No. 05-1056

In the

Supreme Court of the United States

MICROSOFT CORPORATION,

Petitioner,

v.

AT&T CORPORATION,

Respondent.

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

BRIEF OF *AMICUS CURIAE* AUTODESK, INC. IN SUPPORT OF PETITIONER

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TABLE OF CONTENTS

TABLE OF AUTHORITIES

INTEREST OF THE *AMICUS CURIAE* [1]

This case has been framed by the parties and the Federal Circuit as a case about "software," and the *amicus* certainly knows software very well. Autodesk is the developer of numerous two-dimension and three-dimension computer design and drafting software applications, with over 7 million registered users throughout the world. Autodesk's AutoCAD applications make up the preeminent platform for design and drafting. And its other products extend the design process in numerous directions that enable its customers to create structures they could never before create, and to communicate those structures in even further new and useful ways.

With all that said, the *amicus* does not believe this case should be viewed as a "software" case. That is because the term "software" poorly frames the legal issue on appeal, and because the *amicus* believes the Federal Circuit majority has created a software-specific rule where there is no basis in the statute or logic for such a special rule. The *amicus* does not take any position on the specific factual merits of the patent or defenses asserted in the present case.

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[1] Counsel for a party did not author this brief in whole or in part, and no party other than *Amicus* made a contribution toward the preparation and submission of this brief. All parties have consented in writing to the filing of this brief, and their letters of consent have been filed with the Clerk.

SUMMARY OF THE ARGUMENT

Autodesk writes to clarify two points that led the Federal Circuit's two-judge majority off track. First, the Federal Circuit, by focusing only on a so-called "component" issue in its *Eolas* decision, and then focusing on a so-called "supplied" issue in the present appeal, failed to read the entire statute together—which requires that the component that is supplied from the United States be ***the very same component*** that is combined in a foreign country. Second, by framing its analysis entirely around the general concept of "software," which describes several different things, the Federal Circuit missed a fundamental distinction between "software" as a non-physical idea, and "software" as a physical product—a distinction that makes all the difference in this case. In combination, these two errors caused the Federal Circuit majority to find liability even though the only possible "component" in this case is a golden master disk, and that disk is never combined outside the United States.

The *amicus* believes that the other issues on appeal have been well-raised by the parties, and therefore does not comment on them.

ARGUMENT

A. Section 271(f) Requires That the Component Supplied From the United States Be the Very Same Component Combined Overseas

The Federal Circuit has addressed Section 271(f) in two appeals that are key here—and each time it

addressed only part of the statute. In *Eolas Technologies, Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1339 (Fed. Cir. 2005), the Federal Circuit considered whether software could be a "component" of a patented invention, while in the present appeal, it considered whether software could be "supplied" from the United States. Each time, it answered the question in the affirmative.

But this parsed reading of the statute fails to address the fact that Section 271(f), when read in full, connects the component that is supplied to the exact same component that is combined overseas:

> Whoever without authority ***supplies or causes to be supplied*** in or from the United States all or a substantial portion of the ***components of a patented invention***, where such components are uncombined in whole or in part, in such manner as to actively induce ***the combination of such components*** outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

35 U.S.C. § 271(f)(1).[2]

Applying the statute in its entirety to this case, the golden master disk is never one of "such components" that is combined outside of the United States even if it is considered a "component" that is "supplied" from the United States. Rather, the informa-

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[2] Sub-section 2 of the statute is to the same effect. *See* 35 U.S.C. § 271(f)(2) ("…that ***such component*** will be combined outside of the United States…" (emphasis added)).

tion on the disk is copied onto a ***separate*** disk that then goes into the foreign-made computer.

Judge Rader recognized this problem in his dissent below. He expressed his belief that, when he was authoring the *Eolas* decision, he was only being asked to determine whether the golden master disk could be a "component" of a patented invention. When he was asked to address the rest of the statute, he understood that it could not be properly applied because Microsoft's supply of master disks was distinct from any supplying of copied disks that actually went into the computers. *AT&T Corp. v. Microsoft Corp.*, 414 F.3d 1366, 1373-75 (Fed. Cir. 2005) (Rader, J., dissenting).

The way in which the majority below appears to have gotten around this problem is the second—and more fundamental—point of confusion by the majority below.

B. The Federal Circuit Majority Never Distinguished Between "Software" as an Idea And "Software" as a Physical Product

The Federal Circuit majority's conclusion in this case flowed directly from its statement that "software code" is patentable. *See* 414 F.3d at 1369-72. Under the majority's rationale, software can be a patentable invention, so a portion of the software can be a "component" and can be "supplied" from the United States under Section 271(f).

All of that may be true, but it fails to distinguish between software as an idea or information, and software as an actual, physical product in the form of a golden master disk. Software as an idea or informa-

tion is intangible, while software as a product is tangible, in the form of bits stored on a particular piece of media (e.g., CD ROM, hard drive, Flash USB drive, and memory chips).

The distinction is important, because to find liability, the majority had to have considered software in its tangible, product sense—i.e., the golden master disk itself—as the "component," but to have considered software in its intangible, idea sense for the rest of the statute, because only the ideas (as copied onto another disk), and not the physical product, are ever combined into a complete apparatus outside the United States. In the end, the majority centered its lexicon, and by natural extension, its analysis, around a term—"software"—that is singularly confusing and non-descriptive in the context of this case. Like other terms in this appeal that have been bandied about—e.g., "code" and "programs"—the term "software" can be viewed by some as the non-actionable information, and by others as actual, physical product.

Numerous other descriptors that distinguish an idea or information from the product that carries forth the idea or information are much more descriptive and useful here than are terms such as "software" or "code." For example, each pairing below clearly distinguishes between that which might be a "component," from that which is embodied, but is different from, the component:

Idea, information	Product, implementation, embodiment, instantiation
Non-physical	Physical

Mere algorithm	Application of the algorithm
Mere data	Use of the data
Intangible	Tangible

If the majority had recognized the key distinction between software as an idea, on the one hand, and software as a physical product on the other, it would have encountered numerous problems with its analysis, and not just those pointed out by Judge Rader in his dissent.

First, a prior Federal Circuit panel had already recognized in 2004 that exporting ideas or information does ***not*** violate Section 271(f). In *Pellegrini v. Analog Devices, Inc.*, 375 F.3d 1113, 1117-18 (Fed. Cir. 2004), the exported information was designs and instructions for making computer chips, and the Federal Circuit indicated that more was required than supply of intangible information (though carried on tangible paper or electronic storage devices) for creating tangible products overseas:

> [Section] 271(f) is clear on its face. **It *applies only where components of a patent invention are physically present in the United States and then either sold or exported*** 'in such a manner as to actively induce ***the combination of such components outside the Untied States*** in a manner that would infringe the patent if such combination occurred within the United States.'

* * * *

> ***"[S]uppl[ying] or caus[ing] to be supplied" in §271(f) clearly refers to physical supply of components***, not simply to the supply of instructions or corporate oversight.

375 F.3d at 1117-18 (emphasis added).

The Federal Circuit majority here brushed *Pellegrini* aside by noting that it involved export of instructions for making a component, but not the component itself. *AT&T*, 414 F.3d at 1370. But because of the majority's non-discriminating view of "software," it failed to recognize that it is the ***intangible instructions*** from the golden master that produce the disk that is ultimately combined outside the United States, and not the tangible golden master itself. In short, the court's distinction over *Pellegrini* was wholly circular and was tied to its misuse of the term "software."

Second, even if intangible information or ideas could, in theory, be "components" of a patented invention, they definitely cannot in this case. As both Microsoft and AT&T have recognized, the invention in this case is a "speech-encoding apparatus." *See, e.g.*, AT&T Brief in Opposition, at i. Claim 24 of the patent defines that invention:

> 24. Apparatus for encoding a speech pattern comprising
>
> means for partitioning a speech pattern into successive time frames;
>
> means responsive to the frame speech pattern for generating for each frame a set of speech parameter signals;

> means responsive to said frame speech parameter signals and said frame speech pattern for generating a signal representative of the differences between said frame speech pattern and said frame speech parameter signal set;
>
> means responsive to said frame speech parameter signals and said differences representative signal for generating a first signal corresponding to said frame speech pattern; means responsive to said frame speech parameter signals for generating a second frame corresponding signal;
>
> means for generating a signal corresponding to the differences between said first and second frame corresponding signals; and
>
> means responsive to said frame differences corresponding signal for producing a third signal to modify said second signal to reduce the frame differences corresponding signal.

The claimed apparatus is physical because "means" limitations recite physical structure.[3] Thus, a component, or sub-part, of the apparatus would also have to be physical. While the ideas or informa-

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[3] Each of the separate so-called "means" limitations indirectly incorporates particular physical structures from the patent specification under the dictates of 35 U.S.C. § 112, para. 6. *See, e.g., Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1575 (Fed. Cir. 1991) ("[T]he scope of [a claim that recites a 'means' for performing a function] is confined to structures expressly disclosed in the specification and corresponding equivalents.").

tion of the software may be ***implemented by*** portions of the apparatus, those non-physical ideas or information cannot be viewed logically as components, or sub-parts, of the physical apparatus. The AT&T claims also fit into the larger world because this Court and the Federal Circuit have repeatedly announced that software as a mere idea is not patentable because it does not fit into any of the categories of patentable subject matter under 35 U.S.C. § 101. *See, e.g., In re Lowry*, 32 F.3d 1579, 1583 (Fed. Cir. 1994) (distinguishing non-patentable subject matter of "merely the information content of memory" from patentable subject matter of claims that "require specific electronic structural elements which impart a physical organization on the information stored in memory").

At bottom, the Federal Circuit majority—focusing on the term "software," rather than on the "patented invention" as commanded by Section 271(f)—never addressed the actual claims of the patent, which define the invention. The court never identified the "invention"—a necessary predicate to identifying the components of the "patented invention." If it had, it would have recognized that "the invention" is physical, so that the ideas and information represented by "software" cannot be considered to be "components" in this case.

In the end, the Federal Circuit majority has built a special rule for software, where the statute provides no basis for such a rule. The proper and general rule is that, while physical products can be components that are supplied ***and*** are combined overseas, ideas or information cannot. In short, the *Pellegrini* panel got it right.

This distinction—between information and products, between tangible and intangible, between the physical and the meta-physical—is a sensible rule that applies uniformly to all technologies (just like Section 271(f) does), including to areas that are not as admittedly complex to conceptualize as is software. Thus, for example, the export of a tire mold that "encodes" a particular functional and patented tire tread does not produce infringement for every single tire made overseas, where the mold itself is not combined overseas. The export of blueprints that encode information for building a device that might be covered by a patent does not produce infringement. And the e-mailing of a patent (which presumably contains information needed to practice the patent) to someone outside the United States does not give rise to liability either.[4] The underlying distinction between ideas and information, on the one hand, and physical products, on the other, provides a uniform construct for analyzing Section 271(f), and is fully consistent with the focus on physical components in *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), and the enactment of Section 271(f) in response to *Deepsouth*.

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[4] The Federal Circuit majority brushed aside an analogy like these by asserting that software is "a different type of technology." 414 F.3d at 1372. It certainly is different, but not in any way that affects the proper Section 271(f) analysis or otherwise makes a difference. Indeed, compact disks themselves encode data in molded or burned pits. The analogies are thus very important to understand whether Section 271(f) is being read in a manner that is logical and can be applied consistently in the future.

CONCLUSION

For the foregoing reasons, the *Amicus* urges the reversal by this Court of the Federal Circuit's decision finding liability under Section 271(f).

Respectfully submitted,

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