Fed. Cir. 1998)(“A party seeking to prove anticipation must do so with clear and convincing evidence because the patent must be presumed valid.”); *Iron Grip Barbell Co., Inc. v. USA Sports, Inc.*, 392 F.3d 1317, 1320 (Fed. Cir. 2004)(“USA Sports bears the burden of proving invalidity by clear and convincing evidence.”); *Uniloc USA, Inc. v. Microsoft Corp.*, Nos. 2010-1035, 2010-1055, 2011 WL 9738 (Fed. Cir. Jan. 4, 2011)(“[T]he statutory presumption of validity can be overcome only by showing invalidity by clear and convincing evidence, even where allegedly invalidating prior art was not before the patent office”). District courts have likewise adhered to the clear and convincing standard. *See, e.g., Med. Designs, Inc. v. Med. Tech., Inc.*, 786 F. Supp. 614, 618 (N.D. Tex. 1992)(“The burden of proof is on the party challenging validity to prove the facts establishing invalidity by clear and convincing evidence.”); *Stryker Trauma S.A. v. Synthes (USA)*, No. Civ.A.01CV3879, 2005 WL 2245385, at \*3 (D.N.J. Sept. 8, 2005).

Congress has amended Section 282 four times since the *American Hoist* decision issued in January 1984: 1984 (Pub.L. 98-417); 1995 (Pub.L. 104-41); 1999 (Pub.L. 106-113); and 2002 (Pub.L. 107-273). None of those amendments included any change to the presumption of validity or necessity that an infringer prove invalidity by clear and convincing evidence.

Significantly, on March 8, 2011 the United States Senate passed significant amendments to the Patent Act. These reforms, known as the America Invents Act, amend section 282 of the Patent Act, but significantly the amendments to section 282 do not amend in any way the presumption of validity nor legislate away *Radio Corp.* or the twenty-five years of Federal Circuit precedent holding that an infringer must prove invalidity by clear and convincing evidence. *See* America Invents Act, S.23, 112th Cong. § 16 (Technical Amendments) (as passed by Senate March 2011). Since Congress is presumed to be aware of judicial precedent, *Merck & Co., Inc. v. Reynolds*, 130 S. Ct. 1784, 1795 (2010), Congress' failure to amend Section 282 to eliminate the clear and convincing standard, especially in the America Invents Act when Congress is presumed to be fully aware of the existence of this pending action, demonstrates that Congress did intend to incorporate the clear and convincing standard into the presumption of validity found in section 282 of the Patent Act.

**C. This Court Should Refuse to Adopt a Sliding Scale Burden of Proof Based on Information Reviewed by the USPTO Prior to a Patent's Issuance**

Petitioner argues that even if Congress did codify a clear and convincing standard in Section 282, that same clear and convincing standard does not apply when the infringer seeks to prove invalidity with prior art that was not considered by the examiner in making the decision to issue the patent. (Petitioner's Brief, at 33-36). While Petitioner's argument may find a modicum of support in some pre-Federal Circuit case law, in reality such a sliding scale evidentiary standard would be nearly impossible to administer, and would allow the statute to become nothing more than a "nose of wax." *Yu Cong Eng v. Trinidad*, 271 U.S. 500, 518 (1926)(A statute is not "a nose of wax, to be changed from that which the plain language imports...").

**1. A Sliding Evidentiary Standard Would be Nearly Impossible to Administer Since Litigants can Never Truly Know what an Examiner Reviewed**

Patent examiners are required to list all cited references in a form PTO-892 or Information Disclosure Statement ("IDS"), and all such references are then printed in the Patent. Manual of Patent Examining Procedure ("MPEP") § 1302.12. The examiner is not required to list every document or piece of prior art reviewed or otherwise brought to his or her attention. Moreover, the examiner is not required to set forth his or her reasons for allowance and the examiner is only expected to state his or her reasons for allowance if the examiner concludes that the reasons for allowance are

not apparent from the record. MPEP § 1302.14. Thus, it is almost a certainty that there will be numerous pieces of prior art that the examiner considers but does not, for reasons known only to him or her, feel compelled to include in the IDS.

Of course, litigants have no way to know the full array of materials considered by an examiner because examiners are forbidden from disclosing such information:

Employees of the USPTO, particularly patent examiners who examined an application which matured into a patent or a reissued patent or who conducted a reexamination proceeding, should not discuss or answer inquiries from any person outside the USPTO as to whether or not a certain reference or other particular evidence was considered during the examination or proceeding and whether or not a claim would have been allowed over that reference or other evidence had it been considered during the examination or proceeding.

MPEP § 1701. It is unlikely that an examiner could be compelled to answer these same questions inasmuch as section 1701.01 prohibits employees of the USPTO from giving testimony except in limited circumstances, and even when testimony is permitted the USPTO makes clear that it will preclude any testimony concerning materials considered by an examiner. MPEP § 1701.01(even when employees are permitted to testify they will not be allowed to answer impermissible questions such as those related to “the manner in and extent to which the employee considered or studied material in performing a quasi-

judicial function”). See *Western Elec. Co., Inc. v. Piezo Tech., Inc.*, 860 F.2d 428, 433 (Fed. Cir. 1988)(holding that a patent examiner cannot be compelled to answer questions concerning “his knowledge of the prior art and his expertise in a particular technology.”). Since litigants are effectively barred from asking a patent examiner what he or she reviewed and how that particular piece of information played into the ultimate decision to allow a patent to issue, in the vast majority of cases litigants can only know that the examiner considered those piece of prior art included in the IDS.

## **2. A Sliding Evidentiary Standard Would Overwhelm the USPTO With References in the Examination Phase**

If this Court adopted a sliding evidentiary scale, it would certainly be in the interest of patent applicants to locate every possible piece of potential prior art, no matter how attenuated, and submit it to the USPTO in an effort to ensure that in any subsequent litigation an alleged infringer is required to meet the clear and convincing standard to prove invalidity. This type of document dump, which would be inevitable, would not only bring the examining process to a grinding halt, but also be fundamentally unfair to small companies that would not have the resources to locate all potential prior art. Indeed, a small company may properly secure a patent, but later find in enforcing the same that its claims could be invalidated simply by a preponderance of the evidence, while invalidity of claims in a patent asserted by the larger company defendant in a counterclaim would need to be proven by the small company by clear and convincing evidence, simply because the larger company had the



resources to overwhelm the USPTO with references during the examination process. The Constitution does not provide for a hierarchical system of patent monopolies and this Court should refuse to endorse such a system.

Lastly, assuming the version of the America Invents Act passed by the Senate on March 8, 2011 becomes law without substantial change, third parties will soon have an opportunity to submit prior art to the patent office in connection with the USPTO's review of a patent application. *See* America Invents Act, S.23, 112<sup>th</sup> Cong. § 7 (Preissuance Submissions by Third Parties) (as passed by Senate March 2011). This new section of the Patent Act will permit third parties to essentially raise challenges to patentability by submitting prior art to the examiner before or soon after a patent issues.

An adoption of a sliding scale evidentiary burden could encourage third parties to forgo submitting potentially relevant prior art to the USPTO in accordance with this section of the America Invents Act, opting instead to infringe the issued patent, and utilize the prior art to reduce the evidentiary burden on invalidity to a mere preponderance of the evidence. Such a strategy, even if employed sparingly, would result in litigation that may well have been avoided if the prior art was submitted to the examiner for review. Requiring an infringer to prove invalidity by clear and convincing evidence, regardless of whether alleged prior art was before the examiner, will certainly encourage third parties to utilize the mechanisms that Congress is seeking to put in place, rather than resorting to litigation. Maintaining the law as it currently stands and requiring an alleged infringer to prove invalidity by clear and convincing evidence,

regardless of whether the examiner reviewed a piece or prior art, would avoid both the fundamental unfairness and crippling costs that are inevitable with any type of sliding scale.

**D. The Preponderance of the Evidence Standard Gives no Deference to the USPTO’s Expertise**

One of the primary reasons often cited for the heightened burden to establish invalidity is deference to the USPTO’s decision to issue a patent. *Applied Materials, Inc. v. Advanced Semiconductor Materials Am., Inc.*, 98 F.3d 1563, 1569 (Fed. Cir. 1996) (“The presumption of validity is based on the presumption of administrative correctness of actions of the agency charged with examination of patentability.”); *Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1329 (Fed. Cir. 2000) (“To be sure, as we have noted, the decision of the Patent and Trademark Office with respect to patentability is accorded deference in district court litigation, deference that takes the form of the presumption of validity that is accorded to issued patents under 35 U.S.C. § 282.”) The preponderance of the evidence standard gives no deference to the expertise of the USPTO.

The USPTO has exclusive authority to issue patents in the United States. Although it may be stretched thin, its examiners are extremely well educated, and possess considerable expertise in the specialized field for which they are assigned to examine patent applications. Moreover, as noted on the USPTO website, “[t]he USPTO is more than an approval system – it houses one of the largest repositories of scientific and technical knowledge in the world.” U.S. Patent and Trademark Office, Why

Work for PTO, About the USPTO, <http://usptocareers.gov/Pages/WhyWork/About.aspx>. It has long been settled that decisions of this specialized agency are entitled to deference, *Applied Materials, Inc.*, 98 F.3d at 1569 (“The presumption of validity is based on the presumption of administrative correctness of actions of the agency charged with examination of patentability”), and this Court should refuse to jettison that long-settled rule by requiring an infringer to establish invalidity by a mere preponderance of the evidence. Indeed, if the USPTO is not allowed deference with its incredibly trained staff, it is unclear why any other agency would be given such deference.

**E. A Lesser Burden of Proof on Invalidity Provides a Disincentive to Small Companies to Disclose their Inventions to the Public**

Although the Patent Act declares patents to have the attributes of personal property, 35 U.S.C. § 261, to small companies a patent is far more than a commodity. Indeed, to an entrepreneur like Dr. Tafas a patent symbolizes years, or often a lifetime, of hard work, of fits and starts, and then finally success. Our Founding Fathers sought to incentivize entrepreneurs like Dr. Tafas to disclose their inventions to the public by providing a Constitutionally endorsed monopoly for a finite period:

The Constitutional provision and implementing patent law are intended to reward with a seventeen-year monopoly an inventor who refrains from keeping his invention a trade secret. The quid pro quo for the monopoly is disclosure which will enable those skilled in the

art to practice the invention at the termination  
of the monopoly. . . .

*Flick-Reedy Corp. v. Hydro-Line Mfg. Co.*, 351 F.2d 546,  
550-51 (7th Cir. 1965) (citation omitted).

Entrepreneurs and research institutes are further incentivized by the belief that their issued patents are valid, which they are, and that they will enjoy the fruits of their labor for at least the prescribed monopoly period. Reducing the burden on an infringer to prove invalidity to a mere preponderance of the evidence will serve as a disincentive to emerging companies to invest the necessary time and resources to obtain patent protection for their work as they will know that even though they have done everything they are supposed to do to protect their work, an infringer could undue everything if he could convince a trier of fact by a mere preponderance of the evidence that the issued patent is invalid. Thus, it is imperative that this Court maintain the clear convincing standard without exception for prior art that was not before the USPTO.

**CONCLUSION**

For all the foregoing reasons this Court should refuse to disturb the existing burden on a patent infringer to prove invalidity by clear and convincing evidence, and should further refuse to create a sliding scale burden based on whether the invalidating prior art was considered by the examiner during prosecution of the application leading to the patent at issue.

Respectfully Submitted

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March 17, 2011