

June 24, 2014

Via electronic mail

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Presentation GN Docket No. 11-117, WC Docket No. 05-196, PS Docket No. 11-153, and PS Docket No. 10-255

Dear Ms. Dortch:

On June 20, 2014, Tim Lorello, Senior Vice President Telecommunication Systems, Inc. ("TCS"), Shannon Scott, O'Brien, Gentry & Scott LLC met in person with David Simpson, Chief of the Public Safety and Homeland Security Bureau, David Furth, Deputy Chief of the Public Safety and Homeland Security Bureau, Tim Mays, Policy Analyst of the Public Safety and Homeland Security Bureau, Difie Osborne and Eric Schmidt, Advising Attorneys of the Public Safety and Homeland Security Bureau, and Erika Olsen, Senior Legal Counsel of the Public Safety and Homeland Security Bureau by phone of the Federal Communications Commission.

TCS' representatives discussed the ongoing frivolous patent infringement cases which have been filed against wireless carriers concerning alleged infringement on technologies being used to provide 9-1-1 services and which are having a deleterious effect on the 9-1-1 ecosystem. TCS' representatives described existing patent infringement where litigation involving multiple wireless carriers could extract a potential \$90M of investment from existing and future 9-1-1/NG9-1-1 technologies. A legislative approach is being advanced that involves codifying that 28 USC 1498 applies to 9-1-1 patent infringement cases in which a 9-1-1 mandated entity, as described specifically in the Code of Federal Regulations, is the named defendant. Such application would move the case from US District Courts to the Federal Court of Claims, thereby eliminating the possibility of injunctions that would either interrupt 9-1-1 service or force a wireless carrier to intentionally continue to infringe a patent if the US District Court decides that infringement exists. As with the typical 1498 case, the product or service is provided by and for the benefit of the United States government and determined to be an essential service to the public good that must be provided even if infringement occurs, making the Federal Court of Claims the appropriate venue for deciding the litigation. TCS attendees expressed their belief that such legislation would eliminate or dramatically reduce the number of frivolous 9-1-1 patent infringement cases by removing the financial benefit to plaintiffs that pose expensive litigation and seek rapid settlements on the federally mandated distributors of the service that are not allowed to collect revenue for the service. The focus of the meeting was to explain the possible impact to the public safety

industry, discuss the legislative approach, and address any FCC questions on the impacts and approach.

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this letter and a copy of materials presented during this meeting are being electronically filed via ECFS with your office and a copy of this submission is being provided to the meeting attendees. Please direct any questions to the undersigned.

Sincerely,

Stinson Leonard Street LLP

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

HF:SLS

Enclosure

cc: David Simpson
Eric Schmidt
David Furth
Erika Olsen
Tim May
Difie Osborn
Eric Schmidt

Potential (Current) Cost of Patent Assertion Entities on 9-1-1

Number of cases = 6

Number of defendants = 35

Two estimation processes used to cross-check reasonableness of estimates

Method #1: Technique using cost estimates from Managing Intellectual Property, 2009

Cost per cast = \$3.0M

In line with Senate Testimony of \$1M to \$4M range

In range of Adobe testimony of \$3M to \$8M range (i.e., for a large entity with deep pockets)

Method #2: Technique using cost estimates from American Intellectual Property Law Association, 2011

Cost per case ranges from \$650K to \$5M, depending on the potential damages

Wireless carriers were extracted from named defendants

Defendants dropped if acquired by other wireless carrier already in list

Damages were based upon fees collected by wireless carriers

NENA report indicates that fees average at \$0.72/subscriber

Subscriber numbers determined from latest reports gathered on Wikipedia (sources provided)

Potential damages determined size of case used to estimate cost of case, per AIPLA

Results:

Method #1: \$84.0M

Method #2: \$92.5M

Conclusion: From these six patents alone and the current defendant list (both which could easily grow), approximately \$90M could be extracted from the 9-1-1 ecosystem without any benefit to 9-1-1.

Follow-up concern: These costs reflect the current technologies based upon LBS patents. As 9-1-1 enters into IP-based technologies where there are 10x to 100x more patents compared to LBS patents, the potential for value extraction becomes greatly magnified.

Follow-up concern: What small/medium businesses can sustain these kinds of costs? Will the 9-1-1 ecosystem only be composed of large companies? Will innovation be stymied or chased away because of the disproportionate affect of patent costs vs. profitability?

Why Patent Assertion Entities Appreciate 9-1-1 Cases - MIP Analysis

Date Filed	Plaintiff(s)	Case #	Defendants	Cost			
2/6/2007	800 Adept	5:07-CV-00023	AT&T Mobility	\$3,000,000.00			
			Verizon	\$3,000,000.00			
			Sprint Nextel	\$3,000,000.00			
			T-Mobile	\$3,000,000.00			
3/31/2008	Emsat	4:08CV-822	AT&T Mobility/Cingular	\$3,000,000.00			
			4:08-CV-821	Alltel	\$1,500,000.00	Part of Verizon	
		4:08-CV-816	Verizon	\$3,000,000.00			
			4:08-CV-818	Sprint Nextel	\$3,000,000.00		
				4:08-CV-817	Boost Mobile		Part of Sprint
					Nextel	\$1,500,000.00	Part of Sprint
					T-Mobile	\$3,000,000.00	
10/7/2008		2:08-CV-381	MetroPCS	\$3,000,000.00	Part of T-Mobile		
			Centennial	\$3,000,000.00	Part of AT&T		
			Leap	\$3,000,000.00	Part of AT&T		
			Cricket		Part of AT&T		
1/26/2009	4/1/2009	3:09-CV-00007	US Cellular	\$3,000,000.00			
		2:09-CV-00091	Virgin Mobile	\$1,500,000.00	Part of Sprint		
3/12/2009	Tendler Cellular of TX	6:09-CV-115	Tracfone Wireless Inc.	\$3,000,000.00			
			kajeet, Inc.		Part of Sprint		
			AT&T Mobility	\$3,000,000.00			
			Verizon Wireless	\$3,000,000.00			
			Sprint Nextel	\$3,000,000.00			
			US Cellular	\$3,000,000.00			
2/25/2011	TracBeam LLC	6:11-CV-00096	T-Mobile	\$3,000,000.00			
			AT&T Mobility LLC	\$3,000,000.00			
			MetroPCS	\$3,000,000.00	Part of T-Mobile		
			Sprint Nextel	\$3,000,000.00			
			Nextel of California	\$1,500,000.00	Part of Sprint		
			Nextel Communications of the Mid-Atlantic	\$1,500,000.00	Part of Sprint		
			Nextel of New York	\$1,500,000.00	Part of Sprint		
			Nextel of Texas	\$1,500,000.00	Part of Sprint		
			Nextel West Corp	\$1,500,000.00	Part of Sprint		
			Cellco Partnership d/b/a Verizon Wireless	\$3,000,000.00			
10/15/2012	Porto Technologies	3:12-CV-678	Verizon Wireless	\$3,000,000.00			
2/19/2013	911 Notify	1:13-CV-00276-UNA	Verizon Wireless	\$3,000,000.00			
9 dates	6 Plaintiffs	13 cases	35 defendants	\$84,000,000.00			
			"The average patent litigation lasts about two years and costs about \$3 million. An appeal can add another \$2 million and one year to that estimate. (Managing Intellectual Property, Feb. 2009)	\$3M-\$8M			
			Average Case = \$3.0M	Dana Rao, VP, Adobe			
			Total court costs = \$84M	Senate Testimony			
				December 17th, 2013			

Why Patent Assertion Entities Appreciate 9-1-1 Cases - AIPLA Analysis

Date Filed	Plaintiff(s)	Case #	Defendants	Subscribers	Fees/Year	1% Royalty-10 yrs	Nuisance Cost	
2/6/2007	800 Adept	5:07-CV-00023	AT&T Mobility	111,500,000	\$ 963,360,000	\$ 96,336,000	\$ 5,000,000	
			Verizon	103,100,000	\$ 890,784,000	\$ 89,078,400	\$ 5,000,000	
			Sprint Nextel	53,600,000	\$ 463,104,000	\$ 46,310,400	\$ 5,000,000	
			T-Mobile	49,100,000	\$ 424,224,000	\$ 42,422,400	\$ 5,000,000	
3/31/2008	Emsat	4:08CV-822 4:08-CV-821 4:08-CV-816 4:08-CV-818	AT&T Mobility/Cingular	111,500,000	\$ 963,360,000	\$ 96,336,000	\$ 5,000,000	
			Alltel	\$ -	\$ -	\$ -	\$ -	Part of Verizon
			Verizon	103,100,000	\$ 890,784,000	\$ 89,078,400	\$ 5,000,000	
			Sprint Nextel	53,600,000	\$ 463,104,000	\$ 46,310,400	\$ 5,000,000	
			Boost Mobile	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			Nextel	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			T-Mobile	49,100,000	\$ 424,224,000	\$ 42,422,400	\$ 5,000,000	
			MetroPCS	\$ -	\$ -	\$ -	\$ -	Part of T-Mobile
10/7/2008		2:08-CV-381	Centennial	\$ -	\$ -	\$ -	\$ -	Part of AT&T
			Leap	\$ -	\$ -	\$ -	\$ -	Part of AT&T
			Cricket	\$ -	\$ -	\$ -	\$ -	Part of AT&T
			US Cellular	4,680,000	\$ 40,435,200	\$ 4,043,520	\$ 2,500,000	
1/26/2009 4/1/2009	3:09-CV-00007 2:09-CV-00091	Virgin Mobile Tracfone Wireless Inc. kajeet, Inc.	\$ -	\$ -	\$ -	\$ -	Part of Sprint	
			23,040,000	\$ 199,065,600	\$ 19,906,560	\$ 2,500,000		
			\$ -	\$ -	\$ -	\$ -	Part of Sprint	
3/12/2009	Tendler Cellular of TX	6:09-CV-115	AT&T Mobility	111,500,000	\$ 963,360,000	\$ 96,336,000	\$ 5,000,000	
			Verizon Wireless	103,100,000	\$ 890,784,000	\$ 89,078,400	\$ 5,000,000	
			Sprint Nextel	53,600,000	\$ 463,104,000	\$ 46,310,400	\$ 5,000,000	
			US Cellular	4,680,000	\$ 40,435,200	\$ 4,043,520	\$ 2,500,000	
			T-Mobile	49,100,000	\$ 424,224,000	\$ 42,422,400	\$ 5,000,000	
			AT&T Mobility LLC	111,500,000	\$ 963,360,000	\$ 96,336,000	\$ 5,000,000	
2/25/2011	TracBeam LLC	6:11-CV-00096	MetroPCS	\$ -	\$ -	\$ -	\$ -	Part of T-Mobile
			Sprint Nextel	53,600,000	\$ 463,104,000	\$ 46,310,400	\$ 5,000,000	
			Nextel of California	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			Nextel Communications of the Mid-Atlantic	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			Nextel of New York	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			Nextel of Texas	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			Nextel West Corp	\$ -	\$ -	\$ -	\$ -	Part of Sprint
			Celco Partnership d/b/a Verizon Wireless	103,100,000	\$ 890,784,000	\$ 89,078,400	\$ 5,000,000	
			Verizon Wireless	103,100,000	\$ 890,784,000	\$ 89,078,400	\$ 5,000,000	
			Verizon Wireless	103,100,000	\$ 890,784,000	\$ 89,078,400	\$ 5,000,000	
9 dates	6 Plaintiffs	13 cases	35 defendants	1,458,700,000	\$ 12,603,168,000	\$ 1,260,316,800	\$ 92,500,000	Total court costs = \$92.5M

Patent Infringement Suite	Economic Survey 2011			AIPLA
	Less than \$1M	\$1M to \$25M	Greater than \$25M	
End of Discover	350,000	1,500,000	3,000,000	
Inclusive, All Costs	650,000	2,500,000	5,000,000	

9-1-1 Public Safety Legislative Language Request:

Section 1498 of title 28, United States Code, is amended by adding at the end the following:

“(f) Jurisdiction for Claims Regarding 9-1-1, Enhanced 9-1-1, or Other Emergency Communication Service.—Beginning after the date of enactment of this subsection, any action under section 271 of title 35 against a wireless carrier subject to section 20.18 of title 47, Code of Federal Regulations, or any successor thereto, or an IP-enabled voice service provider subject to section 6(a) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a–1(a)), regarding the provision of 9-1-1, enhanced 9-1-1, or other emergency communications service (as defined in section 7 of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615b)), shall be filed in accordance with this section.”.

U.S. Code Definitions of Sections Covered in Legislative Language Request:

“Wireless 9-1-1 service”, 47 USC 615b:

The term “wireless 9–1–1 service” means any 9–1–1 service provided by a wireless carrier, including enhanced wireless 9–1–1 service.

“IP-enabled voice service”, 47 USC 615a:

The term “IP-enabled voice service” has the meaning given the term “interconnected VoIP service” by section 9.3 of the Federal Communications Commission’s regulations (47 CFR 9.3).

Duties of an IP-enabled voice service provider, 47 USC 615a:

It shall be the duty of each IP-enabled voice service provider to provide 9–1–1 service and enhanced 9–1–1 service to its subscribers in accordance with the requirements of the Federal Communications Commission, as in effect on the date of enactment of the New and Emerging Technologies 911 Improvement Act of 2008 and as such requirements may be modified by the Commission from time to time.

“Enhanced 9-1-1 service”, 47 USC 615b:

The term “enhanced 9–1–1 service” means the delivery of 9–1–1 calls with automatic number identification and automatic location identification, or successor or equivalent information features over the wireline E911 network (as defined in section 9.3 of the Federal Communications Commission’s regulations (47 C.F.R. 9.3) as of July 23, 2008) and equivalent or successor networks and technologies. The term also includes any enhanced 9–1–1 service so designated by the Commission in its Report and Order in WC Docket Nos. 04–36 and 05–196, or any successor proceeding.

“Enhanced wireless 9-1-1 service”, 47 USC 615b:

The term “enhanced wireless 9–1–1 service” means any enhanced 9–1–1 service so designated by the Federal Communications Commission in the proceeding entitled “Revision of the Commission’s Rules to Ensure Compatibility with Enhanced 9–1–1 Emergency Calling Systems” (CC Docket No. 94–102; RM–8143), or any successor proceeding.

“Other emergency communications service”, 47 USC 615b:

The term “other emergency communications service” means the provision of emergency information to a public safety answering point via wire or radio communications, and may include 9–1–1 and enhanced 9–1–1 service.

Protecting Wireless / VoIP 9-1-1 Public Safety Services from Abusive Patent Litigation Practices

Request:

Address the growing trend of harmful patent litigation practices that target wireless and IP voice companies providing 9-1-1 emergency services to public safety, homeland security and law enforcement personnel. Clarify that lawsuits brought against the wireless carriers or IP-enabled voice service providers claiming patent infringement of technologies used to provide mandated 9-1-1 services, fall under the jurisdiction of the U.S. Federal Court of Claims.

SUPPORTED BY:

AT&T, Cricket, CTIA– The Wireless Association®,

Indigital, Industry Council for Emergency Response Technologies (iCERT),

NTCA-The Rural Broadband Association®, Sprint, TeleCommunication Systems Inc., T-Mobile

Background:

- Under FCC regulations wireless carriers (via 47 C.F.R. 20.18) and IP-enabled voice service providers (via 47 U.S.C. 615a-1) are mandated to provide emergency 9-1-1.
- The FCC's 9-1-1 mandate directly benefits U.S. government's public safety services, and all U.S. citizens by ensuring first responders, homeland security, and other public safety officials have the ability to accurately locate wireless E9-1-1 callers.
 - There are over 302 million active wireless users in the U.S., with an estimated 51 million Americans living in households relying solely on wireless devices (21 million are children).
 - A majority of 9-1-1 calls now originate from mobile devices.
- The mandatory nature of this service has attracted abusive litigation practices by PAE's seeking to exploit the FCC's standard by asserting a wireless carrier's mere provision of 9-1-1 technologies, systems, or methodologies to comply with FCC mandate is proof of infringement.
- Wireless carriers have the right to dispute these claims, but litigation costs to defend themselves far outweigh settlement costs which often fall on smaller vendors and result in a greenmail environment threatening current access to 9-1-1 and planned implementation of NextGen 9-1-1.
- Existing federal statute was designed to protect those required by the Government to provide a service by or for the United States.
 - 28 U.S.C. §1498 provides that when patents (and copyrights) are used "... by or for the United States... the owners remedy shall be by action against the United States ...for the recovery of his reasonable and entire compensation..."
- We are seeking to clarify that patented technologies that are required in order to provide mandated 9-1-1 services as defined in 47 U.S.C. 615b are provided "by or for the United States" for the purposes of 28 U.S.C. §1498.

Intent of Amendment:

- This clarification will improve the government's access to location-based emergency 9-1-1 services for the benefit of U.S. citizens, public safety, and homeland security by protecting providers from frivolous claims and burdensome litigation, while justly compensating deserving patent holders.

- This amendment does NOT change any patent statute — it only clarifies existing law.
- This amendment does NOT modify or invalidate any patent, and preserves all patent claims
- This amendment does NOT prevent other types of patent litigation — for example, direct public safety vendor-to-vendor cases, litigation that does not involve 9-1-1 services, and litigation against entities other than wireless or IP voice carriers.
- Its only purpose is to specify when a particular type of infringement case should be brought to the U.S. Court of Claims instead of the U.S. District Court, and then only in very limited situations pertaining specifically to the provision of mandated wireless 9-1-1 services.
- **Court of Claims costs are PAYGO exempt.**

Legislative Request

Amend Section 1498 of title 28, United States Code, by adding at the end the following:

“(f) Jurisdiction for Claims Regarding 9-1-1, Enhanced 9-1-1, or Other Emergency Communication Service.—Beginning after the date of enactment of this subsection, any action under section 271 of title 35 against a wireless carrier subject to section 20.18 of title 47, Code of Federal Regulations, or any successor thereto, or an IP-enabled voice service provider subject to section 6(a) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a–1(a)), regarding the provision of 9-1-1, enhanced 9-1-1, or other emergency communications service (as defined in section 7 of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615b)), shall be filed in accordance with this section.”.

28 USC 1498 Case Law Review

General Purpose of 28 USC 1498:

TVI Energy Corporation v. Milton C. BLANE and Blane Enterprises, Inc., succinctly explains the intent of 28 U.S.C § 1498, which was “adopted originally in 1910 and later amended in 1918. The Congressional history of § 1498 makes it clear that the policy behind the 1918 amendment was to relieve private Government contractors from expensive litigation with patentees, possible injunctions, payment of royalties, and punitive damages. The amendment provided that the patentees' sole remedy was a suit against the United States in the Court of Claims.”¹

FCC created to promote public safety

The Federal Communication Commission was created, in part, “for the purpose of promoting safety of life and property through the use of wire and radio communications.”² The FCC reaffirmed its mission in its latest Report & Order, indicating that the Commission has “specific responsibilities to ‘designate 911 as the universal emergency telephone number for reporting an emergency to appropriate authorities and requesting assistance.’”³ The suggested conclusion is that 9-1-1 mandates generated by the FCC are, in effect, requirements established by the Federal Government and imposed upon wireless service providers, in 47 U.S.C. 20.18⁴, and upon interconnected Voice-over-IP service providers, in 47 C.F.R. 9.5.⁵

Key issues expressed in precedential case law:

- Because the FCC mandates are requirements imposed upon wireless and IP-enabled service providers, such mandates impose an obligation upon these service providers to fulfill a stated Government policy; and the FCC is essentially granting the Government’s implied consent to these service providers to implement technology that meets these requirements. Accordingly, court opinion as expressed in Madey v. Duke University indicates that the 1498 statute can be applied.⁶

¹ TVI Energy Corporation v. Milton C. BLANE and Blane Enterprises, Inc.; Section II, paragraph 2 (at 1060) (12/5/1986) http://scholar.google.com/scholar_case?case=13287995625401022404&hl=en&as_sdt=6&as_vis=1&oi=scholar

² 47 U.S.C. § 1498 “Purposes of chapter; Federal Communications Committee created” <http://www.gpo.gov/fdsys/pkg/USCODE-2011-title47/html/USCODE-2011-title47-chap5-subchapl-sec151.htm>

³ FCC Report and Order 13-158; Section F; paragraph 148

“Beyond the Commission’s general mandate to “promot[e] the safety of life and property through the use of wire and radio communications, Congress has delegated to the Commission specific responsibilities to ‘designate 911 as the universal emergency telephone number for reporting an emergency to appropriate authorities and requesting assistance.’ [...] Further, there has been judicial recognition of ‘[t]he broad public safety and 911 authority Congress has granted the FCC’ through legislation such as the Wireless Communications and Public Safety Act of 1999, the NET 911 Improvement Act of 2008, and the Twenty-First Century Communications and Video Accessibility Act of 2010.”

http://transition.fcc.gov/Daily_Releases/Daily_Business/2013/db1212/FCC-13-158A1.pdf

⁴ <http://www.ecfr.gov/cgi-bin/text-idx?SID=876ffa482a979341f54576511a65b506&node=47:2.0.1.1.1.0.1.12&rqn=div8>

⁵ <http://www.ecfr.gov/cgi-bin/text-idx?SID=ce3eedf43726df3aa0cf0ab7ed63b4f7&node=47:1.0.1.1.10.0.233.3&rqn=div8>

⁶ Madey v. Duke University, 413F.; Section IIa; paragraph 2 (at 607) (1/31/2006)

“In order to claim the protection of the affirmative defense provided by § 1498, the private party must establish that its use is (1) ‘for the Government’; and (2) ‘with the authorization or consent of the Government.’ A use is ‘for the Government’ if it is ‘in furtherance and fulfillment of a stated Government policy’ which serves the Government’s interests and which is ‘for the Government’s benefit.’ [...] “A use is with the ‘authorization and consent of the Government’ where the Government either expressly or impliedly consents to the infringement.” Further, “... § 1498 does not require the authorization to take any specific form.”

http://scholar.google.com/scholar_case?case=4833914586322684129&hl=en&as_sdt=6&as_vis=1&oi=scholar

- Hughes Aircraft Co. v. United States demonstrates that a stated Government policy, for “military defense” in that particular case, serves as proof that “accused use or manufacture was undertaken for the Government”. This demonstration of use was met, even though the products in question were manufactured by another country. Thus, the fulfillment of a stated Government policy has been quite broadly defined.⁷
- Advanced Software Design Corporation v. Federal Reserve Bank of St. Louis further supports the concept that work can be done “for the Government” without an explicit contract between the government and the party providing the solution that ultimately meets the Government’s requirements. In this particular case, the court found that the Treasury had implied its authorization or consent through its correspondence to the Federal Reserve Banks, including a letter stating that the Treasury intended to implement the check-encoding technology in the processing of Treasury checks.⁸ Thus, an FCC mandate could serve as a contractual responsibility, imposed upon wireless and IP-enabled service providers even without the existence of a specific contract with the Federal Government.
- Bereslavsky v. Esso Standard Oil Co. supports the concept that a Federal requirement does not need to expressly state what technology will infringe. Thus, an FCC requirement, being fulfilled by an infringing technology, would be the kind of situation for which the 1498 statute was constructed.⁹
- TVI Energy Corp. v Blane supports the concept that a Federal requirement serves as a basis for invoking a 1498 defense. Even in a situation where a vendor was merely a competitor for a Government contract and not yet an approved source provider, the courts held that the 1498 statute properly can be invoked¹⁰

⁷ Hughes Aircraft Co. v. United States; 534 F.2d 889; Section IIa, paragraph

“...Skynet II was intended by the U.S. and U.K. Governments to be a cooperative program, vital to the military defense and security of both countries.” [...] “...it follows that Skynet II, as implemented by [the Foreign Military Sales] Act, was *for the U.S.* within the meaning of 28 U.S.C. § 1498(a). Under these circumstances, we have little difficulty concluding that the Skynet II program was undertaken as much for the benefit of the U.S. as for the U.K.”

⁸ Advanced Software Design Corporation v. Federal Reserve Bank of St. Louis; 583 F.3d 1371; (at 1378) (9/30/2009)

“We also affirm the district court’s rulings that the Fiserv dealings with the Reserve Banks and their actions with respect to Treasury checks are ‘for the Government’ in the sense required by § 1498(a). The district court correctly ruled that § 1498(a) does not require that the government be party to any contract, but may apply to activities by “any person, firm, or corporation” for the benefit of the government.”

⁹ Bereslavsky v. Esso Standard Oil Co., 175 F. 2d; paragraph 6 (at 150) (5/27/1949)

“...there is no language in the [1498] statute which limits its application to cases where the government contracts expressly for what will infringe, but, on the contrary, it applies in any case where the invention of the patent is ‘used or manufactured by or for the United States’. To limit the application of the statute to cases where officers of the government intentionally contract for patent infringement would in very large measure defeat its purpose.”

http://scholar.google.com/scholar_case?case=14859555650979904949&hl=en&as_sdt=6&as_vis=1&oi=scholar

¹⁰ TVI Energy Corporation v. Milton C. BLANE and Blane Enterprises, Inc.; Section II, paragraph 3 (at 1060) (12/5/1986)

“Appellant’s argument that Blane’s activities were outside the scope of § 1498, because Blane was merely a *competitor* for a Government contract and not yet an approved Government *source*, is meritless. The significant point is that Blane was *required* to demonstrate the allegedly infringing targets as part of the Government’s bidding procedure. Appellees’ only purpose in demonstrating the targets was to comply with the Government’s bidding requirements. In these circumstances, we can come to no other conclusion than that this demonstration fell within the scope of § 1498 as being ‘for the United States’ and ‘with its approval.’”

http://scholar.google.com/scholar_case?case=13287995625401022404&hl=en&as_sdt=6&as_vis=1&oi=scholar

9-1-1 Legislative Request—Questions and Answers:

Implications of clarifying the applicability of 28 U.S.C. § 1498 to the provision of federally mandated 9-1-1 services

Section 1498 of title 28, United States Code, is amended by adding at the end the following:

“(f) Jurisdiction for Claims Regarding 9-1-1, Enhanced 9-1-1, or Other Emergency Communication Service.—Beginning after the date of enactment of this subsection, any action under section 271 of title 35 against a wireless carrier subject to section 20.18 of title 47, Code of Federal Regulations, or any successor thereto, or an IP-enable voice service provider subject to section 6(a) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a–1(a)), regarding the provision of 9-1-1, enhanced 9-1-1, or other emergency communications service (as defined in section 7 of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615b)), shall be filed in accordance with this section.”

28 U.S. C. 1498 is a legitimate authorizing statute and does not eliminate patent rights

Does this amendment shift jurisdiction for 911-related patent lawsuits from the district courts to the Court of Claims and, thus, make the Federal Government liable for patent infringement?

Yes, in some cases, the amendment will shift jurisdiction from the district court to the Court of Claims. However, it is important to note that a full infringement analysis still must be undertaken (as it would in district court against a private infringer) before any liability by the Federal Government could or would be found. In particular, as with any patent infringement suit that is brought in the Court of Claims, including, but not limited to, situations where there is an explicit contractual relationship, the Federal Government is only liable for monetary damages if the patent holder meets its burden to prove infringement by a preponderance of the evidence. Thus, no liability may be found against the Federal Government if the patent holder cannot meet its burden. Indeed, “[t]he analysis under § 1498 for an alleged private infringer’s immunity from suit in the district court is separate from the analysis of the Government’s liability for use of an infringing patent.”¹ In other words, liability to the Federal Government does not attach merely because a district court finds that § 1498 applies to the claims or a portion of the claims in a lawsuit. And, even if liability does attach, any monetary damages are taken from the Judgment Fund rather than the agency budget.

Furthermore, it is important to note that district courts have experience in segregating E911 claims and associated technology from the commercially-based technology.² Indeed, different equipment and networks are typically used for E911 and NG911 services as opposed to commercial location-based technology, primarily for cost recovery reasons. As such, it is

¹ *Hutchinson Indus. Inc. v. Accuride Corp.*, No. 09–1489, 2010 WL 1379720, at *12.

² See e.g., *Adv. Software Design Corp. v. Fed. Res. Bank of St. Louis*, 583 F.3d 1371, 1379 (Fed. Cir. 2009) (affirming that § 1498 applied to counts involving Treasury checks despite Advanced Software’s “concern about the time and expense of conducting duplicative trials in different forums [since] the district court retained jurisdiction of the counts of the complaint that relate to infringement by other banks and customers of Fiserv not involving Treasury checks”).

unrealistic to assume that commercial location-based technology will be sent to the Court of Claims based on the proposed amendment.

Moreover, the amendment is purposely narrow in that it only carves out a limited exception to patent infringement lawsuits in district courts against wireless carriers and IP-enable voice service providers when such providers are subject to 47 U.S.C. § 20.18 and 47 U.S.C. 615a-1(a)), respectively, in provisioning 9-1-1, enhanced 9-1-1, or other emergency communications service.

Is it reasonable to suggest that 911-related technologies have been essentially procured by the U.S. government for government use because they provide a public benefit?

The purpose of the amendment is to prevent injunctions or impediments to 9-1-1 service and technology advancements merely because a patent holder alleges infringement based on a wireless carrier's compliance with 47 U.S.C. § 20.18 or an IP-enable voice service provider's compliance with 47 U.S.C. § 615a-1(a). In fact, § 1498 is intended to apply to government procurement for performance of government functions where there is a threat that the supplier could be enjoined from making the product or providing the service due to the infringement allegations.

While there is not a contractual purchase of goods or services by the Federal Government in the 47 U.S.C. § 20.18 or § 615a-1(a) context, the compliance by the wireless carriers and/or IP-enable voice service providers with this mandate not only is required to maintain an FCC license, it serves the public. Thus, not only is it as reasonable to prevent injunctions or impediments to 9-1-1 service with this amendment to § 1498 as the more traditional scenario of procurements to purchase goods and services for the performance of governmental functions, it is arguably even more critical because it involves public safety.

Does the bill distinguish between patent assertion entities (PAEs) / patent trolls and actually target patent trolls without denying other entities the right to enforce their patents?

The current amendment does not prevent any patent holder from bringing 911-related lawsuits in district court—patent troll or operating company. What the current amendment seeks to accomplish is prevent claims of infringement from being litigated in district court against wireless carriers subject to 47 U.S.C. § 20.18 and an IP-enable voice service provider subject to section 6(a) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a-1(a)) providing 9-1-1, enhanced 9-1-1, or other emergency communications service if and only if § 1498 is found to apply. In fact, if § 1498 is found to apply in this limited scenario, the patent holder may seek remedy in the Court of Claims if it can meet its burden to show infringement.

The patent troll model is typically based on fast and easy monetary settlements. To the extent that this amendment presents challenges to a patent holder, the patent troll is likely to pick and choose its infringement lawsuit targets more carefully rather than casting the typical wide net that encompasses software providers, wireless carriers, IP-enable voice service providers, and any other company remotely associated with the process. Furthermore, patent infringement lawsuits brought by PAEs would likely decrease if such entities knew they had to deal with the government-- because of the government's unwillingness to settle for token monetary amounts (which is contrary to the patent troll model discussed above).