

**12-1507**

---

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

---

APPLE INC.,

Plaintiff-Appellee,

v.

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

Defendants-Appellants.

---

Appeal from the United States District Court for the Northern District of California  
in case no. 12-CV-00630-LHK, Judge Lucy H. Koh

---

**RESPONSE TO PETITION FOR REHEARING *EN BANC***

---

Charles K. Verhoeven  
Kevin P.B. Johnson  
Victoria F. Maroulis  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
555 Twin Dolphin Drive, 5th Floor  
Redwood Shores, CA 94065  
Telephone: (650) 801-5000  
Facsimile: (650) 801-5100

John B. Quinn  
William C. Price  
Derek L. Shaffer  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
865 South Figueroa Street, 10th Floor  
Los Angeles, CA 90017  
Telephone: (213) 443-3000  
Facsimile: (213) 443-3100

*Attorneys for Defendants-Appellants*

**CERTIFICATE OF INTEREST**

Counsel for Defendants-Appellants certifies the following:

**1. The full name of every party or amicus represented by me is:**

Samsung Electronics Co., Ltd.; Samsung Electronics America, Inc.;  
Samsung Telecommunications America, LLC.

**2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:**

N/A

**3. All parent corporations and any publicly-held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:**

Samsung Electronics America, Inc. (“SEA”) is a wholly-owned subsidiary of Samsung Electronics Co., Ltd. (“SEC”), a publicly-held corporation organized under the laws of the Republic of Korea. SEC is not owned by any parent corporation and no other publicly-held corporation owns 10% or more of its stock. No other publicly held corporation owns 10% or more of SEA’s stock. Samsung Telecommunications America, LLC (“STA”) is a wholly-owned subsidiary of SEA. No other publicly-held corporation owns 10% or more of STA’s stock.

**4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or are expected to appear in this court are:**

Quinn Emanuel Urquhart & Sullivan, LLP: John B. Quinn, Charles K. Verhoeven, William C. Price, Kevin P.B. Johnson, Victoria F. Maroulis, Scott L. Watson, Kevin A. Smith, David Elsberg, Anastasia Fernands, Derek L. Shaffer, Eric J. Emanuel, Todd M. Briggs, Michael L. Fazio, Richard Erwine, Amar L. Thakur, Scott A. Florance, Matthew S. Warren, Amy H. Candido, Sean Pak, Peter Klivans, Jordan R. Jaffe, Jacob K. Danziger, James D. Judah, John McKee, Lance Yang, Valerie A. Lozano and Rebecca A. Bers.

Step toe & Johnson LLP: John M. Caracappa, Michael R. Heimbold and Huan-Yi Lin.

Dated: January 11, 2013

Respectfully submitted,

/s/ John B. Quinn

John B. Quinn  
William C. Price  
Derek L. Shaffer  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
865 South Figueroa Street, 10th Floor  
Los Angeles, CA 90017  
Telephone: (213) 443-3000  
Facsimile: (213) 443-3100

Charles K. Verhoeven  
Kevin P.B. Johnson  
Victoria F. Maroulis  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
555 Twin Dolphin Drive, 5th Floor  
Redwood Shores, CA 94065  
Telephone: (650) 801-5000  
Facsimile: (650) 801-5100

*Attorneys for Defendants-Appellants*

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
ARGUMENT .....	1
I. THE PANEL DECISION’S CAUSAL-NEXUS HOLDING DOES NOT WARRANT EN BANC REVIEW .....	1
A. The Panel’s Causal-Nexus Requirement Does Not Conflict With <i>eBay</i> Or This Court’s Post- <i>eBay</i> Decisions .....	2
B. The Panel’s Decision Does Not Conflict With <i>Apple I</i> .....	6
C. The Panel’s Decision Created No New Or Impractical Evidentiary Rules For Proving Causal Nexus.....	9
D. Apple Faced No Irreparable Harm From Sales Of The Galaxy Nexus In Any Event .....	12
II. THE PANEL’S CLAIM CONSTRUCTION DOES NOT WARRANT EN BANC REVIEW .....	13
CONCLUSION .....	15

**TABLE OF AUTHORITIES**

<u>Cases</u>	<u>Page</u>
<i>Advanced Med. Optics, Inc. v. Alcon Labs., Inc.</i> , No. 03-1095, 2005 WL 3454283 (D. Del. Dec. 16, 2005) .....	7
<i>Apple Inc. v. Samsung Elecs. Co., Ltd.</i> , 678 F.3d 1314 (Fed. Cir. 2012) .....	4, 6, 7, 8, 9, 11, 12
<i>Apple Inc. v. Samsung Elecs. Co., Ltd.</i> , No. 11-1846, 2012 WL 2401680 (N.D. Cal June 26, 2012) .....	6
<i>Apple Inc. v. Samsung Elecs. Co., Ltd.</i> , No. 11-1846, 2011 WL 7036077 (N.D. Cal. Dec. 2, 2011) .....	8
<i>Automated Merch. Sys., Inc. v. Crane Co.</i> , 357 Fed. App'x 297 (Fed. Cir. 2009) .....	4
<i>Bd. of Regents of the Univ. of Texas Sys. v. BENQ Am. Corp.</i> , 533 F.3d 1362 (Fed. Cir. 2008) .....	14
<i>Cant Strip Corp. of Am. v. Schuller Int'l, Inc.</i> , No. 93-15425, 1994 WL 475862 (9th Cir. Sept. 1, 1994).....	2
<i>Dippin' Dots, Inc. v. Mosey</i> , 476 F.3d 1337 (Fed. Cir. 2007) .....	14
<i>eBay Inc. v. MercExchange, L.L.C.</i> , 547 U.S. 388 (2006).....	2, 3, 6
<i>Edwards Lifesciences AG v. Corevalve, Inc.</i> , 699 F.3d 1305 (Fed. Cir. 2012) .....	5, 6
<i>i4i Ltd. Partnership v. Microsoft Corp.</i> , 598 F.3d 831 (Fed. Cir. 2010) .....	4, 5
<i>i4i Ltd. Partnership v. Microsoft Corp.</i> , 670 F. Supp. 2d 568 (E.D. Tex. 2009).....	5
<i>Kustom Signals, Inc. v. Applied Concepts, Inc.</i> , 264 F.3d 1326 (Fed. Cir. 2001) .....	14
<i>Mostaghim v. Fashion Inst. of Tech.</i> , No. 01-8090, 2001 WL 1537545 (S.D.N.Y. Dec. 3, 2001).....	2
<i>Perfetti Van Melle USA v. Cadbury Adams USA LLC</i> , 732 F. Supp. 2d 712 (E.D. Ky. 2010) .....	2
<i>Procter &amp; Gamble Co. v. Ultreo, Inc.</i> , 574 F. Supp. 2d 339 (S.D.N.Y. 2008) .....	2

*Quad/Tech, Inc. v. Q.I. Press Controls B.V.*,  
701 F. Supp. 2d 644 (E.D. Pa. 2010), *aff'd*,  
413 F. App'x 278 (Fed. Cir. 2011) .....7

*Robert Bosch LLC v. Pylon Manufacturing Corp.*,  
659 F.3d 1142 (Fed Cir. 2011) .....3, 4, 6

*In re Skvorecz*,  
580 F.3d 1262 (Fed. Cir. 2009) .....14

*Spectrum Int'l, Inc. v. Sterilite Corp.*,  
164 F.3d 1372 (Fed. Cir. 1998) .....14

*Stanley v. Univ. of S. Cal.*,  
13 F.3d 1313 (9th Cir. 1994) .....2

*Sundance, Inc. v. DeMonte Fabricating Ltd.*,  
No. 02-73543, 2007 WL 37742 (E.D. Mich. Jan. 4, 2007).....7

*Trading Techs. Int'l, Inc. v. eSpeed, Inc.*,  
2008 WL 4531371 (N.D. Ill. May 22, 2008).....12

**Miscellaneous**

*Mark A. Lemley & Philip J. Webster, Should Property or Liability Rules Govern  
Information?*, 85 Tex. L. Rev. 783 (2007) .....3, 12

Apple Inc.'s Memorandum of Law in Support of Its Motion to Stay, *Eastman  
Kodak Co. v. Apple, Inc.*, 2010 WL 2209043, No. 10-06021 (W.D.N.Y.)  
March 3, 2010 .....8

Apple’s Petition for Rehearing *En Banc* should be denied. *First*, this Court should not review *en banc* the panel’s unanimous holding that, in order to obtain injunctive relief in a case where an accused product contains many features, a “patentee must . . . show that the *infringing* feature drives consumer demand for the accused product” (Slip op. 8 (emphasis added)). Despite Apple’s rhetoric, that requirement does not impose “a *new* prerequisite to preliminary injunctive relief” (Pet. 6), nor does the panel’s holding work any “unprecedented [] jurisprudential shift” (*id.*) or otherwise conflict with any decision of the Supreme Court or this Court. To the contrary, such a causal-nexus requirement is an inherent, well-established aspect of irreparable harm analysis as well as of patent principles that foreclose “leverag[ing] [a] patent for competitive gain beyond that which the inventive contribution and value of the patent warrant” (Slip op. 7).

*Second*, the panel’s construction of claim 6 likewise presents no issue warranting *en banc* review. That construction is correct, consistent with this Court’s precedents, and specific to the patent at issue here, with no bearing on other patents or cases that might come before this Court.

## ARGUMENT

### **I. THE PANEL DECISION’S CAUSAL-NEXUS HOLDING DOES NOT WARRANT EN BANC REVIEW**

Contrary to Apple’s contentions (Pet. 6-7), the panel treated causal nexus as an aspect of the traditional inquiry into irreparable harm (Slip op. 7 (noting they



are “inextricably related”)), and thus did not add a new, fifth requirement to the traditional four equitable factors. Nor is Apple correct in asserting (Pet. 4-5) that the panel created a new “feature-specific” causal-nexus requirement. To the contrary, the panel merely applied the settled rule that irreparable harm requires “a causal nexus between the harm alleged and the *infringing conduct*” (Slip op. 6 (emphasis added)) to a case “where the accused product includes many features of which only one (or a small minority) infringe” (*id.*). Nothing about this reasoning is novel,<sup>1</sup> nor does it create any conflict furnishing ground for *en banc* review.

**A. The Panel’s Causal-Nexus Requirement Does Not Conflict With *eBay* Or This Court’s Post-*eBay* Decisions**

Apple argues (Pet. 1, 13, 14) that the panel decision conflicts with *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006), but that is incorrect. *First*, *eBay* rejected Apple’s contention (Pet. 12) that patent exclusivity, like trespass to real property, warrants injunctive relief for infringement as a matter of course. As this

---

<sup>1</sup> Injunctions have long been denied for lack of causal nexus between alleged illegality and injury outside the patent area. *See, e.g., Cant Strip Corp. of Am. v. Schuller Int’l, Inc.*, No. 93-15425, 1994 WL 475862, at \*4 (9th Cir. Sept. 1, 1994) (finding “no nexus between the threatened harm and improper conduct by [defendant]”) (citing *Stanley v. Univ. of S. Cal.*, 13 F.3d 1313, 1324-25 (9th Cir. 1994)); *Perfetti Van Melle USA v. Cadbury Adams USA LLC*, 732 F. Supp. 2d 712, 725-26 (E.D. Ky. 2010) (finding no “causal connection” between reduced sales and defendants’ use of a diluting trademark); *Procter & Gamble Co. v. Ultreo, Inc.*, 574 F. Supp. 2d 339, 352 (S.D.N.Y. 2008) (finding no “causal nexus between the allegedly false advertising and sales potentially lost” by plaintiff); *Mostaghim v. Fashion Inst. of Tech.*, No. 01-8090, 2001 WL 1537545, at \*3 (S.D.N.Y. Dec. 3, 2001) (“The only potential irreparable harm . . . has no causal nexus with the alleged FERPA violation.”).

Court made clear in *Robert Bosch LLC v. Pylon Manufacturing Corp.*, 659 F.3d 1142, 1149 (Fed Cir. 2011), “*eBay* jettisoned the presumption of irreparable harm” from patent infringement “as it applies to determining the appropriateness of injunctive relief.”<sup>2</sup>

*Second*, Justice Kennedy’s concurrence in *eBay* did not limit its concern with injunctive relief to “non-practicing entity (‘troll’) cases,” as Apple again wrongly asserts (Pet. 13). To the contrary, Justice Kennedy expressly noted that “legal damages may well be sufficient to compensate for the infringement” in situations where, as here, “the patented invention is but a small component of the product the companies seek to produce.” *eBay*, 547 U.S. at 396-97 (Kennedy, J., concurring)). This Court has thus held Justice Kennedy’s *eBay* concurrence applicable in three separate circumstances: those “‘in which firms use patents not as a basis for producing and selling goods but, instead, primarily for obtaining license fees,’ ‘[w]hen the patented invention is but a small component of the product,’ and those involving ‘the burgeoning number of patents over business methods.’” *Robert Bosch*, 659 F.3d at 1150 (citation omitted) (emphasis added). The panel thus faithfully applied *eBay* (and *Robert Bosch*) by examining whether

---

<sup>2</sup> See also Mark A. Lemley & Philip J. Webster, *Should Property or Liability Rules Govern Information?*, 85 TEX. L. REV. 783, 785, 796-800 (2007) (arguing that in the patent context, unlike the real property context, “injunctive relief can systematically overcompensate plaintiffs and overdeter defendants”).

the patent-in-suit, which is “but a small component” of a complex smartphone with thousands of features, causes irreparable harm so as to warrant injunctive relief.

Nor does the panel decision “conflict[ ] with the post-*eBay* precedents of this Court,” as Apple wrongly asserts (Pet. 7; *see* Pet. 1). *First*, it raises no conflict with *Robert Bosch*, which found injunctive relief appropriate not, as here, against a complex product of which the infringing feature is only a discrete and minor part, but rather against a relatively simple product (a windshield-wiper blade) where the patent-in-suit was effectively coextensive with the product. 659 F.3d at 1145. Moreover, *Robert Bosch* involved evidence of harm in the form of “irreversible price erosion,” loss of access to mass retailers and a prospect that the defendant would be unable to satisfy a judgment, *id.* at 1153-54, harms quite different from the lost sales and market share alleged here.<sup>3</sup>

*Second*, Apple is incorrect in asserting (Pet. 9) that the panel decision conflicts with *i4i Ltd. Partnership v. Microsoft Corp.*, 598 F.3d 831 (Fed. Cir. 2010). This Court rejected a similar argument in *Apple Inc. v. Samsung Electronics Co., Ltd.*, 678 F.3d 1314, 1324 (Fed. Cir. 2012) (“*Apple I*”), recognizing that the irreparable harm at stake in *i4i* was quite different from a

---

<sup>3</sup> Lost sales are classically compensable monetarily. *See Automated Merch. Sys., Inc. v. Crane Co.*, 357 Fed. App’x 297, 300-02 (Fed. Cir. 2009) (vacating preliminary injunction for lack of proof of lost market share) (“Lost sales (without more) are presumed to be compensable through damages, so they do not require injunctive relief.”).

drop-off in sales and market share like that alleged here. *Id.* Microsoft's infringement would have "rendered i4i's product obsolete" and required i4i to "change its business strategy to survive." *i4i Ltd. P'ship*, 598 F.3d at 862. Moreover, the accused feature, while "a small part of Microsoft's WORD products," also found its own "independent market" in "stand-alone" form, as the district court had noted. *i4i Ltd. P'ship v. Microsoft Corp.*, 670 F. Supp. 2d 568, 600 (E.D. Tex. 2009). Only in those limited circumstances did this Court hold that a permanent injunction could issue. *i4i Ltd. P'ship*, 598 F. 3d at 862.

*Third*, Apple's assertion (Pet. 8) of any conflict with *Edwards Lifesciences AG v. Corevalve, Inc.*, 699 F.3d 1305 (Fed. Cir. 2012), is misplaced. That decision involved a valve prosthesis for implantation into the body without the need for open-heart surgery—and not, as here, a patent related to one discrete, minor feature of a complex device. *See id.* at 1307. The issue of causal nexus did not arise in that case and thus cannot create any conflict with the panel's decision. Moreover, *Edwards* merely remanded denial of an injunction for reconsideration by the district court in light of changed circumstances: while the infringement stemmed from alleged manufacturing in the United States, the defendant claimed that it was moving its manufacturing to Mexico. *Id.* at 1315-16.<sup>4</sup>

---

<sup>4</sup> Apple misleadingly cites *Edwards* for the proposition that patentees "may normally expect to regain the exclusivity that was lost with the infringement" with no mention of the casual nexus standard" (Pet. 8) (citation omitted), neglecting to

*Fourth*, Apple errs in asserting (Pet. 5) that the panel’s causal-nexus ruling makes injunctions categorically impossible to obtain in complex-device cases, in alleged tension with *Robert Bosch* and *Edwards*. The panel created no such categorical rule. To the contrary, where a patented feature *is* shown to be causally related to consumer demand (unlike here), an injunction may still issue against a complex product. For example, this Court held in *Apple I* that Apple’s D’889 patent had the “requisite nexus” to consumer demand for Samsung’s Galaxy Tab 10.1 to warrant preliminary injunctive relief, *Apple I*, 678 F. 3d at 1328; *see Apple Inc. v. Samsung Elecs. Co., Ltd.*, No. 11-1846, 2012 WL 2401680, at \*5 (N.D. Cal June 26, 2012) (issuing preliminary injunction upon remand), even though the jury in that case ultimately found that the Galaxy Tab 10.1 did not infringe that patent.

**B. The Panel’s Decision Does Not Conflict With *Apple I***

Nor, contrary to Apple’s assertions (Pet. 1, 8), does the panel’s decision “dramatically expand[ ],” or otherwise conflict with, the causal-nexus holding set forth in *Apple I*. That decision held:

To show irreparable harm, it is necessary to show that *the infringement caused harm in the first place*. Sales lost to an infringing product cannot irreparably harm a patentee if consumers buy that product for reasons other than the patented feature. *If the patented feature does not drive the demand for the product*, sales would be lost even if the offending feature were absent from the accused product.

---

note the concurrence’s concern that such broad statements “appear to me to deviate from the standard articulated by the Supreme Court [in *eBay*] and our court,” 699 F.3d at 1317 (Prost, J., concurring) (citing *Robert Bosch*, 659 F.3d at 1149).

678 F.3d at 1324 (emphasis added). The panel here simply followed that holding. Slip op. 6-8. Indeed, the panel quoted the above passage from *Apple I* in full before restating that “[t]he patentee must rather show that the infringing feature drives consumer demand for the accused product.” *Id.* at 8.

*Apple I* did not announce any new rule; lower courts had previously required in patent cases that the alleged infringement be shown to cause the alleged irreparable harm. *See, e.g., Quad/Tech, Inc. v. Q.I. Press Controls B.V.*, 701 F. Supp. 2d 644, 657 (E.D. Pa. 2010) (plaintiff “failed to prove a causal connection between alleged loss and alleged infringement, which is necessary to prove irreparable harm”), *aff’d*, 413 F. App’x 278 (Fed. Cir. 2011); *Sundance, Inc. v. DeMonte Fabricating Ltd.*, No. 02-73543, 2007 WL 37742, at \*2 (E.D. Mich. Jan. 4, 2007) (denying permanent injunction where plaintiff failed to show that its licensees “are losing sales to [defendant] expressly because of its infringement,” rather than “due to a desire for other features of the [defendant’s] system” or “other competitors in the marketplace”); *Advanced Med. Optics, Inc. v. Alcon Labs., Inc.*, No. 03-1095, 2005 WL 3454283, \*10-11 (D. Del. Dec. 16, 2005) (granting injunction pre-*eBay*, but staying for lack of irreparable harm where patentee “conceded that the fluidics system protected by that patent does not drive demand”). Indeed, the district court in *Apple I* correctly applied a feature-specific causal nexus-test *before* this Court affirmed the correctness of that test. *See Apple*

*Inc. v. Samsung Elecs. Co., Ltd.*, No. 11-1846, 2011 WL 7036077, at \*39 (N.D. Cal. Dec. 2, 2011) (“[T]he fact that the ‘381 patent is but one patent utilized in the accused products, and does not appear to be either necessary for the product to function, or a core technology of the product, weighs against a finding of irreparable harm.”).<sup>5</sup>

Apple’s attempts (Pet. 3, 8-9) to manufacture inconsistency between *Apple I* and the panel’s opinion are unsuccessful. Contrary to Apple’s assertion (Pet. 3), *Apple I* does *not* require merely that a patentee show that the patented feature “mattered” to consumers. Instead, *Apple I* states that such a feature must “drive the demand for the product.” 678 F.3d at 1324 (emphasis added). Apple misreads the panel’s decision as requiring patentees to show that a patented feature is “the driver of consumer demand.” Pet. 8-9 (emphasis in original). The panel found that Apple had not adduced evidence that the alleged infringing feature drove *any* sales of the Galaxy Nexus and thus was not *a* driver. See I.C. *infra*. To the extent that

---

<sup>5</sup> Apple itself conceded two years before *Apple I* that an injunction may not issue against a smartphone absent a causal nexus between the accused *feature* and the claimed irreparable harm. In *Kodak v. Apple*, Apple sought to stay a patent-infringement action pending a parallel ITC investigation and reexamination proceedings. See Apple Inc.’s Memorandum of Law in Support of Its Motion to Stay, *Eastman Kodak Co. v. Apple, Inc.*, 2010 WL 2209043, No. 10-06021 (W.D.N.Y.) March 3, 2010. Arguing that Kodak would not be irreparably harmed by a stay, Apple maintained that “Kodak cannot establish that sales of Apple’s iPhones will erode Kodak’s market share *or that sales of the iPhone 3GS were due solely to inclusion of the accused functionality.*” *Id.* at 10 (emphasis added).

the Court might need to decide in the future how much the infringing feature must drive sales to give rise to irreparable injury—*Apple I* requires that the loss of market share resulting from infringement be not “insubstantial,” 678 F.3d at 1324-25—that issue was not posed here given Apple’s failure to establish *any* lost sales resulting from alleged infringement. Thus, *Apple I* and the panel decision are fully in harmony and require no reconciliation by an *en banc* Court.

**C. The Panel’s Decision Created No New Or Impractical Evidentiary Rules For Proving Causal Nexus**

Apple conjures (Pet. 9-11) a further alleged conflict with *Apple I* in asserting that the panel’s decision imposed a new evidentiary requirement of consumer-survey evidence to meet the causal-nexus standard. But the panel did not vacate the preliminary injunction for want of consumer surveys; it vacated because Apple adduced *no* evidence that consumer demand for the Galaxy Nexus was driven by the patented Quick Search Box (“QSB”) feature. Slip op. 11-12. And the panel noted that there *were* consumer surveys in the record—Apple’s own—that directly *refuted* Apple’s claim that the ‘604 patent drove sales of the Galaxy Nexus. *See, e.g.*, J.A. 1285, 1297, 1307, 1324, 1345. In those surveys, Apple asked consumers the top factors that influenced their purchasing decisions, and the responses failed to list the QSB search methodology among them. *See* Slip op. 11.

Apple attempts to discount this evidence by arguing that, because both products allegedly practiced the ‘604 patent, consumers would find no basis to cite



unified search as one of the top five reasons “why consumers buy Android *rather than* iPhones.” Pet. 11 (emphasis in original). But the record contains not only surveys comparing the two phones (*e.g.*, J.A. 1297), but also a survey asking consumers simply the “most important attributes” in their purchase of *Android* smartphones (J.A. 1285). That chart shows that “unified search is not one of the top five reasons consumers select Android smartphones.” Slip op. at 11.<sup>6</sup>

Nor, contrary to Apple’s assertion (Pet. 10), does the panel decision rule out resort to circumstantial evidence to establish causal nexus. It simply requires that the evidence—circumstantial or direct—be substantial enough to refute any countervailing evidence. In the face of direct evidence that consumer demand for Android phones is driven by features *other than* the patented features, Apple’s other evidence was simply too insubstantial, as the panel found in addressing it.<sup>7</sup>

---

<sup>6</sup> Because Apple’s ‘604 patent covers only a *specific kind* of unified search, Apple’s claim (Pet. 3-4) that consumers desire *some* unified search falls that much further from the mark. *See* Slip op. 10 n.2.

<sup>7</sup> The panel carefully discussed the three documents Apple offered as circumstantial evidence to overcome its consumer survey. Slip op. 11-12. The first was a developer’s guide “intended to inform software-developers of the usefulness of Android’s search capabilities.” *Id.* at 11. The second and third are blog posts that predate the launch of the Galaxy Nexus by over two years. *Id.* One “at best” reflects only a blogger’s “individual belief” about the importance of the QSB’s search feature; the other “says nothing about consumer demand.” *Id.* at 11-12. In the face of the survey evidence, the panel correctly concluded that the documents “do not sufficiently show that the patented feature drives consumer demand.” *Id.* at 11.

Apple wrongly faults (Pet. 10) the panel decision for suggesting that causal nexus cannot be established merely by evidence that a consumer would pay less for the accused product if the allegedly infringing feature were removed. Because Apple offered no such evidence here, this argument is purely hypothetical. In any case, the panel is correct that the fact that a consumer might pay more or less for a product proves nothing standing alone about whether “consumers buy that product” for reason of the infringing feature and not for other reasons. *Apple I*, 678 F.3d at 1324. For example, a consumer might pay more to add a patented cup-holder to a car, or pay less if a cup-holder were removed, but it does not follow that the consumer is driven to buy that car over a competitor’s car for the cup-holder. Far from imposing new evidentiary strictures warranting *en banc* review, the panel decision leaves wide latitude to introduce consumer surveys, advertisements, product reviews and other evidence to show what drives consumer demand as appropriate in particular cases.

Because Apple’s “limited” evidentiary submission contained “no evidence that directly ties consumer demand for the Galaxy Nexus” to the alleged infringement (Slip op. 8 (emphasis added)), Apple is wrong to suggest (Pet. 2) that the panel decision will foreclose injunctive relief in “broad swathes of cases.” To the contrary, to sustain an injunction on such a deficient record would permit patent holders to remove complex products from the marketplace based a single,

minor feature that has not been linked to consumer demand.<sup>8</sup> In cases where consumer demand for the accused product *is* shown to be driven by a patented feature, a different result might follow. *See, e.g., Trading Techs. Int’l, Inc. v. eSpeed, Inc.*, 2008 WL 4531371, at \*5 (N.D. Ill. May 22, 2008) (rejecting defendant’s argument that “the infringing screen is just a small component of a much larger software package, the bulk of which is non-infringing,” where plaintiff had shown at trial that the patented features were “the central features that make MD\_Trader the popular software program that it is”); *Apple I*, 678 F. 3d at 1328.

**D. Apple Faced No Irreparable Harm From Sales Of The Galaxy Nexus In Any Event**

Apart from failing to show causal nexus, Apple failed to show any injury sufficient to constitute irreparable harm. *Apple I* held that a party must establish a loss of market share that is more than “insubstantial” in order to establish irreparable harm. *Apple I*, 678 F.3d at 1324-25. Here, even if every Galaxy Nexus sale would otherwise have been an iPhone sale (which is highly doubtful given that a host of manufacturers sold 315 models of competing Android phones), Apple

---

<sup>8</sup> Apple suggests (Pet. 13-14) that such injunctions can be narrowed to obviate undue market disruptions, but Apple has never suggested anything less than a complete ban on Galaxy Nexus sales, and, in any event, Apple’s efforts to intimidate carriers and other downstream retailers with overbroad readings of the preliminary injunction issued below illustrate that such narrowing would be ineffective. *See* Dkt. 39, 42 at Ex. 1; *see also* Lemley & Webster, 85 TEX. L. REV. at 785, 798 (“[C]ourts cannot easily tailor injunctions to forbid only the prohibited conduct.”).

could have gained, at most, only an additional 0.5% of the U.S. smartphone market in the first quarter of 2012. Dkt. 46 at 23 (Opening Brief). Potential loss of a fraction of 0.5% of market share is “insubstantial.” Because the record provides this independent alternative ground to vacate the preliminary injunction, *en banc* review of the panel’s causal-nexus requirement is all the less warranted.

## **II. THE PANEL’S CLAIM CONSTRUCTION DOES NOT WARRANT EN BANC REVIEW**

Apple also seeks *en banc* review of the panel’s construction (Slip op. 13-15) of the claim element requiring “a plurality of heuristic modules . . . wherein each heuristic module corresponds to a respective area of search and employs a different predetermined heuristic algorithm.” As the panel explained, this element requires *every* module to employ a unique algorithm—a construction compelled not only by the rules of grammar (*id.* at 15-16), but also by the ‘604 patent’s specification and by disclaimers Apple made during prosecution to distinguish the claim over prior art (*id.* at 17-18; J.A. 1403-04). This narrow claim construction, particular to this patent only, presents no conflict or issue of ongoing importance warranting this Court’s *en banc* review.

Apple relies solely upon the term “comprising,” asserting (Pet. 15) that the panel’s decision conflicts with this Court’s prior law and “calls into doubt many issued claims that relied on settled precedents regarding the meaning of the ‘comprising’ term.” But the panel’s decision does no such thing: to the contrary,

it acknowledges the general rule that “comprising” is open-ended, but explains why that rule is beside the point given the specific structure and history of this claim, particularly its separate use of the term “each” as a limitation. *See* Slip op. 16 (“Accordingly, despite the use of ‘comprising,’ claim 6 is not amenable to the addition of other modules that do not use different heuristic algorithms because such addition would impermissibly wipe out the express limitation that requires every module to have a unique heuristic algorithm.”).

Construing the claim in light of this important limitation fully comports with this Court’s precedents. “The open-ended transition ‘comprising’ does not free the claim from its own limitations.” *Kustom Signals, Inc. v. Applied Concepts, Inc.*, 264 F.3d 1326, 1332 (Fed. Cir. 2001) (citing *Spectrum Int’l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1379-80 (Fed. Cir. 1998)); *see also In re Skvorecz*, 580 F.3d 1262, 1267 (Fed. Cir. 2009) (holding that use of “[t]his [‘comprising’] signal simply means that the device may contain elements in addition to those explicitly mentioned in the claim” and does not negate express limitation whereby “each wire leg has an offset”) (citation omitted); *Bd. of Regents of the Univ. of Texas Sys. v. BENQ Am. Corp.*, 533 F.3d 1362, 1372-73 (Fed. Cir. 2008) (quoting *Dippin’ Dots, Inc. v. Mosey*, 476 F.3d 1337, 1343 (Fed. Cir. 2007)). And, as the panel noted (Slip op. 17-18), Apple itself gave that important claim limitation special

emphasis during prosecution of the patent in order to distinguish the claim over prior art. *See* J.A. 1403.

The full Court should not revisit the panel's straightforward and correct claim construction, and Apple offers no precedent for *en banc* review of a claim construction so specific to a particular patent. Because Apple conceded below (J.A. 166-67, 65:5-66:25) that it cannot prevail on infringement if "every single module in the device has to use a different algorithm," as the panel's construction requires, Apple cannot establish a likelihood of success on the merits, and further review of the decision vacating the preliminary injunction is unwarranted.

### **CONCLUSION**

For the foregoing reasons, Apple's petition for *en banc* review should be denied.

Dated: January 11, 2013

Respectfully submitted,

/s/ John B. Quinn

John B. Quinn  
William C. Price  
Derek L. Shaffer  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
865 South Figueroa Street, 10th Floor  
Los Angeles, CA 90017  
Telephone: (213) 443-3000  
Facsimile: (213) 443-3100

Charles K. Verhoeven  
Kevin P.B. Johnson  
Victoria F. Maroulis  
QUINN EMANUEL URQUHART  
& SULLIVAN, LLP  
555 Twin Dolphin Drive, 5th Floor  
Redwood Shores, CA 94065  
Telephone: (650) 801-5000  
Facsimile: (650) 801-5100

*Attorneys for Defendants-Appellants*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on January 11, 2013, the Response To Petition for Rehearing *En Banc* was electronically filed with the Clerk of the Court using CM/ECF and was served via electronic mail on the following counsel.

Counsel for Apple Inc.

JOSH A. KREVITT  
jkrevitt@gibsondunn.com  
H. MARK LYON  
mlyon@gibsondunn.com  
GIBSON, DUNN & CRUTCHER LLP  
1881 Page Mill Road  
Palo Alto, CA 94302-1211  
(650) 849-5300

MARK A. PERRY  
mperry@gibsondunn.com  
GIBSON, DUNN & CRUTCHER LLP  
1050 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 887-3667

MARK D. SELWYN  
mark.selwyn@wilmerhale.com  
WILMER CUTLER PICKERING  
HALE AND DORR LLP  
950 Page Mill Road  
Palo Alto, CA 94304  
(650) 858-6031

HAROLD J. MCELHINNY  
hmcclhinny@mofocom  
MICHAEL A. JACOBS  
mjacobs@mofocom  
RICHARD S.J. HUNG  
rhung@mofocom  
MORRISON & FOERSTER LLP  
425 Market Street  
San Francisco, CA 94105-2482  
(415) 268-7000

Counsel for Amicus Curiae Google, Inc.

CHRISTOPHER J. GLANCY  
cglancy@ny.whitecase.com  
WHITE & CASE LLP  
1155 Avenue of the Americas  
New York City, NY 10036  
(212) 819-8200

Counsel for Amicus Curiae Business

Software Alliance  
Jeffrey A. Lamken  
jlamken@mololamken.com

Counsel for Amicus Curiae Sprint

Spectrum, L.P.  
JONATHAN N. ZERGER  
jzerger@shb.com



Michael F. Pattillo, Jr.  
mpatillo@mololamken.com  
MoloLamken LLP  
The Watergate, Suite 660  
600 New Hampshire Ave, N.W.  
Washington, DC 20037  
(202) 556-2000

ANGEL D. MITCHELL  
amitchell@shb.com  
SHOOK, HARDY & BACON, LLP  
2555 Grand Boulevard  
Kansas City, MO 64105  
(816) 474-6550

By: /s/ Derek L. Shaffer  
Derek L. Shaffer