

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

---

**2013-1150, 13-1182**

---

APPLE INC.,

*Plaintiff-Appellee,*

v.

MOTOROLA MOBILITY, INC.

*Defendant-Cross Appellant*

---

Appeals from the United States District Court for the Western District of Wisconsin in Case No. 11-CV-178, Senior Judge Barbara B. Crabb

---

**MOTOROLA MOBILITY LLC'S REPLY IN SUPPORT OF ITS MOTION  
TO DISMISS FOR LACK OF JURISDICTION**

Motorola Mobility LLC ("Motorola") submits this reply brief in response to Apple Inc.'s ("Apple") opposition to Motorola's January 25, 2013 motion to dismiss for lack of jurisdiction.

Apple's opposition suffers from two independent flaws. First, despite the characterization in its opposition, Apple's complaint in this action does not merely seek a conventional declaratory judgment of patent unenforceability in response to a hypothetical complaint of patent infringement. To the contrary, Apple's

complaint sounds in contract and antitrust. It does not arise under the patent laws. The declaratory relief Apple seeks is directed to an entire class of patents based upon commitments Motorola made to standards developing organizations ("SDOs") to offer license terms for patents essential to the standards that are fair, reasonable and non-discriminatory ("FRAND").

Second, Apple concedes that the declaratory judgment claims on which it relies to establish Federal Circuit jurisdiction were dismissed without prejudice. Federal Circuit precedent provides that claims dismissed without prejudice are constructive amendments to the complaint and divest the court of jurisdiction. *Chamberlain Group, Inc. v. Skylink Technologies, Inc.*, 381 F.3d 1178, 1189-90 (Fed. Cir. 2004). To avoid this precedent, Apple argues that the dismissal without prejudice—the form of dismissal it sought from the district court over Motorola's objection—was really an adjudication on the merits, a quasi-dismissal with prejudice. Apple cites no law for this proposition. In this instance, the law is binary: a dismissal is either without prejudice or an adjudication on the merits. Rule 41(a), Fed. R. Civ. P. Since the dismissal was without prejudice, there cannot be jurisdiction in this Court and the appeal should be transferred to the Seventh Circuit.

**I. Apple's Complaint Is Not A Straightforward Declaratory Judgment Response To A Hypothetical Claim Of Patent Infringement**

Apple argues that its complaint reflects a straightforward claim for declaratory judgment as a response to a hypothetical charge of patent infringement. As such, according to Apple, its complaint ought to provide Federal Circuit jurisdiction. Apple, however, mischaracterizes the nature of its complaint.

Apple filed its amended complaint on October 10, 2011, and did not invoke 28 U.S.C. § 1338 as a ground for district court jurisdiction. *See* Exh. A to Motorola's Motion. Examination of the complaint demonstrates that Apple alleged breach of contract and antitrust violations. Apple sought a variety of remedies both legal and equitable for its contract and competition law allegations, including orders to hold an entire class of patents owned by Motorola to be unenforceable. That class of patents—those declared essential to SDOs and/or subject to FRAND commitments—includes patents not being asserted by Motorola in the International Trade Commission or in district court. The broad remedy sought by Apple as a result of contractual commitments it says Motorola violated is insufficient to provide jurisdiction.

Apple's complaint is not a conventional declaratory judgment seeking to render particular patents unenforceable. Those issues are and have been litigated elsewhere. Apple raised FRAND/unclean hands as a basis for unenforceability in the ITC in Investigation No. 745 against the Motorola patent asserted there, and

Apple lost. *See In re Certain Wireless Commc'n Devices, Portable Music and Data Processing Devices, Computers and Components Thereof*, Inv. No. 337-TA-745, 2012 ITC LEXIS 1125, at \*250-268 (Int'l Trade Comm'n April 24, 2012) (initial determination). The ITC case is the subject of an already pending appeal before this Court. *See* Case No 12-1666.<sup>1</sup> Furthermore, there is a parallel case to the ITC investigation—Case No 10-CV-661 (W.D. Wis.)—and that case is stayed pursuant to 28 USC §1659(a). If Apple has a declaratory judgment response to the Motorola patents being asserted in the ITC, it could and should raise that in the parallel district court action.

Apple's request for relief and for damages therefore sounds in contract and in antitrust law. It is directed to Motorola's conduct in obtaining its portfolio of essential patents and its conduct in licensing that portfolio. Apple's conduct in failing to cite Section 1338 as a grounds for jurisdiction in its long and detailed complaint demonstrates that Apple itself knew when it filed its complaint that—unlike the other actions between the parties—this was a contract and antitrust action, not a patent case.

---

<sup>1</sup> The declared essential patents subject to a FRAND commitment that were asserted in Investigation No. 745 are not the subject of the appeal.

## **II. Apple's Only Arguable Patent Law Claims Were Dismissed Without Prejudice**

Assuming *arguendo* that Apple's complaint sought a declaratory judgment of patent unenforceability that arose under the patent laws, that claim would not provide Federal Circuit jurisdiction because the district court dismissed that claim without prejudice.

Indeed, Apple specifically sought that the dismissal be without prejudice. When the district court indicated it planned to dismiss Apple's remaining claims, Apple urged that the dismissal be without prejudice. District Court Dkt. No. 499. Motorola opposed Apple's request and sought a dismissal with prejudice. District Court Dkt. No. 504. The district court granted Apple's request to dismiss without prejudice. District Court Dkt. No. 509. Having convinced the district court to dismiss its claim without prejudice, Apple should not be permitted to come to this Court and argue that its claims should be considered to have been adjudicated on the merits, in order to secure appellate jurisdiction. Yet that is precisely what Apple is attempting in opposition to Motorola's motion.

Apple claims that "the district court made it crystal clear that Apple could not simply refile its complaint in the dismissing court on the day after its dismissal and obtain an adjudication of its declaratory judgment claims." Apple Opp. at 11. Apple provides no cite for this proposition that the district court did not mean what it said when it ruled that the dismissal was without prejudice. Nor does Apple cite

any law for its position that the dismissal was in actuality a hybrid, quasi-dismissal with prejudice. Indeed, Apple would have this Court create new jurisdictional law.

Having convinced the district court to dismiss without prejudice, Apple should have to live with the jurisdictional consequences of that decision.

The law provides two forms of dismissal: a dismissal without prejudice or an adjudication on the merits. *See* Rule 41, Fed. R. Civ. P. The Supreme Court in *Semtek Intern. Inc. v. Lockheed Martin Corp.*, 531 U.S. 497 (2001) explained that dismissal without prejudice is the opposite of an "adjudication on the merits." *Id.* at 505-506. Similarly, "with prejudice" is shorthand for "an adjudication on the merits." *Id.* Dismissal without prejudice, "is dismissal without barring the plaintiff from returning later, to the same court, with the same underlying claim." *Id.* If a plaintiff is barred from refileing, it is an "adjudication on the merits." *Id.* at 505-506. *See also* *Scott Aviation v. United States*, 953 F.2d 1377 (Fed. Cir. 1992) ("A dismissal with prejudice effectively renders an adjudication on the merits.").

In arguing to the district court, Apple expressly sought the ability to refile its claims, and convinced the district court to dismiss without prejudice.

Federal Circuit precedent could not be more clear that a dismissal without prejudice of a claim that arises under the patent laws is a constructive amendment of the complaint and serves to divest the Federal Circuit of jurisdiction. *See* *Chamberlain Group, Inc. v. Skylink Technologies, Inc.*, 381 F.3d 1178, 1189-90

(Fed. Cir. 2004) (citing *Gronholz v. Sears, Roebuck & Co.*, 836 F.2d 515, 519 (Fed. Cir. 1987)). Likewise, *Nilssen v. Motorola, Inc.*, 203 F.3d 782 (Fed. Cir. 2000), compels the same result. In *Nilssen*, this Court transferred an appeal to the Seventh Circuit, because the patent claims were dismissed without prejudice. That a dismissal is without prejudice is "ultimately what matters" for purposes of Federal Circuit jurisdiction. *Id.* at 785.

For purposes of jurisdiction, it is of no moment that Motorola seeks a reversal of the district court's decision to dismiss without prejudice through its cross-appeal.<sup>2</sup> Assuming *arguendo* that Apple's complaint sought a declaratory judgment of patent unenforceability that arose under the patent laws, the case as appealed and presented to this Court has had the alleged patent claims dismissed without prejudice. The jurisdictional question must be addressed at the outset of the appeal, not contingent on whether Motorola prevails in its cross-appeal.

Notably, Apple's arguments in opposing Motorola's motion are at cross-purposes. Apple does not deny that black letter law renders Apple's only supposed claim under the Patent Act irrelevant to the jurisdictional inquiry because that claim has been dismissed without prejudice. Indeed, Apple cites no authority for

---

<sup>2</sup> Motorola believes the parties should not have to go through the time and expense of preparing for trial on these FRAND issues again, and that Apple had every chance to make its case and failed to do so – leading to dismissal on the first day of trial. It is Motorola's position that the case should be considered an adjudication on the merits of Apple's FRAND claims against Motorola.

an exception to that rule. Thus, Apple is left with urging this Court to create a new exception based on what Apple characterizes as the special circumstances of this case. At the same time, however, Apple drapes itself in what it claims is black letter law requiring that this Court analyze its declaratory-judgment request from the perspective of the offensive patent claims it would foreclose, without regard for the special circumstances of this case—which are such that adjudication of Apple's declaratory-judgment request in reality poses no question of patent law, but only of antitrust and contract law. Of course, Apple cannot have it both ways. If this Court is to follow established law, then it is obliged to dismiss/transfer because the only supposed patent claim was dismissed without prejudice. If this Court is inclined to entertain exceptions to established law by drilling down on the specific circumstances of this case, then it is still obliged to transfer/dismiss because the only supposed patent claim in actuality has no question of patent law or of any given patent underlying it.

### **CONCLUSION**

For the reasons stated above, Motorola respectfully submits that this Court lacks appellate jurisdiction over this case under 28 U.S.C. § 1295(a)(1), and thus should either dismiss Apple's appeal, or, in the alternative, transfer the appeal to the Seventh Circuit.



Respectfully submitted,

Dated: February 19, 2013

/s/ Stephen A. Swedlow

David A. Nelson  
Stephen A. Swedlow  
Quinn Emanuel Urquhart & Sullivan, LLP  
500 West Madison Street, Suite 2450  
Chicago, IL 60661  
Telephone: (312) 705-7400  
Facsimile: (312) 705-7401  
Email: davenelson@quinnemanuel.com  
stephenswedlow@quinnemanuel.com

Edward J. DeFranco  
Alexander Rudis  
51 Madison Avenue, 22nd Floor  
New York, NY 10010  
Telephone: (212) 849-7000  
Facsimile: (312) 849-7100  
Email: eddefranco@quinnemanuel.com  
alexanderrudis@quinnemanuel.com

Brian C. Cannon  
555 Twin Dolphin Drive, 5th Floor  
Redwood Shores, CA 94065  
Telephone: (650) 801-5000  
Facsimile: (650) 801-5100  
Email: briancannon@quinnemanuel.com

## CERTIFICATE OF SERVICE

I hereby certify that on this 19<sup>th</sup> day of February, 2013, the foregoing Motion to Dismiss was filed with the court using CM/ECF which will automatically serve the following counsel who is registered for CM/ECF.

E. Joshua Rosenkranz  
Orrick, Herrington & Sutcliffe LLP  
51 West 52nd Street  
New York, NY 10019  
Direct: 212-506-5380  
Fax: 212-506-5151  
Email: jrosenkranz@orrick.com

Mark S. Davies  
Orrick, Herrington & Sutcliffe LLP  
Columbia Center  
1152 15th Street, N.W.  
Washington, DC 20005  
Direct: 202-339-8631  
Fax: 202-339-8500  
Email: mark.davies@orrick.com

Robert D. Fram  
Covington & Burling LLP  
35th Floor  
One Front Street  
San Francisco, CA 94111  
Direct: 415-591-7025  
Fax: 415-955-6525  
Email: rfram@cov.com

*Counsel for Plaintiff-Appellant Apple Inc.*

/s/ Stephen A. Swedlow  
Stephen A. Swedlow

Form 9

FORM 9. Certificate of Interest

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Apple, Inc. v. Motorola Mobility, Inc.

No. 2013-1150, -1182

CERTIFICATE OF INTEREST

Counsel for the (petitioner) (appellant) (respondent) (appellee) (amicus) (name of party) Cross-Appellant certifies the following (use "None" if applicable; use extra sheets if necessary):

1. The full name of every party or amicus represented by me is: Motorola Mobility LLC (f/k/a Motorola Mobility, Inc.)

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: None.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are: Google Inc.

4. [X] The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are: See Exhibit A.

2/19/13

Date

[Handwritten Signature]

Signature of counsel

Stephen Swedlow

Printed name of counsel

Please Note: All questions must be answered

cc: \_\_\_\_\_

**EXHIBIT A**

Jennifer A Bauer  
Quinn Emanuel Urquhart & Sullivan LLP  
500 W. Madison St., Suite 2450  
Chicago, IL 60661  
(312) 705-7474  
Email: jenniferbauer@quinnemanuel.com

Meghan Bordonaro  
Quinn Emanuel Urquhart & Sullivan, LLP  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
650-801-5000  
Fax: 650-801-5100  
Email:  
meghanbordonaro@quinnemanuel.com

Linda J Brewer  
Quinn Emanuel Urquhart & Sullivan LLP  
50 California Street  
22nd Floor  
San Francisco, CA 94111  
415-875-6600x6403  
Fax: 415-875-6700  
Email: lindabrewer@quinnemanuel.com

Brian C. Cannon  
Quinn Emanuel Urquhart & Sullivan, LLP  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
650-801-5000x5055  
Fax: 650-801-5100  
Email: briancannon@quinnemanuel.com

Melissa N Chan  
Quinn Emanuel Urquhart & Sullivan, LLP  
555 Twin Dolphin Drive, 5th Floor  
Redwood Shores, CA 94065  
(650) 801-5004  
Email: melissachan@quinnemanuel.com

Peter John Chassman  
Winston & Strawn LLP  
1111 Louisiana St.  
25th floor  
Houston, TX 77002  
713-651-2623  
Fax: 713-651-2700  
Email: pchassman@winston.com

Thomas William Cushing  
Quinn Emanuel Urquhart & Sullivan, LLP  
500 West Madison Street  
Suite 2450  
Chicago, IL 60661  
312-705-7461  
Fax: 312-705-7401  
Email: thomascushing@quinnemanuel.com

Edward John DeFranco  
Quinn Emanuel Urquhart & Sullivan  
51 Madison Avenue  
New York, NY 10010  
(212) 849-7106  
Fax: (212) 849-7100  
Email: eddefranco@quinnemanuel.com

David M. Elihu  
Quinn Emanuel Urquhart & Sullivan, LLP  
51 Madison Avenue  
22nd Floor  
New York, NY 10010  
(212) 849-7285  
Email: davideliu@quinnemanuel.com

Richard W Erwine  
Quinn Emanuel Urquhart & Sullivan  
51 Madison Avenue  
New York, NY 10010  
(212) 849-7000  
Fax: (212) 849-7100  
Email: richarderwine@quinnemanuel.com

Rebecca Frihart-Kennedy  
Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 2100  
Milwaukee, WI 53202  
414-298-8736  
Fax: 414-298-8097  
Email: rfrihart@reinhartlaw.com

Scott W. Hansen  
Reinhart Boerner Van Deuren S.C.  
P.O. Box 2965  
Milwaukee, WI 53201  
(414) 298-1000  
Fax: (424) 298-8097  
Email: shansen@reinhartlaw.com

Kevin Johnson  
Quinn Emanuel Urquhart & Sullivan, LLP  
555 Twin Dolphin Drive  
Suite 560  
Redwood Shores, CA 94065  
(650) 801-5000  
Fax: (650) 801-5100  
Email: kevinjohnson@quinnemanuel.com

Lisa Nester Kass  
Reinhart Boerner Van Deuren, s.c.  
1000 North Water Street  
Suite 1700  
Milwaukee, WI 53202  
(414) 298-1000  
Fax: (414) 298-8097  
Email: lkass@reinhartlaw.com

Michael Rex McCray  
Quinn Emanuel Urquhart & Sullivan LLP  
500 W. Madison Ave.  
Suite 2450  
Chicago, IL 60661  
312-705-7400 x7475  
Fax: 312-705-7401  
Email: michaelmccray@quinnemanuel.com

David A Nelson  
Quinn Emanuel Urquhart & Sullivan LLP  
500 W. Madison St., Suite 2450  
Chicago, IL 60661  
(312) 705-7400  
Email: davenelson@quinnemanuel.com

Shawna Marie Reeder  
Quinn Emanuel Urquhart Oliver & Hedges,  
LLP  
555 Twin Dolphin Drive, #560  
Suite 2450  
Redwood Shores, CA 94065  
650-801-5000  
Email:  
SHAWNAREEDER@QUINNEMANUEL.  
COM

Matthew Daniel Robson  
Quinn Emanuel Urquhart & Sullivan  
51 Madison Avenue  
New York, NY 10010  
212-849-7489  
Fax: 212-849-7100  
Email: matthewrobson@quinnemanuel.com

Carlos A Rodriguez  
Quinn Emanuel Urquhart & Sullivan  
51 Madison Avenue  
New York, NY 10010  
212-849-7161  
Email: carlosrodriguez@quinnemanuel.com

Alexander Rudis  
Quinn Emanuel Urquhart & Sullivan  
51 Madison Avenue  
New York, NY 10010  
(212) 849-7246  
Email: alexanderrudis@quinnemanuel.com

Derek Shaffer  
1299 Pennsylvania Ave. NW,  
Suite 825  
Washington, D.C. 20004  
202-538-8123  
Email: derekshaffer@quinnemanuel.com

David L. Shaul  
Quinn Emanuel Urquhart & Sullivan LLP  
50 California Street  
22nd Floor  
San Francisco, CA 94111  
415-875-6326  
Email: davidshaul@quinnemanuel.com

Lynn Marie Stathas  
Reinhart Boerner Van Deuren S.C.  
P.O. Box 2018  
Madison, WI 53701  
(608) 229-2200  
Fax: (608) 229-2100  
Email: lstathas@reinhartlaw.com

Robert William Stone  
Quinn Emanuel Urquhart & Sullivan, LLP  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
650-801-5000x5001  
Fax: 650-801-5100  
Email: robertstone@quinnemanuel.com

Kathleen Marie Sullivan  
Quinn Emanuel Urquhart & Sullivan, LLP  
51 Madison Avenue  
22nd Floor  
New York, NY 10010  
(212) 849-7327  
Fax: (212) 849-7100  
Email:  
kathleensullivan@quinnemanuel.com

Stephen Andrew Swedlow  
Quinn, Emanuel, Urquhart & Sullivan, LLP  
500 West Madison Street  
Suite 2450  
Chicago, IL 60661  
312-705-7488  
Fax: 312-705-7401  
Email:  
stephenswedlow@quinnemanuel.com

Charles K. Verhoeven  
Quinn Emanuel Urquhart & Sullivan LLP  
50 California Street, 22nd Floor  
San Francisco, CA 94111  
415-875-6301  
Email:  
charlesverhoeven@quinnemanuel.com

Thomas R. Watson  
Quinn Emanuel Urquhart & Sullivan, LLP  
555 Twin Dolphin Drive  
5th Floor  
Redwood Shores, CA 94065  
650-801-5000x5017  
Fax: 650-801-5100  
Email: tomwatson@quinnemanuel.com

Amanda Scott Williamson  
Quinn Emanuel Urquhart & Sullivan LLP  
500 W. Madison St., Suite 2450  
Chicago, IL 60661  
312-705-7477  
Email:  
amandawilliamson@quinnemanuel.com