

**United States Court of Appeals**  
*for the*  
**Federal Circuit**

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TIVO, INC.,

*Plaintiff-Appellee,*

v.

ECHOSTAR CORPORATION, ECHOSTAR DBS CORPORATION,  
ECHOSTAR TECHNOLOGIES CORPORATION, ECHOSTAR  
LIMITED LIABILITY COMPANY, ECHOSTAR SATELLITE LLC,  
and DISH NETWORK CORPORATION,

*Defendants-Appellants.*

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APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN  
DISTRICT OF TEXAS IN CASE NO. 2:04-CV-01, JUDGE DAVID FOLSOM

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**BRIEF OF AMICUS CURIAE NEW YORK INTELLECTUAL  
PROPERTY LAW ASSOCIATION FOR EN BANC REHEARING  
IN SUPPORT OF NEITHER PARTY**

MARK J. ABATE  
NEW YORK INTELLECTUAL  
PROPERTY LAW ASSOCIATION  
*Counsel of Record*  
c/o GOODWIN PROCTER LLP  
The New York Times Building  
620 Eighth Avenue  
New York, New York 10018  
(212) 813-8800

DALE L. CARLSON  
President  
NEW YORK INTELLECTUAL  
PROPERTY LAW ASSOCIATION  
c/o WIGGIN AND DANA LLP  
One Century Tower  
265 Church Street  
P.O. Box 1832  
New Haven, Connecticut 06508  
(203) 498-4400

*(For Continuation of Appearances See Inside Cover)*

August 2, 2010

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ANKUR P. PAREKH  
NEW YORK INTELLECTUAL  
PROPERTY LAW ASSOCIATION  
c/o GOODWIN PROCTER LLP  
The New York Times Building  
620 Eighth Avenue  
New York, New York 10018  
(212) 813-8800

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**CERTIFICATE OF INTEREST**

Counsel of record for amicus curiae New York Intellectual Property Law Association certifies the following:

1. The full name of every party or amicus represented by me is: New York Intellectual Property Law Association.
2. The party represented by me as amicus curiae is the real party in interest.
3. The parent companies, subsidiaries (except wholly owned subsidiaries), and affiliates that have issued shares to the public, of the party or amicus represented by me are: None.
4. The names of all law firms and partners or associates that appeared for the parties now represented by me in the trial court or agency or are expected to appear in this court are:

Mark J. Abate  
Ankur P. Parekh  
New York Intellectual  
Property Law Association  
c/o Goodwin Procter LLP  
The New York Times Building  
620 Eighth Avenue  
New York, NY 10018-1405  
(212) 813-8800

Dale L. Carlson  
President  
New York Intellectual  
Property Law Association  
c/o Wiggin and Dana LLP  
One Century Tower  
P.O. Box 1832  
265 Church Street  
New Haven, CT 06508-1832  
(203) 498-4400



DATED: August 2, 2010

\_\_\_\_\_  
Mark J. Abate

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## **STATEMENT OF INTEREST OF AMICUS CURIAE**

The New York Intellectual Property Law Association (“NYIPLA” or “the Association”) is a bar association of more than 1,600 attorneys whose professional interests and practices lie principally in the areas of patents, copyrights, trademarks, trade secrets and other forms of intellectual property. Since its founding in 1922, NYIPLA has committed to maintaining the integrity of the U.S. patent law and to the proper application of that law and the related bodies of contract and trade regulation law to commercial transactions involving patents.

The NYIPLA and its undersigned counsel represent that they have authored this brief, that no party or counsel for a party in this proceeding authored any part of the brief, and that no person other than the NYIPLA, its members or its counsel, including any party or counsel for a party, made any monetary contribution intended to fund the preparation or submission of the brief.

The arguments set forth in this brief were approved on or about August 2, 2010, by an absolute majority of the total number of officers and members of the Board of Directors (including those who did not vote for any reason, including recusal), but may not necessarily reflect the views of individual members of the NYIPLA or of the organizations with which those members are affiliated. After reasonable investigation, the NYIPLA believes that no person who voted in favor of the brief, no attorney in the firms or companies with which such persons are

associated, and no attorney who aided in preparation of this brief represents a party in this litigation. Some such persons may represent entities that have an interest in other matters which may be affected by the outcome of this proceeding.

The NYIPLA and its undersigned counsel represent that they have contacted counsel for all parties and have received consent from all parties to file this amicus brief.

## SUMMARY OF ARGUMENT

A district court can determine in a contempt proceeding whether a redesigned product marketed by an enjoined infringer infringes unless there is a “fair ground of doubt as to the wrongfulness of defendant’s conduct.” Where the differences between the adjudged infringing product and the new product in relation to claimed invention raises substantial open issues of infringement, there is in most cases “a fair ground of doubt” that should preclude a contempt proceeding. This is because “infringement is the *sine qua non* of an injunction against infringement.” *KSM Fastening Sys., Inc. v. H.A. Jones Co.*, 776 F.2d 1522, 1528 (Fed. Cir. 1985). However, there can be instances where the “substantial open issues of infringement” is not a proper proxy for the “fair ground of doubt” test.

The district court should be accorded discretion to determine whether there is a “fair ground of doubt as to the wrongfulness of defendant’s conduct.” The district court is in a very good position to determine this issue, particularly when the “substantial open issues of infringement” test is an appropriate proxy. This determination cannot always be made by simply looking to whether the infringement issues require expert testimony, whether the adjudged infringer has removed a component that the patentee relied upon at trial to satisfy a claim element, or whether the patentee’s infringement theory for the redesigned device is different from its theory for the original device. It requires a thorough

understanding of the differences between the redesigned product and the original product, the claimed invention, and the infringement issues that have already decided in the case. Having construed the patent claims, decided dispositive motions, presided over trial, reviewed post-trial submissions and written an opinion, the district court will already be aware of many of the relevant facts.

When proper under the governing test, a contempt proceeding is an effective and fair forum to determine whether a redesigned product infringes an asserted patent. Contempt proceedings over insubstantial redesigns promote judicial economy and the finality of judgments. They also discourage gamesmanship by adjudged infringers. While such a proceeding will almost certainly be more abbreviated than a full-blown trial, it need not be summary in nature. Indeed, in the TiVo case, six witness testified at what was effectively a three-day abbreviated bench trial on infringement. An infringer is further protected in a contempt proceeding because the patentee must prove infringement of the redesigned product by clear-and-convincing evidence.

The NYIPLA takes no position on the merits of this case.

## ANSWERS TO THE QUESTIONS FOR EN BANC REVIEW

### **Question Nos. 1 and 2:**

Following a finding of infringement by an accused device at trial, under what circumstances is it proper for a district court to determine infringement by a new device through contempt proceedings rather than through new infringement proceedings? What burden of proof is required to establish that a contempt proceeding is proper?

How does “fair ground of doubt as to the wrongfulness of the defendant’s conduct” compare with the “more than colorable differences” or “substantial open issues of infringement” tests in evaluating the newly accused device against the adjudged infringing device? See *Cal. Artificial Stone Paving Co. v. Molitor*, 113 U.S. 609, 618 (1885); *KSM Fastening Sys., Inc. v. H.A. Jones Co.*, 776 F.2d 1522, 1532 (Fed. Cir. 1985).

### **Combined Answer:**

The district court should be permitted to conduct a contempt proceeding if it determines, using its discretion, that there is “a fair ground of doubt as to the wrongfulness of defendant’s conduct.” If there are “substantial open issues of infringement,” then it is likely that a fair ground of doubt exists, because “infringement is the *sine qua non* of an injunction against infringement.” *KSM*, 776 F.2d at 1528. In some cases, however, the “substantial open issues” test may not be a proper proxy for the “fair ground of doubt” test. The patentee’s burden on the initial inquiry of whether contempt proceedings are appropriate should be mere preponderance and the district court’s decision should be reviewed for abuse of discretion. See *infra* Sections I, II.

**Question No. 3.1:** Where a contempt proceeding is proper, what burden of proof is on the patentee to show that the newly accused device infringes (*see KSM, 776 F.2d at 1524*)?

**Answer:** Where a contempt proceeding is proper, the patentee must prove infringement of the redesigned product by clear-and-convincing evidence. This heightened burden of proof is an important protection to the accused infringer, who is forced to defend the infringement charge in a proceeding that, while not necessarily summary, will be more abbreviated than a new suit. *See infra* Section III.

**Question No. 3.2:** What weight should be given to the infringer's efforts to design around the patent and its reasonable and good faith belief of noninfringement by the new device, for a finding of contempt?

**Answer:** In determining whether a finding of contempt should be made, the district court should give no weight to the extent of the infringer's efforts to design around the patent and its allegedly reasonable and good-faith belief of noninfringement by the new device. Such facts may be considered by the district court when determining the appropriate sanction if the court finds contempt. Indeed, in some cases, a district court might decide that in light of the accused infringer's redesign efforts and good-faith belief of noninfringement, the only sanction warranted is the patentee's damages for the continued infringement. *See infra* Section IV.

**Question No. 4:** Is it proper for a district court to hold an enjoined party in contempt where there is a substantial question as to whether the injunction is ambiguous in scope?

**Answer:** Where an injunction is ambiguous in a way that is relevant to the dispute between the parties and the enjoined party did not have an opportunity to raise the ambiguity in the direct appeal, it would not be proper for the district court to hold an enjoined party in contempt. However, the enjoined party waives an ambiguity argument that it could have raised, but did not, in the direct appeal. *See Travelers Indemnity Co. v. Bailey*, 129 S. Ct. 2195, 2205 (2009). It cannot then use this argument to collaterally attack the injunction during contempt proceedings.<sup>1</sup>

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<sup>1</sup> This brief does not further address this particular issue.

## ARGUMENT

### **I. The District Court Should Have Discretion To Determine Whether There Is “A Fair Ground Of Doubt As To The Wrongfulness Of Defendant’s Conduct”**

#### **A. The District Court Is In The Best Position To Determine Whether A Fair Ground Of Doubt Exists**

In *California Artificial Stone Paving Co. v. Molitor*, the Supreme Court held that the process of contempt should not be resorted to “where there is a fair ground of doubt as to the wrongfulness of defendant’s conduct.” 113 U.S. 609, 618 (1885). This is because the “[p]rocess of contempt is severe.” *Id.*; see *KSM Fastening Sys., Inc. v. H.A. Jones Co.*, 776 F.2d 1522, 1526 (Fed. Cir. 1985) (referring to contempt as a “potent weapon”). In *KSM*, this Court identified another reason why a district court, when faced with a redesigned device by an enjoined former infringer, should perform an inquiry as to whether contempt proceedings are appropriate. *KSM* holds that in such a situation, contempt requires, at a minimum, a finding that the redesigned device is an infringement. *Id.* at 1532. The Court recognized that there can be a due-process problem with adjudicating infringement in a contempt proceeding rather than a new infringement suit, because a contempt proceeding can—but need not be—summary. *Id.*

In *KSM*, this Court adopted the “substantial open issues of infringement” test for this inquiry as to whether it is proper to adjudicate infringement in a contempt proceeding. *Id.* This is a procedural test. *Id.* at 1531-32. The district court must

determine whether there are substantial new issues to be litigated regarding infringement. *Id.* That is, using principles of claim and issue preclusion, the district court is to determine what infringement issues regarding the redesigned product have already been settled and what, if any, issues are new. *Id.*

The district court should be given discretion in its application of this test. *Id.* at 1532 (“So long as the district court exercises its discretion to proceed or not to proceed by way of contempt proceedings within these general constraints, this court must defer to its judgment on the issue.”) (citation omitted). The district court’s decision should be reviewed under a deferential abuse-of-discretion standard.<sup>2</sup> See *Abbott Labs. v. Torpharm, Inc.*, 503 F.3d 1372, 1380 (Fed. Cir. 2007); *Stryker Corp. v. Davol Inc.*, 234 F.3d 1252, 1260 (Fed. Cir. 2000); *Additive Controls & Measurement Sys., Inc. v. Flowdata, Inc.*, 154 F.3d 1345, 1349 (Fed. Cir. 1998) (“We review the district court’s decision to proceed via a contempt hearing for abuse of discretion.”). The district court is in a better position to perform this analysis than the Federal Circuit. By the time the patentee moves for

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<sup>2</sup> A district court abuses its discretion when its decision is based on clearly erroneous findings of fact, is based on erroneous interpretations of the law, or is clearly unreasonable, arbitrary or fanciful. *Cybor Corp. v. FAS Tech, Inc.*, 138 F.3d 1448, 1460 (Fed. Cir. 1998) (en banc); see *Abbott Labs. v. Torpharm, Inc.*, 503 F.3d 1372, 1380 (Fed. Cir. 2007) (holding that Federal Circuit law on the abuse-of-discretion standard applies when that standard is used to review a district court’s decision on whether to conduct a contempt proceeding).

a contempt finding, the district court will have a thorough understanding of the facts and arguments presented. During the original suit, the district court will have developed in-depth knowledge concerning infringement through a combination of discovery motions, *Markman* proceedings, dispositive motions, trial and post-trial briefing. For example, in this case, the district court had presided over the litigation for four-and-one-half years before TiVo filed its contempt motion. After becoming familiar with the differences between the redesigned product and the product previously adjudged to infringe, the district court is in a very good position to determine whether there are any open issues of infringement concerning the redesigned product and whether any such issues are substantial.

Whether or not there are substantial open issues for infringement can be a challenging question. No such issue may exist even if an infringer completely removed a component that the patentee focused its proofs on at trial for satisfaction of one of the claim elements. There may be another substantially similar component inside the device that the patentee did not identify at trial in order to keep its presentation to the jury short and focused, or the replacement component may be insignificantly different from the original. The “substantial open issues” test also cannot be answered by simply looking to whether the patentee must change its infringement theory for the redesigned device, because any such change may be modest and self-evident. Other factors, such as the extent of the redesign

effort, a non-infringement opinion of counsel, or a good-faith belief in non-infringement are of minimal relevance to the governing test, and can sometimes be misleading. *See Stryker*, 234 F.3d at 1260 (affirming district court’s decision to proceed with a contempt proceeding; infringer had an non-infringement opinion from counsel on the new product, but it was conclusory). What is required is a thorough understanding of what issues were already decided in the original suit and a critical evaluation of the new infringement issues the redesigned product raises. The district court, more so than the Federal Circuit, is in the best position to perform this analysis. Infringement may be “clear on the face of the matter” to the experienced district-court judge, even though the changes made to the redesign may seem substantial to someone not familiar with the case. For this reason, the district court’s determination should be reviewed under the deferential abuse-of-discretion standard.<sup>3</sup>

While the patentee should have some evidentiary burden of proof on this threshold question, its burden should be mere preponderance. While, as explained *infra*, patentee is required to prove contempt with clear-and-convincing evidence,

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<sup>3</sup> Where the district court determines that a contempt proceeding is not an appropriate forum to adjudicate infringement, that determination should also be respected. *See MAC Corp. of America v. Williams Patent Crusher & Pulverizer Co.*, 767 F.2d 882, 886 (Fed. Cir. 1985) (“Our appellate review extends only to whether the record fails to disclose any basis whatever for the ‘fair ground of doubt’ finding.”)

there is no reason why this heightened burden-of-proof should also apply to the preliminary question of whether it is appropriate to decide whether the redesign infringes in such a proceeding.<sup>4</sup>

**B. In Most, But Not All, Cases The Answer To The “Substantial Open Issues Of Infringement” Test Answers The “Fair Ground Of Doubt” Test**

As a general matter, “if there are substantial open issues with respect to infringement to be tried, contempt proceedings are inappropriate,” because “[t]he presence of such disputed issues creates a fair ground of doubt that the decree has been violated.” *KSM*, 776 F.2d at 1532. In other words, while this Court has recognized that the Supreme Court’s “fair ground of doubt” test is the governing

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<sup>4</sup> The standard infringement clause in the original injunction in this case only expressly enjoined activities relating to products adjudged to infringe and those “only colorably different therefrom.” In its supplemental brief for the en banc rehearing, appellant EchoStar argues that this language means that a substantive element of any violation by a redesigned product is that the redesign is “only colorably different” from the original, and that this element must be proven violation with clear-and-convincing evidence. EchoStar Supp. Br. (7/26/10) at 35-36, 42-44. Were this Court starting with a clean slate, this argument might have some intellectual appeal. But this Court does not start with a clean slate. The *KSM*-framework has been in place for almost 25 years, and this Court adopted that framework from an approach that had been used by Courts of Appeals for over 50-years prior. See *KSM*, 776 F.2d at 1530-31 (quoting *Am. Foundry & Mfg. Co. v. Josam Mfg. Co.*, 79 F.2d 116 (8th Cir. 1935)). Under that framework, the interest in limiting contempt proceedings to insubstantial redesigns is protected by a separate inquiry into whether contempt proceedings are appropriate, not by an element to be proven for a contempt finding. At this point, attorneys know how a court will apply an “only colorably different” clause in an injunction in a contempt proceeding. Moreover, the procedural “no substantial open issues of infringement” test is not amenable to a heightened burden of proof.

test, it has also recognized that the “substantial open issues” is a particular application of the general test that will answer the inquiry in most cases. This is because “infringement is the *sine qua non* of an injunction against infringement.” *Id.* at 1528. The “substantial open issues” test has the added benefit that it addresses the due-process concerns raised in *KSM*. *Id.* at 1532.

However, in particular circumstances the “substantial open issues” does not answer the “fair ground of doubt” question. For example, in *Abbott*, the district court enjoined defendant Apotex, Inc. (“Apotex”) from manufacturing, using, selling, offering to sell, or importing a drug containing a particular pharmaceutical compound after Apotex lost a patent infringement suit over an Abbreviated New Drug Application (“ANDA”) it filed. 503 F.3d at 1376. Apotex undisputedly did not perform any of these enjoined activities; instead, it filed, through a third party, a second ANDA. *Id.* at 1377. The district court found that a contempt proceeding was proper because the drug specified in the second ANDA was the same as the drug specified in Apotex’s original ANDA, such that there were no substantial open issues of infringement. *Id.* at 1381. While the panel majority affirmed this particular decision by the district court, *id.*, the dissent correctly questioned whether a contempt proceeding was appropriate because there was “a fair ground of doubt” as to whether the filing of an ANDA, regardless of its contents, was a wrongful, i.e., enjoined, activity. *Id.* at 1384.

In other instances, a defendant's conduct may be such an "affront to the court" that adjudicating infringement in a contempt proceeding is appropriate even if there are substantial open issues of infringement. For example, an injunction may include, as did the amended injunction in this case (A28), a provision prohibiting a former infringer from marketing any redesign without prior court approval. See *Spindelfabrik Suessen-Schurr v. Schubert & Salzer Maschinenfabrik Aktiengesell Schaft*, 903 F.2d 1568, 1577 (Fed. Cir. 1990). If the former infringer flagrantly violates such a black-and-white provision relating to redesign activity, then it has acted wrongfully. On that basis it may be proper to adjudicate infringement of the redesign and find contempt of the infringement provision of the injunction (as well as the prior-approval provision). In such situations, due-process considerations must give way to other interests. See *KSM*, 776 F.2d at 1532 n. 7 (stating that the "substantial open issues" test is "a general one to be applied 'unless it is quite clear from the surrounding circumstances that [a contempt proceeding] is required to preserve the integrity of the injunction.' " (quoting *Baltz v. The Fair*, 279 F.2d 899, 903 (7th Cir. 1960)) (modification to quotation in original)). Cf. *Abbott*, 503 F.3d at 1379 (explaining that where the district court found that the defendant engaged in "subterfuge" to "get a crack at a second judge," contempt proceedings were appropriate even though "scientific

testing, expert opinions, and a host of credibility determinations” were required to adjudicate infringement).

## **II. Where Appropriate, A Contempt Proceeding Is An Effective Forum To Decide Infringement Of The Redesigned Product**

### **A. Contempt Proceedings Promote Judicial Economy And The Finality Of Judgments, While Decreasing The Incentive For Gamesmanship**

Where appropriate, deciding whether a redesigned product infringes in a contempt proceeding has benefits. Such a proceeding promotes judicial economy by ensuring that the infringement determination on the redesign will be made by the same district court judge that presided over the litigation on the original product and therefore is familiar with the patents-in-suit, the language of the asserted claims, the underlying technology, and the product already adjudged to infringe. It also promotes the finality of judgments by providing a more efficient procedure for a patentee to curtail evasion of an injunction rather than a full trial on

infringement by the redesigned product.<sup>5</sup> Further, the same judge who issued the injunction has the power to enforce it.

This Court should be careful not to make it too difficult for patentee to obtain relief on redesigns through contempt proceedings. Without the availability of contempt proceedings, an accused infringer has an incentive to engage in gamesmanship by making changes to its infringing product that may on the surface seem substantial but, upon closer review, would be revealed not to be so. The infringer would be able to avoid a contempt proceeding and force the patentee to seek relief through an expensive and lengthy new infringement suit. This could allow the accused infringer to unlawfully remain on the market with a product that is not a design-around of the patent, all the while reaping profits and building a brand and a customer base. While such an infringer runs the risk of being liable for willful infringement in the second suit, the economics may justify that risk.

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<sup>5</sup> Consider an infringer who simply replaces a single component in its redesign, which change only affects the claim read for one claim limitation. In either a contempt proceeding or a new suit on infringement of the redesign, issue preclusion might dictate that the only infringement issue for the judge or jury to decide is whether the replacement component satisfies this claim limitation. *See Home Diagnostics v. Lifescan, Inc.*, 120 F. Supp. 2d 864, 867-68 (N.D. Cal. 2000), *aff'd*, 13 Fed. Appx. 940 (Fed. Cir. 2001). But in a new suit, it would be difficult to limit the parties' presentations to the jury to just this issue. These trial presentations would inevitably include testimony on the background technology, the invention story, the development story for the accused product, etc. Much of this evidence would not be necessary in a contempt proceeding, because the judge will already be familiar with these topics.

Additionally, the fact that the infringer has engaged in some attempts to modify its product and may have convinced itself that it no longer infringes may make a district court judge hesitant to enhance damages. *See Riles v. Shell Exploration & Prod.*, 298 F.3d 1302, 1314 (Fed. Cir. 2002) (holding that a district court did not abuse its discretion in denying enhanced damages despite a jury finding of willful infringement).

**B. While A Contempt Proceeding Will Almost Certainly Be More Abbreviated Than A New Trial, It Need Not Be Summary**

One criticism of conducting contempt proceedings against redesigns is that contempt can be decided summarily. But there is no requirement that contempt be decided on briefs and attached exhibits and declarations. A district court has the latitude to hold a full evidentiary hearing on the merits. This case is a good example of just how extensive contempt proceedings over redesigned products can be. There was an eight-month interval between the date when TiVo filed its contempt motion and the date of the evidentiary hearing. During that time the parties were permitted to engage in full discovery, including document requests, interrogatories, and depositions. 11/20/2008 Docket Control Order, Doc. No. 864. Expert witnesses prepared expert reports and were deposed on those reports. *Id.* The hearing lasted three days, during which time six fact and expert witnesses testified. *See 7/17/09 Opening Brief of Defendants-Appellants Before Panel*, at 17. The hearing was effectively a mini bench trial on the merits. Other examples of

extensive contempt proceedings are present in the caselaw. *See Additive Controls*, 154 F.3d at 1348-49 (holding that district court did not abuse its discretion to go forward with a contempt proceeding even though the contempt hearing lasted three days, during which expert witnesses for both sides as well as at least one fact witness testified); *Abbott*, 503 F.3d at 1381 (experts for both parties testified during the contempt proceedings; infringement determination affirmed).

### **III. In A Contempt Proceeding, A Patentee Must Prove Infringement With Clear-And-Convincing Evidence**

While a contempt proceeding may force an adjudged infringer to defend itself in a proceeding that has less process than a full trial, the infringer receives an important protection. It is well-settled law that in a contempt proceeding a patentee is required to prove infringement with clear-and-convincing evidence, rather than just by preponderance of the evidence. *See Laitram Corp. v. Cambridge Wire Cloth Co.*, 863 F.2d 855, 867 (Fed. Cir. 1988); *Amstar Corp. v. Envirotech Corp.*, 823 F.2d 1538, 1548 (Fed. Cir. 1987); *Preemption Devices, Inc. v. Minn. Mining & Mfg. Co.*, 803 F.2d 1170, 1173 (Fed. Cir. 1986); *KSM*, 776 F.2d at 1530. This requirement stems from the general requirement that a party seeking a contempt finding is required to prove contempt under a heightened burden of proof. See 11A Wright, Miller, and Kane, *Federal Practice and Procedure* § 2960 (2d ed. 1995) (“In a civil-contempt proceeding, proof of the violation must be clear and convincing, and a bare preponderance of the evidence will not suffice.”). The

heightened burden of proof for infringement in a contempt proceeding, along with the required separate inquiry as to whether infringement should be decided in a contempt proceeding at all as well as the availability of Federal Circuit review of any finding of contempt, all ensure that the infringer can fairly defend itself.<sup>6</sup>

#### **IV. Evidence Of Redesign Efforts And Good-Faith Belief In Noninfringement Should Go To The Contempt Sanction, Not The Preceding Determination Of Whether Or Not To Hold The Accused Infringer In Contempt**

“The general rule in civil contempt is that a party need not intend to violate an injunction to be found in contempt.” *Additive Controls*, 154 F.3d at 1353.

Therefore an infringer’s efforts at redesign or its good-faith belief in non-infringement are irrelevant to the contempt determination. The Supreme Court has explained why this is so:

The absence of willfulness does not relieve from civil contempt. Civil as distinguished from criminal contempt is a sanction to enforce compliance with an order of the court or to compensate for losses or damages sustained by reason of noncompliance. . . . Since the purpose is remedial, it matters not with what intent the defendant did the prohibited act.

*McComb v. Jacksonville Paper Co.*, 336 U.S. 187, 191 (1949).

It is appropriate for the district court to consider the extent of the infringer’s efforts at redesign and its good-faith belief in non-infringement when determining

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<sup>6</sup> This Court reviews an infringement determination in a contempt proceeding for clear error. See *Abbott*, 503 F.3d at 1381; *Preemption Devices*, 803 F.2d at 1173 n. 4.

a contempt sanction. *See TWMMfg. Co., Inc. v. Dura Corp.*, 722 F.2d 1261, 1273 (6th Cir. 1983) (“advice of counsel and good-faith conduct to not relieve from liability of civil contempt, although they may affect the extent of the penalty.”). The district court has a wide latitude of options for a contempt sanction, including imprisonment. *See* 18 U.S.C. § 401 (“A court of the United States shall have power to punish by fine or imprisonment, at its discretion, such contempt of its authority . . .”). Where an infringer made extensive efforts at redesign and held a good-faith belief of non-infringement, the district court may limit the sanction to the patentee’s damages for the continued infringement. Where the redesign effort was not conducted with good-faith, the court could reasonably within its discretion award the patentee enhanced damages as a sanction or take harsher action on the infringer as the circumstances warrant. *See Stryker*, 234 F.3d at 1260 (affirming treble damages, attorneys’ fees, and costs as a contempt sanction); *Spindelfabrik*, 903 F.2d at 1577 (Fed. Cir. 1990) (affirming treble damages as a contempt sanction).

	Respectfully submitted,
	NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION By:  Mark J. Abate
DATED: August 2, 2010	

**United States Court of Appeals  
for the Federal Circuit  
TIVO v. ECHOSTAR, 2009-1374**

**CERTIFICATE OF SERVICE**

I, John C. Kruesi, Jr., being duly sworn according to law and being over the age of 18, upon my oath depose and say that:

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E. Joshua Rosenkranz  
Orrick, Herrington & Sutcliffe LLP  
51 West 52<sup>nd</sup> Street  
New York, NY 10019  
212-506-5380  
*Attorney for Appellants*

Seth P. Waxman  
Wilmer Hale  
1875 Pennsylvania Avenue, N.W.  
Washington, DC 20006  
202-663-6000  
*Attorney for Appellee*

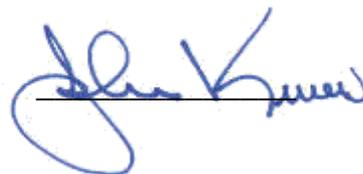
Morgan Chu  
Irell & Manella LLP  
1800 Avenue of the Starts  
Suite 900  
Los Angeles, CA 90067-4276  
310-277-1010  
*Attorney for Appellants*

Donald R. Dunner  
Finnegan Henderson, Farabow,  
Garrett & Dunner, L.L.P.  
901 New York Avenue, N.W.  
Washington, DC 20001-4413  
202-408-4000  
*Attorney for Appellee*

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United States Court of Appeals  
for the Federal Circuit

TIVO v. ECHOSTAR, 2009-1374

**DECLARATION OF AUTHORITY PURSUANT TO  
28 U.S.C. § 1746 AND FEDERAL CIRCUIT RULE 47.3(d)**

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August 2, 2010

  
\_\_\_\_\_  
John C. Kruesi, Jr.

**CERTIFICATE OF COMPLIANCE**

I hereby certify that this principal brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because the brief contains 4,587 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii) and Fed. Cir. R. 32(b).

August 2, 2010

Date



Mark J. Abate

*Attorney for Amicus Curiae NYIPLA*