

April 21, 2015

Via electronic mail

Hon. Tom Wheeler
Chairman
Federal Communications Commission
445 12 Street SW
Washington, DC 20545

Re: *Ex Parte* Communication: TeleCommunication Systems, Inc.—GN Docket No. 13-5, GN Docket No. 11-117, WC Docket No. 05-196, PS Docket No. 11-153, PS Docket No. 10-255

Chairman Wheeler:

In its ongoing discussion of the IP Transition,¹ the Federal Communications Commission ("Commission" or "FCC") has to date not addressed or sought comment on the question of whether patent issues, particularly the threat of patent infringement lawsuits, will impact the ability of providers to comply with the FCC's public safety related requirements in general and with E911/NG911 requirements in specific.

As long ago as 1961, in the *Revised Patent Procedures of the Federal Communications Commission*,² this agency recognized the danger that the prejudicial use of patents could pose to the provision of new communications services and expressed the expectation that "[w]henver it appears that the patent structure is or may be such as to indicate obstruction of the service to be provided under the technical standards promulgated by the Commission, this fact will be brought to the Commission's attention for early consideration and appropriate action." The time for "early consideration and appropriate action" is now.

While acknowledging the critical importance of 911 services provided by entities such as TeleCommunication Systems, Inc. ("TCS"), the Commission has overlooked the very real danger that the public may suffer disruption of current 911, E911, NG911 and other public safety related services, and face a clear potential for delay or loss of such services, due to the infringement lawsuits filed by patent assertion entities ("PAEs") against service providers and their vendors. These PAEs seek to enforce their claims by asserting that deployment of the capabilities (including technologies, systems, and methodologies) necessary to provide

¹ See generally *Technology Transitions, et al.*, GN Docket No. 13-5, et al., Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Notice of Proposed Rulemaking, Proposal for Ongoing Data Initiative, 29 FCC Rcd 1433 (2114) (*Technology Transitions Order*).

² *Public Notice – Revised Patent Procedures for the Federal Communications Commission* (December 1961) 3 FCC 2nd at 26-27

911 and E911 services (and very soon we expect NG911 services) in compliance with the FCC's orders, regulations, or standards is the proximate cause of alleged infringement.³

Moreover, the problem will worsen as the industry moves toward the implementation of NG911 because of the larger number of internet-based patents which PAEs will be able to draw upon in order to initiate targeted 911 patent enforcement actions. The Commission must address this threat.

In 2012, TCS filed a Petition requesting that the Commission provide interpretive guidance as to the application of 28 U.S.C. § 1498 with regard to its E911 and proposed NG911 regulations. In particular, TCS sought guidance (a) that based on § 9.7 and § 20.18 of the Rules and Commission precedent,⁴ the provision of 911/E911 and NG911 location-based services are in furtherance and fulfillment of a stated Government policy; (b) that the Commission is now aware that its stated policy may require application of a patent if a carrier, their vendor, a 911 Systems Service Provider (SSP), or a covered 911 service provider is to comply with FCC regulations; and (c) that 911/E911 and NG911 location-based services are used with the authorization or consent of the government.⁵ This guidance could apply equally to providers seeking to comply with other Commission mandated public safety requirements.

Commission guidance is important because § 1498 provides a defense to patent infringement liability for those who are alleged to have infringed upon patents in the course of performing a function by or for the benefit of the government, and companies operating in the E911 and NG911 space are attempting to fight back against infringement claims that are based largely, if not completely, on their mandatory compliance with 47 C.F.R. §§ 9.7 and 20.18.⁶

Commission guidance is both appropriate and necessary in this instance because the FCC has prescribed by regulation the 911 and E911 requirements upon which many of the infringement claims are based and has required that carriers, their vendors, SSPs, and covered 911 service providers adhere to them. Moreover, (a) the preservation of 911, E911, NG911 and other public safety related capabilities is an essential element of the IP Transition (b) 911 and E911 services are provided "for" and "benefit" the Government and are provided with the "authorization and consent" of the Government, and (c) recent case law supports the application of § 1498 in this case. Furthermore, guidance is in the public interest because it will better enable companies subject to the Commission's regulations to determine the risk associated with entering and/or remaining in the 911, E911, and NG911

³ See generally *Petition of TeleCommunication Systems, Inc. for Declaratory Ruling and/or Rulemaking*, GN Docket No. 11-117 etc. (July 24, 2012) (*Petition*).

⁴ See e.g. Report and Order and Second Further Notice of Proposed Rulemaking, In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, 18 FCC Rcd 25340, 25345-46 (2003) (E911 Scope Order); Report and Order and Further Notice of Proposed Rulemaking, In the Matter of Revision of the Commission's Rules to Ensure Compatibility With Enhanced 911 Emergency Calling Systems, 11 FCC Rcd 18676 (1996) (*E911 First Report and Order*).

⁵ *Petition* at 18-19.

⁶ In cases filed between 2007 and 2012 where E911 was implicated (of which many of the 13 cases were multi-defendant litigations) ("E911 cases"), the affirmative defense of 28 U.S.C. § 1498 was asserted 36 times in answers and amended answers.

markets, and perhaps more importantly, it will remove the threat of injunctions which could force these entities to stop providing the capabilities necessary for the continuing provision of 911 emergency services.

I. THE PRESERVATION OF 911/E911, NEXT GENERATION AND OTHER PUBLIC SAFETY RELATED CAPABILITIES IS AN ESSENTIAL ELEMENT OF THE IP TRANSITION

911 and other public safety related services are a vital part of the nation's emergency response and disaster preparedness system. Moreover, as the Commission noted in its recent *911 Governance Policy Statement and Notice of Proposed Rulemaking*:

One of the fundamental purposes for which Congress created the Federal Communications Commission is to "promot[e] safety of life and property through the use of wire and radio communications." Nowhere does the Commission give higher expression to this overarching obligation than in its efforts to ensure that the American people have access to reliable and resilient 911 communications service. Since it was first introduced in 1968, 911 service has spread across the nation and become synonymous with emergency assistance. These three digits – 911 – are now among the first phone numbers that parents teach to their children, and dialing 911 may be the most important call that we ever make. Accordingly, the American public has developed certain expectations with respect to the availability of 911 and E911 emergency services, and Commission action is both appropriate and necessary where reliance on voluntary efforts alone proves inadequate to ensure reliable and resilient 911 service. [footnotes omitted]⁷

The importance of 911/E911/NG911 services to the ultimate safety of the public will increase as this country goes through the historic IP transition and new capabilities are offered as NG911 is deployed. It was because of this new reality that the Commission in the *Technology Transitions Order* reiterated that "[r]eliable 911 services are essential to ensure that consumers receive effective and timely public safety response in emergencies."⁸ The Commission went on to specifically require as a condition of the IP experiments (1) that no service-based IP Transition experiment could in any "way diminish consumer access to 911/E911 emergency services," (2) that any experiment ensure "that PSAPs continue to receive all consumer, phone identifying, and automatically-provided street address location information" consistent with the Commission's regulations, and (3) that PSAPs "be provided with at least the same level of network access, resiliency, redundancy, and security that they enjoy under agreements and tariffs currently framing the legacy emergency network."⁹

Unfortunately, while acknowledging the critical importance of 911 services, the Commission overlooked the real danger that the public may suffer disruption of current 911 and E911 services, and face the real potential for delay or loss of NG911 services, due to the

⁷ *911 Governance and Accountability, Improving 911 Reliability*, Policy Statement and Notice of Proposed Rulemaking, PS Docket Nos. 14-193 and 13-75, FCC 14-186, ¶ 1 (released November 21, 2014) (*Governance Policy Statement*).

⁸ *Technology Transitions Order* at ¶ 39

⁹ *Id.*

repeated infringement lawsuits filed mostly by PAEs. These PAEs seek to enforce their claims by asserting that deployment of the capabilities (including technologies, systems, and methodologies) necessary to provide 911 and E911 services (and very soon NG911 services) in compliance with FCC orders, regulations, or standards is the proximate cause of the alleged infringement.¹⁰

Moreover, the problem will worsen as the FCC moves toward the implementation of NG911. The transition to NG911 will require replacing the legacy circuit-switched technology with Internet Protocol technologies and applications which will support many more modes of communication and offer more benefits to both the public and emergency responders. As the Commission recognized in its NG911 Services Report to Congress, the transition to NG911 will require, *inter alia*, "standards that support seamless communication among Public Safety Answering Points ("PSAPs") and between PSAPs and emergency responders."¹¹ These new standards and the added complexities of NG911 will significantly increase the likelihood of lawsuits directed at providers offering NG911 capabilities given that the number of internet-related patents far exceeds the number of patents related to existing E911 technologies.¹² Furthermore, contrary to the Commission's contention in its Report to Congress, the agency cannot rely on industry standards setting bodies to control the situation¹³ because the PAEs do not participate in such groups and, as a result, are not bound by the almost-uniform requirement of the standards bodies that IPR be made available on a Fair Reasonable and Non-Discriminatory basis ("FRAND"). If these PAEs turn their attention to the public safety infrastructure in the same way as they have been focusing on lawsuits against entities mandated to provide 911 service, then public safety vendors may be faced with the crippling costs of litigation and settlements. Not only may E911/NG911 services be impacted, but innovation will also be discouraged and deployment of new NG911 capabilities impaired.

The danger caused by the filing of myriad patent infringement lawsuits against entities simply complying with Commission regulations is not limited to those providing 911/E911 and NG 911 capabilities but will also affect those seeking to comply with any FCC public safety requirement which requires a technical application. These entities, because they are complying with FCC public safety requirements, will either have to discontinue service or face accusations of willful infringement – a difficult choice that either exposes the entity to crippling damage calculations or leaves the public without access to public safety services. The Commission cannot let these lawsuits become a barrier to NG911 deployment in particular and to IP innovation in public safety in general.

¹⁰ See *TCS Comments* at ii (March 25, 2013).

¹¹ Federal Communications Commission, *Legal and Regulatory Framework for Next Generation 911 Services: Report to Congress and Recommendations* at 4 (February 22, 2013) ("Report").

¹² Based upon an electronic patent search of keywords in the USPTO database, from between 1976 and 8/14/2014, the following numbers of patents were discovered: GPS (5,721), GPS + Location (1,942), Location Based Services (202), Public + Safety (341) and Internet (18,489).

¹³ *Id.* at 48.

II. 911 AND E911 SERVICES ARE PROVIDED "FOR" AND BENEFIT THE GOVERNMENT

TCS has requested the FCC to provide interpretive guidance as to the application of 28 U.S.C. § 1498 with regard to the Commission's E911 and proposed NG911 regulations. In particular, TCS seeks guidance (a) that based on 47 C.F.R. §§ 9.7 and 20.18 of the Rules and Commission precedent,¹⁴ the provision of 911/E911 and NG911 location-based services are in furtherance and fulfillment of a stated Government policy; (b) that the Commission is now aware that its stated policy may require application of a patent if a 911/E911 services provider is to comply with FCC regulations; and (c) that 911/E911 and NG911 location-based services are used with the authorization or consent of the Government.¹⁵ This issue has arisen and Commission guidance is required because § 1498 provides a defense to patent infringement liability for those who are alleged to infringe patents in the course of performing a function for the government, and companies operating in the E911 and NG911 space are attempting to fight back against infringement claims that are based largely, if not completely, on compliance with 47 C.F.R. §§ 9.7 and 20.18.¹⁶

28 U.S.C. § 1498 provides in relevant part:

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture. . . .

For the purposes of this section, the use or manufacture of an invention described in and covered by a patent of the United States by a contractor, a subcontractor, or any person, firm, or corporation for the Government and *with the authorization or consent* of the Government, shall be construed as use or manufacture for the United States.¹⁷

This protection clearly exists with a Federal contractor, where a contract with the Government explicitly establishes activity that is "for the United States". But even for a non-government entity, the statute states that the accused activity is "for the United States" if it is conducted "for the Government" and "with the authorization or consent of the Government."¹⁸

¹⁴ See e.g. *E911 Scope Order*, *E911 First Report and Order*.

¹⁵ *Petition* at 18-19.

¹⁶ In cases filed between 2007 and 2012 where E911 was implicated (of which many of the 13 cases were multi-defendant litigations) ("E911 cases"), the affirmative defense of 28 U.S.C. § 1498 was asserted 36 times in answers and amended answers.

¹⁷ 28 U.S.C. § 1498(a) (emphasis added).

¹⁸ § 1498(a) ¶ 2; see also *Sevenson Env'tl. Servs., Inc. v. Shaw Env'tl., Inc.*, 477 F.3d 1361, 1365 (Fed. Cir. 2007).

Given the fact that the FCC has mandated the use of certain technologies in the provision of E911 services which form the gravamen of the patent infringement lawsuits, there can be no question but that the use of these technologies is authorized by the government because a company "cannot comply with its legal obligation without engaging in the allegedly infringing activities."¹⁹ Likewise, since the government is now aware of the numerous lawsuits, it can also be deemed to have knowledge of the fact that its stated regulations may require the application of a patent. The same is true of other technologies mentioned in the Commission's Fourth Report and Order on Indoor Location Accuracy such as barometric pressure, dispatchable location, vertical accuracy which add to the location-based routing, x/y location specification, 50m accuracy and a number of other requirements in the prior location accuracy orders.²⁰

Therefore, the remaining question before the FCC is whether the E911 services which have spurred the numerous PAE lawsuits are provided "for" and "benefit" the government. The historical record based on the FCC's own documents is clear that the answer to these questions is yes.

The FCC has always played a unique role in ensuring the proper deployment of 911 services and in promoting and then mandating their expansion as technology has evolved over the years from 911 to E911 and now to NG 911. From the very beginning, the 911 system was developed by the Bell System "for" the FCC at the request of Congress and the Johnson Administration "as a means of furnishing the public a quick and easy way of calling for emergency assistance."²¹ According to FCC Defense Commissioner Lee Loevinger's contemporaneous Memorandum "[t]he 911 emergency calling system . . . has been offered by the Bell System to all communities served by the Bell System at the request of the FCC and the United States Government."²² (emphasis supplied) The purpose of the 911 system was to shift the burden from "panic-stricken, helpless citizens" and ensure that "the various agencies established to serve the public will assume the burden of cooperating among themselves to resolve such problems and to provide assistance to the public in emergencies as quickly and efficiently as possible."²³ The establishment of a universal 911 number was seen as a means of replacing police and fire callboxes and a variety of confusing emergency telephone numbers—all of which were operated by governmental entities.²⁴ This was seen to be a

¹⁹ *IRIS Corporation v. Japan Airlines Corporation*, 769 F.3d 1359, 112 U.S.P.Q.2D (BNA) 1689, 1690 (Fed. Cir. 2014) (JAL).

²⁰ See e.g. *Fourth Report and Order, In the Matter of Wireless E911 Location Accuracy Requirements*, PS Docket No. 07-114, ¶ 6 (released February 3, 2015).

²¹ FCC Defense Commissioner Lee Loevinger's Memorandum dated February 27, 1968 and accompanying letter dated March 7, 1968 from Commissioner Loevinger to Joseph A. Califano, Jr. Special Assistant to the President at 7. ("FCC Defense Commissioner's Memorandum"). http://www.911dispatch.com/911/history/loevinger_letter1.html (last visited February 10, 2015).

²² *Id.* at 9

²³ *Id.*

²⁴ See Task Force Report: Science and Technology, A Report to the President's Commission on Law Enforcement and Administration of Justice (June 3, 1967)

benefit not only to the public but also to all levels of government in that it would enhance public safety, permit quicker and more efficient responses, and promote the conservation of governmental resources by enlisting private parties to perform quasigovernmental functions which had previously been performed by governments.²⁵

The FCC's efforts began in October 1967 after the President's Commission on Civil Disorders communicated with the Chairman of the FCC regarding the need for a universal number and the matter was referred to the FCC Defense Commissioner. As noted in the Defense Commissioner's Memorandum:

As a result of these conversations the Defense Commissioner got in touch with the top officials of AT&T. About the first of November the Defense Commissioner conferred with the President of AT&T on this matter. During the months of November and December 1967, the Defense Commissioner had a number of communications and conferences with top officials of AT&T, including the Chairman of the Board, the President, and Vice presidents involved in this aspect of the company's operations. The Defense Commissioner, as a representative of the FCC, strongly urged AT&T to make every effort to find a means of establishing a universal emergency number that could be put into effect as quickly as possible and then take steps to see that this was done. The discussions encompassed virtually all of the problems and objections, and numerous proposed methods of accomplishing the objective were considered. The top officials of AT&T assured the Defense Commissioner that they would make every effort to devise a practical system and implement it as promptly as possible, and that they would keep the FCC informed.²⁶

Subsequently, "[o]n January 11, 1968, a Vice President of AT&T came to the Defense Commissioner and reported that the company had worked out and was ready to offer a universal emergency calling system . . . The Defense Commissioner and the Chairman of the FCC discussed this matter thoroughly with telephone company representatives and advised other government officials. A public announcement was made on January 12th and was widely reported in the press."²⁷

Given the fact that 911 service was developed "at the request of the FCC and the United States Government" there can be no question but that it was and currently is done

http://www.911dispatch.com/911/history/task_force_rpt.html (last visited February 11, 2015) (*President's Law Enforcement Task Force*).

²⁵ See e.g. *Health of the US 9-1-1 System*, ColoComm Group, LLC, 16 (2007).

²⁶ FCC Defense Commissioner's Memorandum at 3. See also Comments Of The Federal Communications Commission On H. Con. Res. 361, 90th Congress, 1st Session, A House Concurrent Resolution That Would Express The Sense Of Congress That The United States Should Have One Uniform Nationwide Fire Reporting Telephone Number And One Uniform Nationwide Police Reporting Telephone Number. ("The officials of AT&T have assured the Commission that they will pursue this matter and will work with the Commission toward the objective of further improving the nationwide telephone system in this respect.") http://www.911dispatch.com/911/history/fcc_res_comments.html (last visited February 11, 2015).

²⁷ *Id.* at 3-4.

"for" the Federal government. Likewise, 911 and E911 service benefits the Federal government as well as state governments by facilitating emergency responses and enhancing public safety. The establishment of a universal 911 number was driven by the Federal government during a period of intense national unrest and was clearly motivated by the perceived needs of law enforcement, which, given the involvement of the White House and Congress, were deemed to be of benefit to the national government.²⁸

The fact that 911 and E911 services were for, and benefited, the United States government, became even clearer starting in 1996 when, in recognition of the fact that 911 capabilities which originally had been only of local concern were now of national importance, the FCC began to assert jurisdiction over E911 in order to impose nationwide uniformity.²⁹ Moreover, the FCC's role became even more critical as new technologies, such as wireless which allowed interstate mobility and Voice over IP (VoIP) which could be provided as an over-the-top internet service that crossed state lines, caused the industry to fragment into various silos such as wireline, wireless and VoIP at the same time as technology continued to evolve.

Consequently, in recognition of the FCC's fundamental mission to promote the safety of life and property and in acknowledgement of the need under the circumstances for the FCC to assert national leadership, Congress affirmed and expanded the FCC's jurisdiction over 911 and E911 services through the passage of various statutes to the point that in its recent *911 Governance Policy Statement* the FCC stated that "we believe these provisions authorize—and indeed require—the Commission to take a leadership role, in cooperative partnership with states and localities, in promoting the continued availability and reliability of 911 services nationwide."³⁰ Quoting the *911 Reliability Order*, the Commission went on to state "[i]n light of these express statutory responsibilities, regulation of additional capabilities related to reliable 911 service, both today and in an NG911 environment, would be well within Commission's . . . statutory authority."³¹ Such regulation cannot be accomplished on a local level.

The 911 and E911 capabilities at issue in many of the current patent infringement lawsuits clearly fall within the definition of "mobile switching center capabilities" and "the network elements features, processes, agreements necessary to enable use of these elements" over which the Commission has asserted jurisdiction under 47 C.F.R. § 9.7.³² Consequently, the Commission action requested by TCS is both appropriate and necessary because reliance on voluntary efforts alone has proven inadequate to ensure reliable and resilient 911 service.³³

²⁸ See e.g. *President's Law Enforcement Task Force* ("It should be possible to use a single telephone number to reach the appropriate police department (or some other emergency center) directly.")

²⁹ See e.g. Hatfield Report at 16.

³⁰ *Governance Policy Statement* at ¶76

³¹ *Id.* at ¶ 77.

³² See TCS Comments in Docket 99-200 at 13 (March 25, 2013).

³³ *Governance Policy Statement* at 1.

III. THE RECENT DECISION IN THE JAL CASE IS DIRECTLY APPLICABLE

The recent decision of the United States Court of Appeals for the Federal Circuit in the case of *IRIS Corporation v. Japan Airlines Corp. et.al.*³⁴ supports the applicability of 28 U.S.C. §1498 as the exclusive remedy for patent infringement when a patented invention is used by or for the United States, and with the United States' authorization and consent. In *JAL* the plaintiff IRIS Corporation ("IRIS") had claimed that Japan Airlines ("JAL") committed patent infringement by examining the electronic passports of its passengers within the United States using "methods" for which IRIS Corp. claimed that it had a patent.

More specifically, IRIS owned U.S. Patent No. 6,111,506 (the '506 patent), which disclosed methods for making a secure identification document that contains an embedded computer chip holding biographical or biometric information. JAL was required by Federal law, including the Enhanced Border Security Act, 8 U.S.C. §1221 *et seq.*, the Visa Entry Reform Act of 2002, 19 C.F.R. §122.75a(d), and certain international treaties, to examine passports. Air carriers were not told to use specific technology to meet this requirement, instead they were made responsible for executing certain processes that would achieve an end result, to include: comparing the travel document presented by a passenger with the travel document information that the carrier was transmitting to ensure that the information was correct, that the document appeared to be valid for travel purposes, and that the passenger was the person to whom the travel document was issued. IRIS sued JAL for patent infringement alleging that JAL infringed the '506 patent by using electronic passports to process and board passengers. JAL moved to dismiss the complaint arguing that IRIS' exclusive remedy was against the United States under 28 U.S.C. § 1498. The U.S. Government filed an Amicus Curiae in support of JAL, arguing that the case should be directed the Federal Court of Claims under 28 U.S.C. §1498.³⁵

The Court held that JAL was immunized from liability because JAL's examination of passports benefits the government and was taken with the express authorization or consent of the government.³⁶ The Court found that the government directly benefited from JAL's use of the patented process because the process enhanced border security and improved the government's ability to examine the flow of people into and out of the country by (1) improving the detection of fraudulent passports, and (2) reducing the demand on government resources. Further, it held that when a private party performs a quasi-governmental function, it was unquestionable that the action is taken for the benefit of the government. In JAL's situation, it was clear that the air carrier was performing a governmental function by inspecting the passports. Finally, the court reasoned that by instituting legal obligations that mandate the inspection of passenger passports using a patented process, the government provided express authorization or consent for JAL to engage in the allegedly infringing activity.³⁷

³⁴ See *supra*. note 19

³⁵ See United States Amicus Brief, Attachment 1 ("DOJ Brief").

³⁶ See *JAL* at 1690-91.

³⁷ *Id.*

In the DOJ Brief the Government argued that 28 U.S.C. §1498 was applicable in the JAL case because the patent infringement case was brought against an entity fulfilling a responsibility by or for the United States Government.³⁸ In its brief the Government made the following statements:

- "Congress enacted the statutory provision now codified, as amended, at 28 U.S.C. §1498 (a), to resolve the conflicts between the public needs and requirements of the United States and the private rights of patent holders."³⁹
- "In 1910, Congress enacted legislation permitting patent owners to recovery compensation from the United States for unauthorized use of a patented invention by the federal government."⁴⁰
- "In 1918, Congress amended the 1910 Act to address a Supreme Court holding that the Act did not cover acts of alleged infringement by a private party performing a government contract. The Court's decision threatened to disrupt the federal government's operations by exposing contractors acting for the United States to "injunction and other interference through litigation by the patentee." ⁴¹
- "To avoid that result, Congress amended the 1910 Act the 1910 Act to provide an exclusive remedy against the United States whenever a patented invention is "used or manufactured by or for the United States" without license or lawful right to use."⁴²
- "Congress subsequently added a further amendment in 1942, to clarify that the 1910 Act covered acts of alleged infringement "by a contractor, or subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government."⁴³
- "As the district court correctly recognized, JAL's examination of passenger passports in these circumstances qualifies as action "for the Government and with the authorization or consent of the Government" for purposes of Section 1498(a). This Court has interpreted the term "for the Government" in Section 1498(a) to mean "for the benefit of the government".⁴⁴
- "JAL must examine passenger passports to comply with federal requirements, which in turn serve, at a minimum, the border security interests of the United States. Federal regulations specifically require an airline to "compare the travel document

³⁸ Presumably, in the appropriate circumstance the FCC would be called upon to either take similar action or to respond to a question from a court.

³⁹ DOJ Brief at 7.

⁴⁰ *Id.*

⁴¹ *Id.* at 8.

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.* at 12.

presented by the passenger with the travel document information it is transmitting. While there may be some ability for the airlines to determine the best way to make the needed comparison, it may not decline to compare the passport."⁴⁵

- o ** In the same way that JAL must examine passenger passports to comply with federal requirements, wireless and VoIP carriers must provide 911 services, following very specific guidelines of location-based routing and location accuracy guidelines, to comply with federal requirements. Both JAL and the carriers perform these services "for the benefit of the government" – JAL supporting the DOJ's border security mission, and the carriers supporting the FCC's mission to "promot[e] safety of life and property through the use of wire and radio communications" which is the foundational intent of the 911 service.
- This is, therefore, a fundamentally different case from situations where the United States imposes a general requirement but leaves the choice of design for a required item to the discretion of the regulated party."⁴⁶
 - o ** In the same way, 911 regulations are fundamentally different because the 911 regulations, as codified in 47 C.F.R. §§ 9.7 and 20.18, impose certain methods and accuracy requirements that must be followed in order for carriers to be within regulatory compliance.
- "Congress enacted Section 1498(a) to resolve potential conflicts between the public needs and requirements of the United States, and the private patent rights of the individuals. Section 1498(a) makes it possible for JAL to carry out its obligations under federal law regarding the inspection of passports without subjecting itself to liability under Section 271(g), while permitting IRIS to seek relief against the United States for JAL's conduct."⁴⁷

To address what "for the Government" constitutes, and to address the concern about whether the Government must require the violation of a specific patent in order for 28 U.S.C. §1498 to apply, the Amicus brief references *TVI Energy Corp*, 806 F.2d 1057, 1060 (Fed. Cir. 1986).⁴⁸ With regard to *TVI*, DOJ argued that "[i]n considering whether the allegedly infringing conduct of a non-governmental entity was "for the government," the Federal Circuit has found sufficient governmental benefit where the conduct served "the national interest in averting fraud in Treasury checks," *ibid.*, and where the "only purpose" of the conduct "was to comply with the Government's bidding requirements."⁴⁹ "Authorization and consent by the Government can be expressed" in a variety of forms, and in certain circumstances, "[g]overnment authorization can be implied" and a specific contract is not necessary. "The mere fact that the Government specifications did not absolutely require [the

⁴⁵ *Id.* at 13.

⁴⁶ *Id.*

⁴⁷ *Id.* at 14

⁴⁸ *Id.* at 13.

⁴⁹ *Id.*

supplier] to infringe TVI's patent does not extinguish the Government's consent." "To limit the scope of 1498 only to instances where the Government requires by specification that a supplier infringe another's patent would defeat the Congressional intent to allow the Government to procure whatever it wished regardless of possible infringement."⁵⁰

The situation before the Government and the court in *JAL* parallels that faced by E911 service providers such as TCS when attempting to comply with the FCC's ALI rules. Although the FCC's rules do not specifically require "infringement" and the FCC says that it is not specifying "technology", the reality is that it is impossible to comply with the FCC regulations without performing certain functions that can be incorporated into patent claims associated with relevant technologies. Further, the IP Transition will expand the technologies involved into internet-related areas that have an even larger pool of awarded patents, exposing the 911, E911 and NG911 suppliers to even greater liabilities. Just as *JAL* could not decline to compare the passport, the delivery of 911, E911 or NG911 requires that 911, E911 and NG911 suppliers engage in processes with compliance goals that must be achieved (benchmarks and detailed location accuracy requirements, instructions regarding the routing of a call, carrier certification regarding PSAP readiness issues, handset requirements, etc.); and 911, E911 and NG911 suppliers have no choice but to comply with the FCC's mandate. Thus, when faced with litigation which alleges that a 911, E911 or NG911 supplier is infringing a patent, the 911, E911 or NG911 supplier cannot simply stop the allegedly infringing activity, for to do so would cause it to be out of regulatory compliance with the FCC 911 mandates. This is the precise situation for which 28 U.S.C. 1498 was codified; and under these circumstances, Section 1498 should apply.

CONCLUSION

In conclusion, TCS urges the Commission to (1) consider the question of what effect patent issues, particularly the threat of patent infringement lawsuits, will have on the ability of 911, E911 and NG911 suppliers to comply with the FCC's public safety related requirements in general and with 911/E911/NG911 requirements in specific and (2) grant TCS' request for interpretive guidance. Moreover, the FCC's authority is not limited to 911, E911 and NG911 services. For reasons similar to that stated above, the FCC has the authority to provide guidance not only on issues related to 911, E911 and NG911, but can also offer guidance more broadly on issues concerning public safety related requirements. Indeed, the 911 regulations were created to support the FCC's broader mission to "promot[e] safety of life and property through the use of wire and radio communications"; and thus IP Transitions address the broader implications associated with public safety as a whole.

⁵⁰ *Id.*

Hon. Tom Wheeler
April 20, 2015
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Sincerely,

Stinson Leonard Street LLP

A handwritten signature in blue ink, appearing to read "H. Russell Frisby, Jr.", with a long, sweeping horizontal stroke extending to the right.

HF:SLS

cc: Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
commissioner Michael O'Rielly
Adm. David G. Simpson

ATTACHMENT 1

No. 2010-1051

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

IRIS CORPORATION,

Plaintiff-Appellant,

v.

JAPAN AIRLINES INTERNATIONAL CO. LTD,

Defendant-Appellee.

AND

JAPAN AIRLINES CORPORATION,

Defendant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK
No. 06-cv-06336 (HON. CAROL BAGLEY AMON)

BRIEF FOR THE UNITED STATES AS *AMICUS CURIAE*

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STATEMENT OF INTEREST

The United States submits this brief as *amicus curiae*, pursuant to 28 U.S.C. § 517 and Rule 29 of the Federal Rules of Appellate Procedure. To promote the border security of the United States, the federal government requires airlines to examine the passports of persons arriving into and departing from the United States. The United States has an interest in ensuring that airlines can carry out this important function without the disruptions that would occur if inspecting passports exposed airlines to the liability and remedies available under Title 35 of the United States Code. The United States also has an interest in ensuring the proper application of 28 U.S.C. § 1498(a), which protects important federal interests by providing the exclusive remedy for patent infringement when a patented invention is used for the United States and with the United States' authorization or consent.

QUESTIONS PRESENTED

1. Whether 28 U.S.C. § 1498(a) immunizes an airline sued for patent infringement under 35 U.S.C. § 271(g) for complying with federal requirements to inspect passports of passengers arriving in and departing from the United States.
2. Whether 35 U.S.C. § 271(g) is implicitly superseded by Section 402(a) of the Enhanced Border Security Act, Pub. L. No. 107-173, to the extent that § 271(g) would otherwise apply to the inspection of passenger passports.

STATEMENT OF THE CASE

IRIS Corporation is the assignee of a United States patent covering a method for manufacturing electronic passports. *See* A3.¹ IRIS brought this suit against Japan Airlines (“JAL”) under 35 U.S.C. § 271(g), alleging that JAL’s examination of electronic passports when processing and/or boarding passengers at United States airports constitutes infringement. A3-A4. Section 271(g) provides in relevant part that “[w]hoever without authority * * * uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer * * *.”

JAL moved to dismiss the suit on multiple grounds, including that IRIS’s claim was barred by 28 U.S.C. § 1498(a). That provision states in relevant part that whenever a patented invention is “used * * * for the United States without * * * lawful right to use[,] * * * the owner’s remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable *and entire* compensation for such use * * *.” *Ibid.* (emphasis added). It further provides that “the use * * * of an invention described in and covered by a patent of the United States by* * *any person, firm, or corporation *for the Government and with the authorization or consent of the Government*, shall be construed as use * * * for the United States. *Ibid.* (emphasis added).

¹ The prefix “A” denotes a citation to the addendum to appellant’s opening brief.

As relevant here, JAL also asserted that any cause of action IRIS had under Section 271(g) for JAL's examination of passports conflicted with the Enhanced Border Security Act, Pub. L. No. 107-173, sec. 402(a) (codified at 8 U.S.C. § 1221, *et seq.*). The Enhanced Border Security Act requires airlines to provide United States border officials with information about persons arriving into and departing from the United States, including information about the travel documents of such persons. 8 U.S.C. § 1221(a)-(d). The Act's implementing regulations make each airline "responsible for comparing the travel document presented by the passenger with the travel document information [the airline] is transmitting* * *to ensure that the information is correct, the document appears to be valid for travel purposes, and the passenger is the person to whom the travel document was issued." 19 C.F.R. § 122.75a(d).

The United States filed a statement of interest at the district court's invitation. The United States argued that Section 1498(a) immunized JAL against IRIS's Section 271(g) infringement claim, and thus no conflict existed between Section 271(g) and federal requirements that JAL inspect passenger passports. The United States also argued that, even if Section 1498(a) did not immunize JAL, Section 271(g) could not be said to conflict with JAL's federal obligations to inspect passports until and unless IRIS's patent was found valid and enforceable, and JAL was found to have infringed the patent.

The district court granted JAL's motion to dismiss. *See* A1-A49. Although the district court recognized that JAL's passport inspections were conducted "for" the United States and "with the authorization or consent" of the United States, the court concluded that Section 1498(a) did not cover acts constituting infringement under Section 271(g), and hence that JAL could not assert immunity under Section 1498(a) as a defense to IRIS's infringement claim. A12. However, the court held that JAL's federal obligation to inspect passenger passports conflicted with, and trumped, any patent protections conferred on IRIS by Section 271(g). A7-A10.

IRIS appealed. Shortly thereafter, JAL filed for reorganization under Chapter 11 of the Bankruptcy Code, and this appeal was automatically stayed from December 2009 through December 2013, when JAL was released from bankruptcy.

SUMMARY OF ARGUMENT

1. IRIS may not sue Japan Airlines under 35 U.S.C. § 271(g) for complying with federal requirements to inspect passenger passports. Congress has provided that 28 U.S.C. § 1498(a) is the exclusive remedy for patent infringement whenever a patented invention is used for the government within the meaning of that statute, and IRIS's allegations meet the conditions for Section 1498(a)'s applicability.

The district court's ruling that JAL could not assert immunity under Section 1498(a) rested on then-extant Federal Circuit precedent stating that Section 1498(a) authorizes suits against the United States only for acts constituting infringement under

35 U.S.C. § 271(a). *See Zoltek Corp. v. United States*, 442 F.3d 1345 (Fed. Cir. 2006) (per curiam). While this appeal was pending, the Federal Circuit issued an *en banc* decision in *Zoltek* holding that Section 1498(a) encompasses acts constituting infringement under Section 271(g). *See* 672 F.3d 1309 (Fed. Cir. 2012) (en banc). There is thus no question that Section 1498(a), as construed by this Court, covers the infringement alleged here.

There is also no serious question that JAL's allegedly infringing conduct qualifies as action for the United States within the meaning of Section 1498(a). Federal regulations promoting the government's border security interests require airlines to examine the passports of persons departing from and arriving into the United States. *See* 19 C.F.R. § 122.75a(d). As the district court recognized, JAL's passport inspections benefit the United States, and are conducted with the federal government's authorization and consent.

2. Because 28 U.S.C. § 1498(a) immunizes JAL against infringement liability while permitting IRIS to seek relief against the United States for JAL's conduct, this suit does not present any clash between JAL's federal obligations and IRIS's patent rights. The district court therefore erred in perceiving a conflict between Section 271(g) and the Enhanced Border Security Act, and in concluding that a judicial exception to Section 271(g) was warranted to resolve that conflict.

The district court's conflict-of-laws analysis was also misconceived for at least several additional reasons. First, the court's reasoning is incompatible with Congress's provision that 28 U.S.C. § 1498(a) is the exclusive remedy for reconciling conflicts between the United States' need to use a patented invention and the private patent rights of individuals. Second, the court's analysis rests on the erroneous assumption that the Enhanced Border Security Act's text sets forth specifications that clash with the patent rights extended by Section 271(g). Finally, the district court was misplaced in its reliance on *SmithKline Beecham Consumer Healthcare v. Watson Pharmaceuticals*, 211 F.3d 21 (2d Cir. 2000). The district court overlooked a number of factors distinguishing this case from the circumstances in *SmithKline*, chief among which is that construing the Enhanced Border Security Act to supersede Section 271(g) does not "preserve[] the principal purposes of each [statute]," 211 F.3d at 28, but instead burdens the policies of federal patent law in ways that were not present in *SmithKline*.

ARGUMENT

I. 28 U.S.C. § 1498(a) IMMUNIZES JAPAN AIRLINES FROM INFRINGEMENT LIABILITY FOR COMPLYING WITH FEDERAL REQUIREMENTS TO INSPECT PASSENGER PASSPORTS.

IRIS has sued JAL for patent infringement under 35 U.S.C. § 271(g) for carrying out passport inspections required by the federal government. The district court correctly held that IRIS's suit cannot proceed. However, the court rested that

holding on the wrong ground. The reason why IRIS may not sue JAL is that IRIS's infringement claim comes within the scope of 28 U.S.C. § 1498(a), which provides the exclusive remedy for patent infringement when a patented invention is used for the government within the meaning of Section 1498(a). The district court assumed that Section 1498(a) does not extend to claims of infringement under 35 U.S.C. § 271(g), but this Court's *en banc* decision in *Zoltek Corp. v. United States*, 672 F.3d 1309 (Fed. Cir. 2012), which was issued during the pendency of this appeal, repudiates that view.

A. Section 1498(a) Provides the Exclusive Remedy When a Patented Invention Is Used for the Government and with the Government's Authorization or Consent.

Congress enacted the statutory provision now codified, as amended, at 28 U.S.C. § 1498(a), to resolve conflicts between the public needs and requirements of the United States and the private rights of patent holders. In 1910, Congress enacted legislation permitting patent owners to recover compensation from the United States for unauthorized use of a patented invention by the federal government. Act of June 25, 1910, Pub. L. No. 61-305, 36 Stat. 851. In its original form, the 1910 Act provided that "whenever a[] [patented] invention * * * shall hereafter be used by the United States without license * * * or lawful right to use the same, [the] owner may recover reasonable compensation for such use by suit in the Court of Claims." *Ibid.*

In 1918, Congress amended the 1910 Act to address a Supreme Court holding that the Act did not cover acts of alleged infringement by a private party performing a government contract. The Court's decision threatened to disrupt the federal government's operations by exposing contractors acting for the United States to "injunction and other interference through litigation by the patentee." *Richmond Screw Anchor Co. v. United States*, 275 U.S. 331, 342 (1928) (quotation marks from original omitted). To avoid that result, Congress amended the 1910 Act to provide an exclusive remedy against the United States whenever a patented invention is "used or manufactured by *or for* the United States" without license or lawful right to use. Act of July 1, 1918, Pub. L. No. 65-182, 40 Stat. 704, 705 (emphasis added). Congress subsequently added a further amendment in 1942, to clarify that the 1910 Act covered acts of alleged infringement "by a contractor, a subcontractor, or any person, firm, or corporation for the Government and with the authorization or consent of the Government." Act of October 31, 1942, Pub. L. No. 77-768, 56 Stat. 1013, 1014.

The 1910 Act is now codified, as amended, at 28 U.S.C. § 1498(a). As relevant here, Section 1498(a) provides that whenever a patented invention is "used * * * for the United States without * * * lawful right to use[,] * * * the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable *and entire* compensation for such use * * *." *Ibid.* (emphasis added). It further provides that "the use * * * of an invention described in

and covered by a patent of the United States by* * *any person, firm, or corporation *for the Government and with the authorization or consent of the Government*, shall be construed as use * * * for the United States. *Ibid.* (emphasis added).

B. Section 1498(a) Encompasses Claims of Patent Infringement under Section 271(g).

IRIS has sued JAL under 35 U.S.C. § 271(g) for unauthorized use of the product of a patented process, alleging that JAL's passport inspections are an infringing use of electronic passports allegedly made through IRIS's patented method. Although the district court recognized that JAL's accused actions were "for" the United States and with the federal government's authorization and consent, the court concluded that Section 1498(a) does not cover infringement under Section 271(g). *See* A12.²

The district court's view regarding the relationship between Section 1498(a) and Section 271(g) has been overtaken by developments in this Court. Acting in 2010, the district court relied on this Court's then-prevailing decision in *Zoltek Corp. v. United*

² The district court also incorrectly concluded Section 1498(a) cannot apply with respect to JAL's inspection of foreign passports because "there is no claim that as to foreign passports the United States engaged in any infringing activity." *See* A12 n.2. Because federal regulations require JAL to inspect all passenger passports regardless of passenger nationality, and because JAL must use the same inspection procedure when examining United States and foreign passports, Section 1498(a)'s applicability does not turn on whether the passports being inspected were issued by the United States.

States, 442 F.3d 1345 (Fed. Cir. 2006) (*Zoltek III*) (per curiam), which stated that Section 1498(a) authorizes suits against the United States only for acts constituting infringement under 35 U.S.C. § 271(a). *See* A13. But while this appeal was pending, this Court issued an *en banc* decision in *Zoltek* that significantly revised the Court's earlier construction of Section 1498(a). *See Zoltek Corp. v. United States*, 672 F.3d 1309 (Fed. Cir. 2012) (*en banc*) (*Zoltek V*).

In *Zoltek V*, the *en banc* Court held squarely that Section 1498(a) covers claims of infringement based on the use of the product of a patented process by and for the United States. 672 F.3d at 1326-27. Section 1498(a), as noted, provides the exclusive remedy for patent infringement whenever a patented invention “is used * * * for the United States without * * * lawful right to use.” The *en banc* court held that, “for the purposes of section 1498, the use or importation ‘within the United States [of] a product which is made by a process patented in the United States’ constitutes use of the invention without lawful right because the products embody the invention itself.” 672 F.3d at 1326 (quoting 35 U.S.C. § 271(g)).

Thus, as construed by this Court in *Zoltek V*, Section 1498(a) covers alleged infringement under Section 271(g). 672 F.3d at 1327. This Court has held that Section 1498(a) subjects the government to suit for such use and correspondingly provides immunity “from individual liability for the alleged infringement” to the

private entity acting for and with the authorization of the United States. *Ibid.* Section 1498(a) therefore requires dismissal of IRIS's infringement claim against JAL.³

C. JAL's Passport Inspections Are "For" the United States and with Its "Authorization and Consent" Within the Meaning of Section 1498(a).

Federal law requires airlines to provide the government with information about persons arriving into and departing from the United States. 8 U.S.C. § 1221(a)-(c). That information includes details about the passports and visas of such persons and "such other information the Attorney General, in consultation with the Secretary of State, and the Secretary of Treasury determines as being necessary for the identification of the persons transported and for the enforcement of the immigration laws and to protect safety and national security." *Id.* § 1221(c)(10).

In conjunction with this statutory provision, the federal government has issued regulations that require airlines to physically inspect the travel documents of their passengers. The regulations make each carrier "responsible for comparing the travel document presented by the passenger with the travel document information [the carrier] is transmitting * * * to ensure that the information is correct, the document

³ The United States participated in *Zoltek V* as an *amicus curiae* but was not a party to the appeal. The government's submission in this case should not be understood to reflect agreement with the position adopted by the Court in *Zoltek V* regarding the scope of the government's liability under Section 1498(a). However, *Zoltek V* is the law of this Circuit, and as such, it governs this case and other cases until and unless it is reconsidered by this Court or by the Supreme Court in the future.

appears to be valid for travel purposes, and the passenger is the person to whom the travel document was issued.” 19 C.F.R. § 122.75a(d).

As the district court correctly recognized (A13), JAL’s examination of passenger passports in these circumstances qualifies as action “for the Government and with the authorization or consent of the Government” for purposes of Section 1498(a). This Court has interpreted the term “for the Government” in Section 1498(a) to mean “for the benefit of the government.” *Advanced Software Design Corp. v. Federal Reserve Bank of St. Louis*, 583 F.3d 1371, 1378 (Fed. Cir. 2009). This Court has also concluded that the government need not be “the sole beneficiary * * * in order to be a beneficiary for the purposes of § 1498(a)” as long as the benefits gained by the government are more than “incidental.” *Ibid.* In considering whether the allegedly infringing conduct of a non-governmental entity was “for the government,” the Federal Circuit has found sufficient governmental benefit where the conduct served “the national interest in averting fraud in Treasury checks,” *ibid.*, and where the “only purpose” of the conduct “was to comply with the Government’s bidding requirements,” *TVI Energy Corp v. Blane*, 806 F.2d 1057, 1060 (Fed. Cir. 1986).

“Authorization or consent by the Government can be expressed” in a variety of forms, and in certain circumstances, “[g]overnment authorization can be implied.” *TVI Energy Corp*, 806 F.2d at 1060. In *TVI*, this Court found that “Government authorization was expressed by the specific requirement that [a supplier] demonstrate,

under the guidelines of the [Government's] bidding procedure, the allegedly infringing [items]." *Ibid.* This Court further observed that "[t]he mere fact that the Government specifications * * * did not absolutely require [the supplier] to infringe TVI's patent * * * does not extinguish the Government's consent." *Ibid.* As this Court explained: "To limit the scope of § 1498 only to instances where the Government requires by specification that a supplier infringe another's patent would defeat the Congressional intent to allow the Government to procure whatever it wished regardless of possible patent infringement." *Ibid.*

Here, as noted above, JAL must examine passenger passports to comply with federal requirements, which in turn serve, at a minimum, the border security interests of the United States. Federal regulations specifically require an airline to "compare[] the travel document presented by the passenger with the travel document information it is transmitting * * *." 19 C.F.R. § 122.75a(d). While there may be some ability for the airline to determine the best way to make the needed comparison, it may not decline to examine the passport. This is, therefore, a fundamentally different case from situations where the United States imposes a general regulatory requirement but leaves the choice of design for a required item to the discretion of the regulated party. *Cf.* Appellant Br. 10-11 (noting that "[f]ederal law frequently requires industries to make use of patented features, without granting compulsory licenses or invalidating the patents, thus requiring payment for the use of the intellectual property" and listing

several examples). Accordingly, JAL's conduct qualifies as action taken "for the Government and with the authorization or consent of the Government" for purposes of 28 U.S.C. § 1498(a).

II. SECTION 271(g) DOES NOT CONFLICT WITH THE ENHANCED BORDER SECURITY ACT.

The district court based its dismissal of IRIS's Section 271(g) claim on a different theory. The district court concluded that Section 271(g) conflicts with the Enhanced Border Security Act and that, under the Second Circuit's reasoning in *SmithKline Beecham Consumer Healthcare v. Watson Pharmaceuticals*, 211 F.3d 21 (2d Cir. 2000), the latter act implicitly supersedes the former provision to the extent of the conflict. That conclusion is incorrect.

As noted above, Congress enacted Section 1498(a) to resolve potential conflicts between the public needs and requirements of the United States, and the private patent rights of individuals. Section 1498(a) makes it possible for JAL to carry out its obligations under federal law regarding the inspection of passports without subjecting itself to liability under Section 271(g), while permitting IRIS to seek relief against the United States for JAL's conduct.⁴ Given the role of Section 1498(a) in reconciling

⁴ The district court concluded (A7-A8) that JAL's inspection of passports constitutes "use" within the meaning of Section 271(g). Because Section 1498(a) immunizes JAL from suit, this brief does not address that issue. However, the government does not concede that JAL's inspection of passports is such a "use."

JAL's inspection obligations and IRIS's patent rights, it is unnecessary — and inappropriate — for an exception to federal patent law to be judicially created.

In any event, the district court's conflict analysis was misconceived. The district court determined that JAL was "required to inspect passenger passports under the Enhanced Border Security Act" and further determined that "compliance with this law requires using a product that was made by a patented process." A8. On that basis, the court concluded that "a conflict exists between the Enhanced Border Security Act and the patent laws." *Ibid.*

As explained above, the Enhanced Border Security Act requires airlines "to provide * * * [specified] manifest information about each passenger, crew member, and other occupant," 8 U.S.C. § 1221(a), and 19 C.F.R. § 122.75a(d) implements this requirement by making each carrier "responsible for comparing the travel document presented by the passenger with the travel document information [the carrier] is transmitting * * * to ensure that the information is correct, the document appears to be valid for travel purposes, and the passenger is the person to whom the travel document was issued." Because the particular obligation to "compare the travel document" is contained in the regulation rather than the statute, this is not a case in which two statutes can be said to conflict, and *SmithKline* is simply inapposite for that reason. *Cf. SmithKline*, 211 F.3d at 27-28 (identifying a "conflict between two statutes" and resolving this conflict by "applying the familiar canon that, *where two laws are in*

conflict, courts should adopt the interpretation that preserves the principal purposes of each” (emphasis added)).

In *SmithKline*, the defendant, a manufacturer of generic drugs, wished to obtain FDA approval for a generic form of a SmithKline product. *See* 211 F.3d at 23. The Hatch-Waxman Amendments to the Federal Food, Drug, and Cosmetic Act required the defendant to submit proposed labeling for the generic product, and further required that this labeling be the “same” as the labeling for SmithKline’s product. *Ibid.*; *see also* 21 U.S.C. § 355(j)(2)(A)(v). SmithKline, which had copyrighted the labels on its product, sued the defendant for copyright infringement. *Id.* at 23-24. The Second Circuit, determining that *SmithKline* presented a situation of “conflict between two statutes,” endeavored to resolve the conflict by “applying the familiar canon that, where two laws are in conflict, courts should adopt the interpretation that preserves the principal purposes of each.” *Id.* at 27-28. Noting that “[t]he purposes of the Hatch-Waxman Amendments would be severely undermined” by the acceptance of SmithKline’s claim, but that “[n]o such severe undermining of the purpose of the copyright laws would follow from the rejection of SmithKline’s claim,” *id.* at 28, the Court directed that SmithKline’s claim be dismissed. As the Court explained: “Congress would have provided explicitly” for the later-enacted Hatch-Waxman Amendments to “trump the copyright laws had it foreseen the statutory conflict exposed by the present action.” *Id.* at 29.

Moreover, even if JAL's inspection obligation derived from the Enhanced Border Security Act rather than from a federal regulation, the district court's conflict analysis under *SmithKline* would still be misconceived. In *SmithKline*, there was no serious question that a conflict of laws existed because the Hatch-Waxman Amendments required generic drug manufacturers to use the "same" labels approved for the pioneer drug. 211 F.3d at 23. Here, there can be no conflict between Section 271(g) and the Enhanced Border Security Act *unless* JAL's inspection of passports qualifies as infringing "use" of a "product" within the meaning of Section 271(g), *and* IRIS's patent is valid and enforceable. And, in that event, JAL can comply with both laws if it seeks and obtains a license from IRIS that authorizes JAL to inspect passports manufactured with IRIS's process. In *SmithKline*, in contrast, it would have been impossible as a practical matter for the defendant to comply simultaneously with the Hatch-Waxman Act and the Copyright Act, because SmithKline had no commercial interest in licensing the use of its copyrighted labeling by a would-be competitor.

A further feature distinguishing this case from *SmithKline* is that the interests protected by the Patent Act differ in significant respects from those protected by the Copyright Act, and construing the Enhanced Border Security Act to supersede Section 271(g) would burden the policies of federal patent law in ways that were not present in *SmithKline*. Copyright protects expression of ideas or information, as

opposed to the ideas themselves. The Second Circuit in *SmithKline* noted that commercial labeling was entitled to copyright protection but determined that this protection applies to a lesser extent where the labeling was not created for expressive purposes. *See id.* at 29 n.5. The Second Circuit thus concluded that SmithKline's interest in copyright protection could be balanced against the harm it would suffer if an exception were permitted, and further concluded that "[t]he pertinent purpose of the copyright laws — to encourage the production of creative works * * * — is not seriously implicated by allowing the [Hatch-Waxman Amendments] 'same' labeling requirement to trump a copyright." *Id.* at 29 (internal citations omitted).

The same reasoning does not apply to patent rights, which protect ideas, not their expression. The strength of a patentee's right to exclusivity does not vary in degree depending on the nature of the patented invention. Nor are courts generally free to weigh the value of enforcing patent rights against the harm that would be caused by not enforcing them. *SmithKline* therefore provides no warrant for the district court's conflict ruling.

CONCLUSION

For the foregoing reasons, the judgment of the district court should be affirmed on the ground that JAL is immune from suit under 28 U.S.C. § 1498(a).

Respectfully submitted,

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**CERTIFICATE OF COMPLIANCE WITH RULE 32(a) OF THE
FEDERAL RULES OF APPELLATE PROCEDURE**

I hereby certify that this brief complies with the type-volume limitation, typeface requirements, and type style requirements of Federal Rule of Appellate Procedure 32(a). According to the word count provided in Microsoft Word 2010, the foregoing brief contains 4,357 words. The text of the brief is composed in 14-point Garamond typeface.

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CERTIFICATE OF SERVICE

I hereby certify that on February 14, 2014, I filed and served the foregoing Brief for Amicus Curiae the United States and served it on all registered counsel by causing a copy to be electronically filed via the appellate CM/ECF system.

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