

No. 16-551

IN THE
Supreme Court of the United States

EON CORP. IP HOLDINGS LLC,

Petitioner,

v.

SILVER SPRING NETWORKS, INC.,

Respondent.

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

BRIEF IN OPPOSITION

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STATEMENT OF THE CASE

This case does not present the question of whether the limits on appellate authority set forth in *Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394 (2006), admit an exception for “purely legal” questions. Silver Spring Networks (“Silver Spring” or “SSN”) brought a proper Rule 50(b) motion presenting the very question that the Federal Circuit resolved, in full compliance with the *Unitherm* rule. EON misunderstands the circuit split, which is not about whether every legal issue in the case must be raised post-verdict to be considered on appeal, but about whether an earlier *denial of summary judgment* may be reviewed absent a Rule 50(b) motion if the initial request was based on a “purely legal” question. EON’s petition is also based on a fundamental misapprehension of what it means to present a dispute and preserve it for appeal in the context of claim construction. Under the guise of seeking clarification of *Unitherm*, EON is really asking this Court to hold that a judge construing the claims of a patent is limited to the verbatim wording of constructions proposed by the parties in their briefing. Such a rule is impracticable, without precedent, and contrary to this Court’s recent holdings concerning the judicial role in claim construction.

I. Factual Background.

The Federal Circuit directed judgment for Silver Spring because the evidence presented at trial was not sufficient as a matter of law to support a verdict of infringement under the correct construction of the terms “portable” and “mobile” in the patent claims that remained in suit. Petition Appendix (“Pet. App.”) 7a-19a.

Far from having been waived by Silver Spring, this issue — of the meaning of those terms and of the sufficiency of the evidence that they read on Silver Spring’s accused electricity meters — was litigated at every available opportunity in the trial court, including after the verdict under Rule 50(b).

At claim construction, Silver Spring argued that both terms should be construed as “capable of being easily and conveniently moved from one location where the subscriber unit is operable to a second location where the subscriber unit is operable, and designed to operate without a fixed location.” Court of Appeals Joint Appendix (“C.A. J.A.”) 1153. The district court found that “the terms do not require construction because their meanings are clear in the context of the claims and will be readily understandable to the jury.” C.A. J.A. 238. Silver Spring asked for reconsideration of that ruling, arguing that it failed to resolve the parties’ dispute as to whether “mobile” and “portable” include fixed power meter installations. The motion was denied. C.A. J.A. 315-16.

With the district court having declined to construe “portable” and “mobile,” Silver Spring’s expert witness argued to the jury that Silver Spring’s accused meters did not meet the plain and ordinary meaning of those terms because they could not be “easily moved from one location to another.” Pet. App. 6a; C.A. J.A. 791. Silver Spring presented evidence that Silver Spring’s meters were stationary objects that were difficult to install and remove and were permanently attached to a building. C.A. J.A. 791.

At the close of the evidence, Silver Spring moved for judgment as a matter of law on the basis that EON presented “insufficient evidence that Silver Spring’s smart meter is used or intended to be used or in any manner may be a mobile or portable unit, particularly in light of the context of the claims” and the fact that Silver Spring’s meters are “affixed to a permanent structure and left in place for 15 years, locked into place and . . . not moved.” Appendix (App.) 5a. The motion was denied. App. 11a. The jury found the claims valid, and a number of them infringed. C.A. J.A. 67-70.

Silver Spring then renewed the motion for judgment as a matter of law under Rule 50(b). Its first and longest argument in that motion urged upon the district court precisely the conclusion that the Federal Court ultimately reached. Silver Spring argued that no reasonable juror could have found that “meters securely attached and locked to buildings are ‘portable’ and ‘mobile’ units.” App. 14a-24a. Its brief recapitulated the claim construction dispute, App. 15a-16a, and argued that the evidence adduced at trial was insufficient to support a finding of infringement under either the terms’ plain and ordinary meaning or under the construction that Silver Spring had proposed. App. 14a-24a. The motion was again denied.

On appeal, Silver Spring again argued that its “meters are not ‘mobile’ and ‘portable.’” SSN C.A. Op. Br. 23. Silver Spring first argued that by declining to construe these terms the district court sent the legal disputes over their meaning to the jury, which was error under *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (en banc), *aff’d* 517 U.S. 370 (1996) and *O2 Micro Intern. Ltd. v. Beyond Innovation Technology Co., Ltd.*,

521 F.3d 1351, 1360 (Fed. Cir. 2008). SSN C.A. Op. Br. 24-28. Silver Spring then argued that, in any event, no reasonable jury could have found infringement, because “even were [the Federal Circuit] to conclude that the meanings of mobile and portable are so clear that there is no room for any debate over their scope, that ‘plain and ordinary meaning’ cannot possibly encompass Silver Spring’s products.” *Id.* 29. Silver Spring accordingly asked the Federal Circuit to enter judgment in favor of Silver Spring on the issue of infringement. *Id.* 49. In its response, EON did not argue that the Federal Circuit should remand for a new trial because EON would have new evidence to present under Silver Spring’s constructions of “portable” and “mobile.”

The Federal Circuit agreed with Silver Spring, directing the entry of judgment in its favor on the very basis that Silver Spring raised at every opportunity in the trial court. The panel first determined that the district court had erred under *O2 Micro* in failing to resolve the parties’ dispute over the meaning of the terms “portable” and “mobile.” Pet. App. 7a-11a. It then proceeded to construe the claims. Though the panel did not articulate a dictionary-definition-like construction, it resolved the dispute over the meaning of the claim terms that had been presented by the parties all along and that was sufficient to dispose of the case: do “portable” and “mobile” as used in the patents-in-suit encompass fundamentally stationary devices like Silver Spring’s accused meters? The answer, it found, was “no”:

Th[e] guidance from the specification belies Eon’s position at trial that the claim terms “portable” and “mobile” should be broadly

interpreted as including, essentially, anything that is theoretically capable of being moved. . . . Eon's position is completely untethered to the context of the invention in this case. Although the terms "portable" and "mobile" might theoretically, in the abstract, be given such a broad meaning, they cannot be construed that way in the context of the '101 and '491 patents. The patents consistently describe the "portability" feature of the invention as the movement of a low-power subscriber unit across cell boundaries, with good digital synchronous communication contact throughout the network. This context must be considered in determining the ordinary meaning, as the construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction.

Read in their appropriate context, the terms "portable" and "mobile" cannot be construed as covering the accused meters in this case. The evidence showed that Silver Spring's electric utility meters are affixed to the exterior walls of buildings by being "bolt[ed] . . . down"; that they are connected via a wire containing "240 volts"; and they are secured in place via an additional "locking collar" and "tamper seal." . . . Put simply, the meter is "[b]olted to the house. That's where it's used. It doesn't change." J.A. 592. Under no permissible construction of the terms "portable" and "mobile"—given their ordinary meaning in the context of the

'101 and '491 patents—could a reasonable jury have found that Silver Spring's electric utility meters infringe the asserted claims.

Id. 14a-16a (internal citations omitted). Judge Bryson dissented, disagreeing with the panel's claim construction analysis. *Id.* 22a-32a. In a footnote, he noted that the panel "never explicitly sets forth what it regards as the correct claim construction" of "portable" and "mobile," but that in light of the panel's discussion, "it seems fair to interpret the majority's construction as generally equivalent to Silver Spring's." *Id.* 21a n.2. Judge Bryson never suggested that the majority somehow improperly declined to articulate a definition for the term.

II. Reasons for Denying the Petition.

A. EON Misstates the Circuit Split.

In *Unitherm*, this Court extended the long-standing rule that in the absence of a proper post-verdict motion under Fed. R. Civ. P. 50(b), an appellate court "[is] without power to direct the District Court to enter judgment contrary to the one it had permitted to stand" *on the basis of the sufficiency of the evidence*, holding that under those circumstances an appellate court also may not order a new trial. *Id.* at 400-02, *citing Cone v. West Virginia Pulp & Paper Co.*, 330 U.S. 212, 218 (1947) (internal quotation marks omitted). This Court reaffirmed its prior observations about the rationale for this requirement, finding its roots in the benefit of having a "judgment in the first instance [by] the judge who saw and heard the witnesses and has the feel of the case which no appellate printed transcript can impart." *Unitherm*, 546 U.S. at

401, *citing Cone*, 330 U.S. at 216 (internal quotation marks omitted). That rationale “appl[ies] with equal force,” this Court found, “whether a party is seeking judgment as a matter of law or simply a new trial.” *Unitherm*, 546 U.S. at 402.

EON is correct that a circuit split has developed in the wake of *Unitherm*, but the scope of the split is not as EON presents it. The disagreement between appellate courts is not over whether every discrete legal issue must be relitigated *ad nauseam* at every stage of the case through postverdict motions in order to be eligible for consideration on appeal. The circuits agree that this is not required. *Belk, Inc. v. Meyer Corp.*, 679 F.3d 146, 160 (4th Cir. 2012) (challenges to legal errors that do not question the sufficiency of the evidence not barred by *Unitherm*); *Vazquez-Valentin v. Santiago-Diaz*, 459 F.3d 144, 147-48 (1st Cir. 2006) (challenges to district court’s evidentiary rulings not barred by *Unitherm* even though not raised in a postverdict motion); *McCray v. Peachey*, 367 Fed.Appx. 566, 569 (5th Cir. 2010) (finding that while a challenge to the sufficiency of the evidence in the absence of a post-verdict motion was barred by *Unitherm*, challenges to jury instructions and the correct evidentiary standard were not).

Rather, the circuit split is over whether an appellate court may review the district court’s *denial of summary judgment* if the basis for the original request was “purely legal” and is not restated in a motion under Rule 50(b). This is the fact pattern in every single case EON cites for the proposition that some circuits refuse to hear appeals on “purely legal” issues not raised under Rule 50(b). *Blessey Marine Services, Inc. v. Jeffboat, LLC*,

771 F.3d 894, 897-98 (5th Cir. 2014); *Ji v. Bose Corp.*, 626 F.3d 116, 127 (1st Cir. 2010); *Jones ex rel. U.S. v. Massachusetts General Hosp.*, 780 F.3d 479, 488 n.3 (1st Cir. 2015); *Chesapeake Paper Products Co. v. Stone & Webster Engineering Corp.*, 51 F.3d 1229, 1235-36 (4th Cir. 1995); *Varghese v. Honeywell Intern., Inc.*, 424 F.3d 411, 422-23 (4th Cir. 2005). These circuits' reluctance to parse between legal versus factual grounds for ruling on summary judgment is understandable, given the broad acknowledgement that the difference between the two is slippery. See *Miller v. Fenton*, 474 U.S. 104, 113-14 (1985) (noting "the practical truth that the decision to label an issue a 'question of law,' 'a question of fact,' or a 'mixed question of law and fact' is sometimes as much a matter of allocation as it is of analysis"). But in all cases, the courts were declining to review the *ultimate basis* for final judgment — not a subsidiary or predicate legal issue that did not and could not itself dispose of the case. This is consistent with *Unitherm's* conception of Rule 50(b) as foreclosing a party's appellate "challenge to the sufficiency of the evidence" underlying the district court's judgment. *Unitherm*, 546 U.S. at 404.

That is also the question this Court declined to settle in *Ortiz v. Jordan*, 562 U.S. 180 (2011). There, this Court reaffirmed that a party may not ordinarily appeal from the denial of summary judgment after a full trial on the merits because the summary judgment order "retains its interlocutory character" and is superseded by the record at trial. *Id.* at 183-84. The ground for judgment must therefore be re-raised under Rule 50 on the basis of the evidence at trial in order to be appealable. *Id.* at 188-89. However, this Court left open the question of whether there is an exception to this rule when the putative ground

for summary judgment had been “purely legal.” *Id.* at 190-92.

B. JMOL Was Properly Before the Federal Circuit Under *Unitherm* and Does Not Implicate the Question Left Unanswered in *Ortiz*.

Fed. R. Civ. P. 50 permits parties to challenge the sufficiency of the evidence to support the judgment sought by the other side, and permits district courts to enter judgment as a matter of law for the moving party if it finds that no reasonable juror could find otherwise on the evidence presented. *Unitherm* held that in order for an appellate court to direct the entry of this relief, the ground on which it is sought must first have been presented to the district court, post-verdict, under Rule 50(b). This Court should deny the petition because there is no genuine question that the Federal Circuit followed *Unitherm* without implicating the issue this Court left open in *Ortiz*.

The basis on which the Federal Circuit directed the entry of judgment for Silver Spring was that there was not sufficient evidence presented at trial for a reasonable juror to conclude that Silver Spring infringed under the correct construction of “portable” and “mobile.” There can be no doubt that this issue was before the district court on a proper motion under Rule 50(b). *Supra* at 3. In fact, the bulk of the parties’ briefing on Silver Spring’s post-verdict motion for JMOL was consumed with this question, and the district court addressed it. *Id.*

That is all that Rule 50 and *Unitherm* require. Rule 50 is addressed to challenges to the sufficiency of

the evidence presented at trial concerning a particular issue. *See* Fed. R. Civ. P. 50(a) (“If a party has been fully heard on an issue during a jury trial and the court finds that a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue . . .”). *Unitherm* held only that in order for such a sufficiency-of-the-evidence challenge to be brought on appeal it must first have been raised in a postverdict motion under Rule 50(b). *Unitherm*, 546 U.S. at 404 (characterizing holding as that “respondent’s failure to comply with Rule 50(b) forecloses its challenge to the sufficiency of the evidence”). Preserving an issue for appeal typically requires only presenting it to the lower court in a manner that gives the lower court an opportunity to rule on it. *See, e.g., Broad v. Sealaska Corp.*, 85 F.3d 422, 430 (9th Cir. 1996); *FDIC v. Mijalis*, 15 F.3d 1314, 1326-27 (5th Cir. 1994). That was certainly the case here. The opening argument in Silver Spring’s Rule 50(b) JMOL request was that there was not sufficient evidence for a reasonable juror to conclude that the asserted claims’ “portable” and “mobile” limitations had been met. *Supra* at 3.

EON does not dispute this. Instead, EON argues that the *Unitherm* rule was violated because the district court did not have the opportunity to decide whether the evidence presented at trial was sufficient to support the verdict of infringement *under the exact claim construction that the Federal Circuit ended up adopting*. But this is not what *Unitherm* held, and it is not the test for whether an issue is properly before an appellate court.

First, *Unitherm* did not create a requirement that parties relitigate claim construction issues at the JMOL

stage.¹ While much ink has been spilled over whether claim construction is a legal or factual question, *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, 135 S.Ct. 831, 836-40 (2015), what has never been in doubt is that claim construction cannot itself form the basis for a final judgment of any sort. During claim construction, the court resolves disputes about the meaning of patent claim terms to aid the factfinder in the determination of the ultimate issues of infringement and invalidity. In *Markman*, 517 U.S. at 388-89, this Court held that judges must construe the claims *before* handing infringement and validity issues over to the factfinder. And the Federal Circuit has held that a district court's claim constructions cannot be appealed unless they bear on one of those ultimate questions. *Nystrom v. TREX Co.*, 339 F.3d 1347, 1350 (Fed. Cir. 2003).

Accordingly, parties no more need to relitigate claim construction matters under Rule 50 than they must reargue challenges to jury instructions, *McCray*, 367 Fed. Appx. at 569, or reargue their evidentiary objections. *U.S. v. Lewis*, 796 F.3d 543, 545 n.6 (5th Cir. 2015). These are predicate legal issues decided by the judge before trial, and though they may be reversible error, they do not constitute challenges to the sufficiency of the evidence under which judgment as a matter of law may be granted. They are thus not within the ambit of Rule 50, or of *Unitherm's* holding.

1. As it happens, even though the district court had already heard Silver Spring's claim construction arguments twice prior to trial, Silver Spring did raise them again post-verdict despite not having been required to do so. *Supra* at 3.

Second, though EON neglects to cite the relevant authority, this Court has held that appellate courts may make an independent evaluation of the record in light of the correct legal standard — evidentiary or otherwise — and direct the district court to enter JMOL if the evidence does not permit any other outcome. *Boyle v. United Techs. Corp.*, 487 U.S. 500, 513 (1988) (“If the evidence presented in the first trial would not suffice, as a matter of law, to support a jury verdict under the properly formulated defense, judgment could properly be entered for respondent at once, without a new trial.”); *Neely v. Martin K. Eby Constr. Co.*, 386 U.S. 317, 326-27 (1967) (court of appeals may direct the entry of JMOL under Rule 50 where there are “dispositive issues of law which, if resolved in defendant’s favor, must necessarily terminate the litigation”). Analogously, on an appeal from a summary judgment order, appellate courts are also empowered to affirm the grant summary judgment on any ground supported in the record — even if the district court did not reach that particular ground. *Smith v. Phillips*, 455 U.S. 209, 215 n.6 (1982). Where an issue has been properly preserved for appeal under Rule 50, *Unitherm* did not *sub rosa* overrule this case law and eliminate an appellate court’s authority to resolve legal issues that have been properly raised below.

The question that this Court did not reach in *Ortiz* — and over which federal appellate courts are split — is different. In that case, this Court held that under the rule set forth in *Unitherm*, a denial of summary judgment was not appealable post-trial unless the ground for summary judgment had been re-raised in a proper motion under Rule 50(b). *Ortiz*, 562 U.S. at 188-89. This was so, this Court found, because the trial record subsumes the

record on summary judgment, and the putative basis for judgment must be reevaluated in light of the former. *Id.* at 183-84. This Court then declined to decide whether there is an exception in the situation where summary judgment had been sought based on a “purely legal” issue, since the specific dispositive issue before the court (involving an assertion of qualified immunity) was not “purely legal” on any plausible reading. *Id.* at 190-92. The question was *not* whether an appellate court may take up predicate legal issues such as claim construction that were not re-raised post-verdict. Nor was it whether, when an issue has been properly preserved on appeal, an appellate court may independently evaluate the record in light of its resolution of legal questions properly before it.

There is no circuit split on either question. None of the circuits that do not recognize a “purely legal” exception to *Unitherm* — *i.e.*, the circuits applying the rule that EON purports to be seeking — here have placed such limits on their own authority. *Supra* at 7. In *Vazquez-Valentin*, 459 F.3d at 146-48, for example, the First Circuit reconsidered its earlier ruling reversing a jury verdict that had been vacated and remanded by this Court in light of its ruling in *Unitherm*. In light of *Unitherm* and the defendants’ failure to bring a proper Rule 50(b) motion, the court concluded on remand that it could not “conclude once again that a judgment must be entered for the defendants because of the insufficiency of [the plaintiff’s] evidence.” But it was nonetheless able to reach several grounds for appeal that did not go to the sufficiency of the evidence, such as the district court’s improper evidentiary rulings. *Id.* at 148, 154. It could not have done so if the scope of *Unitherm* were as broad as EON suggests. Here, too, *Unitherm* would not have precluded the Federal Circuit

from taking up the claim construction issues *even if no Rule 50(b) motion had been made at all*. Because a proper Rule 50(b) motion *was* made as to the ultimate issue of infringement, the Federal Circuit was entitled not only to review the district court's claim construction but also make an independent evaluation of the record and direct the entry of judgment as a matter of law for Silver Spring.

Notably, although EON's brief suggests that the Federal Circuit has embraced the "purely legal" exception to *Unitherm*, in fact the Federal Circuit has never held that such an exception applies. Indeed, the Federal Circuit has never claimed the authority to reverse a district court's denial of judgment as a matter of law in the absence of a proper Rule 50(b) motion challenging the sufficiency of the evidence to support the verdict under *Unitherm* — either under a "purely legal question" exception or for any other reason. *See, e.g., Nordock, Inc. v. Systems Inc.*, 803 F.3d 1344, 1358-60 (Fed. Cir. 2015) (refusing to consider challenge to the denial of JMOL of invalidity because the defendant had failed to properly renew its motion under Rule 50(b)). That makes this case doubly inapt as a vehicle to consider the "purely legal" exception: not only does this case not present the question that EON thinks it does, but the court that decided it has never even asserted the appellate authority that EON seeks to curtail. There is thus no reason to think that a ruling for EON in this case would have any effect on the outcome in this case.

C. The Federal Circuit is Not Limited to the Parties' Proposals When Construing Claims.

Unable to plausibly contend that the issue the Federal Circuit found dispositive was not before the district court

on a postverdict motion under Rule 50(b), EON makes what amounts to a “claim construction exceptionalism” argument, attempting to fashion a *sui generis* rule that a court construing claims must be limited to one of the verbatim claim constructions explicitly advanced by the parties. Nothing in *Unitherm* compels such a holding, which would be contrary to claim construction practice across the country since *Markman* and would encourage courts to make broad pronouncements about the definitions of claim terms rather than resolving concrete disputes directly affecting the cases before them.

“Claim construction is a matter of resolution of disputed meanings and technical scope, to clarify and when necessary to explain what the patentee covered by the claims, for use in the determination of infringement.” *U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed. Cir. 1997). This Court has repeatedly analogized the process to the interpretation of language in other legal instruments such as contracts and deeds. *Teva*, 135 S.Ct. at 837; *Markman*, 517 U.S. at 388-89. District courts typically construe the claim terms identified by the parties, who have conferred beforehand to see where they can proceed on a mutually agreed meaning of a term and where they have a dispute that needs to be presented to the court for resolution. *See GE Lighting Solutions, LLC v. AgiLight, Inc.*, 750 F.3d 1304, 1320 (Fed. Cir. 2014) (Reyna, J., dissenting in part) (describing one example of this process). The district court then resolves the dispute — sometimes by adopting one of the parties’ proposed constructions, sometimes by coming up with an alternative construction of its own, and other times declining to construe the claim term at all. And as this Court reaffirmed just last year, the district court’s

“ultimate interpretation of the patent claims” is reviewed *de novo* on appeal from summary judgment or a trial verdict, even as underlying factual findings based on the extrinsic record get appropriate deference under Fed. R. Civ. P. 52(a). *Teva*, 135 S.Ct. at 839.

The Federal Circuit has held that a district court must adjudicate the parties’ dispute concerning a claim term where the failure to do so would result in the dispute over the meaning of the legal document being submitted to the jury. *O2 Micro*, 521 F.3d at 1362. However, neither the Federal Circuit nor this Court has ever held that a court construing claims — whether before trial or on appeal — must adopt either party’s construction verbatim, or indeed articulate a dictionary-type definition at all. And as with other questions of legal construction, it is common that the courts do not simply adopt one party’s interpretation of the document verbatim, but apply their own understanding of the legal instrument. *See SimpleAir, Inc. v. Sony Ericsson Mobile Commc’ns AB*, No. 2015-1251, 2016 WL 1274445, at *8 (Fed. Cir. Apr. 1, 2016) (reversing claim construction and jury verdict of infringement without articulating precise wording of correct construction); *Mformation Techs., Inc. v. Research in Motion Ltd.*, 764 F.3d 1392, 1399-400 (Fed. Cir. 2014) (same); *Creative Internet Advert. Corp. v. Yahoo, Inc.*, 476 F. App’x 724, 728–29 (Fed. Cir. 2011) (same).

EON’s position would be unthinkable if proposed in relation to the construction of other legal instruments such as contracts, deeds, or statutes. Federal courts routinely come to their own substantive conclusions concerning the meanings of, say, contract terms without being bound to verbatim definitions posed by the parties. And such

conclusions are often dispositive. *See, e.g., Mastrobuono v. Shearson Lehman Hutton, Inc.*, 514 U.S. 52, 58-64 (1995) (independently adjudicating a dispute regarding the meaning of a choice-of-law provision without adopting either party's explicit definition or arguments). In fact, a maxim of judicial construction of contracts is that the court must attempt to construe the parties' *original* intent rather than fashion a new agreement based on the parties' litigation positions. *See* 11 Williston on Contracts § 31:5 (4th ed.) ("While the parties to a contract often request the courts, under the guise of interpretation or construction, to give their agreement a meaning which cannot be found in their written understanding, based entirely on direct evidence of intention, and often on hindsight, the courts properly and steadfastly reiterate the well-established principle that it is not the function of the judiciary to change the obligations of a contract which the parties have seen fit to make. A court will not rewrite the contract of the parties.") (footnotes omitted). The same is even more clearly true of statutes. A court is free to interpret a statute correctly even if both parties want to read that statute differently. *Kamen v. Kemper Fin. Servs., Inc.*, 500 U.S. 90, 99 (1991) ("When an issue or claim is properly before the court, the court is not limited to the particular legal theories advanced by the parties, but rather retains the independent power to identify and apply the proper construction of governing law."). This is not to say that arguments need not be properly preserved for appeal or that waiver principles do not apply. But EON's proposal to straitjacket federal courts to construe the terms of a legal instrument only according to the parties' proposals as set forth verbatim in their briefing is not a sensible one.

No court or panel has ever asserted that the Federal Circuit’s practice of independently construing the claims violates *Unitherm*, and EON cites none. The cases EON does mention do not suggest otherwise. In *Exxon Chemical Patents, Inc. v. Lubrizol Corp.*, 77 F.3d 450, 451 (Fed. Cir. 1996), Judge Mayer concurred in denial of rehearing en banc, noting his views that the panel’s claim construction had been improper as it had “occurred to no one else in this extensive litigation” and was not supported by “the extensive extrinsic evidence about how those skilled in the art would understand the claim.” But that was a substantive objection to the claim construction — a reason to think the court had misread the language of the patent. He did not so much as suggest that what the panel had done was procedurally improper or counter to Rule 50, and the two judges in the panel majority noted in their own concurrence that “[t]he basic claim interpretation theory adopted by the court was put forth by Lubrizol in its defense to Exxon’s suit” even though the actual construction it adopted was not. *Id.* In *Seal-Flex, Inc. v. Athletic Track and Court Const.*, 172 F.3d 836, 852 (Fed. Cir. 1999), two concurrences disputed whether a particular claim construction issue had been properly preserved for appeal, with Judges Bryson and Newman noting that they would “feel more comfortable [deciding a particular issue] if it had been the subject of a decision below and had been tested by briefing and argument before us” — all of which undeniably did occur for the claim construction issue decided by the Federal Circuit in this case.

Similarly, *Hewlett-Packard Co. v. Mustek Sys., Inc.*, 340 F.3d 1314, 1320 (Fed. Cir. 2003) and *Wi-Lan, Inc. v. Apple Inc.*, 811 F.3d 455, 465 (Fed. Cir. 2016) are waiver cases, standing for the uncontroversial proposition that

“the parties cannot reserve issues of claim construction for the stage of post-trial motions” where they did not raise those issues pre-trial at the *Markman* hearing. *Hewlett-Packard*, 340 F.3d at 1320. The Federal Circuit, noting that the parties had agreed to provide the jury only with the claim language itself, held that “[w]hen issues of claim construction have not been properly raised in connection with the jury instructions, it is improper for the district court to adopt a new or more detailed claim construction in connection with the JMOL motion.” *Id* at 1320-21. As discussed above, EON has never argued that Silver Spring waived its claim construction arguments, whether at the jury instruction stage or anywhere else. It cannot, because Silver Spring raised at every opportunity the same argument it presented to the Federal Circuit, and on the basis of which the Federal Circuit ruled in its favor. While EON calls the distinction between a court’s ability to construe a legal document for the first time and a party’s (or even a district court’s) ability to *change* its construction after the fact “incoherent,” EON Pet. 26, in fact it makes perfect sense. The Federal Circuit decided what the legal instrument at issue meant in the first and only opportunity it had to do so. The fact that a party should not be given the opportunity to take multiple, inconsistent positions on the meaning of that document does not preclude the Federal Circuit from ruling on what that document means when the issue is properly presented to it.

Here, the Federal Circuit cleanly adjudicated the long-running dispute between the parties: whether “portable” and “mobile” can include electricity meters that are permanently installed on a building and never meant to be moved. First it held that the dispute was over the meaning of the terms “portable” and “mobile” rather

than over how Silver Spring's products actually worked, and therefore that that dispute was improperly presented to the jury under the Federal Circuit's *O2 Micro* line of cases. Pet. App. 8a-10a. Then it did what the district court should have done: it construed the claims sufficiently to resolve the dispute before it, based on arguments briefed extensively and repeatedly before it and below, finding that read in the context of the specification the terms are not so broad as to read in the sorts of products that EON had accused in the district court. *Id.* 11a-19a. In a footnote to his dissent, Judge Bryson assumed that the Federal Circuit adopted the construction that Silver Spring had been pressing without explicitly saying so. *Id.* 21a. Such a conclusion was certainly warranted, since the Federal Circuit accepted Silver Spring's arguments as to the meaning of "portable" and "mobile." In truth, however, whether the Federal Circuit issued a wholesale endorsement of Silver Spring's claim construction is irrelevant. The Federal Circuit resolved the dispute before it over the meaning of the claims and, based on its resolution, directed entry of judgment for Silver Spring. In such a case there is no reason for the Federal Circuit to pronounce broadly on the meaning of "portable" and "mobile" in other contexts, since no jury would be applying any construction emanating from the court's decision.

Nor is there reason for this Court to change the law to require a remand in all cases in which it believes the proper interpretation of a legal instrument is different than the interpretation the parties offered. Doing so in this case would be futile. EON has not challenged before this Court the Federal Circuit's conclusion that no reasonable jury could find infringement under the proper construction of the terms "portable" and "mobile." As

a result, even if the Federal Circuit had remanded the case, the district court judge would have had no trouble deciding it consistent with the Federal Circuit's opinion, most likely by issuing summary judgment. Even were this Court to wish to fashion a new rule requiring courts to adopt a construction offered by the parties, therefore, this case is a poor vehicle with which to do so, because the ultimate outcome will remain unchanged.

D. The Federal Circuit's Ruling is Not Inconsistent with the Seventh Amendment.

EON argues that Seventh Amendment problems arise “when the Federal Circuit judges the sufficiency of the evidence against a claim construction the appellate panel developed for the first time after trial.” EON Pet. 33. But in *Markman*, 517 U.S. at 376-91, this Court held that there is no Seventh Amendment right to a jury trial on claim construction, even when factual issues are implicated. This Court reaffirmed this holding in *Teva*, 135 S.Ct. at 837-38, while holding that ordinary rules concerning appellate review apply to claim construction issues. There is thus no reason to conclude that an appellate court's authority to order JMOL based on its *de novo* review of the legal issues and the evidentiary record in the trial court, established in *Boyle*, 487 U.S. at 501, and *Neely*, 386 U.S. at 326-27, should not apply in the context of claim construction.

EON again argues that claim construction is special, this time because parties sometimes develop their evidence based on the district court's pre-trial rulings on the question. Thus, EON says, the Federal Circuit's *de novo* revision of claim construction rulings and review of JMOL based on the record at trial prejudices litigants

who may have “very convincing evidence” that they did not present. EON Pet. 32-33. It is certainly true that fairness may sometimes require a new trial or additional district court proceedings to allow the losing party on appeal a new chance to develop and present evidence based on the revised claim construction. This is why, when reviewing a denial of JMOL and finding error, appellate courts have discretion to grant a new trial when grounds for a new trial exist. *Neely*, 386 U.S. at 325-26. Indeed, the Federal Circuit routinely grants a new trial or remands for reconsideration of the ultimate issue when it revises a district court’s claim construction and it isn’t clear how the new construction will affect the outcome. *See ArcelorMittal France v. AK Steel Corp.*, 700 F.3d 1314, 1325-26 (Fed. Cir. 2012) (discussion of when remand for a new trial due to claim construction error is appropriate).

Here, however, EON does not even attempt to argue that it was prejudiced by the failure to remand for new proceedings. That is because, as discussed above, EON had every opportunity to develop and present evidence consistent with the Federal Circuit’s decision in this case. In fact, as the Federal Circuit found, EON even had opportunities to present evidence to which it was not legally entitled because the district court improperly sent the claim construction dispute to the jury during trial. *Supra*, at 4. The dispute regarding “portable” and “mobile” was fully joined at every stage of the district court litigation, and EON presented extensive evidence regarding the characteristics of the accused meters for the jury. EON cannot plausibly contend otherwise. There can be no prejudice from the Federal Circuit failing to remand for further proceedings on this issue.

Moreover, though EON cites Rule 50 and *Unitherm* in support of its Seventh Amendment argument, *Unitherm* is actually contrary to EON's position. *Unitherm* held that for the purposes of challenges to the sufficiency of the evidence on appeal, whether or not a party seeks the entry of JMOL or a new trial *makes no difference*. *Unitherm*, 546 U.S. at 401-02. All that matters is whether a party has complied with Rule 50(b) as to the putative grounds for judgment. Thus, *Unitherm* has nothing to say about the distinction between an appellate court ordering JMOL and remanding to the district court.

E. Nothing Turns on the Outcome of This Appeal.

Finally, this is a particularly bad case to establish the rule that EON is advocating because it is not clear what relief EON is even seeking. EON does not substantively appeal the Federal Circuit's claim construction ruling. That decision is now the law of the case. *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 149 F.3d 1309, 1315 (Fed. Cir. 1998). The only possible outcome favorable to EON is that this Court would remand this case to the Federal Circuit to reissue its claim construction decision to explicitly rather than implicitly adopt Silver Spring's claim construction. EON does not argue here, and did not argue in its briefing before the Federal Circuit (including in its petition for rehearing en banc), that it would have new evidence of infringement to present under that claim construction. Even if EON were to prevail before this Court, therefore, nothing would change, since remand back to the district court would be futile in any event. *See Asarco, Inc. v. Glenara, Ltd.*, 912 F.2d 784, 787 (5th Cir. 1990) (remand unnecessary where the lower court would be bound by an appellate ruling that precludes a

factual dispute below). And a case on which nothing hinges for the parties would be a poor vehicle for this Court to use to resolve a circuit split even if the case had actually presented that circuit split. *Cf. U.S. v. Fruehauf*, 365 U.S. 146, 157 (1961) (declining to reach question that had become “abstracted . . . from the immediate considerations which should determine the disposition” of the case).

CONCLUSION

For the foregoing reasons, this Court should deny EON’s petition for a writ of certiorari.

Respectfully Submitted,
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APPENDIX

**APPENDIX A — EXCERPTS FROM TRANSCRIPT
OF THE UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF TEXAS, DATED
JUNE 6, 2014**

In The Matter Of:

EON v.
SILVER SPRING NETWORKS

June 6, 2014

Jan Mason
Official Reporter
U.S. District Court
Eastern District of Texas

* * *

[125]be interpreted and given the same meaning for purposes of both validity and infringement analysis.

If we allow this invalidity case to go to the jury, Your Honor, this kind of methodology in place, what are they going to do with these instructions that say apply the Court's claim scope? I don't think they have any guidance from the Defendants or Dr. Almeroth if he did apply the Court's claim scope, what would -- what would the evidence show. In fact, he expressly said he has no opinions on that at all.

THE COURT: Mr. Scardino, I mean, wouldn't it be appropriate for -- you say he applied the same scope. Well, I think in effect that's what the Defendant is saying is I'm

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applying the same scope. I disagree with it, but to the extent that this is the scope, I disagree for these reasons or I -- applying that -- I'm applying that scope, here's my opinion on it.

And the jury will be instructed on how to approach this, and why can't they just take that into account in assessing how to apply a particular scope to infringement and the same scope to validity? But what would restrict the defense expert from saying, look, here's how I'll respond to the scope that the Plaintiff is putting forward?

MR. SCARDINO: The requirement that the scope [126]be identical for the invalidity and infringement analysis isn't the scope that the Defendants say the Plaintiff applied to their infringement case and -- versus the scope that the Court has shown -- told us is the proper scope in the claim construction.

THE COURT: Mr. Scardino, there's always disagreement. I mean, you say -- the Court's claim construction is, frankly, fluid in that the experts interpret it and -- and they have opinions. If everybody agreed on it, we wouldn't be here.

MR. SCARDINO: Well, I -- I agree.

THE COURT: I'm saying I think the jury will understand here's how they will do this, but I think it's unnecessarily restricted to say that experts can't weigh in on their opinions as to what the expert -- other expert has said in looking at the scope. It's so intertwined that I think

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we're unnecessarily restricting and compartmentalizing what experts can talk about.

And I'm going to overrule the objection to that. The jury's going to be instructed, and they will apply the instructions appropriately.

Now, what I am concerned about is I would like in the lunch break, Mr. Kramer, you to -- I think you're -- you got a rough draft of the transcript, correct, that you can utilize or at least point me to [127]certain things in it?

MR. KRAMER: I believe so. From yesterday?

THE COURT: Dr. Almeroth's what I'm getting at. He's the expert. He's the one that needs to be comparing the claims to the alleged prior art here, and so I'd like for you to identify for me where particularly with these means-plus-function claim terms that he has identified structure that matches what the Court has identified has been disclosed in the patents. So I want you to take a look at that and point me out on these means-plus-function terms where that is. So I'm going to hold off ruling on that portion of it.

To the issue I just talked about, the motion is denied on that point. The motion is denied on the corroboration point, but I do want to take a further look at where Dr. Almeroth specifically identified these terms.

I -- I get the sense from his testimony that there was a lot of focus on broad brush kind of ideas, that this idea

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in the patent is found in the NetComm patent. But has he presented element-by-element where everything is that I've identified here? So I want to look at that further.

All right. Any other motions for judgment as a matter of law?

[128]MR. SCARDINO: Your Honor, just to add, I think I was giving you examples, but specifically the elements that we don't think were there for the corroboration were the routing functionality, the multiplexing, switching means, and the facilities for communication. That's a longer list. That's comprehensive, but I wanted to make sure those got in.

THE COURT: Okay. Say that again.

MR. SCARDINO: Sure. This is for the corroboration issue. The documents don't show -- I know you overruled this, Your Honor, but just to preserve the issue. At least the routing functionality, the multiplexing issue, the switching means, and the facilities for communicating, the facilities for handing off.

THE COURT: All right. So any other judgments -- motions for judgment as a matter of law?

MR. SCARDINO: No.

THE COURT: Defendant's motion for judgment as a matter of law?

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MR. KRAMER: Yes, Your Honor.

Your Honor, Defendant moves for judgment as a matter of law on the issue of direct infringement. First, there was a failure to demonstrate sufficient evidence that a reasonable jury could find infringement [129] -- that Silver Springs Network infringes EON's Patent Claims 1, 9, 19, and 20 of the '101 patent; Claims 1, 2, 3, and 5 of the '546 patent; and Claims 1, 2, 5, and 7 of the '491 patent.

EON's witnesses, their experts did not provide sufficient evidence to establish that Silver Spring's accused products directly infringe the following EON claim elements:

First, the portable mobile subscriber unit element that's found in Claims 1, 9, 19, and 20 of the '101 patent; 1 and 5 of the '546 patent; and 1 and 2 of the '491 patent.

There was insufficient evidence that Silver Spring's smart meter is used or intended to be used or in any manner may be a mobile or portable unit, particularly in light of the context of the claims.

Claims 19 and 20, for example, require portable subscriber units be moved through geographic zones. The meter, as we heard, is affixed to a permanent structure and left in place for 15 years, locked into place and is not moved. If it's broken, it's removed and -- and repaired.

The base station broadcast signal requirement of claims -- for example, '101 patent, Claims 1 and 2; the

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'546 patent, Claim 1. There's -- there's [130]insufficient evidence presented by EON that Silver Spring's system satisfies the base station broadcast signal requirement.

For example, there is not sufficient evidence showing, per Your Honor's claim construction, that a base station signal is transmitted to all subscriber units and/or receivers.

The evidence demonstrated that the -- if anything, the access point, which is accused of being the base station here, emits low power whistles that only reach nearby radios. EON made an insufficient evidentiary showing that the beacon message satisfies the requirement of base station broadcast signal.

Also, the synchronous communication element, Claims 101 -- Claims 1 and 2, for example; the '546 patent Claims 1, 2, 3, and 5; the '491 patent, Claims 1 and 2. There was no evidence or insufficient evidence that Silver Spring's network performs this requirement of synchronously-related messages. There's no base station broadcast signal that was demonstrated to exist in Silver Spring's network. No evidence that any messages are synchronized with a base station broadcast signal.

In addition, insufficient evidence that Silver Spring's communications are synchronized to each other. [131]To the contrary, there was evidence showing that communication -- that collisions are permissible and that's how that network works.

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Further, synchronation -- synchronization, as we heard, is not permitted by the FCC regulation that governs the 902 to 928 megahertz band spectrum which Silver Spring uses in the accused network.

Next, the receive only receiver claim element. For example, '101 patent, Claims 1, 9, and 20; the '546 patent, Claims 1, 2, 3, and 5; and the '491 patent, for example, is Claims 5 and 7. EON failed to present sufficient evidence from which a jury could find that data messages were transmitted by a receive only station from the base station to the subscriber units.

Silver Spring's data messages are sent in both directions. As we saw, data messages sent in both directions through the network, through the relay, which EON contends is the receive only station or the remote receiver. Silver Spring's relay is bi-directional. It uses the same antenna, same radio transceiver, same processor, and same firmware, for example, when transmitting and receiving messages, which does not constitute infringement.

EON's only other evidence was related to routing akin to routine handshaking, error checking, and [132]control signals, which likewise does not constitute infringement.

EON's theory in the case was that a request -- a request made by the back office sending a data message to the access point which was transmitted to a relay in Silver Spring's system which was forwarded on to a meter, that that request for how much electric consumption occurred

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that day did not -- does not constitute a data message being sent from the back office to the meter.

There's no evidence from which a reasonable jury could find that there's a failure of data messages being sent through receive only receivers towards subscriber units, which Your Honor admonished in the claim construction is not something that would be covered by the receive only receiver and remote receiver claim elements of EON's patents.

Silver Spring -- next, Silver Spring does not multiplex. It does not combine messages and transmit them over a single channel. Instead, Silver Spring Network transmits one message at a time. EON failed to show that putting multiple TLVs into a message constitutes combining messages. On the contrary, there was clear evidence that TLVs are structures that are each part of a message. When [133]putting them together, they would be parts of one message.

There was insufficient evidence to demonstrate from which a jury could find that combining TLVs would meet the requirement of combining messages and transmitting them through a single channel.

Next, the alternate path, for example, in the '491 patent, Claims 1, 2, 5, and 7, there's insufficient evidence presented by EON that Silver Spring satisfies the alternate path claim limitation. There is, for example, no re-routing to the same access point. Unlike the EON requirement that messages go to said base station, Silver Spring's are re-routed to a different access point.

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So EON is contending in this case and offered evidence that Silver Spring's access point is the base station required by EON's patents. As was demonstrated in the case in Silver Spring's system, if a meter does not communicate with an access point, the Silver Spring meter will communicate with a different access point. And there's no evidence that the Silver Spring meter would form more than one path -- alternate paths to a single access point.

EON has failed to satisfy its burden to prove multiple limitations recited in the claims of the '101, [134]'546, and '49 (sic) patents that have been asserted in this trial and has failed to provide sufficient evidence to establish direct infringement by Silver Spring Networks.

THE COURT: Thank you.

Response? And, Mr. Mort, I just want you to address two points that I'm interested in.

One would be the evidence that the base station broadcast signal limitation is met -- in other words, transmitted to all subscriber units and/or receivers. That's number one.

And number two, this alternate path idea out of the '491 patent claims.

Respond to those two things.

MR. MORT: Well, the alternate path -- I mean, it's been a few days, but we had direct testimony from that

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-- from Mr. Reeves -- stated that between an access point and an endpoint, the meter -- that if communication was interrupted through one relay, that it would re-route itself to the access point through another relay.

So we have direct testimony from their employees. I understand that some of them may not agree with that.

Yeah. And then we had testimony from this on [135]the Silver Spring document that shows a meter going through a relay and a meter going directly to an access point. So we have the alternate path here.

THE COURT: Okay. All right. And base station broadcast signal.

MR. MORT: So we had deposition -- or -- or testimony that Dr. Bims relied upon and showed the Court from some of the statements that Mr. Flammer had made in a deposition, indicating what a base station broadcast signal was and that Silver Spring's network had one.

It's in the form of a broadcast message, a beacon signal, that is transferred out from the access point in the form of an NTP message, one example.

So they acknowledge that. That NTP message is delivered to the -- the subscriber units and utilized by those devices to synchronize the communications, so...

THE COURT: All right. Thank you.

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Motions on direct infringement is denied.

Okay. Any other motions?

MR. KRAMER: Your Honor, Defendant moves for judgment as a matter of law on the issue of willful infringement. The Court has already granted summary judgment for -- we'll dismiss the claim of willful infringement for any conduct that occurred before the lawsuit was filed -- the pre-filing conduct. We now [136]focus on the conduct that's alleged to constitute willful infringement that occurred after the lawsuit was filed.

With respect to post-filing conduct, there was no evidence presented at trial to satisfy the requirement of objective recklessness, the standard of willfulness established by the Federal Circuit in *In Re: Seagate* and other cases.

Mere knowledge of this litigation and Defendant's settlements is insufficient. Certainly, there's no obligation that a defendant immediately capitulate and pay a license to the patent owner, EON, the moment that an -- a non-practicing entity -- Plaintiff -- patent Plaintiff asserts patent infringement. There's no evidence whatsoever of objective recklessness.

THE COURT: All right. I've heard enough on that.

Any response?

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MR. DACUS: Yes, Your Honor. The -- the record includes at least the following evidence: That Silver Spring did not change its system after the filing of the lawsuit. The testimony from Silver Spring itself was that there was a very easy design-around, and despite that testimony, there was no change in the

* * * *

**APPENDIX B — EXCERPT FROM MOTION IN
THE UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF TEXAS, TYLER
DIVISION, DATED JUNE 16, 2014**

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

Civil Action No. 6:11-cv-00317-JDL

EON CORP. IP HOLDINGS, LLC,

Plaintiff,

v.

LANDIS+GYR, INC., *et al.*,

Defendants.

**DEFENDANT SILVER SPRING NETWORKS,
INC.'S MOTION FOR (1) JUDGMENT AS A
MATTER OF LAW, (2) NEW TRIAL, AND (3)
JUDGMENT ON EQUITABLE DEFENSE OF
JOINT AND SEVERAL LIABILITY**

**CONTAINS CONFIDENTIAL INFORMATION —
FILED UNDER SEAL**

* * *

evidence does not support the jury verdict. Substantial evidence is “more than a mere scintilla” and is “such relevant

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evidence as a reasonable mind might accept as adequate to support a conclusion.” *z4 Techs., Inc. v. Microsoft Corp.*, 507 F.3d 1340, 1353 (Fed. Cir. 2007) (quoting *Consol. Edison Co. v. NLRB*, 305 U.S. 197, 229 (1938)). In the Fifth Circuit, JMOL under Rule 50(b) is appropriate if evidence supporting the movant is “[uncontradicted] and unimpeached [or] if the facts and inferences point so strongly and overwhelmingly in favor of one party that the Court believes that [a] reasonable [jury] could not arrive at a contrary verdict.” *Med. Care Am., Inc. v. Nat’l Union Fire Ins. Co.*, 341 F.3d 415, 420 (5th Cir. 2003); *see also Old Town Canoe Co. v. Confluence Holdings Corp.*, 448 F.3d 1309, 1314 (Fed. Cir. 2006).

B. Motion For New Trial

A new trial can be granted to any party to a jury trial on any or all issues “for any reason for which a new trial has heretofore been granted in an action at law in federal court.” Fed. R. Civ. P. 59(a). “A new trial may be granted, for example, if the district court finds the verdict is against the weight of the evidence, the damages awarded are excessive, the trial was unfair, or prejudicial error was committed in its course.” *Smith v. Transworld Drilling Co.*, 773 F.2d 610, 612-13 (5th Cir. 1985); *Acco Brands Inc. v. ABA Locks Mfg. Ltd.*, 74 U.S.P.Q.2d 1947, 1948 (E.D. Tex. 2005).

III. ARGUMENT**A. No Reasonable Juror Could Find That Meters Securely Attached And Locked To Buildings Are “Portable” And “Mobile” Units.**

EON’s direct infringement burden is to show, by a preponderance of evidence, “*every* limitation set forth in

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a claim must be found in an accused product, exactly.” *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1575 (Fed. Cir. 1995) (emphasis added). Silver Spring’s accused network does not contain one or more of the limitations recited in Claims 19 and 20 of the ’101 patent and therefore the network cannot directly infringe those claims.

1. “Portable” Subscriber Units — Claims 19 and 20 of ’101 Patent.

Claims 19 and 20 of the ’101 patent require:

An interactive video data system comprising:
subscribers with portable subscriber units
and *facilities for communicating from the*
subscriber units when moved through different
geographic zones.

Claim 19 (emphasis added). These claims thus require that there be (1) “subscribers,” (2) “with portable subscriber units,” and (3) that the portable subscriber units include “facilities for communicating from the subscriber units when moved through different geographic zones.”

The meter in Silver Spring’s network cannot be “moved through different geographic zones” because it is a stationary object permanently attached to a building at all times. (Flammer 6/4/14 PM Trial Tr. at 137:17-140:15.) The meters are attached to 240 volt main lines of electricity. The meters do not move, and are left in place for at least 15 years. (Almeroth 6/5/13 AM Trial Tr. at 81:19-82:22.) The

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process of installing or removing the meters is difficult and inconvenient. (Flammer 6/4/14 PM Trial Tr. at 137:17-140:15; Dresselhuys 6/4/14 PM Trial Tr. at 147:19-148:18.)

The Court did not construe the terms “portable” and “mobile,” saying they should be given their plain and ordinary meaning. In response to Silver Spring’s request for a construction, the Court held that the terms “do not require construction because their meanings are clear in the context of the claims and will be readily understandable to the jury.” (Claim Construction Order, Dkt. 249 at p. 21.) Silver Spring had proposed that these terms mean: “capable of being easily and conveniently moved from one location where the subscriber unit is operable to a second location where the subscriber unit is operable, and designed to operate without a fixed location.” (*Id.* at pp. 19-20.) EON contended that neither “mobile” nor “portable” requires a construction other than a plain and ordinary meaning. (*Id.*)

At trial, EON argued to the jury that the stationary Silver Spring meters were “portable” and included facilities for communicating from the meters “when moved through different geographic zones.” The evidence presented at trial, however, showed that Silver Spring’s network is comprised of meters that are securely attached and locked to buildings for at least 15 years and are never moved. (Flammer 6/4/14 PM Trial Tr. at 137:17-140:15; Almeroth 6/5/13 AM Trial Tr. at 81:19-82:22.) The evidence showed that this long-term, secure, stationary mounting is performed to prevent dangerous situations that could result from the 240 volts of electricity running through

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each meter. (Flammer 6/4/14 PM Trial Tr. at 138:17-23, 139:12-140:7.) The evidence also showed that the meters require a specially trained person to install and remove them if they break, in which case they are disposed of, rather than reused within the network. (Flammer 6/4/14 PM Trial Tr. at 138:6-13, 139:12-140:7.)

There was no showing that the meters include facilities for communicating from the subscriber units “when moved through different geographic zones,” and indeed no showing that the meters are ever moved through different geographic zones. (Flammer 6/4/14 PM Trial Tr. at 137:17-140:15.) The uncontradicted evidence is that the meters are left in place for at least 15 years and never moved. (Flammer 6/4/14 PM Trial Tr. at 139:12-140:9; Almeroth 6/5/13 AM Trial Tr. at 81:19-82:22.)²

EON’s closing argument seriously misled the jurors causing them to arrive at an irrational verdict finding that permanently stationary meters are portable and mobile devices on a network. In closing, EON’s counsel argued that the inventor, Mr. Dinkins, defined what the terms “portable” and “mobile” mean in the patent. (Closing 6/6/14 PM Trial Tr. at 74:2-25.) This runs contrary to the Court’s instruction that these terms have their plain meaning and are not technical or given any special meaning in these patents. EON’s counsel argued in closing:

2. EON argued that “moving through geographic zones” is switching of the communication path to a different Access Point, rather than physical movement of the meter. But this is merely changing paths; the meters (alleged subscriber units) do not move and EON presented no evidence that the meters are physically moved.

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Silver Spring wants to say that that meter is not portable or mobile. We know from what the Judge has said, is you can define that for yourself. You need to do it within the context of the patent and the claims. So what does that mean? ***It means, if you go look at patents — Mr. Dinkins, you know, two decades ago told you exactly what he understood portable to mean. Portable subscriber units suitable for such functions as meter reading. He specifically said that meters are portable,*** specific — and we know portable and mobile mean the exact same thing. So when the Court says look within the context of the patent, look within the context of the claim, we know exactly what the patents and the claims say. We also know from common sense — and you saw that this morning — that it looks like it takes about 20 seconds to pop that thing out and to pop it back in. I don't have any good words to convince you whether or not that's portable and mobile other than to use your common sense. Use the Court's definition. ***Use exactly what the patent says, what Mr. Dinkins said, that a meter is portable.***

(Closing 6/6/14 PM Trial Tr. at 74:2-25 (emphases added).)

EON's counsel used a misleading quotation from the specification of the '101 patent during closing argument to argue that EON's patents "specifically" state that meters can be portable subscriber units. That is simply false.

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The '101 patent mentions meter reading only four times in total in the patent in the context of other possible applications of the device such as monitoring inventory, temperature, and alarm systems. ('101 patent, abstract line 25, col. 1, line 41; col. 4, line 11; col. 6, line 7.) EON's patents disclose no embodiments of the invention for meter reading; rather, the embodiments shown in EON's patents relate to interactive television network systems and other applications. ('101 patent, col. 3, lines 6-20 (object of invention to introduce interactive video data service); col. 5, lines 45-52.) In the quoted reference to meter reading, the '101 patent refers to portable subscriber units that would be suitable for functions such as meter reading. During closing argument, EON's counsel showed this section of the specification to the jury. It states:

With such an improved system, battery powered, portable subscriber units, suitable for such function as meter reading, would become feasible with low battery drain, permitting interactive digital communication in local areas or nationwide.

('101 patent, col. 1, lines 40-44.) EON's counsel argued that this passage is an example of "[p]ortable subscriber units suitable for such functions as meter reading. ***He [the inventor] specifically said that meters are portable.***" (Closing 6/6/14 PM Trial Tr. at 74:11-13 (emphasis added).)

This portion of the specification describes a portable subscriber unit that is moved to where a meter is located to read the meter. ('101 patent, col. 1, lines 40-44.) It by no

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means describes a meter that is itself portable wherein the meter is moved through geographic zones. EON counsel twisted this reference in the patent throughout the trial, including in his closing argument, to mislead the jury to believe erroneously that EON's patents actually describe meters as being portable devices. (Closing 6/6/14 PM Trial Tr. at 74:2-25.) In the closing moments of the trial, this misled the jury and likely led to the verdict finding meters attached to buildings to be "portable" and "mobile" devices.

EON counsel's closing argument also seriously misled the jury in his characterization of the evidence. He stated in closing: "We also know from common sense — and you saw that this morning — that it looks like it takes about 20 seconds to pop that thing out and to pop it back in." (Closing 6/6/14 PM Trial Tr. at 74:18-20.) Counsel was referring to a short segment of a video the jury watched of a prior art system, the NetComm system, shot in 1989 in which an installation serviceman inserts a meter on to a building. (Def. Trial. Exh. 146.) EON's counsel improperly suggested to the jury that the video showed current day Silver Spring meters, which it did not. It was an edited promotional video for a prior art meter in 1989 and did not show the full, lengthy process required to install and remove that meter or a Silver Spring meter in the current day accused network. (Flammer 6/4/14 PM Trial Tr. at 137:21-138:5.)

In sum, there was no evidence of any kind presented at trial to support a reasonable jury finding, as required by claims 19 and 20 of the '101 patent, under Silver Spring's

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proposed claim construction or a plain and ordinary meaning construction, that there are “subscribers with *portable subscriber units* and facilities for communicating from the subscriber units *when moved through different geographic zones.*” There was only misleading attorney argument.

2. “Mobile” Subscriber Units — Claims 1 and 2 of ’491 Patent.³

Likewise, claims 1 and 2 of the ’491 patent require “local subscribers including low power *mobile units*

3. The Court denied Silver Spring’s motion for summary judgment that claims 1 and 2 of the ’491 patent are indefinite. (Dkt. 366.) In ruling on this motion and as evidenced by the claim construction order regarding this issue (Dkt. 365 at 10), the Court applied the legal test for indefiniteness applicable at that time, but the test has since been substantially revised by the U.S. Supreme Court in a recent decision *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S.Ct. 2120, 2123, 82 USLW 4433, 110 U.S.P.Q.2d 1688 (June 2, 2014). Under the new test enunciated in *Nautilus*, this Court should find that claims 1 and 2 of the ’491 patent are indefinite. As set forth in further detail in Silver Spring’s motion, EON amended claim 1 of the ’491 patent during prosecution to delete the word “means” by changing the limitation in claim 1 “reception means for receiving and processing data messages ...” to read instead “reception for receiving and processing data messages ...” Silver Spring argued that this claim term is insolubly ambiguous. In ruling on Silver Spring’s motion, the Court effectively added the word “means” back into the claim to read “reception means ...” The Court stated: “On its own, the Court finds that the word ‘reception,’ being merely the noun for the recited function ‘receiving,’ would not be recognized by one of ordinary skill in the art as the name of a structure. ...

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located within said base station geographic area.” (’491 patent, col. 6, lines 49-51.) EON argued that “mobile” and “portable” are interchangeable and mean “the exact same thing.” (Closing 6/6/14 PM Trial Tr. at 74:11-14.) EON further argued that the electric and gas meters in Silver Spring’s network, which are securely affixed to buildings with 240 volts of electricity running through them, are “mobile units” as required in EON’s ’491 patent claims.

As discussed above, EON failed to present evidence from which a reasonable jury could have a legally sufficient evidentiary basis to find that the meters securely affixed to buildings in Silver Spring’s network are low power “mobile units.” On the contrary, the meters are stationary — they are not moved, are not designed to move, and have no attributes of mobility whatsoever.

Further, there is no adjective that endows the word ‘reception’ with physical or structural parameters that would be known in the art. ... Accordingly, the Court concludes that ‘reception’ is nothing more than a substitute for the term ‘means.’” (Dkt. 365 at 10.) Under the Supreme Court’s new test in *Nautilus*, this claim lacks reasonable certainty and is therefore invalid. The Supreme Court explained: “[W]e read § 112, ¶ 2 to require that a patent’s claims, viewed in light of the specification and prosecution history, inform those skilled in the art about the scope of the invention with reasonable certainty.” *Nautilus, Inc.*, 134 S.Ct. at 2129. It is undisputed that EON deliberately deleted the word “means” from the claim during prosecution. (Dkt. 350, at 2.) Thus, one of ordinary skill in the art cannot say with “reasonable certainty” that “reception” should be construed as the term “means” or “reception means,” including whether or not it would be governed by the means-plus-function requirements of § 112(6) when viewed in light of the prosecution history as now required by *Nautilus*. As such, this Court should rule that claims 1 and 2 of the ’491 patent are indefinite and on this basis invalid.

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Q. Just figure — okay. All right. Now, when, if at all, are meters in Silver Spring’s network intended to be mobile?

A. Never.

Q. Are they designed to be portable devices?

A. No, sir.

Q. Do you know of any instances in which Silver’s — meters in Silver Spring’s network were ever used as portable devices?

A. No, sir. We have — we have 18 million meters, and I have no — no instance that a meter is portable or mobile.

(Flammer 6/4/14 PM Trial Tr. at 140:4-15.)

EON’s expert Dr. Jay Kesan underlined the absurdity of EON’s position by testifying that essentially everything manmade, including houses, the Eiffel Tower, and everything else capable of being moved are “mobile” and “portable” devices, though he grudgingly conceded mountains are not movable. (Kesan 6/6/14 AM Trial Tr. at 74:14-75:21.) The idea that a building (or a meter securely attached to a building) is “mobile” is at odds with the plain and ordinary meaning of “mobile,” and no reasonable jury could have found otherwise. Indeed, if the meters were truly “mobile” or “portable” devices that were easy and convenient to move, there would be

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no need for Silver Spring's wireless technology. The Court should grant judgment as a matter of law in favor of Silver Spring, or alternatively, grant a new trial because the jury's infringement verdict was against the great weight of the evidence under either Silver Spring's proposed construction or the Court's determination that no construction is required.

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