

No. 20-1394

IN THE
Supreme Court of the United States

PERSONALWEB TECHNOLOGIES, LLC,
Petitioner,

v.

PATREON, INC. *et al.*,
Respondents.

**On Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit**

**BRIEF IN OPPOSITION TO
PETITION FOR A WRIT OF CERTIORARI**

JEFFREY H. DEAN
AMAZON.COM, INC.
440 Terry Ave. North
Seattle, WA 98109
(206) 740-0521

STEPHEN B. KINNAIRD
DANIEL ZEILBERGER
PAUL HASTINGS LLP
2050 M. Street NW
Washington, D.C. 20036
(202) 551-1700

J. DAVID HADDEN
Counsel of Record
SAINA S. SHAMILOV
TODD R. GREGORIAN
FENWICK & WEST LLP
Silicon Valley Center
801 California Street
Mountain View, CA 94041
(650) 988-8500
dhadden@fenwick.com

Counsel for Respondents

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QUESTIONS PRESENTED

In *Kessler v. Eldred*, 206 U.S. 285 (1907), this Court held that a patent-infringement judgment establishing the right of a manufacturer to make and sell a product includes “the right to have others secure in buying that article, and in its use and resale.” *Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co.*, 232 U.S. 413, 418 (1914). Accordingly, “a judgment in [the manufacturer’s] favor bars suits against his customers.” *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180, 185 (1952). The questions presented are:

(1) whether the United States Court of Appeals for the Federal Circuit properly interpreted *Kessler* as a bar on suits against customers for use of the same articles that were the subject of the prior judgment, rather than a mere application of non-mutual issue preclusion;

(2) whether *Kessler* should be overruled, despite *stare decisis*, when Congress has never revised the Patent Act to overrule *Kessler*, and when its rule is necessary to prevent the kind of vexatious litigation in which the district court found Petitioner to have engaged; and

(3) whether *Kessler* applies to judgments of voluntary dismissal with prejudice, which this Court has long held to have the same preclusive effect as an adjudication on the merits of a claim.

CORPORATE DISCLOSURE STATEMENT

In accordance with United States Supreme Court Rule 29.6, Respondents make the following disclosures:

Amazon.com, Inc. has no parent corporation and no publicly held corporation is known to own 10% or more of its stock.

Amazon Web Services, Inc. is a wholly owned subsidiary of Amazon.com, Inc.

Patreon, Inc. has no parent corporation and no publicly held corporation is known to own 10% or more of its stock.

Dictionary.com, LLC is wholly owned by Dictionary Holdco LLC, which in turn is wholly owned by Rock Holdings Inc.

Vox Media, LLC: NBCUniversal Media, LLC, a wholly owned indirect subsidiary of Comcast Corporation, owns more than 10% of Vox Media, LLC.

Vice Media, LLC is wholly owned by Vice Holding, Inc., which is wholly owned by Vice Group Holding Inc. No publicly-traded company indirectly owns more than 10% of Vice Group Holding Inc.

Oath Inc. is a wholly owned subsidiary of Verizon Communications Inc.

Buzzfeed, Inc.: NBCUniversal Media, LLC, a wholly owned indirect subsidiary of Comcast Corporation, owns more than 10% of BuzzFeed, Inc.

PopSugar, Inc.: upon information and belief, Group Nine Media, Inc. is the parent company of PopSugar, Inc.

Ziff Davis, LLC is a wholly owned subsidiary of j2 Global, Inc.

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INTRODUCTION

In *Kessler v. Eldred*, 206 U.S. 285 (1907), this Court held that a patent owner who has sued a manufacturer for patent infringement and lost may not then sue a customer for use of the same product. Petitioner PersonalWeb Technologies, LLC (“PersonalWeb”) maintains that *Kessler* merely “applied ordinary issue preclusion while relaxing the mutuality requirement—the rule that both cases must involve the same parties—that still generally applied at the time.” Pet. 3. PersonalWeb accuses the Federal Circuit of failing to recognize *Kessler* as a precedential relic superseded by modern preclusion law. Pet. 14-15.

PersonalWeb’s premise is wrong. Issue preclusion was not, and could not have been, raised in *Kessler*. *Kessler* announced a doctrine of equity that bars a patentee from bringing multiplicative customer *suits* that wrongfully deprive a manufacturer of the full benefits of its right to make and sell articles free of the patent. The Federal Circuit adhered exactly to *Kessler*; it is not guilty of “creating and then expanding a novel species of preclusion” (Pet. 2) by a false “resurrection of *Kessler*” (Pet. 8).

PersonalWeb’s characterization of *Kessler* as an antiquated issue-preclusion precedent is unfounded. None of the certified questions from the court of appeals addressed issue preclusion, and the appellant *Kessler* in fact *affirmatively disclaimed* that defense. Instead, *Kessler* argued that by virtue of the prior judgment of non-infringement of the same product, *Kessler* had a right to manufacture and sell the exonerated products to customers without their molestation by the patentee, invoking the well-established source of equity jurisdiction to enjoin multiplicative litigation.

This Court then expressly declined to decide whether the prior judgment in favor of Kessler would afford the customer “a defense to Eldred’s suit against him.” *Kessler*, 206 U.S. at 288. This alone destroys the contention that the Court applied non-mutual issue preclusion. The Court instead held that the prior judgment gave the manufacturer itself both “the right to sell his wares freely, without hindrance” and the right to have its customer “let alone.” *Id.* at 289. Such an equitable rule was necessary as otherwise the patent owner could use the threat of suit against customers to undermine the judgment and wrongfully interfere with the manufacturer’s business, as “[n]o one wishes to buy anything if with it he must buy a law suit.” *Id.* As this Court has held, “a judgment in [the manufacturer’s] favor bars *suits* against his customers,” *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180, 185-86 (1952) (emphasis added), not merely the re-litigation of certain issues.

Shorn of the narrative that the Federal Circuit is defying precedent, the petition amounts to a plea to overrule *Kessler* or prevent its application to stipulated judgments. Pet. 26-32. *Stare decisis*, which is paramount in statutory cases, dictates otherwise. It has been the rule for more than a century that a defendant who has received a judgment in an action under 35 U.S.C. §281 has the right to sell the products accused in that action to customers free of molestation by separate infringement suits. Congress has never seen fit to overrule *Kessler* despite wholesale revisions of the Patent Act, and the patent community is untroubled by *Kessler* (as underscored by the lack of *amici curiae* supporting the petition other than one other professional patent assertion entity). Similarly, this Court has rejected other petitions asking that it overrule or modify *Kessler* because its doctrine pur-

portedly creates a “conflict” with the claim preclusion law of other Circuits or this Court. See *SpeedTrack, Inc. v. Office Depot, Inc.*, 577 U.S. 1063 (2016); *Sowinski v. Cal. Air Res. Bd.*, No. 20-1339, 2021 U.S. LEXIS 2992 (June 10, 2021). The Court should decline again here.

As was *Kessler* itself, this case is also rightly decided. This Court has long recognized that equity must control abuse of the patent monopoly, which has been viewed since the Founding as an exception to the presumption in favor of free commerce, and which arises from a Congressional power that is uniquely conditioned on promoting the public weal rather than private avarice. U.S. Const., art. I, sec. 8. The need for *Kessler* is as acute today as it ever has been—indeed, this case epitomizes the mischief that *Kessler* is intended to prevent. PersonalWeb sued Amazon and its customer Dropbox a decade ago alleging patent infringement by Amazon’s Simple Storage Service, or “S3.” After the district court issued a claim construction order, PersonalWeb voluntarily dismissed the case with prejudice. Years later, after the patents had expired, PersonalWeb retained new counsel and sued more than 80 other Amazon customers alleging the same claims of infringement. These strike suits are the very type of multiplicative and vexatious litigation that *Kessler* prohibits. 206 U.S. at 289.

Even if there were any cause to revisit *Kessler*, this case would be a poor vehicle for doing so because it will soon be moot. In a later ruling on different Amazon services that employ the same allegedly infringing technology, the district court granted summary judgment of non-infringement on multiple grounds. The Federal Circuit has now affirmed that decision, providing an alternative basis for judgment in favor of Respondents

even if the *Kessler* bar were lifted. *In re PersonalWeb Techs. LLC*, Nos. 2020-1566, -1568, -1569, 2021 WL 3557196 (Fed. Cir. Aug. 12, 2021).¹ This later decision will moot this case once any opportunity for further review (which is unlikely) expires.

Finally, not only is this case a poor vehicle, but PersonalWeb is an especially undeserving petitioner given the district court's findings (in awarding the sanction of attorney fees) of the weakness of its infringement case and its litigation misconduct.

For all these reasons, as discussed more fully below, this Court should deny the petition.

STATEMENT OF THE CASE

The Patents

In this case, PersonalWeb asserted five patents from the same family. The patents are directed to systems and methods for consistently locating files (“data items”) in a computer system and for controlling access to licensed content to prevent unauthorized sharing. Pet. App. 6a;² C.A. App. 2472 at abstract, 2525 at 31:4-32. According to the patents, past systems had difficulties when different files share the same name, or when identical files bear different names. Pet. App. 6a. The patents purport to solve this problem by using

¹ In a companion appeal, the Federal Circuit ruled claims of the asserted U.S. Patent No. 7,802,310 ineligible for patenting under 35 U.S.C. §101. *PersonalWeb Techs. LLC v. Google LLC*, 2021 WL 3556889 (Fed. Cir. Aug. 12, 2021).

² References to “Pet. App.” are to the Appendix included with PersonalWeb’s Petition. References to C.A. App. are to the APPX pages of the Appendix filed in the Federal Circuit. Case No. 2019-1918, Dkt. 102.

“True Names”—names computed from the data in the file itself—instead of less reliable means such as user-provided file names. Pet. App. 6a-7a. By using a mathematical hash function of the data in a particular file to generate its name, a system can uniquely identify the file regardless of its location, which in turn enables other functions claimed by the patents, such as determining whether a file is present on the system or limiting access to a file to only authorized users. *Id.* at 6a-7a; C.A. App. 2511 at 3:52-58; 2525 at 31:4-32.

The accused HTTP functions

PersonalWeb alleged infringement by Amazon S3 and later by another Amazon service called CloudFront, as well as the website of Amazon’s subsidiary Twitch Interactive. Pet. App. 7a-8a, 11a-12a, 35a. PersonalWeb accused each of these services based on their use of the HTTP standard, the protocol that governs how all web browsers and web servers communicate and transmit resources, such as HTML pages and images, for the worldwide web. *Id.* at 8a n.1, 31a-32a. PersonalWeb thus misinterpreted its patents purportedly to cover the entire world wide web, claiming, in effect, that it had invented the modern Internet.

PersonalWeb’s infringement theories were fatally flawed from the outset. While the HTTP standard provides for using a hash function of the data in a file to generate an identifier (an “ETag”), that identifier is not used for the purposes claimed by the patents—identifying the location of a file in a computer system, controlling access to licensed content, and checking whether a user has permission to access a file.

HTTP messages consist of requests and responses. *Id.* at 32a. For example, to display the Amazon website, a web browser will send a request message to

Amazon servers specifying the method “GET” and the resource as “http://www.amazon.com.” *Id.*; C.A. App. 6, 411 ¶45. The resource is identified by its URI or URL, in this case, www.amazon.com. C.A. App. 411-412 ¶¶45-46.

HTTP provides that web browsers can store copies of resources locally in a cache. Pet. App. 8a-9a, 32a. When a web browser first requests a resource, the server’s response message may include an ETag corresponding to the resource, and a max-age header setting an expiration time for the resource. Pet. App. 8a, 32a-33a; C.A. App. 412-413 ¶¶50-51, C.A. App. 516-521. If there is a later request for the same resource, and the max-age has not passed, the web browser uses the version stored locally in its cache. Pet. App. 8a-9a, 32a-33a. If the max-age has expired, the browser will check whether the cached version is current before displaying it. To do so, the browser sends a conditional GET request with an If-None-Match header, which asks the server whether the local file or other resource is different from the current version on the server. *Id.* at 8a-9a; C.A. App. 413-414 ¶¶53-54. The server responds by comparing the ETags for the two versions. If they match, the server sends a message telling the browser that its local resource is current; if the ETags do not match, the server sends a copy of the current version. *Id.*

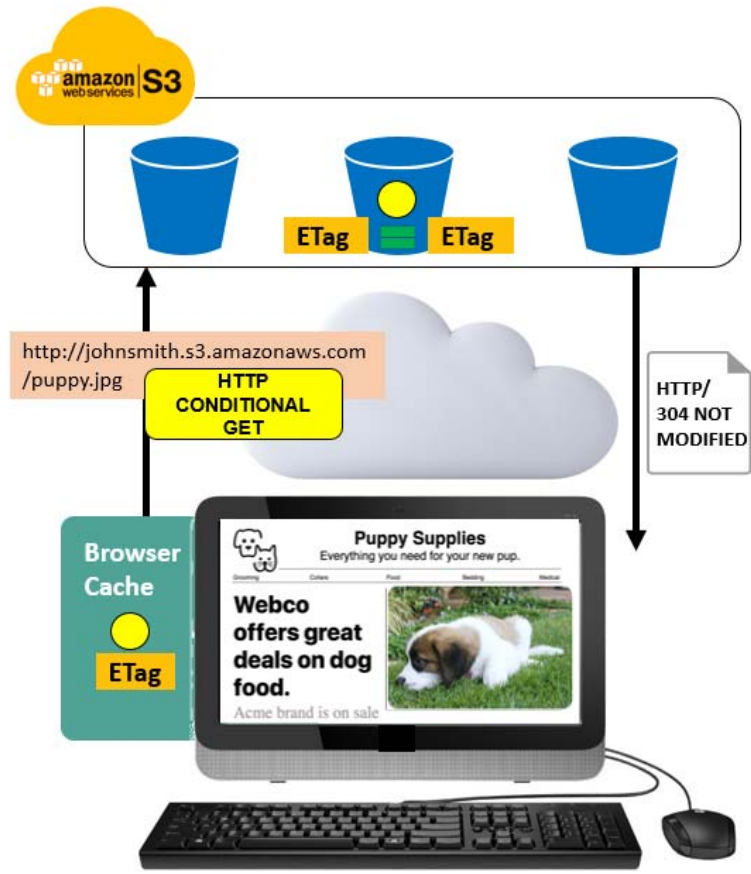


Fig 1. ETag in cache matches ETag value in S3

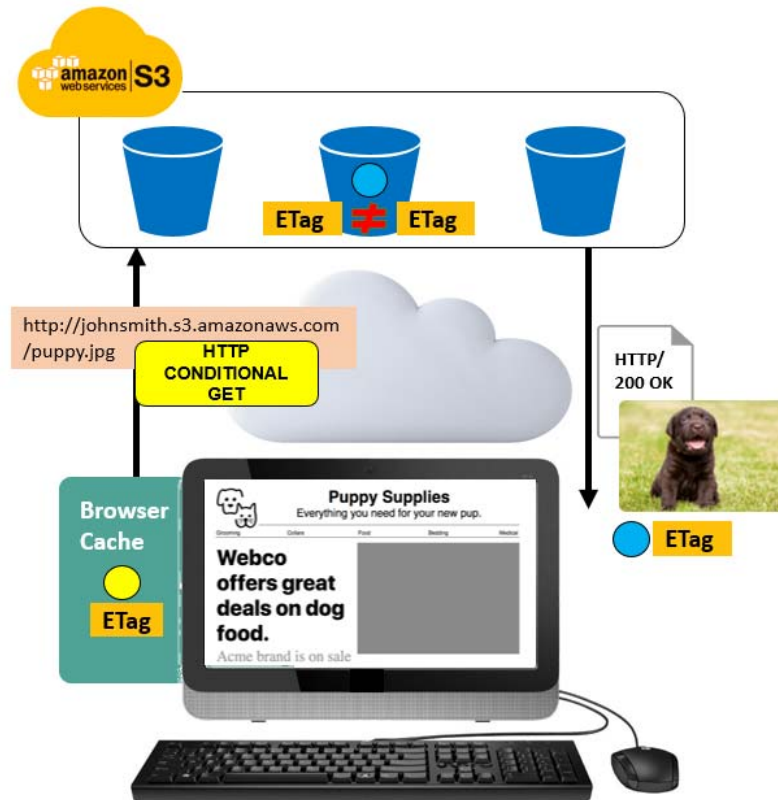


Fig 2. ETag in cache does not match ETag value in S3

Nothing in this process has anything to do with identifying the location of a file in a computer system, controlling access to licensed content, checking whether a user has permission to access a file, or any other function claimed by the patents. Resources are located by their URI or URL, not by using the ETag. C.A. App. 411 ¶46. The process is anonymous and generic—the system does not check the user’s identity or determine permissions to access a resource. *Id.* at 518-519. ETags are used only to compare two versions of a

resource that have already been located, to see whether they are the same. Pet. App. 8a-9a.

The first lawsuit

In December 2011, PersonalWeb sued Amazon and its customer Dropbox in the Eastern District of Texas, alleging that Amazon S3 infringed patents from the “True Name” family. *Id.* at 7a-8a. PersonalWeb served infringement contentions accusing the above-described use of ETags in the HTTP standard—according to PersonalWeb, the ETag was the alleged True Name of the patents, which allegedly infringed when used with a conditional operator (*e.g.*, a conditional GET request with an If-None-Match header) to determine whether a resource is current. *Id.* at 9a-11a, 49a. PersonalWeb took discovery in the Texas case in pursuit of this theory. *Id.* at 10a, 49a. After the district court issued its claim construction order, PersonalWeb dismissed its claims with prejudice. *Id.* at 11a. The court entered final judgment against PersonalWeb in June 2014. *Id.*

The second wave of lawsuits against Amazon customers

Almost four years after dismissing the Texas case, PersonalWeb retained new counsel and began filing identical lawsuits against scores of disparate Amazon customers alleging the same claims of infringement against S3—a technology which none of those defendants had created and which would therefore be especially vexing for them to defend.³ Congress and the Federal

³ The original Texas case included just four of the five patents asserted here, but PersonalWeb conceded below that its causes of action based on the fifth patent, U.S. Patent No. 8,099,420, were the same claims for purposes of the district court’s preclusion analysis. Pet. App. 48a.

Trade Commission have expressly identified such customer suits as one of “the abusive practices of patent assertion entities (PAEs) that are a drag on innovation, competition, and our economy.” Fed. Trade Comm’n, Patent Assertion Entity Activity: An FTC Study (Oct. 2016), https://www.ftc.gov/system/files/documents/reports/patent-assertion-entity-activity-ftc-study/p131203_patent_assertion_entity_activity_an_ftc_study_0.pdf (last visited Aug. 13, 2021).

Amazon filed a declaratory judgment action against PersonalWeb seeking a declaration that PersonalWeb’s claims were barred by claim preclusion and the *Kessler* doctrine, or alternatively, that Amazon and its customers did not infringe any claim of the patents in suit. Pet. App. 5a-6a, 27a; C.A. App. 3123. PersonalWeb counterclaimed against Amazon for infringement. Pet. App. 12a.

At PersonalWeb’s request, the United States Judicial Panel on Multidistrict Litigation centralized the declaratory judgment action and the customer cases before the district court in the Northern District of California. *Id.* The district court stayed the customer cases pending resolution of the declaratory judgment action and a single customer case against Twitch Interactive, Inc., which the parties agreed to treat as representative of the other pending customer suits. *Id.*

PersonalWeb then served infringement contentions asserting the same theory concerning the use of ETags and conditional operators as specified in the HTTP standard. *Id.* at 13a, 18a-19a, App. 49a-50a. PersonalWeb also added new causes of action against a different Amazon service, CloudFront (a content delivery network), and the Twitch website, alleging

infringement based on the same use of ETags and conditional operators. *Id.* at 38a.

The district court granted summary judgment on PersonalWeb's claims against Amazon S3, ruling that claim preclusion barred them to the extent they were based on use of S3 before the date of the Texas judgment, and that the *Kessler* doctrine barred them to the extent they were based on the use of S3 after that date. *Id.* at 13a-14a. The district court then entered final judgment in each of the customer suits for which PersonalWeb had alleged infringement only by S3, and PersonalWeb appealed those judgments to the Federal Circuit.

The Federal Circuit decision below

The Federal Circuit affirmed the district court's preclusion ruling. In its first holding, the panel ruled that claim preclusion barred PersonalWeb's claims through the date of the final judgment in Texas because PersonalWeb accused the same Amazon S3 product of infringing the same patents, and it was undisputed that the operation of Amazon S3 had not changed since the first lawsuit. *Id.* at 20a. PersonalWeb had argued that its claims invoked different *features* within S3 and were therefore not precluded. But the panel ruled that the differences that PersonalWeb identified were irrelevant, and that, in all events, PersonalWeb had in fact accused both features in the original lawsuit.

The panel next held that *Kessler* barred PersonalWeb's claims arising after the final judgment in Texas. *Id.* at 26a. *Kessler* preclusion originated as a separate doctrine from either claim or issue preclusion. *Id.* at 20a. It does not, like issue preclusion, require a specific ruling of non-infringement from the first court.

Id. at 21a. Instead, a dismissal with prejudice is an adjudication of the merits of the plaintiff's claim for patent infringement, such that the defendant should be free to sell its accused technology free of harassment through follow-on customer lawsuits. *Id.* at 26a.

The Federal Circuit denied PersonalWeb's request to rehear the case en banc, without dissent. *Id.* at 68a.

Later proceedings that provide an alternative basis for denying relief to PersonalWeb on its S3 claims

During the pendency of the appeal below, the parties continued to litigate PersonalWeb's claims against CloudFront and the Twitch website in the district court. PersonalWeb stopped prosecuting its claims for infringement of two of the patents during expert discovery.

Relevant to the request for review here, the district court construed the patent claim term "unauthorized or unlicensed" to mean "not compliant with a valid license," and the term "authorization" to mean "a valid license." *In re PersonalWeb Techs. LLC*, 2021 WL 3557196, at *17-18. These constructions foreclosed all of PersonalWeb's claims of infringement because the terms are present in all remaining asserted patent claims and it is undisputed that the accused HTTP technology does not check license compliance.

Based on those constructions, PersonalWeb conceded that it could not meet its burden of proving infringement, see *In re PersonalWeb Techs., LLC*, No. 18-md-02834, 2019 WL 7212318, at *1 (N.D. Cal. Oct. 31, 2019), and moved for entry of final judgment of noninfringement. The district court denied the motion

in favor of granting Amazon’s and Twitch’s summary judgment motions (which raised additional grounds) on the merits. It ruled that Amazon and Twitch did not infringe the patents for multiple independent reasons:

Summary of the non-infringement disposition below:				
	does not permit or allow content to be provided to or accessed	does not determine whether a copy of the data file is present	“unauthorized or unlicensed”; “authorization”	no comparison to “a plurality of identifiers” (ruling not appealed by PersonalWeb)
Claim 20, '310 patent	X		X	
Claim 25, '420 patent	X		X	X
Claim 166, '420 patent	X		X	X
Claim 10, '442 patent		X	X	
Claim 11, '442 patent	X	X	X	

The district court entered judgment in both the Amazon and Twitch cases, which PersonalWeb appealed. C.A. App. 2. Based on its same order, the district court also entered judgment in the remaining customer cases. *In re PersonalWeb Techs. LLC*, No. 18-md-2834, Dkt. 643 (N.D. Cal. Oct. 28, 2020). PersonalWeb did not appeal these later judgments.

Amazon then moved under 35 U.S.C. §285 for attorney fees, which may be awarded if a case is exceptional considering the weakness of a party's substantive positions, the unreasonableness of its litigation conduct, or, as in this case, both. *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 554 (2014). The district court held that PersonalWeb brought objectively unreasonable infringement claims, made frivolous arguments and changes in position, and that "PersonalWeb's unreasonable litigation tactics alone . . . would have been sufficient to find this case exceptional." *In re PersonalWeb*, No. 18-md-2834, 2020 WL 5910080, at *7-16 (N.D. Cal. Oct. 6, 2020). Specifically, the court rested its ruling on the following findings:

- (1) PersonalWeb's infringement claims related to Amazon S3 were objectively baseless when brought because they were barred due to a final judgment entered in the earlier Texas case;
- (2) PersonalWeb frequently changed its infringement positions to evade the consequences of imminent or actual rulings by the district court;
- (3) PersonalWeb unnecessarily prolonged this litigation after claim construction foreclosed its infringement theories;
- (4) PersonalWeb's conduct and positions regarding the customer cases were unreasonable; and
- (5) PersonalWeb submitted declarations that it should have known were not accurate.

Id. at *22.

PersonalWeb appealed the district court’s summary judgment order on non-infringement. The Federal Circuit affirmed the district court’s construction of the “authorization” terms and its judgment of non-infringement, and, because that foreclosed all claims, it declined to reach the additional grounds for non-infringement that the district court had identified. *In re PersonalWeb Techs. LLC*, 2021 WL 3557196. In a companion appeal decided the same day, the Federal Circuit affirmed the decision of another district court in the Northern District of California that invalidated claims of the ’310 patent for failure to claim eligible subject matter under 35 U.S.C. §101. *PersonalWeb Techs. LLC v. Google LLC*, 2021 WL 3556889. Amazon and Twitch asserted similar §101 defenses below that the district court did not reach.

These rulings foreclose any relief to PersonalWeb on its S3 claims even if its petition for certiorari were granted.

REASONS FOR DENYING THE PETITION

I. THE DECISION BELOW DOES NOT CONFLICT WITH DECISIONS OF THIS COURT OR OTHER CIRCUITS.

A. The *Kessler* bar is a substantive equitable rule independent from other preclusion doctrines.

PersonalWeb’s petition for certiorari is predicated on the notion that *Kessler* merely applied modern-day non-mutual issue preclusion before its time. Pet. 3, 14. PersonalWeb both misreads *Kessler* and misstates the economic harm—which occurs with equal force today—that *Kessler* was intended to prevent.

Kessler manufactured and sold electric cigar lighters. A competitor, Eldred, sued Kessler for patent infringement in the District of Indiana, which rendered a decree for Kessler (“the Indiana action”). Eldred subsequently sued Breitwieser, a customer that had purchased the same lighters, for patent infringement in the Western District of New York (“the New York action”). *Kessler*, 206 U.S. at 286. “Many of Kessler’s customers were intimidated by the Breitwieser suit, so that they ceased to send in further orders for lighters, and refused to pay their accounts for lighters already sold and delivered to them.” *Id.* While Kessler intervened in, and assumed the defense of, the New York action, he also separately filed a bill in equity against Eldred in the Northern District of Illinois (“the Illinois action”) to enjoin Eldred from prosecuting suits against the customers. *Id.*

The Illinois court ruled against Kessler, who appealed to the Seventh Circuit. *Id.* The Seventh Circuit certified three questions to this Court, none of which had anything to do with issue preclusion. First, did the Indiana judgment “have the effect of entitling Kessler to continue the business of manufacturing and selling throughout the United States the same lighter he had theretofore been manufacturing and selling, without molestation” by Eldred? *Id.* at 287. Second, did the Indiana judgment make customer suits “a wrongful interference by Eldred with Kessler’s business?” *Id.* Third, did Kessler’s assumption of the defense of the New York action foreclose Kessler’s bill of equity in Illinois? *Id.*

In his brief to this Court, Kessler argued that a judgment in favor of a manufacturer necessarily means that the patentee has no exclusive right in the articles, and the patentee cannot enforce the patent

against the manufacturer's customers for using the same articles. Brief for Kessler, *Kessler v. Eldred*, No. 196, at 7-8 (Feb. 2, 1906). Kessler drew an analogy to this Court's decision in *Keeler v. Standard Folding Bed Co.*, 157 U.S. 659 (1895), in which the Court held that "the purchase of the article from one authorized by the patentee to sell it, emancipates such article from any further subjection to the patent throughout the entire life of the patent," *id.* at 666; Brief for Kessler 6-7, 9. A judgment means that a manufacturer has the right to make and sell "imports, *as between the patentee and the manufacturer*, that the buyers will be entitled to use." Brief for Kessler 8 (emphasis in the original).

Critically, Kessler affirmatively disclaimed reliance on issue preclusion. Noting that Eldred had argued below that "Kessler's decree created no estoppel against Eldred in favor of a user of the Kessler lighter for want of mutuality," Kessler argued that this contention "misse[d] the mark." *Id.* Kessler brought the Illinois action "to protect his own business," and "does not rely upon any estoppel between Eldred and his customers," asserting instead his right to immunity from interference by Eldred "secured to him by the decree in his favor in Eldred's infringement suit." *Id.* at 9. Second, "[i]f the legal effect of that decree is to entitle Kessler to *sell* his lighters as well as *make* them, Eldred ought not to interfere with his customers," and injunction was the only adequate remedy. *Id.* at 14 (emphasis in the original). Moreover, "the granting of injunctions to restrain the bringing or prosecution of suits is a

familiar head of equity jurisprudence.” *Id.* at 18; see also *id.* at 18-26 (discussing authorities).⁴

This Court unanimously sided with Kessler. The original Indiana judgment “conclusively decreed the right of Kessler to manufacture and sell his manufactures free from all interference from Eldred by virtue of the Chambers patent, and the corresponding duty of Eldred to recognize and yield to that right everywhere and always.” *Kessler*, 206 U.S. at 288. The Court saw no need to decide whether that judgment “*had any other effect than to fix unalterably the rights and duties of the immediate parties to it,*” *i.e.*, Kessler and Eldred. *Id.* (emphasis added). The reason is that “only the rights and duties” of Kessler and Eldred “are necessarily in question here.” *Id.* Thus, the Court refused to decide whether the judgment would “afford Breitwieser, a customer of Kessler, a defense to Eldred’s suit against him,” for neither that defense “nor the case in which it is raised are before us.” *Id.*

The Court held that Eldred’s suit against Breitwieser violated Kessler’s own rights established by the judgment. “The effect which may reasonably be anticipated of harassing the purchasers of Kessler’s manufactures by claims for damages on account of the use of them, would be to diminish Kessler’s opportunities for sale. No one wishes to buy anything, if with it he must buy a law suit.” *Id.* at 289. Indeed, “Kessler’s

⁴ Eldred defended on the merits by arguing that the decree did not establish an implied license of customer use, that Kessler was not injured, and that a single suit did not constitute multiplicative litigation. Brief for Eldred, *Kessler v. Eldred*, No. 196, at 5-14 (Jan. 1907). With Kessler’s concession on collateral estoppel, Eldred addressed what “may be a moot question” by pointing out the multiple reasons why no such estoppel existed, in addition to want of mutuality. *Id.* at 15-18.

customers ceased to send orders for lighters, and even refused to pay for those which had already been delivered.” *Id.* Aside from any right his customers may have from the judgment, Kessler had “by virtue of the judgment the right to sell his wares freely without hindrance from Eldred.” *Id.* “[A] multiplicity of suits” would likely ensue; whether they succeeded or failed, they would diminish sales and either impair or destroy Kessler’s judgment right. *Id.* at 289-90. With no adequate remedy at law, the Court ruled that Kessler was entitled to invoke the Illinois court’s equity jurisdiction to enjoin Eldred *in personam* from a multiplicity of vexatious suits. *Id.* at 290. The Court therefore “answered in the affirmative” the first two certified questions, *id.*, ruling that the original judgment “ha[d] the effect of entitling Kessler to continue the business of manufacturing and selling the articles in question without molestation by Eldred,” and that “a *suit* by Eldred against any customer” constituted “a wrongful interference by Eldred with Kessler’s business.” *Id.* at 286 (emphasis added).

There is no colorable reading of *Kessler* as an issue preclusion case. The certified questions did not raise issue preclusion, and Kessler affirmatively disclaimed reliance on the doctrine. *Supra* at 17. Indeed, issue preclusion is an affirmative legal defense that a defendant must plead in a patent infringement action. *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 350 (1971); see also Fed. R. Civ. P. 8(c) & Advisory Committee’s Note to 1937 amendment; 1 Thomas Snow, Charles Burney, & Francis A. Stringer, *The Annual Practice* 243 (24th ed. 1906); it could not have been raised in the Illinois equity action on review. Moreover, the *Kessler* Court expressly declined to decide the issue for that very reason. 206 U.S. at 288. Finally, this Court’s later precedents refute such a

reading. *Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co.*, 232 U.S. 413, 418 (1914), applied the mutuality requirement to deny collateral estoppel in a patent infringement action, while distinguishing *Kessler* as involving the manufacturer’s assertion of its own judgment right to trade the non-infringing articles without molestation by the patentee. *Id.* at 416-18.⁵ And the Court made clear that *Kessler* prohibits not just relitigation of infringement issues, but bars “a suit by [the patentee] against any customer.” *Id.* at 418 (emphasis added). And forty-five years later this Court endorsed the *Kessler* rule (in the text, not a footnote, cf. Pet. 7) that “a judgment in [the manufacturer’s] favor bars suits against his customers.” *Kerotest Mfg. Co.*, 342 U.S. at 185-86 (emphasis added).

B. The Federal Circuit did not misinterpret *Kessler*, and review is not warranted to correct a non-existent error.

With the proper understanding of *Kessler* and its progeny, PersonalWeb’s argument for review collapses. PersonalWeb claims that *Kessler* (pitched as a patent-law rule of non-mutual issue preclusion) is an “anachronism” that lacks “independent force” once this Court abandoned the mutuality requirement in *Blonder-Tongue*. Pet. 3, 14-15. It accuses the Federal Circuit of the “exhumation,” “resurrection,” and

⁵ This Court also suggested that the customer could assert the manufacturer’s right as a defense in its own action, but did not reach the issue for want of formal proof of the prior decree. *Brill v. Wash. Ry. Co.*, 215 U.S. 527, 528-29 (1910). Although Amazon asserted its own rights on behalf of itself and its customers, the Federal Circuit has recognized that the customer can assert the *Kessler* bar. *SpeedTrack, Inc. v. Office Depot, Inc.*, 791 F.3d 1317, 1326-27 (Fed. Cir. 2015).

“repurpos[ing]” of a dead precedent and urges this Court to “grant review and confirm that *Kessler* does not create a novel form of preclusion beyond ordinary claim and issue preclusion.” Pet. 3, 13. But the error is PersonalWeb’s, not the Federal Circuit’s.

The Federal Circuit correctly understood the holding of *Kessler*. It recognized that the *Kessler* doctrine was an equitable doctrine “separate” from the legal doctrines of claim and issue preclusion. Pet. App. 20a. It properly construed *Kessler* to establish the right of “an adjudged noninfringer to avoid repeated harassment for continuing its business as usual post-final judgment in a patent action where circumstances justify that result.” *Id.* (quoting *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1056 (Fed. Cir. 2014)). Despite PersonalWeb’s indictment against the Federal Circuit for “contradict[ing] controlling precedent,” (Pet. 13) and “invent[ing] new preclusion doctrines,” (Pet. 16) that court simply adhered to this Court’s precedent. There is no error for this Court to correct, much less a conflict to resolve. PersonalWeb’s petition, therefore, is little more than an invitation to this Court to ignore *stare decisis* and overrule its own precedent.

II. REVIEW IS NOT WARRANTED TO OVERRULE *KESSLER*.

Unsurprisingly, PersonalWeb also expressly asks the Court to grant review to overrule *Kessler*. But that argument suffers from the same defect. Pet. 26. It claims *Kessler* is a “relic” of an old regime of issue preclusion that no longer exists after *Blonder-Tongue*, and that this Court has admonished against “creating procedural rules ‘unique to patent disputes.’” Pet. 27.

PersonalWeb fails to heed that *Kessler* declares a *substantive* equitable rule of patent law, not a procedural rule. It defines the right that vests in a manufacturer defendant that wins a judgment in a patent-infringement action under 35 U.S.C. §281. The manufacturer’s “equity . . . sprang from the decree in the former suit between the parties,” and the manufacturer’s “right to make and sell the particular article, the making of which Eldred had unsuccessfully challenged as an infringement, was deemed to include the right to have others secure in buying that article, and in its use and resale.” *Rubber Tire Wheel*, 232 U.S. at 418. Equity intervenes to bar multiplicative suits against customers that would defeat that right. *Kessler*, 206 U.S. at 288-89; see J. Pomeroy, *Pomeroy’s Equity Jurisprudence* §§243-48 (3d ed. 1905) (discussing equity jurisdiction to prevent a multiplicity of suits).

Kessler’s recognition of equitable judgment rights is unassailable, and consistent with the precepts of equity. Courts must consider “the different natures of the rights [equity courts] are designed to recognize and protect.” J. Story, *Commentaries on Equity Jurisprudence*, Vol. I, §26 (12th ed. 1877). For example, “[t]here are many cases, in which a simple judgment for either party, without qualifications, or conditions, or peculiar arrangements, will not do entire justice *ex aequo et bono* to either party.” *Id.* §27. Equity courts can adjust their decrees to the “controlling equities, and the real and substantial rights of all the parties.” *Id.* §28. Equity “must attain the full end and justice of the case. It must reach the whole mischief, and secure the whole right of the party in a perfect manner, at the present time, and in future; otherwise, equity will interfere and give such relief and aid as the exigency of the particular case may require.” *Id.* §33 (footnotes omitted).

The *Kessler* Court understood that, regardless of what judgment-based defenses a customer might have, the very threat of a duplicative patent suit would deter customers from purchasing from the manufacturer even after it had won the judgment and vindicated its products as non-infringing. “No one wishes to buy anything if with it he must buy a law suit.” *Kessler*, 206 U.S. at 289. Having secured by judgment the right to make and sell the products free of the patent, the manufacturer has the “right that those customers should, in respect of the articles before the court in the previous judgment, be let alone by [the patentee], and it is [the patentee’s] duty to let them alone.” *Id.* That principle preventing wrongful interference with a *manufacturer’s* business applies with equal force even after *Blonder-Tongue* expanded a *customer’s* defenses. PersonalWeb’s 80 strike suits against Amazon customers, on baseless infringement theories, typify the very mischief against which *Kessler* protects. See *Bakery Sales Drivers Local Union No. 33 v. Wagshal*, 333 U.S. 437 (1948) (discussing equity jurisdiction to prevent wrongful interference with business).

This Court has repeatedly endorsed various bespoke equitable defenses in patent cases where consistent with the Patent Act, which is no surprise. A patent “concern[s] far more than the interests of the adverse parties.” *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 815 (1945). A patent, “[a]s recognized by the Constitution, . . . is a special privilege designed to serve the public purpose of promoting the ‘Progress of Science and the useful Arts,’” and “is an exception to the general rule against monopolies and to the right to access to a free and open market.” *Id.* at 816. Thus, this Court has commonly devised rules of patent law like *Kessler* to ensure both

justice between the parties and the freedom of commerce from abuse of the patent monopoly.

For instance, this Court recently considered the “well-established [patent] exhaustion rule [that] marks the point where patent rights yield to the common law principle against restraints on alienation.” *Impression Prods., Inc. v. Lexmark Int’l, Inc.*, 137 S. Ct. 1523, 1531 (2017). In reaffirming the rule, this Court explained that “extending the patent rights beyond the first sale would clog the channels of commerce, with little benefit from the extra control that the patentees retain.” *Id.* at 1532. The patent exhaustion doctrine thus “remains an unwritten limit on the scope of the patentee’s monopoly.” *Id.* at 1536. And—in parallel to the bar against downstream customer suits recognized in *Kessler*—this Court rejected as an “end-run around exhaustion” the theory that, although a seller could be authorized “to sell a completed computer system that practices [a patent], any downstream purchasers of the system could nonetheless be liable for patent infringement.” *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 630 (2008). This Court has similarly forbade patentees from asserting patents where a sale has operated as an implied license to use the thing sold, even where the patentee has attempted to reserve certain rights. See, e.g., *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 496-97 (1964) (finding an “agreement’s attempt to reserve rights in connection with future sales of replacement fabrics [for a vehicle that was sold] was invalid”).

A patentee’s conduct is a frequent basis for many equitable defenses. This Court and the lower courts have developed an elaborate jurisprudence of “inequitable conduct” that renders a patent unenforceable under 35 U.S.C. §282. See 6A Chisum on Patents

§19.03 (2021); see also *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 223 (1980) (recognizing equitable defense of patent misuse, later restricted at 35 U.S.C. §271(d)). Just a few months ago, in *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298 (2021), this Court upheld the doctrine of “assignor estoppel” based on “the equitable principle long understood to lie at its core,” specifically, “when, but only when, the assignor’s claim of invalidity contradicts explicit or implicit representations he made in assigning the patent.” *Id.* at 2302. Additionally, in *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC*, 137 S. Ct. 954, 967 (2017), after declaring laches inconsistent with express provisions of the Act, this Court approved the defense of equitable estoppel, explaining that the doctrine “provides protection against . . . unscrupulous patentees inducing potential targets of infringement suits to invest in the production of arguably infringing products.” *Id.* at 967. Patent rights are “measured by both public and private standards of equity,” *Precision Instrument Mfg. Co.*, 324 U.S. at 816; there is no more cause for this Court to revisit *Kessler* than any other equitable patent-law doctrine that implements the Patent Act.

Even apart from the equitable purposes of the *Kessler* rule, *stare decisis* weighs against reconsideration. *Stare decisis* is at its zenith in statutory matters, like patent law, because Congress can always change the rule. *Kimble v. Marvel Entm’t, LLC*, 576 U.S. 446, 456 (2015) (“[W]e apply statutory *stare decisis* even when a decision has announced a ‘judicially created doctrine’ designed to implement a federal statute”). Thus, in *Kimble*, this Court refused to overturn the judge-made rule against post-expiration patent royalties, despite consensus that it made no economic sense, because the challenger failed to advance the requisite

“superspecial justification” for doing so when Congress had not acted. *Id.* at 458. PersonalWeb does not begin to show that *Kessler*’s doctrinal underpinnings in equity have eroded, see *id.* at 458, because it does not even recognize them. And PersonalWeb has not shown that the rule is unworkable. See *id.* at 459. The dearth of recent precedent of this Court does not suggest that *Kessler* is defunct (this Court’s precedents do not expire), but only that the law is settled. Recent aggressive customer strike suits by a handful of non-practicing entities like PersonalWeb only underscore the need for the *Kessler* doctrine. Congress has let the *Kessler* rule stand for more than a century, without outcry from the patent community (which notably has not spoken in support of PersonalWeb’s petition). This Court has decided the issue and should reject PersonalWeb’s plea to overrule *Kessler*.⁶

⁶ Some courts have applied claim preclusion to reach similar results to *Kessler*. Although claim preclusion *presumptively* does not bar a claim based on events postdating the complaint in the first suit, *Whole Woman’s Health v. Hellerstedt*, 136 S. Ct. 2292, 2305 (2016), that rule does not necessarily apply where a defendant is accused of “acts which though occurring over a period of time were substantially of the same sort and similarly motivated,” Restatement (Second) of Judgments §24 & Comment *d* (1982), or where the plaintiff could have sought damages in the first suit for conduct that “should [be] expect[ed] to continue without change,” 18 Charles Alan Wright, Arthur Miller, & Edward Cooper, *Federal Practice and Procedure* §4409 & nn.34-37 (3d ed. 2016). See, e.g., *Monahan v. New York City Department of Corrections*, 214 F.3d 275 (2d Cir. 2000) (barring new lawsuit based on recurrence of facts similar to those already litigated); *Magee v. Hamline University*, 775 F.3d 1057 (8th Cir. 2015) (*per curiam*) (same); *Huck on Behalf of Sea Air Shuttle Corp. v. Dawson*, 106 F.3d 45, 49 (3d Cir. 1997) (plaintiff may not create a new claim by limiting request for damages to harm “suffered subsequent to the [judgment] in the prior lawsuit”).

III. THE FEDERAL CIRCUIT'S APPLICATION OF *KESSLER* TO A VOLUNTARY DISMISSAL WITH PREJUDICE DOES NOT WARRANT REVIEW.

PersonalWeb argues alternatively that the Court should grant review to narrow *Kessler* such that it would apply only where a court or jury has made a specific finding of non-infringement, and not when the plaintiff dismisses its infringement claim voluntarily with prejudice. Pet. 29-30.

This is not an important question worthy of this Court's review. Aside from its erroneous attempt to convert *Kessler* into a doctrine of issue preclusion, PersonalWeb does not assert any conflict with precedent in applying *Kessler* to a voluntary dismissal with prejudice, or even point to any other similar case; it simply asks for correction of an alleged error in its case, which almost never justifies review. Sup. Ct. R. 10; Stephen M. Shapiro et al., *Supreme Court Practice* §4.2 (11th ed. 2019). Regardless, the Federal Circuit's holding is both correct and unremarkable.

A. According preclusive effect to a voluntary dismissal with prejudice is entirely consistent with both centuries-old common-law principles and modern practice. The common law distinguished between nonsuit, “a mere default and neglect of the plaintiff,” and *retraxit*, “an open and voluntary renunciation of [the plaintiff's claim] in court” by which the plaintiff “forever loses his action.” 3 W. Blackstone, Commentaries *296; see also *Minor v. Mechs.' Bank of Alexandria*, 26 U.S. 46, 74 (1828) (describing *retraxit* as “operating as a full release and discharge of the action, and, of course, as a bar to any future suit”).

“In modern practice, retraxit is called *voluntary dismissal with prejudice*,” *Retraxit*, *Black’s Law Dictionary* (11th ed. 2019) (alterations in original), and it proceeds according to the same rationale. When a plaintiff who has invoked the court’s jurisdiction then agrees to a final dismissal, it is fair to treat that plaintiff as if the court had ruled against it on the merits. See *United States v. Parker*, 120 U.S. 89, 95 (1887) (“[I]t has been held that a judgment of dismissal, when based upon and entered in pursuance of the agreement of the parties, must be understood, in the absence of anything to the contrary expressed in the agreement and contained in the judgment itself, to amount to such an adjustment of the merits of the controversy” (citing *Bank of Commonwealth v. Hopkins*, 32 Ky. 395, 395 (1834); *Merritt v. Campbell*, 47 Cal. 542, 547 (1874))); see also *Citibank, N.A. v. Data Lease Fin. Corp.*, 904 F.2d 1498, 1501 (11th Cir. 1990) (“The phrases ‘with prejudice’ and ‘on the merits’ are synonymous terms, both of which invoke the doctrine of claim preclusion.”); 18A Charles Alan Wright, Arthur Miller, & Edward Cooper, *Federal Practice and Procedure* §4335 (3rd ed. 2017) (explaining that “[a] stipulated dismissal with prejudice operates as an adjudication on the merits for claim-preclusion purposes”). This is so even when “[n]o findings of fact or law were made.” See *Lawlor v. Nat’l Screen Serv. Corp.*, 349 U.S. 322, 324 (1955) (holding that it was “of course true that the 1943 judgment dismissing the previous suit ‘with prejudice’ bars a later suit on the same cause of action,” *id.* at 327); see also *United States v. Int’l Bldg. Co.*, 345 U.S. 502, 506 (1953) (“Certainly the judgments entered are *res judicata* of the tax claims for the years 1933, 1938, and 1939, whether or not the basis of the agreements on which they rest reached the merits.”); *United States v.*

Cunan, 156 F.3d 110, 114 (1st Cir. 1998) (collecting cases).

B. The Federal Circuit’s holding is far more consistent with *Kessler* itself than the position PersonalWeb advocates. While PersonalWeb notes that the facts of *Kessler* involved a court ruling of non-infringement, this Court’s reasoning made clear that its decision “turns upon the effect of the judgment in the suit,” *Kessler*, 206 U.S. at 287—not the adjudication of a particular issue. Indeed, this Court explained that “[t]his *judgment*, whether it proceeds upon good reasons or upon bad reasons, whether it was right or wrong, settled finally and everywhere . . . that *Kessler* had the right to manufacture, use and sell the electric cigar lighter before the court.” *Id.* at 288 (emphasis added).

PersonalWeb argues that the Federal Circuit’s earlier cases support its view, because they state that *Kessler* protects “an adjudged noninfringer” from harassment through multiple lawsuits. Pet. 30 (citing *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1056 (Fed. Cir. 2014); *SpeedTrack*, 791 F.3d at 1327). But that language applies equally to a defendant who prevails by securing a voluntary dismissal with prejudice, as such a dismissal amounts to an “adjudication of the merits” of the asserted infringement claim no less than if that defendant had won a full jury trial. See 21A Tracy Bateman et al. *Federal Procedure, Lawyers Edition* §51:255 (2021).

Moreover, those cases, like this one, each involved preclusion of issues not litigated in the first lawsuit against the manufacturer. In *Brain Life*, the original suit ended in a judgment of non-infringement of the asserted apparatus claims. 746 F.3d at 1049-50. The Federal Circuit held that *Kessler* barred an exclusive

licensee from asserting the method claims from the patent against the same devices, even though those claims were not previously litigated. *Id.* at 1055-59. Similarly, in *SpeedTrack*, the patentee sued for infringement and lost on summary judgment. 791 F.3d at 1320. The Federal Circuit held that *Kessler* barred a later suit against customers asserting a doctrine of equivalents theory not litigated in the original case. *Id.* at 1321. In each case, the earlier judgment gave the accused products “the status of noninfringing products as to the [asserted] patent, *i.e.*, all claims that were brought or could have been brought in the first suit.” *Brain Life*, 746 F.3d at 1058-59.

A final judgment is treated as an adjudication of the merits whether it rests on a voluntary dismissal with prejudice or a specific infringement finding. And in either case, *Kessler* (as a bar on suits against customers for use of the articles subject to the prior judgment) protects against even an action that asserts issues not decided in the prior lawsuit. Before this case, the only other lower court to consider this issue held similarly: A final judgment gives rise to *Kessler* preclusion irrespective of the specific infringement theories raised or adjudicated. See *Molinaro v. Am. Tel. & Tel. Co.*, 460 F. Supp. 673, 676 (E.D. Pa. 1978), *aff'd*, 620 F.2d 288 (3rd Cir. 1980).

C. PersonalWeb’s suggestion that the ruling below “has broad and undesirable consequences,” (Pet. 31) because it “will discourage voluntary dismissals” and settlements, *id.*, is unavailing.

A patent litigation plaintiff stands in the same position as any plaintiff settling a non-patent claim. It must assess whether a proposed settlement is satisfactory considering what it knows about present facts as well as potential future consequences. Patent plaintiffs

typically seek a reasonable royalty that includes compensation for ongoing conduct after the judgment. See Christopher A. Cotropia, Jay P. Kesan, & David L. Schwartz, *Heterogeneity among Patent Plaintiffs: An Empirical Analysis of Patent Case Progression, Settlement, and Adjudication*, 15 J. Empirical Legal Studies 80, 86-87 (2018). Parties settling patent cases therefore attempt in the first instance to resolve the issue of post-judgment claims, such as by including a license in the settlement terms. Carl Shapiro, *Navigating the Patent Thicket: Cross Licensing, Patent Pools, and Standard Setting*, in 1 *Innovation Pol’y and the Econ.* 119, 128 (Adam B. Jaffe, Josh Lerner, & Scott Stern eds., 2000) (“Cross licenses (or simply licenses) are a common way in which companies resolve patent disputes.”). Where they cannot (due to uncertainty or for any other reason), the parties can agree to limit the preclusive effect of a voluntary dismissal and save their disputes about ongoing conduct for another day. See *Local 93, Int’l Ass’n of Firefighters v. City of Cleveland*, 478 U.S. 501 (1986); *United States v. ITT Cont’l Baking Co.*, 420 U.S. 223, 235-37 (1975); see also *Halleco Mfg. Co. v. Foster*, 256 F.3d 1290, 1295 (Fed. Cir. 2001); *Pactiv Corp. v. Dow Chem. Co.*, 449 F.3d 1227, 1231 (Fed. Cir. 2006); Restatement (Second) of Judgments §26 Comment *a* (1982) (“The parties to a pending action may agree that some part of the claim shall be withdrawn from the action with the understanding that the plaintiff shall not be precluded from subsequently maintaining an action based upon it.”). This alone is enough to provide parties with sufficient flexibility and encourage settlement. But the Federal Rules go further, allowing a plaintiff who cannot agree with a defendant on the terms of a voluntary dismissal to move for dismissal

on terms that the court considers proper. See Fed. R. Civ. P. 41(a)(2).

PersonalWeb asserts that defendants may not be willing to enter a settlement that resolves a current case without also precluding a future one. Pet. 32. But such settlements are in fact common. And disputes over preclusion issues in patent cases are exceedingly rare: they have arisen in only 0.44% of cases over the past five years,⁷ a number that becomes vanishingly small once one looks only at *Kessler* preclusion issues, which comprise 0.05% of patent cases over the same period. *Id.* In the 14 months since the decision in this case, it has been cited only twice in cases that apply the *Kessler* doctrine.⁸ All of this suggests that parties are perfectly able to understand background preclusion rules when settling patent cases. Finally, PersonalWeb suggests that plaintiffs would “needlessly clog up court dockets” by “litigating suits they would rather not pursue.” Pet. 32. But that is entirely speculative. An equally plausible outcome is that plaintiffs more carefully evaluate their potential claims such that fewer meritless suits are brought.

Rather than representing a “jarring departure from traditional rules,” (Pet. 31) the Federal Circuit’s decision is a straightforward application of *Kessler* consistent with the cornerstone principle in American jurisprudence that a voluntary dismissal with prejudice constitutes an adjudication on the merits.

⁷ Resp’t App. 1a, Docket Navigator, *Cases by Year*, <https://search.docketnavigator.com/patent> (last visited Aug. 20, 2021).

⁸ *CFL Techs. LLC v. Gen. Elec. Co.*, No. 18-cv-1444-RGA, 2021 WL 1105335 (D. Del. Mar. 23, 2021); *Uniloc 2017, LLC v. Ubisoft, Inc.*, No. 19-cv-01150-DOC-KES, 2021 WL 1255605 (C.D. Cal. Mar. 18, 2021). Last checked on Westlaw, Aug. 20, 2021.

IV. THIS CASE THIS IS AN INAPPROPRIATE VEHICLE TO RECONSIDER THE *KESSLER* DOCTRINE.

Even if the Court were inclined to reconsider the *Kessler* doctrine, this case is a poor vehicle. This Court seldom grants review where the question presented would have no effect on “the ultimate outcome of the case.” Stephen M. Shapiro et al., *Supreme Court Practice* §4.4(F) (11th ed. 2019). That is true here. PersonalWeb’s patents have expired, and its claims are meritless. PersonalWeb asserted its same infringement theories in the multidistrict litigation against both S3 and Amazon CloudFront, namely that each infringes by using ETags to validate whether cached copies of previously served files are still current or instead must be served again, as specified in the HTTP standard. *In re PersonalWeb Techs. LLC*, 2021 WL 3557196; C.A. App. 377-390. The district court and Federal Circuit have therefore already ruled on the merits of the claims that PersonalWeb could assert on remand. These rulings would be preclusive or law of the case as to the S3 claims, and so would foreclose any possibility of relief to PersonalWeb. This case will thus soon become moot when PersonalWeb’s opportunity to seek review of the Federal Circuit’s second decision expires (and review on these patent- and fact-specific rulings is highly unlikely). And even if the Federal Circuit’s decision did not fully foreclose those claims, Amazon’s other defenses, such as the §101 invalidity issue raised in the companion appeal, would. The *Kessler* issue will thus have no effect on the ultimate outcome of this case.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

JEFFREY H. DEAN
AMAZON.COM, INC.
440 Terry Ave. North
Seattle, WA 98109
(206) 740-0521

STEPHEN B. KINNAIRD
DANIEL ZEILBERGER
PAUL HASTINGS LLP
2050 M. Street NW
Washington, D.C. 20036
(202) 551-1700

J. DAVID HADDEN
Counsel of Record
SAINA S. SHAMILOV
TODD R. GREGORIAN
FENWICK & WEST LLP
Silicon Valley Center
801 California Street
Mountain View, CA 94041
(650) 988-8500

Counsel for Respondents

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APPENDIX

APPENDIX**Patent Cases Involving Res Judicata, Collateral Estoppel, or *Kessler***

Year	Total patent cases in District Courts, International Trade Commission, or the Patent Trial and Appeal Board	... cases involving any preclusion issue	...cases involving <i>Kessler</i>
2016	6,285	36 (0.57%)	3 (0.05%)
2017	5,840	26 (0.45%)	3 (0.05%)
2018	5,325	28 (0.53%)	3 (0.06%)
2019	4,918	18 (0.37%)	2 (0.04%)
2020	5,553	15 (0.27%)	3 (0.05%)
Total	27,921	123 (0.44%)	14 (0.05%)

Source: Docket Navigator, *Cases by Year*, <https://search.docketnavigator.com/patent> (last visited Aug. 20, 2021).