January 7, 2013

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The Honorable Thomas B. Pender
Administrative Law Judge
U.S. International Trade Commission
500 E Street SW, Room 317
Washington, DC 20436

Re: *Certain Silicon Microphone Packages and Products Containing Same*
Inv. No. 337-TA-825

Dear Judge Pender:

I write on behalf of Respondents in connection with the above-referenced investigation, in response to Knowles' January 3, 2013, citation of "newly issued" authority, and to bring additional "newly issued" authority to your attention, as well.

First, it is not clear what relevance Knowles' cited *OSRAM* case has here. In *OSRAM*, the Federal Circuit found the expert's testimony relevant because it created a factual dispute regarding the prior art's disclosure, precluding a grant of *summary judgment* of anticipation. The case has nothing to do with the enablement issues on which Dr. Egolf testified. Indeed, Dr. Egolf here did not testify as to whether Halteren disclosed all of the elements of the '049 Patent to "one of ordinary skill in the [package] field," but instead testified as a *microphone* expert on the issue of whether the disclosure would "enable" a commercially viable microphone. Indeed, the one relevant citation in OSRAM is footnote 2, which notes "that which would literally infringe if later anticipates if earlier." Can there be any question that Halteren would infringe, if made -- whether or not it was made in commercial quantities?

In fact, there are three other recent Federal Circuit cases that *merit* being brought to your attention, because they are directly relevant to the issues before you. Respondents therefore respectfully direct the Administrative Law Judge to the following recent Federal Circuit cases (all attached hereto):

1. *The Fox Group, Inc. v. Cree, Inc.* 700 F.3d 1300 (Fed. Cir. Nov. 28, 2012), and in particular, the portion at 1306-07, again confirming that enablement of a prior art reference only requires enough disclosure to "enable one skilled in the art to *make* the invention," and share "the benefit of the knowledge of the invention with the public…." (emphasis added);

2. *Norgren Inc. v. International Trade Commission*, 699 F.3d 1317, 1322 (Fed. Cir. Nov. 14, 2012), again confirming "the combination of familiar elements according to known methods is likely obvious when it does no more than yield predictable results;" and

3. *Stored Valued Solutions, Inc., v. Card Activation Technologies, Inc.*, No. 2011-

invention does not appear in the specification…the claim…fails regardless whether one of skilled in the art could make or use the invention," and at p.*8, that Section 112 "demands that the written description 'show that the inventor actually invented the claimed invention,'" citing *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1348, 1351 (Fed. Cir. 2010) (en banc).

Yours truly,

/s/ Steven M. Bauer

Steven M. Bauer

Enclosures
cc: all counsel of record (by email)

700 F.3d 1300
(Cite as: 700 F.3d 1300)

H

United States Court of Appeals,
Federal Circuit.
The FOX GROUP, INC., Plaintiff–Appellant,
v.
CREE, INC., Defendant–Appellee.

No. 2011–1576.
Nov. 28, 2012.

Background: Patentee brought action alleging infringement of its patents relating to growth of low defect silicon carbide (SiC) through seeded sublimation. The United States District Court for the Eastern District of Virginia, Rebecca Beach Smith, J., 819 F.Supp.2d 524, granted defendant's motion for summary judgment of invalidity of patent claims, and patentee appealed.

Holdings: The Court of Appeals, Wallach, Circuit Judge, held that:
(1) alleged infringer established that it had reduced the invention to practice prior to patentee's critical date, and therefore was prior inventor;
(2) alleged infringer made showing that it had not suppressed or concealed its invention; and
(3) district court did not have jurisdiction over unasserted patent claims.

Affirmed in part, and vacated in part.

O'Malley, Circuit Judge, filed opinion concurring-in-part, dissenting-in-part.

West Headnotes

[1] Patents 291 ⚿90(1)

291 Patents
291III Persons Entitled to Patents
291k90 Original Inventors and Priority Between Inventors
291k90(1) k. In general. Most Cited Cases

If a patentee's invention has been made by another, prior inventor who has not abandoned, suppressed, or concealed the invention, patent is invalidated. 35 U.S.C.A. § 102(g).

[2] Patents 291 ⚿90(2)

291 Patents
291III Persons Entitled to Patents
291k90 Original Inventors and Priority Between Inventors
291k90(2) k. Necessity for diligence. Most Cited Cases

Patents 291 ⚿90(5)

291 Patents
291III Persons Entitled to Patents
291k90 Original Inventors and Priority Between Inventors
291k90(5) k. Reduction of invention to practice in general. Most Cited Cases

Patent challenger has two ways to prove that it was the prior inventor: (1) it reduced its invention to practice first or (2) it was the first party to conceive of the invention and then exercised reasonable diligence in reducing that invention to practice. 35 U.S.C.A. § 102(g).

[3] Patents 291 ⚿90(5)

291 Patents
291III Persons Entitled to Patents
291k90 Original Inventors and Priority Between Inventors
291k90(5) k. Reduction of invention to practice in general. Most Cited Cases

To invalidate patent, an alleged prior inventor needs to prove conception only if the alleged prior inventor had not successfully reduced the invention to practice before the critical date of the patent-at-issue; test for establishing reduction to practice requires that the prior inventor to have (1) constructed an embodiment or performed a process that met all the claim limitations and (2) determined that the

invention would work for its intended purpose. 35 U.S.C.A. § 102(g).

[4] Patents 291 ⚿91(4)

291 Patents
291III Persons Entitled to Patents
291k91 Evidence as to Originality and Priority
291k91(4) k. Weight and sufficiency in particular cases. Most Cited Cases

Alleged infringer established that it had reduced the invention to practice prior to patentee's critical date, and therefore was prior inventor of patented invention relating to growth of low defect silicon carbide (SiC) through seeded sublimation; alleged infringer appreciated prior to patentee's critical date that its newly grown SiC material met uniquely low defect density thresholds, that appreciation was based on objective evidence that corroborated its public comments concerning that quality, and there was no requirement for it to have done so repeatedly. 35 U.S.C.A. § 102(g).

[5] Patents 291 ⚿90(1)

291 Patents
291III Persons Entitled to Patents
291k90 Original Inventors and Priority Between Inventors
291k90(1) k. In general. Most Cited Cases

Alleged infringer, which established that it had reduced invention to practice prior to patentee's critical date, promptly and publicly disclosed its findings concerning the low defect properties of the patented silicon carbide (SiC) material through a presentation at international conference and a published paper on the subject; consequently, alleged infringer made showing that it had not suppressed or concealed its invention, and therefore that patent was subject to invalidation. 35 U.S.C.A. § 102(g).

[6] Patents 291 ⚿90(1)

291 Patents
291III Persons Entitled to Patents
291k90 Original Inventors and Priority Between Inventors
291k90(1) k. In general. Most Cited Cases

A party seeking to invalidate patent on ground that it was prior inventor is under no obligation to file a patent application; commercialization can be relied upon to prove public disclosure. 35 U.S.C.A. § 102(g).

[7] Patents 291 ⚿288(1)

291 Patents
291XII Infringement
291XII(B) Actions
291k288 Jurisdiction
291k288(1) k. In general. Most Cited Cases

In patent cases, the existence of a case or controversy must be evaluated on a claim-by-claim basis; jurisdiction must exist at all stages of review, not merely at the time the complaint was filed, a counterclaimant must show a continuing case or controversy with respect to withdrawn or otherwise unasserted claims.

[8] Patents 291 ⚿323.2(5)

291 Patents
291XII Infringement
291XII(B) Actions
291k323 Final Judgment or Decree
291k323.2 Summary Judgment
291k323.2(5) k. Hearing and determination. Most Cited Cases

District court did not have jurisdiction over unasserted patent claims at the time of parties' summary judgment motions; there was no case or controversy with respect to the unasserted claims where both parties were on notice that only certain claims were at issue, and they knew which claims were at issue before the district court ruled on the parties' summary judgment motions.

Patents 291 ⚿328(2)

291 Patents

291XIII Decisions on the Validity, Construction, and Infringement of Particular Patents
291k328 Patents Enumerated
291k328(2) k. Original utility. Most Cited Cases
6,562,130. Invalid.

***1301** Christopher B. Mead, London & Mead, of Washington, DC, argued for plaintiff-appellant. With him on the brief was Lance A. Robinson.

David C. Radulescu, Quinn Emanuel Urquhart & Sullivan LLP, of New York, New York, argued for defendant-appellee. With him on the brief were Raymond N. Nimrod and Robin M. Davis.

Before NEWMAN, O'MALLEY, and WALLACH, Circuit Judges.

Opinion for the court filed by Circuit Judge WALLACH.

Opinion concurring-in-part, dissenting-in-part filed by Circuit Judge O'MALLEY.

WALLACH, Circuit Judge.

The Fox Group, Inc. ("Fox") appeals from the decision of the United States District Court for the Eastern District of Virginia granting Cree, Inc.'s ("Cree") motion for summary judgment of invalidity of U.S. Patent No. 6,562,130 (filed May 4, 2001) ("the '130 patent"). *Fox Group, Inc. v. Cree, Inc.*, 819 F.Supp.2d 524, 537 (E.D.Va.2011). We find that the district court did not err in granting summary judgment in Cree's favor based upon the invalidity of claims 1 and 19 of the '130 patent under 35 U.S.C. § 102(g). However, because there was no case or controversy at the time of the judgment over the remaining claims of the '130 patent ("unasserted claims"), the district court erred in holding the unasserted claims of the '130 ***1302** patent invalid. Accordingly, we affirm-in-part and vacate-in-part.

BACKGROUND

Fox is the assignee of the '130 patent, entitled Low Defect Axially Grown Single Crystal Silicon Carbide, which claims a low defect silicon carbide ("SiC") crystal and relates to a method and apparatus of said crystal. '130 patent col. 3 ll. 15–27. The '130 patent claims priority from application No. PCT/RU97/00005, filed on January 22, 1997. *Id.* at col. 1 ll. 6–10. "SiC crystal is a semiconductor material grown via man-made methods and used in high-temperature and high-power electronics such as light sources, power diodes, and photodiodes. To be viable as a semiconductor, SiC material must contain a relatively low level of defects." *Fox Group*, 819 F.Supp.2d at 526–27.

Fox argues that Cree infringes claims 1 and 19 of the '130 patent. Claim 1 recites:

> A silicon carbide material comprising an axial region of re-crystallized single crystal silicon carbide with a density of dislocations of less than 10^4 per square centimeter, a density of micropipes of less than 10 per square centimeter, and a density of secondary phase inclusions of less than 10 per cubic centimeter.

'130 patent col. 8 ll. 6–11. Claim 19 is very similar, but requires a seed crystal and requires a region of axially recrystallized silicon carbide initiated at the growth surface of the seed crystal. *Id.* at col. 9 l. 37–col. 10 l. 6. Claim 19 states:

> A silicon carbide material, comprising:
>
> a single crystal silicon carbide seed crystal, said single crystal silicon carbide seed crystal having a growth surface; and
>
> a region of axially re-crystallized silicon carbide, said region of axially re-crystallized silicon carbide initiating at said growth surface of said single crystal silicon carbide seed crystal, said region of axially re-crystallized silicon carbide having a density of dislocations of less than 10^4 per square centimeter, a density of micropipes of less

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