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

SAMSUNG ELECTRONICS CO., LTD., SAMSUNG  
ELECTRONICS AMERICA, INC., AND SAMSUNG  
TELECOMMUNICATIONS AMERICA, LLC,  
*Petitioners,*

v.

APPLE INC.,  
*Respondent.*

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

**PETITION FOR A WRIT OF CERTIORARI**

JOHN B. QUINN  
MICHAEL T. ZELLER  
SCOTT L. WATSON  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
865 S. Figueroa Street  
10th Floor  
Los Angeles, CA 90017  
(213) 443-3000  
  
BRIAN C. CANNON  
KEVIN P.B. JOHNSON  
VICTORIA F. MAROULIS  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
(650) 801-5000

*Counsel for Petitioners*

May 13, 2016

KATHLEEN M. SULLIVAN  
*Counsel of Record*  
WILLIAM B. ADAMS  
DAVID M. COOPER  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
51 Madison Avenue  
22nd Floor  
New York, NY 10010  
(212) 849-7000  
kathleensullivan@  
quinnemanuel.com

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## QUESTION PRESENTED

Should the Court grant the petition, vacate the judgment below, and remand to dismiss the appeal as moot, in accordance with *United States v. Munsingwear, Inc.*, 340 U.S. 36 (1950), where the Federal Circuit's opinion requiring a permanent injunction is mooted by a later Federal Circuit opinion eliminating all basis for liability by holding two of the three patents at issue invalid and the other one not infringed?

**RULE 29.6 STATEMENT**

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## **INTRODUCTION**

This petition concerns the Federal Circuit's decision vacating the denial of a permanent injunction and remanding to the district court, which then entered the injunction. Thereafter, in a separate merits appeal in the same case, the Federal Circuit removed all basis for the injunction by holding that the three patents whose infringement the injunction decision had assumed were either invalid or not infringed. The injunction controversy therefore will be moot as soon as the Federal Circuit issues its mandate, which will very likely come before this Court can rule on this petition. In accordance with *United States v. Munsingwear, Inc.*, 340 U.S. 36 (1950), the proper course is therefore to grant the petition, vacate the judgment below, and remand to dismiss the appeal as moot.

## **OPINIONS BELOW**

The opinion of the U.S. Court of Appeals for the Federal Circuit is reported at 809 F.3d 633 and reproduced at App. 1a-59a. The order of the court of appeals denying rehearing *en banc* is reproduced at App. 182a-183a. The order of the U.S. District Court for the Northern District of California previously denying a permanent injunction is unreported but is available at 2014 WL 7496140 and reproduced at App. 117a-178a.

## **JURISDICTION**

The court of appeals denied rehearing *en banc* on December 16, 2015. On March 4, 2016, the Chief Justice extended the time for filing a petition for a writ of certiorari to May 13, 2016. This Court has jurisdiction under 28 U.S.C. § 1254(1).

**CONSTITUTIONAL PROVISION INVOLVED**

U.S. Constitution, art. III, § 2 states:

The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all Cases of admiralty and maritime Jurisdiction; to Controversies to which the United States shall be a Party; to Controversies between two or more States; between a State and Citizens of another State, between Citizens of different States, between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

**STATEMENT OF THE CASE**

This petition arises from the Federal Circuit's opinion vacating the district court's denial of Apple's motion for a permanent injunction as to three utility patents: U.S. Patent No. 5,946,647 ("the '647 patent"), U.S. Patent No. 8,046,721 ("the '721 patent"), and U.S. Patent No. 8,074,172 ("the '172 patent"). While the injunction opinion assumed the patents were valid and infringed, a subsequent Federal Circuit opinion eliminated all basis for any finding of infringement of a valid patent.

**A. The Patents At Issue**

The '647 patent is directed to a computer system in which an "analyzer server" detects patterns in data

from other applications and automatically identifies them as email addresses or phone numbers or the like. A354; A365.<sup>1</sup> In the words of the patent, the patterns are “structures.” A365. The “analyzer server” is programmed to link the detected structure to a *specified computer subroutine to perform an action on the identified structure*, such as making a phone call. *Id.* Asserted claim 9 requires that “the user interface enables selection of an action by causing the output device to display a pop-up menu of the linked actions.” A368.

The ’721 patent is directed to a device with a touch-sensitive display that may be unlocked using predefined gestures and instructions. Asserted claim 8 of the patent relates specifically to “one or more modules including instructions: to detect a contact with the touch-sensitive display at a first predefined location corresponding to an unlock image; to continuously move the unlock image on the touch-sensitive display in accordance with the movement of the detected contact ... ; and to unlock the hand-held electronic device if the unlock image is moved from the first predefined location *on the touch screen* to a predefined unlock region on the touch-sensitive display.” A397.

The ’172 patent is directed to a particular form of providing word recommendations for text correction. Specifically, asserted claim 18 covers one type of word recommendation whereby a “current character string” is displayed in a first and second area of a touch screen display. A419-20. The user can replace a mistyped word (*i.e.*, the “current character string”) by selecting a delimiter or selecting a replacement word in the

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<sup>1</sup> Citations to “A\_\_” refer to the appendix filed in the Federal Circuit in this case.

second area. *Id.* The user can also keep the “current character string” by selecting it in the second area. *Id.*

### **B. The Trial And Jury Verdict**

Apple filed an initial complaint on February 8, 2012, alleging infringement of eight patents, including the three discussed above. A6001-270. At trial, Apple sought approximately \$2.1 billion in damages from Samsung for alleged infringement of five patents: the three at issue in this petition, as well as two others not at issue here because the jury found no infringement of those patents (U.S. Patent No. 7,761,414 and U.S. Patent No. 6,847,959). Apple accused ten Samsung products, starting with the Samsung Galaxy SII line of products introduced in 2011.

On May 5, 2014, a jury returned a verdict finding that nine Samsung products infringed one or both of Apple’s ’647 and ’721 patents. A2650; A2653. For the ’172 patent, the only liability issue for the jury was as to invalidity, and the jury found the patent valid. A2655. While Apple had sought approximately \$2.1 billion in damages for all five asserted patents, the jury awarded Apple \$119.6 million—less than six percent of what Apple requested—for infringement of the three patents at issue. A2656.

### **C. The District Court’s Denial Of Apple’s Motion For A Permanent Injunction**

After trial, Apple moved for a permanent injunction to prevent Samsung from making, using, selling, or offering any “Infringing Features,” defined as the features of the adjudicated products found to infringe the ’647, ’721, or ’172 patents. A2697-98.

1. On August 27, 2014, the district court issued an order (App. 117a-178a) denying Apple’s motion for a

permanent injunction, applying each factor in the four-part test set forth in *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

*First*, the district court held (App. 126a-162a) that Apple had failed to prove irreparable harm from the infringement. The district court found (App. 141a-143a) that “the patents at issue cover three features in complex smartphones that contain many different patented inventions,” and “Apple has not demonstrated that the inclusion of three infringing features in Samsung’s products irreparably damages Apple’s reputation.” The district court also found (App. 146a-161a) that Apple had failed to prove any causal nexus to irreparable harm based on lost sales. Apple relied on a conjoint study from its expert, Dr. John Hauser, but the district court noted (App. 149a) that, in a prior lawsuit between Apple and Samsung, it had “identified numerous potential flaws with that conjoint analysis, finding that the survey could not account for actual market prices, provided little information about the significance of any price increases supposedly attributable to the patented features, and inflated the value of the patents by overemphasizing the relevant features while inadequately presenting noninfringing alternatives.” The court noted (App. 149a) that Dr. Hauser’s methods in the prior case and his “methods in the instant case were ‘identical’ with respect to his analysis of ‘willingness to pay.’” Moreover, the court explained (App. 150a-151a) that Samsung’s experts had testified to the flaws in the Hauser survey: it omitted the major drivers of sales, overstated the scope of the claimed features, confused the respondents as to the nature of the patented features, and produced nonsensical results. Thus, after considering all the conflicting expert testimony, the court concluded (App. 153a): “The weight of the

evidence shows that Apple's conjoint study fails to demonstrate that the features claimed in the '647, '721, and '172 patents drive consumer demand for Samsung's infringing products."

*Second*, the district court held (App. 167a) that Apple could not show the inadequacy of monetary remedies because, even if its "alleged lost sales are difficult to quantify," such a "determination does not overcome Apple's failure to demonstrate a causal nexus between its alleged harm and Samsung's infringement."

*Third*, the district court held (App. 175a) that the balance of hardships favors Apple because there was no hardship to Samsung in light of its ability to design around the infringing features.

*Fourth*, the district court held (App. 176a) that the public interest factor favors Apple again because Samsung can design around the infringing features.

In conclusion, the district court held (App. 177a-178a): "Weighing all of the factors, the Court concludes that the principles of equity do not support a permanent injunction here" because "Apple has not shown that it suffered any of these alleged harms *because* Samsung infringed Apple's patents."

2. Before judgment was entered by the district court, Apple appealed this decision. *See Apple Inc. v. Samsung Elecs. Co.*, No. 14-1802 (Fed. Cir.) ("injunction appeal"). After judgment was entered, petitioners and Apple filed a separate appeal and cross-appeal concerning the merits issues. *See Apple Inc. v. Samsung Elecs. Co.*, Nos. 15-1171, 15-1195 (Fed. Cir.) ("merits appeal").

### **D. The Federal Circuit's Decision On The Injunction Appeal**

In the injunction appeal, the panel produced three separate opinions.

1. In an opinion written by Judge Moore, the panel majority vacated the district court's decision, holding (App. 24a) that Apple satisfied all of the prerequisites for an injunction under this Court's decision in *eBay*.

As to irreparable harm, the panel majority recognized (App. 11a) that "a finding that the competitor's infringing features drive consumer demand for its products satisfies the causal nexus inquiry," but held that such a showing is not required because it may "be nearly impossible from an evidentiary standpoint when the accused devices have thousands of features." Rather, in the majority's view, the patentee need only show that there is "some connection' between the patented features and the demand for the infringing products." App. 12a (quoting *Apple Inc. v. Samsung Elecs. Co.*, 735 F.3d 1352, 1364 (Fed. Cir. 2013)). Applying the "some connection" standard, the majority found (App. 14a) that "[t]he record here establishes that these features do influence consumers' perceptions of and desire for these products." In particular, the majority relied (App. 14a-16a) on evidence of supposed copying, and a supposed "acknowledge[ment]" by the district court that carriers and users wanted the features in Samsung phones. The panel majority also relied (App. 17a) on the Hauser survey, holding that "[t]he district court's decision seems to be predicated on an incorrect understanding of the nature of the causal nexus requirement." Finally, the panel majority held (App. 18a) that, while "Apple did not establish that these features were the exclusive driver of customer

demand,” “it is enough that Apple has shown that these features were related to infringement and were important to customers when they were examining their phone choices.”

As to the public interest, the panel majority held (App. 23a) that this factor strongly supported an injunction. The panel majority stated (App. 23a): “Samsung is correct—the public often benefits from healthy competition. However, the public generally does not benefit when that competition comes at the expense of a patentee’s investment-backed property right. To conclude otherwise would suggest that this factor weighs against an injunction in every case, when the opposite is generally true.” The panel majority further held (App. 23a) that “the public interest nearly always weighs in favor of protecting property rights in the absence of countervailing factors, especially when the patentee practices his inventions.”

2. Judge Reyna wrote a concurring opinion. He agreed (App. 27a) with the majority opinion finding a causal nexus based on lost sales. But he added that Apple satisfied the irreparable harm requirement based on (a) Samsung’s infringement on Apple’s right to exclude (App. 28a-35a), and (b) the injury that the infringement caused to Apple’s reputation as an innovator (App. 35a-44a).

3. Chief Judge Prost dissented, stating (App. 45a-46a, 51a, 57a) that “[t]his is not a close case,” that the panel majority finds “legal error by the district court where none exists,” and that the panel majority “even creates new evidence” to attribute supposed clear error to “the unassailable factual findings by the district court.”

*First*, she explained (App. 49a) that the majority “deviates from our precedent by repeating as a mantra the phrase ‘some connection’ . . . detached from the causal nexus standard explained in our prior cases.” *Second*, she explained (App. 48a-50a) that the majority’s rejection of the district court’s analysis of the Hauser survey was erroneous because there was no legal error and because “the district court simply weighed the evidence and found it lacking.” *Third*, she explained (App. 52a) that the indirect evidence does not suffice because “there was no evidence at all of . . . ‘carriers’ or users’ preference;’ there was no ‘strong’ evidence of ‘copying;’ and ‘copying’ alone is not dispositive to establish a causal nexus to Apple’s alleged irreparable harm from lost sales.” *Fourth*, she explained (App. 58a) that the panel majority erred in its analysis of the public interest because “the statutory right to exclude should not categorically bias the public interest factor ‘*strongly*’ in the determination of the injunctive remedies as the majority asserts.”

4. On December 16, 2015, the Federal Circuit granted panel hearing (App. 180a) for the limited purpose of changing one paragraph of the opinion. Specifically, the panel majority’s original opinion conceded (App. 77a) that the patented features were not a “significant driver of customer demand.” The panel majority’s revised opinion deletes this statement (App. 18a), but still does not suggest that the patented features actually were a significant or substantial driver of demand for smartphones.

On the same date, the Federal Circuit denied rehearing *en banc*. App. 182a-183a.

5. On January 18, 2016, the district court entered an injunction against petitioners for infringement of

the '647, '721, and '172 patents. Dist. Ct. Dkt. Nos. 2157-58.

### **E. The Federal Circuit's Decision On The Merits Appeal**

On February 26, 2016, the Federal Circuit decided the merits appeal and eliminated all basis for liability, holding (as relevant here) that petitioners did not infringe the '647 patent, and that the '721 patent and '172 patent are invalid as obvious. *See Apple Inc. v. Samsung Elecs. Co.*, 816 F.3d 788 (Fed. Cir. 2016). Apple's petition for rehearing *en banc* is currently pending in the Federal Circuit.

### **REASONS FOR GRANTING THE WRIT**

This is a prototypical case for granting the petition, vacating the judgment below, and remanding with instructions to dismiss the case as moot. The Federal Circuit's decision concerned an injunction remedy that is now unsupportable because a later Federal Circuit decision held that there was no liability in the first place. It is well established that there can be no injunction where, as here, the patents at issue have been held invalid or not infringed. Thus, the injunction issue will be moot as soon as the Federal Circuit issues its mandate.

As this Court recognized in *Munsingwear* and has confirmed in subsequent cases, where a case becomes moot before this Court can decide the case, the general practice is to grant the petition and vacate and remand the judgment below. The exception to this general practice—where mootness occurs through voluntary action of the petitioner—is inapplicable here. The mootness will occur simply because Apple chose to appeal the permanent injunction decision before the

district court entered judgment, causing the merits and injunction appeals to proceed on separate tracks.

The justification for vacating the judgment below is especially strong here because this Court likely would have granted the petition and reversed the Federal Circuit's decision but for mootness. As Chief Judge Prost noted in her dissent (App. 45a), "[t]his is not a close case." The panel majority opinion conflicts with *eBay* in two respects. See *eBay*, 547 U.S. at 393-94 (rejecting any presumption that an injunction should issue, and holding that injunctions in patent cases are subject to the traditional four-factor test like any other case). *First*, the panel majority opinion requires only "some connection" between the infringement and the irreparable harm. This "some connection" test departs from the well-established test for injunctions, which requires that the challenged conduct *cause* the irreparable harm, and thereby conflicts with *eBay*'s reasoning that the test for injunctions should be the same for patent infringement as for other areas of law. *Second*, the panel majority opinion held that the public-interest factor nearly always favors injunctions, thereby creating a presumption in direct conflict with *eBay*. These departures from *eBay* are consistent with the statement at oral argument from the author of the panel majority opinion that "I think *eBay* was wrongly decided . . . . I think patentees should get injunctions." *Apple Inc. v. Samsung Elecs. Co.*, No. 14-1802, Oral Arg. 8:32-8:40 (Fed. Cir. Mar. 4, 2015), *available at* <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2014-1802.mp3>. Given the conflict with *eBay* and the exceptional importance of these issues, the decision should not be allowed to stand simply because the controversy underlying it will very likely become moot before this Court can act on this petition.

# **I. THE FEDERAL CIRCUIT'S INJUNCTION DECISION WILL BE MOOTED BY ITS SUBSEQUENT DECISION ON THE MERITS**

An “actual controversy must be extant at all stages of review.” *Alvarez v. Smith*, 558 U.S. 87, 92 (2009) (quotation marks omitted). Where there had been but “no longer [is] any actual controversy between the parties,” the case is moot. *Id.*

The Federal Circuit’s decision on the merits will render moot its decision on the injunction when it issues its mandate in the merits appeal. As discussed above, the injunction applies to three patents: the ’647 patent, the ’721 patent, and the ’172 patent. In the merits appeal, the Federal Circuit reversed the judgment against Samsung as to these three patents because the ’647 patent was not infringed, and the ’721 and ’172 patents are invalid. *Apple Inc.*, 816 F.3d at 815-16.

There is no legal basis for an injunction against infringement of a patent that is either not valid or not infringed. As the Patent Act makes clear, an injunction may issue only “to prevent the *violation* of any right *secured by patent*.” 35 U.S.C. § 283 (emphases added). And the Federal Circuit has consistently held that an injunction is impermissible where the patent is invalid or not infringed. *See ePlus, Inc. v. Lawson Software, Inc.*, 789 F.3d 1349, 1355-56 (Fed. Cir. 2015) (injunction cannot be upheld once patent is ruled invalid); *Jeneric / Pentron, Inc. v. Dillon Co.*, 205 F.3d 1377, 1380 (Fed. Cir. 2000) (injunction “requires proof on both validity and infringement”); *see also Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1149 (Fed. Cir. 2011) (injunction may issue where a patent is “valid and infringed”).

Indeed, it makes no sense to have an injunction to prohibit supposedly infringing conduct that the Federal Circuit has held does not actually infringe a valid patent. The injunction—against infringing two patents that are not valid and one patent that is not infringed—lacks any basis. And there is no controversy now over an injunction that is meaningless and unenforceable. Simply put, there is no live controversy as to an injunction *remedy* because the Federal Circuit has rejected Apple’s claims on the underlying question of *liability*.

**II. THIS CASE PRESENTS EXCEPTIONALLY  
STRONG BASES FOR GRANTING,  
VACATING, AND REMANDING BASED  
ON MOOTNESS OF THE OPINION  
BELOW**

1. Because the injunction controversy will likely become moot before this Court can act on this petition, this Court should grant the petition, vacate the judgment, and remand to dismiss the appeal as moot under *Munsingwear*.

The established practice of the Court in dealing with a civil case from a court in the federal system which has become moot while on its way here or pending [the Court’s] decision on the merits is to reverse or vacate the judgment below and remand with a direction to dismiss.

*Munsingwear*, 340 U.S. at 39. This practice, the Court noted, “eliminates a judgment, review of which was prevented through happenstance. When that procedure is followed, the rights of all parties are preserved; none is prejudiced by a decision which in the statutory scheme was only preliminary.” *Id.* at 40.

To be sure, this Court has subsequently noted that the “established practice” has been “not entirely uniform.” *U.S. Bancorp Mortg. Co. v. Bonner Mall P’ship*, 513 U.S. 18, 23 (1994) (internal quotation marks omitted). But the exception the Court noted—for voluntary settlement, *id.* at 23-25—is plainly inapplicable here. Moreover, since *U.S. Bancorp*, this Court has reaffirmed that “we normally do vacate the lower court judgment in a moot case because doing so clears the path for future relitigation of the issues between the parties, preserving the rights of all parties, while prejudicing none by a decision which . . . was only preliminary.” *Alvarez*, 558 U.S. at 94 (internal quotation marks omitted); *see also Arizonans for Official English v. Arizona*, 520 U.S. 43, 71-72 (1997). In particular, this Court has recently granted petitions for certiorari and vacated judgments in several cases where, as here, the case became moot after the court of appeals issued its decision. *See Amanatullah v. Obama*, 135 S. Ct. 1545 (2015); *LG Elecs., Inc. v. InterDigital Commc’ns, LLC*, 134 S. Ct. 1876 (2014); *Eisai Co. Ltd. v. Teva Pharms. USA, Inc. ex rel. Gate Pharms. Div.*, 564 U.S. 1001 (2011).

**2.** There are especially strong reasons for vacating the Federal Circuit judgment in this case.

*First*, the mootness will occur only because Apple chose to appeal the permanent injunction decision before the district court entered judgment, causing the merits appeal and injunction appeal to proceed on separate tracks even though they both arose from the same case. If the appeals had been decided together, the injunction issue would have been mooted by the decision that the patents were either invalid or not infringed, and the decision vacating the denial of the injunction would never have been issued.

Indeed, this case is closely analogous to the circumstances in *Munsingwear* itself. In that case, the suit for injunctive relief became moot on appeal because the regulations sought to be enforced were annulled by Executive Order. See *Fleming v. Munsingwear, Inc.*, 162 F.2d 125, 127 (8th Cir. 1947). Likewise, here, the patents Apple sought to enforce by injunction have been held invalid or not infringed. As in *Munsingwear*, the fact that the injunction was mooted by a legal ruling invalidating the substance of the injunction—based on timing outside of the petitioner’s control—provides a strong basis for vacatur. See *U.S. Bancorp*, 513 U.S. at 25 (“A party who seeks review of the merits of an adverse ruling, but is frustrated by the vagaries of circumstance, ought not in fairness be forced to acquiesce in the judgment.”).

*Second*, if the injunction controversy were not moot, there would be a significant likelihood that this Court would grant this petition and reverse the Federal Circuit’s decision. This likelihood supports vacatur because an incorrect decision should not be allowed to stand where this Court would have corrected it if the Court had the opportunity before the case became moot. That is especially true here because the Federal Circuit’s decision is not simply incorrect, but potentially harmful to patent law nationwide. Because vacatur is an equitable remedy, the Court should “take account of the public interest.” *U.S. Bancorp*, 513 U.S. at 26.

But for mootness, this Court likely would have granted certiorari and reversed the decision below because the panel majority’s decision conflicts with this Court’s precedents, particularly *eBay*. Specifically, the panel majority’s decision makes patent

injunctions available even in the absence of causal nexus to irreparable harm—as Chief Judge Prost recognized (App. 49a-50a) in her dissenting opinion. As this Court has held, irreparable harm must be *caused* by the legal violation to be the basis for an injunction. See *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 22-23 (2008) (“irreparable harm from sonar-training exercises generally” does not suffice where “the Navy challenged only two of six restrictions imposed by the court”); *Parker v. Winnipiseogee Lake Cotton & Woollen Co.*, 67 U.S. 545, 551 (1862) (“A Court of Equity will interfere when the *injury by the wrongful act* of the adverse party will be irreparable . . . .”) (emphasis added). Indeed, the causation requirement is a logical necessity because if the harm is not caused by the violation, then an injunction will not remedy the violation, and there is no basis for injunction. See, e.g., *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83, 107 (1998) (“Relief that does not remedy the injury suffered cannot bootstrap a plaintiff into federal court . . . .”); *Faulkner v. Jones*, 10 F.3d 226, 236 (4th Cir. 1993) (“If the relief requested does little, if anything, to alleviate the alleged injuries, it is difficult to comprehend how the refusal to grant that relief could cause irreparable harm.”).

But the panel majority held (App. 10a-13a) that irreparable harm supports a patent injunction if the supposed harm has “some connection” to (rather than is *caused* by) infringement. The panel majority identified no case in all of American jurisprudence stating that irreparable harm supports an injunction if it has “some connection” to the legal violation. Rather, this appears to be a new, special rule for patent-infringement injunctions, notwithstanding *eBay*’s dictate that such injunctions must follow the

same rules as in any other area of law. 547 U.S. at 394. Also, if any connection suffices to create a causal nexus to irreparable harm, the panel majority's approach would undermine *eBay* and give rise to an injunction in virtually any case involving a competitor's infringement of a patented feature. *eBay* rejected any such categorical rule.

There is an additional conflict with *eBay* because the panel majority held (App. 23a) that the public interest "generally" favors injunctions in "every case," and that it will "nearly always" favor injunctions. The panel majority's language is almost exactly the same as the language that *eBay* rejected as insufficiently flexible for the equitable test for injunctions:

The court articulated a 'general rule,' unique to patent disputes, 'that a permanent injunction will issue once infringement and validity have been adjudged.' The court further indicated that injunctions should be denied only in the 'unusual' case, under 'exceptional circumstances' and 'in rare instances . . . to protect the public interest.' Just as the District Court erred in its categorical denial of injunctive relief, the Court of Appeals erred in its categorical grant of such relief.

*eBay*, 547 U.S. at 393-94 (internal citations omitted). Moreover, the panel majority's reasoning (App. 23a) was based on the "patentee's investment-backed property right" and "the Patent Act's statutory right to exclude." But *eBay* clearly rejected this reliance on the right to exclude—which exists in every patent case—as the basis for an injunction: "According to the Court of Appeals, this statutory right to exclude alone justifies its general rule in favor of permanent

injunctive relief. But the creation of a right is distinct from the provision of remedies for violations of that right.” 547 U.S. at 392 (internal citation omitted). Chief Judge Prost recognized (App. 58a-59a) the tension between the panel majority’s reasoning and *eBay*’s rejection of the right to exclude as a legitimate basis for a general rule in favor of injunctions.

In sum, the panel majority’s decision plainly attempts to undermine *eBay*. The author of the panel majority’s decision candidly stated at oral argument that “I think *eBay* was wrongly decided . . . . I think patentees should get injunctions.” *Apple Inc. v. Samsung Electronics Co.*, No. 14-1802, Oral Arg. 8:32-8:40 (Fed. Cir. Mar. 4, 2015). That belief is clear in the majority’s discussion (App. 6a, 13a, 23a) of the need for injunctions to protect the “right to exclude.” It is even clearer in Judge Reyna’s concurrence, which opines (App. 28a-35a), contrary to *eBay*, that the violation of the right to exclude itself constitutes irreparable harm.

*Finally*, but for mootness, certiorari would have been warranted based on the importance of the issues and the potentially widespread harm that would arise from the panel majority’s decision. In particular, the “some connection” test for irreparable harm would affect any patent infringement case concerning a patented feature that is only one of many features in a product. And the “nearly always” test for the public interest would affect every patent case where the plaintiff seeks an injunction, since it is based solely on the right to exclude. Moreover, both of these tests will be very difficult for district courts to apply. The panel majority provides no guidance as to how much of a connection between the patented feature and lost sales constitutes “some” connection, suggesting only (App.

12a) that the line falls “somewhere in the middle” between the example of a patented cup holder in a car and a patented feature that actually drives consumer decisions. The panel majority also provides no guidance as to when (if ever) the public interest would weigh against an injunction.

The nationwide significance of these issues is demonstrated by the numerous and varied *amici* that supported Samsung’s rehearing petition and their expressions of concern that the Federal Circuit’s decision will cause an increase in patent injunctions that threatens the innovation that the patent laws are intended to protect.<sup>2</sup> As one group of amici, including some of the largest technology companies in the world, explained: “The panel majority’s decision creates, rather than reduces, uncertainty” and “discourages settlement of patent disputes through licensing, prolonging litigation over narrow patents covering minor changes to existing product features.” Br. of Amici Curiae ASUSTeK Computer Inc., et al. at 8-10, *Apple Inc. v. Samsung Elecs. Co.*, No. 14-1802 (Fed. Cir. Nov. 24, 2015).

There could hardly be a weaker case for an injunction than this one: the patents covered very specific and limited ways of performing three features

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<sup>2</sup> The following *amici* supported Samsung’s rehearing petition: (1) ASUSTeK Computer Inc., eBay, Inc., Facebook, Inc., Google Inc., HTC America, Inc., HTC Corporation, Lenovo Inc., Newegg Inc., and Red Hat, Inc.; (2) The National Black Chamber of Commerce; (3) Public Knowledge and the Electronic Frontier Foundation; (4) Computer & Communications Industry Association; and (5) Charles M. Davidson & Michael J. Santorelli, Directors, Advanced Communications Law & Policy Institute, New York Law School. See *Apple Inc. v. Samsung Elecs. Co.*, No. 14-1802 (Fed. Cir.), Dkt. Nos. 136-40.

out of thousands on a smartphone, the district court found unequivocally that the patented features did not drive sales of smartphones, and Apple has previously licensed the patents-in-suit. Indeed, the lack of any causal link between irreparable harm and the minor patented features, as well as the lack of any public interest in an injunction to protect those patents, is clear from the merits appeal decision. As that decision explained, two of the patents provided no advancement over the prior art and the other patent was not infringed at all because it covered only a very particular software structure for performing the task at issue.

The Federal Circuit's preceding decision that Apple was entitled to an injunction is both erroneous and potentially harmful in countless other cases where minor, patented features represent only insubstantial parts of the product as a whole. Already one court has followed the reasoning of the Federal Circuit's decision to hold that the requirement for irreparable harm is satisfied simply where "infringing features make the defendant's product more desirable": "Although these features may not be the main drivers of product sales, it is enough that they are *one factor* in a potential customer's decision." *EMC Corp. v. Zerto, Inc.*, 2016 WL 1291757, at \*13(D. Del. Mar. 31, 2016) (emphasis added) (denying permanent injunction on other grounds). Given the importance of these issues, there is at least a reasonable probability that (but for mootness) this Court would have granted certiorari and ultimately reversed the decision below.

**CONCLUSION**

The Court should grant the petition, vacate the judgment, and remand to dismiss the appeal as moot.

Respectfully submitted,

JOHN B. QUINN  
MICHAEL T. ZELLER  
SCOTT L. WATSON  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
865 S. Figueroa Street  
10th Floor  
Los Angeles, CA 90017  
(213) 443-3000  
  
BRIAN C. CANNON  
KEVIN P.B. JOHNSON  
VICTORIA F. MAROULIS  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
(650) 801-5000

KATHLEEN M. SULLIVAN  
*Counsel of Record*  
WILLIAM B. ADAMS  
DAVID M. COOPER  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
51 Madison Avenue  
22nd Floor  
New York, NY 10010  
(212) 849-7000  
kathleensullivan@  
quinnemanuel.com

*Counsel for Petitioners*

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