

No. 09-____

In the Supreme Court of the United States

ACUSHNET COMPANY,
Petitioner,

v.

CALLAWAY GOLF COMPANY,
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

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QUESTIONS PRESENTED

This case epitomizes how the Federal Circuit incorrectly reviews jury verdicts on the ultimate legal issue of patent validity under 35 U.S.C. § 103(a). The district court treated the jury's § 103 verdicts as factual findings, holding only "that substantial evidence supports the jury's verdict of nonobviousness." The Federal Circuit upheld the jury's § 103 verdicts solely because "substantial evidence" supported an implicit finding that one claim limitation was not in the prior art. The legal issue, however, was whether the asserted claims would have been obvious to one of ordinary skill *despite* that one difference with the prior art. By reviewing the verdicts only for substantial evidence, no court ever independently addressed or decided the ultimate legal question.

Thus, the following questions are presented:

1. Whether this Court should make clear that no single finding on any of its underlying *Graham* factors is dispositive of the ultimate legal conclusion on invalidity, such that a court reviewing a jury's § 103 verdicts must always independently render its own legal conclusion regardless of whether one or all of the jury's underlying findings are accepted as adequately supported by the evidence?
2. Whether this Court should instruct that a jury's § 103 verdict necessarily identifies the jury's implicit findings on the disputed underlying factual issues litigated at trial, but is entirely advisory as to the ultimate legal conclusion on invalidity?

PARTIES TO THE PROCEEDING

Pursuant to Rule 14.1(b), the parties here and in the proceeding in the U.S. Court of Appeals for the Federal Circuit are listed.

Petitioner here and Defendant-Appellant below is Acushnet Company.

Respondent here and Plaintiff-Appellee below is Callaway Golf Company.

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

Acushnet Company is a wholly-owned subsidiary of its parent, Fortune Brands, Inc., which is a publicly held company.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Acushnet Company (“Petitioner” or “Acushnet”) respectfully petitions for a writ of certiorari to review the decision of the United States Court of Appeals for the Federal Circuit holding that Acushnet was not entitled to judgment as a matter of law (“JMOL”) that eight asserted claims of four related patents-in-suit were invalid for obviousness under 35 U.S.C. § 103(a). After upholding those jury verdicts, the Federal Circuit separately remanded the case for a new trial due to irreconcilable jury verdicts, which would have been avoided by a proper grant of JMOL. Only the issues concerning the proper judicial review of a jury’s § 103 verdicts are implicated by this petition.

OPINIONS BELOW

The Federal Circuit’s opinion (App. 1a-36a) is reported at 576 F.3d 1331. The Federal Circuit’s order denying Petitioners’ petition for rehearing and rehearing en banc (App. 91a-93a) is unreported. The district court’s order resolving the post-trial motions is at App. 37a-38a, its judgment is at App. 39a, and its injunction order is at App. 40a-43a. The district court’s memorandum opinion (App. 44a-90a) is reported at 523 F. Supp. 2d 388.

JURISDICTION

The Federal Circuit’s judgment was entered on August 14, 2009. App. 3a. A timely combined petition for rehearing and for rehearing *en banc* was denied on October 6, 2009. App. 57a-59a. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

This case concerns the proper methodology for judicial review in a patent case where a jury returns verdicts on the legal issue of patentability set forth in 35 U.S.C. § 103(a), as reproduced at App. 94a.

STATEMENT OF THE CASE

A. Introductory Statement

In *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966), this Court held that “the ultimate question of patent validity is one of law” while recognizing

that “the § 103 condition ... lends itself to several basic factual inquiries.”

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.

383 U.S. at 17-18. In *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007), this Court reiterated the *Graham* “framework” and emphasized that its factors “continue to define the inquiry that controls.”

About 20 years after *Graham*, this Court reminded the Federal Circuit to honor the delineation under § 103 between the ultimate legal issue and the underlying factual determinations. In *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809, 811 (1986), this Court vacated a Federal Circuit decision that had reversed a holding of obviousness after a bench trial, noting that a district court’s subsidiary factual determinations “at the least, ought to be subject to [Fed. R. Civ. P. 52(a)]” and expressly requesting “the Federal Circuit’s informed opinion on the complex issue of the degree to which the obviousness determination is one of fact.”

On remand, then-Chief Judge Markey recited his court's understanding of how to differentiate between the legal and factual aspects of the § 103 inquiry. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1987). The Federal Circuit explained that “[a] § 103 determination involves fact and law” but held that the ultimate “obviousness-nonobvious” question is one of law:

With the involved facts determined, the decision-maker confronts a ghost, *i.e.*, “a person of ordinary skill in the art.” ... In light of *all* the evidence, the decisionmaker must then determine whether the patent challenger has convincingly established ... that the claimed invention would have been obvious at *that* time to *that* person. ... The answer to that question partakes more of the nature of law than of fact, for it is an ultimate conclusion based on a foundation formed of all the probative facts. If itself a fact, it would be part of its own foundation.

810 F.2d at 1566. Moreover, the Federal Circuit agreed that this Court's holding in *Graham* that “the ultimate question of patent validity is one of law” was rightly interpreted as meaning “that one answering the § 103 question is drawing a legal conclusion.” 810 F.2d at 1567.

Like all legal conclusions, that under § 103 rests on a factual evidentiary foundation. As said in *Graham*, 383 U.S. at 17, the question is determined “against” the “background” of answers to factual inquiries—a description of

how legal questions are normally determined. One effect of considering the § 103 question one of law in this court is to facilitate a consistent application of that statute in the courts and in the Patent and Trademark Office (PTO).

Id. at 1567. Nevertheless, the Federal Circuit's later decisions have increasingly failed to adhere to the proper division between "factual issues" and "legal conclusions" when reviewing § 103 judgments, particularly in jury cases.

In 1995, the Federal Circuit upheld a right to a jury in a declaratory judgment action to determine patent validity. *In re Lockwood*, 50 F.3d 966 (Fed. Cir.), *vacated*, 515 U.S. 1182 (1995). Dissenting from the denial of rehearing *en banc*, Judge Nies questioned the jury's role after this Court's holding in *Graham* that obviousness is an issue of law.

[*En*] *banc* efforts to clarify the issue have been unsuccessful, as this case itself illustrates. ... Thus, this court invokes the standard of review applicable to the ultimate issue of fact or an ultimate issue of fact mixed with law and applies it to an ultimate issue of law.

See 50 F.3d at 988-89 (Nies, J., dissenting) (footnote omitted). Although this Court granted certiorari in *Lockwood*, the petition was dismissed after Lockwood withdrew his jury demand. See *In re Technology Licensing Corp.*, 423 F.3d 1286, 1288 & n.1 (Fed. Cir. 2005).

Unlike the “right to a jury” issue in *Lockwood*, this petition challenges how the Federal Circuit (or a district court) reviews jury verdicts that decide only the ultimate § 103 issue. However, Judge Nies’ dissent in *Lockwood* remains pertinent because she had already recognized that the Federal Circuit’s approach to reviewing such verdicts was in disarray:

Some panel opinions speak of *de novo* review after accepting the presumed findings of fact. Others reject the *de novo* standard. Still others conflate the standard to whether a “reasonable” jury could reach the verdict it rendered.

50 F.3d at 989 (citations omitted). Since then, the Federal Circuit has not resolved that fundamental conflict on its own, and the confusion and inconsistency within its § 103 precedent has become even more pronounced and irreconcilable.

Now, over 20 years after *Dennison*, the Federal Circuit needs more than a reminder to follow *Graham*, it needs explicit guidance on how to do so in jury cases. As the Federal Circuit stated in *Panduit*, “[t]he decisional process en route to a § 103 conclusion involves more than the fact inquiries in *Graham*.” 810 F.2d at 1567. Yet, the Federal Circuit’s recent § 103 decisions erroneously conflate the jury’s implicit findings on the *Graham* inquiries into the ultimate legal conclusion. If the court holds that substantial evidence supports the jury’s implicit finding on a disputed factual issue, then the jury’s verdict on the ultimate legal conclusion is simply affirmed. Regardless of how the jury decided the

§ 103 issue, that truncated review cannot be the extent of the proper judicial inquiry.

Unlike in *KSR*, where the Federal Circuit had unduly raised the bar for proving invalidity under § 103, see 550 U.S. at 419, the questions here apply to every patent jury case involving § 103, no matter which outcome is reached. Today, more patent cases are being tried to juries, and virtually every such case involves an assertion of invalidity under § 103. Moreover, these issues apply equally to reviews of jury verdicts by district courts and by the Federal Circuit.

At best, the Federal Circuit's inconsistent approaches have created confusion and uncertainty for litigants, district courts, and its own panels in discerning how jury verdicts under § 103 are to be reviewed. At worst, as in this case, the Federal Circuit's abbreviated review of § 103 verdicts only for "substantial evidence" eliminates the independent judicial determination of the ultimate question of validity under § 103 required by this Court's precedent. The time is overdue for this Court to review this fundamentally incorrect approach.

B. The Relevant Golf Ball Technology

1. The Accused Golf Balls

Petitioner Acushnet is a Massachusetts-based golf equipment manufacturer that has designed and sold professional quality golf balls since 1932. For decades, Acushnet's Titleist® brand golf balls have been known as "The No. 1 Ball in Golf." Acushnet's

accused products are its Pro V1, Pro V1*, and Pro V1x golf balls (collectively, “the Pro V1 ball”) which were its latest offerings in the Titleist® line of high-quality golf balls.

First introduced in 2000, Acushnet’s Pro V1 balls have a “three-piece” construction, consisting of a solid core and two cover layers. The inner cover is a relatively hard blend of ionomers, while the outer cover is a soft, castable polyurethane independently developed and patented by Acushnet. See *infra*. Since being introduced, Acushnet’s Pro V1 balls have achieved an unprecedented combination of great distance off the tee and soft “feel” around the greens. See App. 46a-47a.

2. The Asserted Patent Claims

Respondent Callaway is a California-based golf equipment manufacturer. In 2000, Callaway introduced its first golf ball, called the “Rule 35” ball. In 2003, Callaway acquired the “Sullivan” patents-in-suit¹ by purchasing the assets of Spalding Sports Worldwide, Inc., a bankrupt golf company that was the original assignee. Before purchasing the patents, Callaway had refused to take a license under them, asserting that the ‘293 patent was invalid.

¹ The four related patents-in-suit and the asserted claims are identified at App. 3a n.1. Because the Federal Circuit held that a new trial was required on all asserted claims due to irreconcilable jury verdicts, those claims are patentably indistinct for purposes of this petition. See App. 24a-29a.

The four patents-in-suit have essentially the same specifications and relate to multi-layer golf balls that use polyurethane as the outer cover. The earliest patent, the '293 patent, did not issue until after Acushnet's Pro V1 ball was introduced, so Acushnet independently developed its products without knowledge of the patents-in-suit. The other three patents-in-suit were not even filed until after the Pro V1's introduction. All of the patents-in-suit issued from continuation applications based on a 1995 Sullivan application, which was itself a continuation-in-part of an earlier 1993 application. However, Sullivan's 1993 application did not disclose a low-acid ionomer inner cover or a cast polyurethane outer cover.

All of the asserted claims have limitations directed to a three-piece golf ball having a core, an inner cover made of a low-acid ionomer or ionomer blend with a Shore D hardness of 60 or more, and a polyurethane outer cover with a Shore D hardness of 64 or less. App. 4a-6a & n.2. "Shore D hardness" refers to a hardness standard published by the American Society for Testing and Materials. App. 6a. Claim 1 of the '293 patent is representative, and is reproduced at App. 5a. See also App. 47a-51a.

While Callaway repeatedly mischaracterized the patents-in-suit throughout trial as disclosing the particular features that enabled the success of Acushnet's Pro V1 ball, the patents and their claims contain no such teachings. Instead, the asserted claims cover virtually every conceivable combination of prior art cores, cover thicknesses, and polyurethane outer covers that could fit within a

regulation-sized golf ball. On their face, therefore, nothing in the asserted claims reveals whether or how any particular combination within the claimed ranges of golf ball components might achieve unexpected results or be a commercially acceptable ball.

3. The Prior Art

Three-piece golf balls (*i.e.*, a core and two cover layers) had been known in the art since the 1980's. For example, the Nesbitt patent describes a ball having a core, a hard inner cover of a low-acid ionomer, and a soft outer cover made of a soft ionomer. See App. 29a-30a. Similarly, the Proudfit patent taught a three-piece ball with a core, an ionomer-blend inner cover, and a relatively soft balata outer cover. App. 9a n.3. Proudfit's assignee sold an Ultra Tour Balata ("UTB") ball which embodied the patent. Both the Proudfit patent and the UTB ball met every limitation of the asserted claims except the polyurethane cover. In that regard, the Molitor '751 patent taught using a polyurethane cover on either two-piece or three-piece golf balls like Nesbitt or Proudfit. *Id.*

By the mid-1990's, golf ball covers were primarily balata, balata blends, ionomers, or polyurethane. Skilled golfers preferred balata covers for its desirable "spin" and "feel" properties, but balata was not durable and cut easily. Ionomer resins were a synthetic substitute for balata and had better cut resistance, but ionomers lacked balata's "spin" and "feel" characteristics. Polyurethane was a soft, flexible material used on golf ball covers since

the mid-1970's, but had difficulties in manufacturing and durability.

That changed in 1994, when Acushnet introduced the Titleist® Professional ball, which used a new cast polyurethane cover instead of balata. In August 1994, a patent issued to an Acushnet research chemist, Dr. Wu, disclosing the castable polyurethane material used on the Professional ball and teaching that this improved polyurethane could replace both balata and ionomer covers on golf balls. Wu's polyurethane material, made from a slow-reacting curative, was significantly more durable than prior polyurethanes and could be cast (as opposed to injection or compression molded) into a very thin cover layer.

Using Wu's castable polyurethane cover, the Titleist® Professional ball quickly became the most favored ball on the PGA Tour. Today, Acushnet's Pro V1 balls still use Wu's castable polyurethane for its outer cover. After Sullivan read Wu's patent, he experimented with castable polyurethane covers. In November 1995, Spalding filed Sullivan's continuation-in-part application adding castable polyurethane as new matter. Spalding's application recognized, as taught by Wu, that polyurethane was a useful substitute for ionomer and balata covers.

Indeed, after the Wu patent issued, four different golf ball manufacturers—Acushnet, Spalding, Callaway, and Nike/Bridgestone—independently took the obvious step of trying such castable polyurethane as a cover for multi-layer balls like Proudfit and Nesbitt. Acushnet's Pro V1 ball

succeeded. Callaway's Rule 35 ball, although accused of infringing the patents-in-suit, was discontinued by 2003. Spalding, Sullivan's employer, never achieved a successful ball and eventually went bankrupt. However, while Sullivan never made a successful ball, he realized that golf ball designs would change after Acushnet's introduction of castable polyurethane.

While Acushnet was independently developing its Pro V1 ball using Wu's polyurethane material, Sullivan amended his pending patent application to incorporate castable polyurethane covers to encompass whatever future polyurethane-covered ball might eventually be achieved. The resulting claims covered virtually every combination of standard golf ball components together with polyurethane outer covers that were possible within a regulation golf ball without disclosing which combination might be successful. Such overbreadth and failure to distinguish the prior art should have been fatal to validity.

Sullivan's invention notebook revealed that his purpose had been to design a ball "generally equivalent to [Nesbitt]" but using newer materials unavailable to Nesbitt. In essence, Sullivan claimed what he hoped to do but never achieved. Even if he had, however, the substitution of newer, previously-unavailable, and improved materials into existing designs (such as using the polyurethane disclosed by Wu as the outer cover of Nesbitt's prior art ball) is the type of routine and predictable development that this Court specifically instructed in *KSR* is not patentable. See 550 U.S. at 421.

C. The District Court Proceedings

Callaway filed this suit on February 9, 2006. App. 45a. On November 20, 2007, the district court issued its claim construction ruling, granted Callaway's summary judgment motion of no anticipation, and denied Acushnet's summary judgment motion of invalidity for anticipation and obviousness. App. 45a. Due to the breadth of the asserted claims, which effectively covered any three-piece golf ball with a polyurethane outer cover, Acushnet stipulated to infringement. App. 45a. The district court then bifurcated damages from liability. App. 10a.

1. The Trial

Obviousness was tried to a jury starting on December 3, 2007. Under *Graham*, the four factual inquiries underlying the obviousness question are the level of ordinary skill in the art, the scope and content of the prior art, the differences between the claimed invention and the prior art, and any relevant secondary considerations. See 383 U.S. at 17. Here, most of those factual issues were not disputed.

The level of ordinary skill in the art was undisputed. Acushnet's expert testified that such person had experience in golf ball and/or cover design, generally understood ball materials and construction, and knew the relevant prior art. Callaway offered no contrary definition, and neither party raised that issue post-trial.

The scope and content of the prior art was also undisputed. The jury was instructed that the relevant art included: (1) the Nesbitt patent, (2) the Molitor '751 patent, (3) the Molitor '637 patent, (4) the Proudfit patent, (5) the Wu patent, (6) the Professional ball, and (7) the UTB ball. Acushnet's invalidity position was that the asserted claims would have been obvious in view of the three-piece balata ball of the Proudfit patent or the UTB ball together with polyurethane cover taught by Molitor '751 and/or Wu.

The only disputed factual issues concerned an alleged difference between the claimed invention and the prior art, and whether there was a motivation to combine the cited references. To have some difference to advance before the jury, Callaway argued that no prior art disclosed a polyurethane outer cover on a golf ball that was below Shore D 64 hardness. App. 16a-20a. However, Callaway most heavily relied on alleged "secondary considerations" based on Acushnet's own commercial success and unexpected results achieved by the specific design that Acushnet developed and introduced in the accused Pro V1 ball.

Because Acushnet had conceded infringement, Callaway's strategy was to equate Acushnet's Pro V1 balls to the claimed invention, insisting before the jury that the asserted claims taught the "right combination" from amid the infinite "unpredictable" claimed combinations. On their face, however, the asserted claims did no such thing; they contain no limitations to any unique, unexpected, or critical performance criteria that could possibly distinguish

the prior art. The misleading nature of Callaway's trial presentation made it even more critical that the reviewing courts independently reviewed the § 103 question as one of law.

2. The Denial Of JMOL Post-Trial

On December 14, 2007, the jury returned interrogatories holding dependent claim 5 of the '293 patent invalid as obvious, but holding that the other eight asserted claims were not proven invalid. App. 10a. The district court recognized that the verdicts were inconsistent, but declined to order further deliberations. App. 25a-26a. The court then entered judgment for Callaway that facially adopted the jury's inconsistent verdicts. App. 39a.

Acushnet renewed its JMOL motion of obviousness on the eight claims that had not been invalidated and alternatively moved for a new trial. Callaway did not seek JMOL of nonobviousness on the one claim that the jury held was invalid. On November 10, 2008, the district court denied Acushnet's post-trial motions (App. 44a-90a) and permanently enjoined Acushnet from making and selling the Pro V1 balls at issue during trial. App. 40a-43a.

The district court's post-trial opinion highlights the analytical errors that are rampant under the Federal Circuit's obviousness precedent. According to the district court, it was Acushnet's burden "to prove obviousness at trial by clear and convincing evidence" and it was Acushnet's burden on JMOL to "demonstrate that the verdict of

nonobviousness was not supported by substantial evidence.” App. 56a. The district court was incorrect on both counts.

A defendant’s burden applies to the facts underlying its invalidity defense, not the ultimate legal conclusion. Once the facts are established by whatever quantum of proof may be required, the appropriate legal conclusion is drawn from those facts. Simply put, a legal conclusion is not proven by clear and convincing evidence, and the “substantial evidence” standard of review should not apply when reviewing that conclusion. Instead, only the underlying factual findings are reviewed for substantial evidence to establish the factual background upon which the court’s legal conclusion is independently drawn.

Nevertheless, in denying JMOL, the district court reviewed the jury’s nonobviousness verdicts only for “substantial evidence.”

[Acushnet] must show the absence of facts necessary to support a verdict of nonobviousness, such that no reasonable jury could conclude that defendant failed to meet its high burden of proof. Such showing is nearly unattainable in view of the fact that [Callaway] presented its own rebuttal expert, Dr. Risen, who testified regarding both the scope and content of the prior art and the lack of a motivation to combine, a question of fact.

App. 56a-57a. The district court identified and upheld three disputed facts that the jury implicitly resolved in Callaway's favor.

First, the district court held that the jury could have found that Acushnet's evidence showing the claimed Shore D hardness limitation in the prior art fell short of clear and convincing. App. 57a-60a. In other words, a reasonable jury could have found that the claimed Shore D hardness limitation constituted a difference with the prior art for purposes of *Graham*.

Second, the district court held that a jury could have reasonably "concluded" that a person of ordinary skill would not have been motivated to put a polyurethane cover on the Proudfit ball with any expectation of success. App. 60a-62a. The court also upheld an implicit finding that the golf ball art was "unpredictable" in that a designer would not know in advance what performance would result from any particular combination of ball materials, cover hardnesses, and layer thicknesses. App. 62a-64a. Ignoring that the patents-in-suit provided no such guidance, the court credited Callaway's expert's testimony that there would have been no motivation to combine Proudfit with either Molitor or Wu. App. 64a-65a.

Third, the district court cited Callaway's evidence of secondary considerations of nonobviousness, which consisted primarily of Acushnet's own commercial success with its accused Pro V1 balls. App. 65a-66a. According to the district court, Acushnet's infringement stipulation was

sufficient to establish a prima facie case that a nexus existed between the commercial success and the patented invention. App. 65a n.11.

In conclusion, the district court reiterated “that substantial evidence supports the jury’s verdict of non-obviousness.” App. 68a. Moreover, the court declared that it did not need to consider Acushnet’s evidence because the jury was free to resolve the conflicting expert testimony in favor of Callaway. App. 68a. Thus, the district court concluded that “a reasonable jury could have found that defendant failed to meet its clear and convincing burden on invalidity.” App. 69a.

D. The Federal Circuit’s Decision

The Federal Circuit began by stating that “[a]lthough the ultimate question of obviousness is a legal issue reviewed de novo, the underlying findings of fact (whether implicit or explicit within the jury’s verdict) are reviewed from substantial evidence.” App. 15a (citation omitted). However, the Federal Circuit never reached the ultimate legal issue.

Instead, the Federal Circuit merely agreed “that, when viewed in the light most favorable to the verdict, the jury could have reasonably concluded that Acushnet failed to prove invalidity due to obviousness.” *Id.* On its face, that approach of reviewing “in a light most favorable to the verdict” and deciding what “the jury could have reasonably concluded” represents how courts review jury fact findings, not how the courts draw legal conclusions from established facts.

The Federal Circuit's § 103 analysis consisted of deciding only that "[t]he evidence before the jury did not compel a finding that all claim limitations were present in the prior art." App. 16a. Under *Graham*, that is just one of the underlying factual inquiries, i.e., identifying the differences between the prior art and the claimed invention. See 383 U.S. at 17-18. Once any differences have been established as a matter of fact, then the relevant legal conclusion must be drawn by deciding whether overcoming the identified differences would have been obvious to one of ordinary skill in the art. However, the latter inquiry was never conducted in this case.

The Federal Circuit seemingly accepted Callaway's argument that "the jury could have rationally concluded that [the cited] combinations did not in fact disclose or render obvious all limitations of the asserted claims." App. 16a. However, that position completely blurs the critical distinction between the factual and legal components of the obviousness inquiry. Any question of whether the jury could "rationally conclude" that the cited prior art combinations did not "in fact" disclose all of the claim limitations is the third factual inquiry under *Graham*. However, the separate question of whether the cited prior art combinations would have rendered the claimed combination obvious is neither a question of fact nor something to be reviewed merely for what a rational jury might have decided.

Here, the Federal Circuit only affirmed the jury's implicit finding that the prior art did not disclose a polyurethane outer cover on a golf ball that was below 64 on the Shore D hardness scale. App.

16a-20a. At most, that finding should have become just one established fact upon which the ultimate legal conclusion was drawn. Instead, after upholding that one finding, the Federal Circuit's obviousness analysis simply stopped:

In summary, whether the prior art disclosed the necessary hardness limitation claimed in the Sullivan patents was an issue of fact genuinely contested before the jury. The district court did not err in concluding that substantial evidence supports the jury's implicit resolution of that factual issue in Callaway's favor.

App. 20a. No other implicit findings were reviewed. No other undisputed facts were mentioned. No independent analysis of the appropriate legal conclusion to be drawn from those established and undisputed facts was ever made. As a matter of law, that cannot be how federal courts are allowed to apply this Court's precedent requiring that the ultimate invalidity determination be rendered as a legal conclusion by the court.

REASONS FOR GRANTING THE PETITION

The Federal Circuit needs this Court's instruction on how to review a jury verdict on the ultimate legal issue of obviousness under 35 U.S.C. § 103(a). As explained herein, the Federal Circuit does not maintain the critical distinction between reviewing a jury's presumed but implicit underlying factual findings and independently deciding the ultimate legal conclusion based on the undisputed facts and any jury findings supported by substantial evidence. Thus, not only are courts not rendering an independent judicial decision on the ultimate validity issue as required by this Court's precedent, but the Federal Circuit's review methodology has become so fundamentally flawed that this Court's guidance and correction is required.

This Court should make clear that the judicial role in reviewing a jury's § 103 verdicts (whether on JMOL or appeal) requires more than simply deciding whether one or even all of the jury's underlying findings are supported by substantial evidence. Instead, the proper judicial inquiry is a two-step process where the second step requires the court to render its own legal conclusion based on the facts established by the jury's supported findings. In this case, as in many others decided under the Federal Circuit's flawed approach, the second step is simply not being done.

Here, the Federal Circuit only affirmed that a reasonable jury could have found a difference between the claimed invention and the prior art, and then affirmed the district court's acceptance of the

jury's nonobviousness verdicts on that basis. However, the mere fact that one or more claim limitations are not in the prior art does not invariably require a conclusion of nonobviousness. Regardless of that finding, both the district court and the Federal Circuit were obligated to decide *de novo* (*i.e.*, without deference to the jury's § 103 verdicts) whether, despite that difference, the asserted claims were invalid for obviousness.

As this Court settled in *Graham*, obviousness is a question of law. Yet, in its own words, the Federal Circuit merely agreed “that, when viewed in the light most favorable to the verdict, the jury could have reasonably concluded that Acushnet failed to prove invalidity by clear and convincing evidence.” Tab A, at 12. That review methodology is wrong for at least three reasons.

Unlike a jury's resolution of the disputed facts, a jury's ultimate legal conclusion (1) should never be reviewed in a light most favorable to the verdict, (2) should never be reviewed from the perspective of a reasonable jury, and (3) is not itself a fact to be proven by clear and convincing evidence. Under *Graham*, obviousness is not a factual question, and a jury verdict on that ultimate legal question should never be reviewed only for substantial evidence. Once a jury's findings are reviewed to establish the facts, the reviewing court must then render its own legal conclusion of “valid” or “invalid”— regardless of whether the jury's conclusion could be deemed plausible or reasonable.

The jury's § 103 verdict necessarily identifies its presumed fact findings, but cannot be binding as to its stated legal conclusion. Moreover, the reviewing court's acceptance of any or all of a jury's findings on the disputed underlying factual issues cannot relieve that court from rendering its own legal conclusion on patent validity without regard to the jury's or the lower court's conclusion. This Court in *Graham* rendered its own legal conclusion on the ultimate § 103 issues by disagreeing with the contrary conclusions of the lower courts without remanding or describing any underlying finding as "clearly erroneous." By itself, *Graham* establishes that both the district court and the Federal Circuit cannot simply uphold one or some of the jury's findings and then affirm the jury's verdict without ever independently analyzing and deciding the ultimate legal issue on validity.

Those fundamental errors in the Federal Circuit's methodology for reviewing § 103 verdicts are not unique to this case and clearly warrant this Court's review. Moreover, by correcting the Federal Circuit's improperly truncated approach, this Court will provide much needed guidance regarding the correct "fact vs. law" distinctions under § 103 that will affect not only JMOL motions, but motions for summary judgment, jury instructions, and jury interrogatories. Because differentiating between the factual and legal aspects of the obviousness inquiry implicates virtually every litigated patent case, there may be no more important doctrinal issue in the Federal Circuit's precedent in need of review and clarification by this Court.

**I. THIS COURT SHOULD REVIEW AND
CORRECT THE FEDERAL CIRCUIT'S
METHODOLOGY FOR REVIEWING
JURY OBVIOUSNESS HOLDINGS**

As the Federal Circuit itself explained 20 years ago, at the express direction of this Court, the § 103 inquiry requires resolving any disputes on the underlying factual issues and then making the separate legal conclusion on the ultimate invalidity issue. *See Panduit*, 810 F.2d at 1566-69. In a jury case, the jury does only the first step while the court (whether trial or appellate) should be the one that does the second. Unfortunately, as in this case, many Federal Circuit and district court decisions since *Panduit* incorrectly treat obviousness as a factual question, review the conclusion only for what a reasonable jury might decide, or assume upholding any factual finding requires acceptance of the jury's legal conclusion.

Because obviousness is a question of law, there should be no such thing as a jury "finding" on obviousness, nor is there any basis for holding that a jury's § 103 verdict is supported by "substantial evidence." However, the Federal Circuit has repeatedly rendered such holdings. *See, e.g., Honeywell Int'l Inc. v. Hamilton Sundstrand Corp.*, 370 F.3d 1131, 1145-46 (Fed. Cir. 2004) (*en banc*) (we agree "there is substantial evidence to support the jury's finding of nonobviousness"). Moreover, such improper holdings cannot be disregarded as merely

loose language or dicta.² In light of such Federal Circuit precedents, many district courts, like the one in this case, are incorrectly reviewing § 103 verdicts only for substantial evidence.

As noted, the Federal Circuit had begun by the mid-1990's to invoke the "clearly erroneous" or "substantial evidence" standards of review that should have been applicable only to issues of fact when reviewing the ultimate legal issue of validity under § 103. See *Lockwood*, 50 F.3d at 988-89 (Nies, J., dissenting). However, the current Federal Circuit has elevated that mistaken approach into that court's standard review methodology. See, e.g., *Kemin Foods, L.C. v. Pigmentos Vegetales Del Centro S.A.*, 464 F.3d 1339, 1344 n.2 (Fed. Cir. 2006) ("[o]ur cases ...have applied the substantial evidence standard to general jury verdicts on obviousness, ...and PIVEG has not pointed to any contrary authority"). However, the contrary authority resides

² See, e.g., *Cordis Corp. v. Boston Scientific Corp.*, 561 F.3d 1319, 1322 (Fed. Cir. 2009) ("there was substantial evidence that these prior art patents did not render claim 36 obvious"); *Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc.*, 381 F.3d 1371, 1378 (Fed. Cir. 2004) ("The record contains substantial evidence whereby a reasonable jury could have reached the verdict that it would not have been obvious ... [i]n view of this evidentiary support, the district court's grant of JMOL cannot stand."); *LNP Engineering Plastics, Inc. v. Miller Waste Mills, Inc.*, 275 F.3d 1347, 1353 (Fed. Cir. 2001) ("the record supplies substantial evidence for a reasonable jury to find that claim 1 ... would have been obvious"); *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1237 (Fed. Cir. 1989) ("Our review shows that there was substantial evidence on which reasonable jurors could have concluded that claim 9 had not been proved invalid for obviousness, and thus reached the verdict of 'valid.'").

in *Graham* and this Court's other invalidity decisions where this Court has consistently drawn its own independent legal conclusion from the undisputed and established facts.³

This problem is consistently surfacing and will not be resolved without this Court's intervention. In *Kinetic Concepts, Inc. v. Blue Sky Med. Group, Inc.*, 554 F.3d 1010, 1020 (Fed. Cir.), *cert. denied*, 2009 WL 2493730 (Nov. 17, 2009), the Federal Circuit affirmed a nonobviousness judgment merely upon upholding a jury's finding that the prior art did not disclose one claim limitation ("treating a wound with negative pressure"). As in this case, the Federal Circuit held that "this was sufficient to support the jury's verdict of non-obviousness." *Id.* As in this case, however, the accepted finding in *Kinetic Concepts* merely identified one difference with the prior art, a factual inquiry under *Graham*. Thus, as in this case, the mere existence of a difference with the prior art should not have been dispositive nor the end of the judicial § 103 inquiry.

More recently, the Federal Circuit in *Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 582 F.3d 1288 (Fed. Cir. 2009), reviewed a district court's grant of JMOL of nonobviousness that reversed a jury's obviousness verdicts. For five different sets of

³ See, e.g., *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 280 (1976); *Dann v. Johnson*, 425 U.S. 219, 230 (1976); *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 62-63 (1969); *United States v. Adams*, 383 U.S. 39, 51 (1966); *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 153-54 (1950).

asserted claims, the Federal Circuit again treated the existence of substantial evidence supporting the jury's implicit factual finding that a particular claim limitation was in the prior art as being dispositive of the ultimate legal conclusion. See *id.* at 1297-1300 (“[b]ecause substantial evidence supports the jury's implicit finding, JMOL was inappropriate”). Once again, whether or not the jury's “differences with the prior art” findings were supported, they cannot be dispositive of the ultimate legal conclusion. More importantly, the mere existence of differences with the prior art should not have allowed the Federal Circuit to avoid independently deciding the legal issue of whether it would have been obvious to overcome the identified differences.

The petition for a writ of certiorari in the *Kinetic Concepts* case asked this Court to decide whether a defendant “has a right to independent judicial, as distinct from lay jury, determination of [obviousness].” See *Medela AG v. Kinetic Concepts, Inc.*, No. 09-198 (filed Aug. 13, 2009). While that petition correctly recognized the problem, the petition likely proposed an overbroad solution—eliminating the jury entirely from deciding issues of patent validity. However, the real problem stems not from allowing a jury to resolve disputed facts, but from the Federal Circuit's error in allowing the jury's legal conclusion to be insulated from independent judicial review under the guise of applying “substantial evidence” and “reasonable jury” standards of review.

The more modest solution posed by the present petition—without any Seventh Amendment

concerns—is for this Court to instruct the Federal Circuit and district courts regarding how to identify and review the implicit factual findings within a jury’s § 103 verdict without abdicating the court’s independent responsibility to ensure that the statutory standards for patentability have been satisfied. By doing so, this Court will be able to reaffirm that the ultimate “obvious” or “nonobvious” decision is a legal conclusion to be made by the reviewing court based on the undisputed and established facts.

II. A JURY’S § 103 VERDICT IDENTIFIES THE JURY’S IMPLICIT FINDINGS ON ANY UNDERLYING DISPUTED FACTUAL ISSUES, BUT IS MERELY ADVISORY AS TO THE JURY’S STATED LEGAL CONCLUSION

As demonstrated by this Court’s approach in *Graham*, the court must decide the ultimate legal issue, even in jury cases. However, in *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 895 n.5 (Fed. Cir. 1984), the Federal Circuit rejected the view “that a jury verdict on nonobviousness is at best advisory.” The Federal Circuit specifically disagreed with *Sarkisian v. Winn-Proof Corp.*, 688 F.2d 647, 651 (9th Cir. 1982), which allowed a jury to decide obviousness but characterized a jury’s verdict on the ultimate issue as being “a nonbinding advisory opinion.” The Federal Circuit declared that the Ninth Circuit’s view “would make charades” of motions under Fed. R. Civ. P. 50 in patent cases. See 732 F.2d at 895 n.5.

Despite the Federal Circuit's concerns in *Perkin-Elmer* about patent cases not being different from other civil cases, it overlooked that the Ninth Circuit's "advisory opinion" was properly limited to the jury's ultimate conclusion, not to its underlying findings. The Ninth Circuit agreed that this Court's *Graham* factors were to be decided by the fact finder, preferably by detailed special interrogatories in jury trials or by detailed findings in nonjury trials. See 732 F.2d at 650. In contrast to the Federal Circuit's current confusion, the Ninth Circuit also understood that the appropriate standard of appellate review depended upon which portion of the obviousness inquiry is at issue.

The predicate factual determinations are reviewed under the appropriate standard for findings of fact. If made by the jury, we review for support by substantial evidence. ... We review a judge's findings under the clearly erroneous test. Fed. R. Civ. P. 52(a).

The ultimate conclusion of obviousness ...is a question of law. It is subject to our independent review.

688 F,2d at 651. Thus, nothing in *Sarkisian* intruded upon a jury's traditional role of factfinding or made a "charade" of post-trial motions under Rule 50. Indeed, it is the Federal Circuit's current practice of treating a jury's *Graham* findings as dispositive of the ultimate legal conclusion that causes the post-trial JMOL motion to become a charade rather than a true judicial decision.

This Court should resolve the conflict between *Sarkisian* and *Perkin-Elmer* by holding that a jury's § 103 verdicts are not advisory only to the extent that they identify the jury's underlying findings that determine the factual "background" upon which the court's ultimate legal conclusion is to be drawn. Where a jury returns a general verdict, all disputed factual issues are presumed to have been decided in favor of the verdict winner. But once those findings are identified and reviewed, the jury's § 103 verdict on the ultimate legal conclusion is necessarily advisory because, as in *Graham*, the reviewing court must draw its own legal conclusion from the established facts no matter how the jury itself decided the invalidity issue.⁴

Properly understood, a jury's § 103 verdict is not advisory as to its findings (even if they are implicit), but is advisory and entitled to no weight or deference on its ultimate legal conclusion (even though explicitly stated). In the absence of special interrogatories, a jury's § 103 verdict simply serves

⁴ Earlier Federal Circuit decisions correctly recognize that distinction. *See, e.g., Richardson-Vicks Inc. v. Upjohn Co.*, 122 F.3d 1476, 1479 (Fed. Cir. 1997) ("That an obviousness determination stands upon the relevant facts does not convert the ultimate conclusion of obviousness from one of law into one of fact."); *Newell Companies, Inc. v. Kenney Mfg. Co.*, 864 F.2d 757, 763 (Fed. Cir. 1988) ("it is not the function of the jury to pick and choose among *established facts* relating to obviousness in contrast to its obligation to sift through the *conflicting evidence* to determine what those facts are"); *Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506, 1515 (Fed. Cir. 1984) ("the judge must remain the ultimate arbiter on the question of obviousness").

as shorthand to identify how the jury must initially be presumed to have resolved the underlying disputed issues of fact.

One solution would be to require juries to answer special interrogatories on the disputed factual issues in patent cases. Like the Ninth Circuit in *Sarkisian*, 688 F.2d at 650, the Federal Circuit has encouraged that procedure, e.g., *Hewlett-Packard Co. v. Mustek Systems, Inc.*, 340 F.2d 1314, 1325 (Fed. Cir. 2003), but has never required it. One inherent difficulty is that the underlying factual issues for obviousness, particularly those related to secondary considerations, are not always “yes-no” questions that lend themselves to “fill in the blank” jury interrogatories. Nevertheless, if litigants and district courts were required to identify the disputed factual issues for the jury, a jury would not need to answer the ultimate question, the parties and the reviewing court would know which factual disputes had been resolved in favor of which party, and the court could render its own legal conclusion based on the actual findings, not just presumed ones.

Like most patent jury cases, that is not what happened here, but that cannot absolve the courts from properly reviewing the verdicts. Here, the Federal Circuit presumed from the nonobviousness verdicts that the jury accepted Callaway’s factual assertion that the prior art did not show polyurethane outer covers with a hardness below Shore D 64 on a three-piece ball. The panel then decided that a jury could have reasonably made that finding. App. 18a-20a. Based on that one single finding, the Federal Circuit then affirmed the denial

of JMOL without addressing whether the affected claims would have been obvious despite that minor difference in light of the clear teachings and explicit suggestions in the prior art. Such judicial deference to a jury's ultimate § 103 conclusion should no longer be allowed or perpetuated by this Court.

III. AFFIRMANCE OF EVEN ALL OF A JURY'S UNDERLYING FINDINGS DOES NOT MANDATE THAT THE REVIEWING COURT AFFIRM THE JURY'S ULTIMATE LEGAL CONCLUSION

As in *Graham*, even if every underlying finding is accepted, the reviewing court is free to disagree with the jury's conclusion, and must always consider the ultimate legal question itself and without deference. This Court should grant this petition to hold that a jury's verdict on the ultimate § 103 invalidity issue can be reversed even if every underlying finding is upheld. The Court should also hold that no single finding on any *Graham* factor, including secondary considerations, is dispositive of the ultimate legal issue. Even the Federal Circuit's own precedent holds that all probative facts must be considered before a court renders its ultimate legal conclusion. *See Panduit*, 810 F.2d at 1569-71. Yet here, as in *Kinetic Concepts* and *Fresenius*, the Federal Circuit looked at just one.

Unlike some other mixed fact-and-law questions, the appropriate legal conclusion under § 103 will not follow automatically from the findings on the *Graham* factors. For example, the proper legal conclusion on negligence follows directly from a

jury's findings on the four underlying factual elements (duty, breach, proximate cause, and damage). If each element is found as a matter of fact, there is negligence as a matter of law. If any element is absent, there is no negligence as a matter of law. In contrast, even after a jury's findings on the *Graham* factors are identified and reviewed, the legal conclusion based on those established facts must be independently decided by the reviewing court, and could be different from that reached by the jury or a lower court.

For example, a patentee will try to prove as a matter of fact that there are multiple differences with the prior art while the defendant tries to show there are few or none. Whatever the outcome, resolution of those factual disputes merely provides the backdrop for the court's legal conclusion rather than determines it. Even when differences with the prior art exist, a defendant can still prove that the claimed invention would have been obvious as a matter of law despite such differences.

The required legal analysis cannot be different where any differences with the prior art are resolved by a jury rather than being undisputed. Indeed, an affirmance of a jury's finding establishes that fact as no longer in dispute, but cannot end the court's § 103 analysis. Yet, that is exactly what happened here. The Federal Circuit held that "substantial evidence supports the jury's implicit resolution" of whether the prior art disclosed a polyurethane outer cover with a hardness below Shore D 64 on a three-piece ball. App. 20a. At that point, the Federal Circuit's § 103 analysis simply stopped. *Id.*

Had the district court or the Federal Circuit done the complete legal analysis, the undisputed facts and the governing post-*KSR* law should have compelled the ultimate legal conclusion that, despite no express example in the prior art of a polyurethane cover hardness below Shore D 64 on a three-piece ball, the asserted claims are invalid. Proudfit's soft, three-piece, balata-covered ball met each limitation but a polyurethane cover (App. 9a n.3), while other cited prior art references taught substituting castable polyurethane for balata, taught using polyurethane and non-polyurethane covers with hardness below Shore D 64, taught the desirability of a relatively soft outer cover on a three-piece ball, and taught as routine how to vary cover hardness. See *Acushnet* Br. 11-15, 34. Even the Federal Circuit's analysis shows that the single difference found with the prior art was truly miniscule. See App. 16a-20a & n.8.

The Federal Circuit's summary of the prior art confirms that, as of Sullivan's alleged invention, three-piece golf ball designs and polyurethane covers were well-known, App. 9a n.3, and *Acushnet's* Dr. Wu had just disclosed a new, castable polyurethane specifically for use as a golf ball cover that prompted the inventor to amend his pending applications and caused multiple ball manufacturers to follow her suggestion to substitute the new polyurethane material onto existing ball designs. Where there is but one difference over the closest prior art and where there was an express motivation to combine, a combination of well-known components being used for their established function should be unpatentable as a matter of law. See 550 U.S. at 418.

While Callaway stressed the alleged “unpredictability” of achieving the right combination out of the countless claimed permutations of ordinary golf ball components, a proper application of the law would not have allowed such arguments to preserve the validity of the asserted claims. First, contrary to Callaway’s premise, the asserted claims have no limitations directed to any unexpected results or unique performance criteria to distinguish the prior art. *See MuniAuction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1328 n.5 (Fed. Cir. 2008) (claims “broad enough to read on obvious subject matter are unpatentable even though they also read on nonobvious subject matter”). Absent such limitations, the claims are nothing more than a straightforward combination of well-known prior art golf ball components.

As this Court made clear in *KSR*, where a technique improves one device and one of ordinary skill would recognize that it would improve similar devices in the same way, using that technique to improve the prior art is not patentable. 550 U.S. at 407. However, no court in this case has undertaken this Court’s *KSR* analysis. Instead, both the district court and the Federal Circuit simply accepted the jury’s verdicts as supported by substantial evidence without ever independently deciding whether the ultimate legal conclusion based on those facts comported with the controlling law.

IV. THIS CASE PROVIDES AN EXCELLENT VEHICLE FOR DECIDING THE IMPORTANT ISSUES PRESENTED

Because the Federal Circuit has remanded this case for a new trial, its interlocutory posture might initially appear to weigh against granting review at this time. However, a more important consideration is that this case presents its important doctrinal questions in an appropriate context for this Court's review. Moreover, there is nothing to be gained by waiting any longer for self-correction by the Federal Circuit.

The error inherent in the Federal Circuit's review methodology is cleanly presented by its affirmance of the denial of JMOL based solely on a single jury fact finding. Not only is that issue case dispositive, but the Federal Circuit's recent decisions in *Kinetic Concepts* and *Fresenius* demonstrate that the challenged methodology is not an exception but is the rule in that court. Finally, there may never be a clearer instance where the alleged secondary considerations lacked any nexus to the invention as actually claimed and thus were more misused before the jury en route to a legally-flawed outcome.

By affirming the denial of JMOL of obviousness merely by upholding the one difference over the prior art, the Federal Circuit did not reach the final disputed *Graham* factor, *i.e.*, secondary considerations. Nevertheless, because correction of the Federal Circuit's truncated review methodology also implicates those issues, this case provides an excellent vehicle by which this Court should reaffirm

its holding in *Graham* that secondary considerations provide “legal inferences” that are “more susceptible of judicial treatment than are the highly technical facts often present in patent litigation.” See 383 U.S. at 35-36.

As noted, Callaway’s efforts to preserve the validity of the asserted claims at trial relied almost exclusively on the commercial success and unexpected results achieved by Acushnet’s accused Pro V1 balls. Here, such allegations should not have supported any legal inference of nonobviousness because Callaway’s evidence lacked any “nexus” to the broadly claimed subject matter.⁵ See *In re Peterson*, 315 F.3d 1325, 1330-31 (Fed. Cir. 2003) (one or even a small number of species yielding unexpected results cannot support claims to a much broader range). Such overbroad claims should never have survived a court correctly applying the controlling law, but as yet, no court has done the proper legal analysis.

Moreover, despite *Graham*, the Federal Circuit also incorrectly treats “nexus” as a factual issue for the jury. See, e.g., *Pro-Mold and Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1574 (Fed.

⁵ See, e.g., *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311-12 (Fed. Cir. 2006) (“Evidence of commercial success, or other secondary considerations, is only significant if there is a nexus between the claimed invention and the commercial success.”); *In re GPAC, Inc.*, 57 F.3d 1573, 1580 (Fed. Cir. 1995) (“For objective evidence to be accorded substantial weight, its proponent must establish a nexus between the evidence and the merits of the claimed invention.”).

Cir. 1996). As with the other *Graham* factors, the Federal Circuit thus confuses the factual components with the legal component and improperly defers to a jury's implicit findings on secondary considerations and nexus, when this Court has instructed that such matters may give rise only to a "legal inference" that should be reserved for judicial weighing en route to a court rendering its ultimate legal conclusion.

More importantly, this petition raises issues of fundamental importance that directly implicate most pending and future patent cases apart from the particular dispute between these parties. To be sure, the parties' dispute is of considerable importance even on its own. The accused Pro V1 balls are the world's leading golf balls, and, if infringement liability were to be established, the alleged damages are well in the hundreds of millions of dollars.

Absent this Court's review, the district court will necessarily conduct a second trial. No matter which side prevails, the court will surely again review the resulting verdicts merely for substantial evidence in the manner that the Federal Circuit has just employed and approved. No matter which party prevails, the other side will likely challenge the review methodology all the way to this Court. Not only would such proceedings be costly to the parties and the judicial system, but a large number of other patent jury cases will also be tried and incorrectly reviewed during the intervening period.

There is nothing to be gained by waiting for further developments. The issues are squarely presented. Now is the time and this is the case in

which this Court should review and correct the Federal Circuit's flawed methodology for reviewing jury verdicts under § 103.

CONCLUSION

The petition for writ of certiorari should be granted.

Respectfully submitted.

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