1	IN THE SUPREME COURT OF T	HE UNITED STATES
2		x
3	MICROSOFT CORPORATION,	:
4	Petitioner	:
5	V.	: No. 05-1056
6	AT&T CORP.	:
7		x
8	Washi	ngton, D.C.
9	Wedne	esday, February 21, 2007
10		
11	The above-enti	tled matter came on for ora
12	argument before the Supreme	Court of the United States
13	at 10:14 a.m.	
14	APPEARANCES:	
15	THEODORE B. OLSON, ESQ., Was	shington, D.C.; on behalf of
16	Petitioner.	
17	DARYL JOSEFFER, ESQ., Assist	ant to the Solicitor
18	General, Department of Ju	stice, Washington, D.C.;
19	On behalf of the United S	States, as amicus curiae,
20	supporting Petitioner.	
21	SETH P. WAXMAN, ESQ., Washir	ngton, D.C.; on behalf of
22	Respondent.	
23		
24		
25		

1	CONTENTS	
2	ORAL ARGUMENT OF	PAGE
3	THEODORE B. OLSON, ESQ.	
4	On behalf of the Petitioner	3
5	ORAL ARGUMENT OF	
6	DARYL JOSEFFER, ESQ.	
7	On behalf of the United States, as amicus	
8	curiae, supporting Petitioner	16
9	ORAL ARGUMENT OF	
10	SETH P. WAXMAN, ESQ.	
11	On behalf of the Respondent	27
12	REBUTTAL ARGUMENT OF	
13	THEODORE B. OLSON, ESQ.	
14	On behalf of the Petitioner	51
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1	PROCEEDINGS
2	[10:14 a.m.]
3	JUSTICE STEVENS: We'll hear argument now in
4	No. 05-1056, Microsoft against AT&T.
5	Mr. Olson.
6	ORAL ARGUMENT OF THEODORE B. OLSON
7	ON BEHALF OF THE PETITIONER
8	MR. OLSON: Thank you, Justice Stevens. May
9	it please the Court:
10	The limited monopoly granted by U.S. patent
11	laws protects against the making, using or selling a
12	patented invention within the United States. Section
13	271(f) also makes it an infringement to make components
14	of a patented invention within the United States and
15	then simply ship them abroad for reassembly.
16	JUSTICE SCALIA: Mr. Olson, before you get
17	into the merits I have a question, a preliminary
18	question. I understand from AT&T's brief that there has
19	been a stipulation entered into between the parties
20	after the judgment below which preserved Microsoft's
21	right to appeal and prescribed different dollar amounts
22	that Microsoft must pay AT&T depending on the outcome of
23	the appeal. Does that raise any, any muteness problem?
24	Can you sort of wager on the outcome of an appeal that
25	way?

- 1 MR. OLSON: No, I don't believe so, Justice
- 2 Scalia.
- JUSTICE SCALIA: Well, suppose two parties
- 4 just, you know, parties that otherwise do not have a
- 5 case or controversy, bet each other that the district
- 6 court will come out one way or the other way in, in a
- 7 trumped-up suit. Does that create a standing --
- 8 MR. OLSON: This is by no means a trumped-up
- 9 suit. It's a very serious suit. The outcome, the
- 10 judgment, the amount of damages that must be paid is not
- 11 a matter of wager. It depends upon the decision of a
- 12 matter of law of an interpretation of a statute of the
- 13 United States.
- 14 JUSTICE SCALIA: Well, you could say the
- 15 same thing in the hypothetical I gave. It is a matter
- of wager, which way the Court will come out.
- 17 MR. OLSON: This is an entirely legitimate,
- 18 I submit, means by which parties may preserve a legal
- 19 issue depending upon how a legal question is decided.
- 20 The only thing that's been resolved is the amount that
- 21 will be paid as damages depending upon the outcome of
- 22 the appeal.
- JUSTICE SCALIA: Do you know of any, any
- 24 precedent for that?
- MR. OLSON: It seems to me, Justice Scalia,

- 1 that it happens frequently, especially in criminal cases
- 2 where there is -- someone pleads guilty in and
- 3 preserving a right to appeal a certain issue. I don't
- 4 have a case to cite to you but it strikes me as quite
- 5 understandable that the parties might agree if the
- 6 outcome of the legal question that the judge might
- 7 decide is going to be X, then the consequence will be a
- 8 liability for Y. If it's -- if it's of the opposite
- 9 outcome, the outcome will be different. That's --
- 10 JUSTICE KENNEDY: Suppose the amount were
- 11 trivial and you just wanted to get a resolution of this
- 12 question?
- MR. OLSON: Well, I think that if the
- 14 amount --
- 15 JUSTICE KENNEDY: Then there would be a case
- 16 with a controversy problem, I should think.
- MR. OLSON: I don't know what the Court
- 18 might mean by the word trivial, Justice Kennedy, but
- 19 this is a very significant major amount involved in this
- 20 case. There is no question that the parties are very
- 21 serious. It's a very significant legal question with
- 22 respect to the interpretation.
- JUSTICE SCALIA: That's so, but is there a
- lot of money involved depending on whether you win or
- 25 lose?

1	MR. OLSON: Yes.
2	JUSTICE SCALIA: Okay.
3	MR. OLSON: In this case, notwithstanding
4	the limitation of in Section 271(f) that the components,
5	there's liability of the components are created here,
6	and reassemble the broad. The Federal Circuit held that
7	foreign made tangible reproductions of computer
8	operating code installed in foreign-made computers may
9	be components which are deemed or essentially supplied
10	from the United States, because copying is part and
11	parcel of software distribution, and thus subsumed in
12	the act of supplying. Under this ruling, U.S. companies
13	may be held liable for patent infringement whenever
14	their products are copied or replicated abroad. This
15	the court of appeals decision and the position of
16	Respondents requires reworking several words in the
17	statute.
18	The statute says supplied from the United
19	States. The court of appeals said, well, it might be
20	deemed supplied from the United States after it's copied
21	abroad. The Respondent takes the words "such
22	components" in the statute and reads them as not the
23	same components.
24	JUSTICE STEVENS: Mr. Olson, isn't one of
25	the questions whether the software is really being

- 1 copied when it's transferred from the golden disk to the
- 2 new manufacturer, or whether it's actually being
- 3 supplied?
- 4 MR. OLSON: It is being copied. There isn't
- 5 any question that it's being copied, Justice Stevens.
- 6 The stipulation which is in pages 44-A through 47-A of
- 7 the petition appendix contains the words -- this is
- 8 words to which respondent stipulated -- foreign-made
- 9 copies replicated object code, foreign manufactured
- 10 copies, foreign replicated object code. What happens,
- 11 Justice Stevens, is that the golden master of the disk
- 12 which contains the physical manifestation of the object
- 13 code is read by a machine somewhere outside the United
- 14 States, looked at and then copied onto another physical
- 15 medium, either a hard drive or a disk. Many hard
- 16 drives, many disks. Those foreign replicated physical
- 17 tangible copies are then installed in computers and they
- 18 become components of those computers.
- 19 JUSTICE KENNEDY: Is the master disk a
- 20 component?
- 21 MR. OLSON: The master -- well, AT&T has
- 22 taken two positions on that. We --
- JUSTICE KENNEDY: What's your position?
- MR. OLSON: Our position is that it's not a
- 25 component of the final product computers that are made

- 1 abroad. What is a component is a replication, a copy of
- 2 a new hard drive or a new disk that's made a part of
- 3 those computers which, without which --
- 4 JUSTICE KENNEDY: Just the disk but not the
- 5 information on the disk is the component.
- 6 MR. OLSON: The information on the disk is
- 7 of no use to the computer unless it's made into a
- 8 physical machine readable document -- object.
- 9 JUSTICE GINSBURG: That -- Mr. Olson, that
- 10 is the position of AT&T as I understand it, that what
- 11 you call the object code appears in the -- in the
- 12 computer that it's -- that is what is sent, along with
- 13 the master disk, and the object code is the critical
- 14 component, according to AT&T. In fact, wasn't that the
- 15 first question that you raised, whether digital software
- 16 code, an intangible sequence of 1's and 0's may be
- 17 considered a component of a patent, patented invention?
- 18 MR. OLSON: If I understand your question,
- 19 Justice Ginsburg, let me answer it this way. AT&T has
- 20 taken two positions. The most recent position is that
- 21 it's the intangible object code, the series of 1's and
- 0's, or instructions to a computer switch to be on or
- 23 off, that is a component. They also took a position
- 24 earlier in the case and which is referred to in the
- 25 stipulation that it was the golden master, the physical

- 1 manifestation on the -- on a master disk that went
- 2 abroad that was the component.
- 3 JUSTICE KENNEDY: But I still would like to
- 4 know your position. The golden disk is or is not a
- 5 component?
- 6 MR. OLSON: It is not a component --
- 7 JUSTICE KENNEDY: But copies of the golden
- 8 disk are or are not components?
- 9 MR. OLSON: The copies, the physical
- 10 manifestation on a hard drive --
- 11 JUSTICE KENNEDY: Physical manifestation?
- 12 MR. OLSON: Our components of the foreign
- 13 manufactured computers. Those components are not
- 14 supplied from --
- 15 JUSTICE KENNEDY: I suppose if you could, if
- 16 you made 99 copies, those would be 99 components. Then
- 17 if you used -- if you're going to make 100 machines. If
- 18 you used for your disk the master disk for the last
- 19 copy, then that would have been -- that would -- then
- 20 the master disk would be a copy, a component of the last
- 21 machine.
- 22 MR. OLSON: If -- well, I think, if I
- 23 understand your question, if you make -- and it depends
- 24 upon where you make it, where you transfer --
- 25 JUSTICE KENNEDY: You make them abroad.

- 1 MR. OLSON: If you make it abroad, that --
- 2 and it's -- that is where the component is supplied
- 3 from. Copies are made abroad. There's no question
- 4 about that and --
- 5 JUSTICE KENNEDY: But if the disk, if the
- 6 golden disk itself after they finish the copies, were
- 7 used --
- 8 MR. OLSON: If the physical --
- 9 JUSTICE KENNEDY: -- in a hardware, then
- 10 that would be a component.
- 11 MR. OLSON: If that physical golden disk
- 12 were actually put into a computer and used without more.
- 13 JUSTICE STEVENS: Well, I'm a little
- 14 confused, because I thought the golden disk was just one
- 15 method of getting the software into the new computers.
- 16 And I thought it was the software which was arguably the
- 17 component, not any physical manifestation.
- MR. OLSON: Well, that's why I said AT&T has
- 19 taken two positions. Here's the position that they took
- 20 in their brief before the court of appeals. Three
- 21 decades of patent jurisprudence have authoritatively
- 22 recognized software to be a physical and structural
- 23 component of patented machines. The problem, Justice
- 24 Stevens --
- JUSTICE STEVENS: But do you -- what is your

- 1 view on whether or not software is a component?
- 2 MR. OLSON: The -- if I may answer that by
- 3 saying that people use the word "software" in two
- 4 different ways. One of which, they use it as the
- 5 intangible series of 1's and 0's. We submit that the
- 6 correct way to understand the word "software" is the
- 7 physical manifestation of that what is called source
- 8 code, which is made into object code, which is made into
- 9 machine readable code.
- 10 JUSTICE SCALIA: Or at least the correct way
- 11 to understand component.
- 12 MR. OLSON: It is the correct way to
- 13 understand the --
- JUSTICE SOUTER: And the component then
- 15 would be either a disk which is put into a computer or
- 16 the portion of the hard drive to which the code is
- 17 transferred.
- 18 MR. OLSON: Yes. As I understand it,
- 19 Justice Souter, and I think the stipulations make this
- 20 clear, there's a reference in the stipulations to
- 21 encoded transmissions but there's a -- but the parties
- 22 also agree that's the same process as the golden disk.
- 23 The golden disk is sent abroad. That is read by a
- 24 machine and then the machine understands -- it's almost
- 25 as if you were to read physically any other type of

- 1 document, read it to a machine. The machine understands
- 2 what is said, puts it into a physical manifestation on a
- 3 disk or on a hard drive. Many copies are made in that
- 4 fashion. They are installed in computers made abroad,
- 5 sold to foreign purchasers.
- 6 JUSTICE KENNEDY: So are you saying that
- 7 neither the source code nor the compilation are a
- 8 component?
- 9 MR. OLSON: Of the foreign? The language of
- 10 the statute is the foreign manufactured product. Those
- 11 are the computers that are sold abroad. It is our
- 12 position that the only components that are in issue in
- 13 this case are the physical manifestations of the object
- 14 code on a hard drive or on a disk.
- 15 JUSTICE KENNEDY: So that neither the source
- 16 code nor the compilation are a component, save as, the
- 17 compilation is put on a disk?
- 18 MR. OLSON: That's correct. And the -- the
- 19 thing that's on the disk in the foreign --
- JUSTICE KENNEDY: That seems odd. I mean,
- 21 Microsoft doesn't say please buy our disk because it's
- 22 the prettiest disk in the business.
- 23 MR. OLSON: Justice Kennedy --
- JUSTICE KENNEDY: It says buy our program
- 25 because the program means something.

- 1 MR. OLSON: But the program is nothing until
- 2 made into a physical manifestation that can be made by
- 3 the computer.
- 4 JUSTICE STEVENS: What is patented? Is the
- 5 physical object patented or is the software patented?
- 6 MR. OLSON: The AT&T patent --
- 7 JUSTICE STEVENS: Right.
- 8 MR. OLSON: The '580 patent is a program, as
- 9 I understand it, that's married to a computer, has to be
- 10 married to a computer in order to be patented.
- 11 JUSTICE SCALIA: You can't patent, you know,
- on-off, on-off code in the abstract, can you?
- 13 MR. OLSON: That's correct, Justice Scalia.
- 14 JUSTICE SCALIA: There needs to be a device.
- 15 MR. OLSON: An idea or a principle, two plus
- 16 two equals four can't be patented. It has to be put
- 17 together with a machine and made into a usable device.
- 18 The bind that AT&T is in here is that the components
- 19 that make the machines run that are produced abroad are
- 20 not supplied from the United States. They are made in
- 21 Belgium or Frankfurt or something.
- JUSTICE GINSBURG: That depends on what you
- 23 consider the component. They define component as
- 24 including the, what you've been calling the abstract.
- MR. OLSON: They have attempted, Justice

- 1 Ginsburg, with respect, to have it both ways. They've
- 2 said that it is a physical and structural thing,
- 3 something that's on the golden master disk. And then
- 4 they say it's just the binary code in the abstract, but
- 5 that in the abstract never becomes a part of the
- 6 computer.
- 7 JUSTICE GINSBURG: What did the Federal
- 8 Circuit say? And I read the opinion a couple of times
- 9 and it was, it seemed to me ambiguous whether the
- 10 Federal Circuit was identifying the component as the
- 11 object code itself or the master disk.
- MR. OLSON: Yes. I agree with you. The
- 13 Federal Circuit was ambiguous, in part because there
- 14 were two separate decisions. The court considered the
- 15 component issue in the Eolas case and then when this
- 16 case came along, said we've already decided the
- 17 component portion of the statute; now we must decide the
- 18 supplied from. So the language which the Federal
- 19 Circuit used is a bit confusing. Basically what it
- 20 said, though, is that the act of supplying embraces the
- 21 act of copying. That means that any, any company
- 22 sending a machine or a patented product abroad, that
- 23 that machine must be copied in order to be mass produced
- 24 abroad. It might be a pill. It might be a mousetrap.
- 25 It might be a Buick. That exact identical copy if

- 1 replicated abroad does not violate the statutes, the
- 2 patent laws, it doesn't constitute an infringement.
- JUSTICE KENNEDY: Suppose you had a patent
- 4 on a biological organism and it was contained in a
- 5 little vial, and you shipped it abroad. Just by doing
- 6 nothing at all, it grew, and it had -- it grew into 100
- 7 different parts.
- 8 MR. OLSON: If it reproduces itself, Justice
- 9 Kennedy, somewhere outside the United States --
- 10 JUSTICE KENNEDY: Right.
- MR. OLSON: What you're suggesting is that
- 12 there is a pattern or a recipe or a template or a mold.
- 13 It could be the same thing. If it's reproduced outside
- 14 the United States by some laboratory outside the United
- 15 States, then the components are not being sent from the
- 16 United States for reassembly abroad.
- 17 JUSTICE ALITO: Isn't this an artificial
- 18 distinction in -- when you're talking about the making
- 19 of a tangible part, there's at least some cost involved
- 20 in doing it here or doing it abroad, and some time
- 21 involved. But with, with software, the Federal
- 22 Circuit's point was that it is so easy and inexpensive
- 23 and fast to copy it that simply sending the information
- 24 abroad, sending the object code abroad in the form of
- 25 the golden disk, is tantamount to manufacturing copies

1	overseas.
2	MR. OLSON: I think there are three answers
3	to that. Surely the patent laws cannot be determined
4	according to whether it's easy or fast or efficient to
5	replicate something. There has to be a line that makes
6	some sense. Number two, it may be fast and efficient
7	but there are certainly costs involved in taking the
8	machines to do it. Number three, where would that take
9	us? A design every product contains its own
10	manifestation of its design. That would take us
11	everywhere, because any product can be copied abroad.
12	However and maybe there are going to be fast ways to
13	produce other things. These are replicas,
14	reproductions, copies. These are not such components
15	that are supplied from the United States. If I may
16	reserve the balance of my time? Thank you.
17	JUSTICE STEVENS: Mr. Joseffer.
18	ORAL ARGUMENT OF DARYL JOSEFFER
19	ON BEHALF OF THE UNITED STATES AS AMICUS CURIAE
20	SUPPORTING THE PETITIONER
21	MR. JOSEFFER: Justice Stevens, and may it
22	please the Court:
23	It might help if I could start by putting
24	this case into its context in both the United States and

international patent law. Section 271(f) is a limited

25

- 1 extension of normal territoriality principles that is
- 2 designed to shore up the prohibition against actually
- 3 making a patented invention in the United States, but it
- 4 does not take the further and extraordinary step of
- 5 applying United States law to the conduct of copying
- 6 parts abroad for assembly and sale abroad conduct is
- 7 properly the subject of foreign law.
- As a result, in the context of traditional
- 9 manufacturing, for example, it has always been
- 10 understood pursuant to the statute's text, that while
- 11 companies cannot make parts in the United States for
- 12 final assembly abroad -- that's too close to making it
- 13 here -- they may make copies in a foreign country by,
- 14 for example, sending the design to the foreign country
- 15 or sending a specific part to the foreign country that
- 16 can be copied there.
- 17 That distinction between copying in the
- 18 United States and copying in the foreign country has two
- 19 critical dimensions. The first is that it protects the
- 20 foreign government's sovereign prerogative to establish
- 21 the rules of competition that will govern companies that
- 22 wish to compete in that foreign country's markets by
- 23 copying their products abroad, assembling them there and
- 24 selling them there.
- The second, which is the flip side of

- 1 that point, is that it enables United States companies
- 2 to compete on an even playing field abroad against their
- 3 foreign competitors by manufacturing, assembling, and
- 4 selling parts abroad, subject --
- 5 JUSTICE GINSBURG: Mr. Joseffer, to the, to
- 6 the extent that you are claiming that there are foreign
- 7 nations that would have an interest in this, usually
- 8 when that is so, hear from them and in this case there
- 9 is a strange silence in that regard.
- 10 MR. JOSEFFER: I think that -- I can say --
- 11 a couple points I can make. One is, this case has, has
- 12 been viewed because of the Federal Circuit's attempt to
- 13 tie this to software on the grounds that software can
- 14 easily be copied abroad, I think this case has been
- 15 somewhat narrowly viewed as a software case. But in
- 16 truth, there's no basis for distinguishing software from
- 17 anything else, and if the Federal Circuit's decision was
- 18 actually taken to its logical conclusion I have no doubt
- 19 that other nations would be quite concerned, like in --
- 20 in two ways.
- 21 One is we have looked, not exhaustively but
- 22 we have looked, and we have not been able to find a
- 23 single other country that would apply its law in the
- 24 circumstances if they were reversed. In other words if
- 25 a German condition wanted to compete in the United

- 1 States subject to German law by making copies here,
- 2 assembling them here, selling them here, Germany would
- 3 stay out of that because it's the United States'
- 4 prerogative. Also there are significant differences
- 5 between the nations' patent laws. For software in
- 6 particular, the United States is much more bullish on
- 7 the patentability of software-related inventions than
- 8 many other countries. But even for more mundane
- 9 reasons, if we were talking about anything -- it could
- 10 be that the foreign government doesn't think that an
- 11 invention is particularly novel, it just disagrees with
- 12 us about that, or it doesn't think there is sufficient
- 13 advance in the prior art sufficiently inventive to
- 14 warrant patent protection. And if the foreign country
- is going to make that determination regarding
- 16 competition policy in its own borders, it's entitled to
- 17 make that determination.
- 18 JUSTICE GINSBURG: Let me ask you about a
- 19 domestic law question. One side is telling us it's the
- 20 component that's supplied, whether it's the master disk
- 21 or the object code. And the other side says this is
- just like a blueprint, like a mold, like a template.
- 23 Can a blueprint be patented? Can a mold be patented?
- MR. JOSEFFER: Not ordinarily. I mean --
- 25 I'm sorry.

- 1 JUSTICE BREYER: Copyright. Copyright. You
- 2 normally copyright.
- 3 MR. JOSEFFER: You can certainly copyright
- 4 something like that.
- 5 JUSTICE GINSBURG: Yeah, but patent --
- 6 MR. JOSEFFER: Well the -- no, but the -- I
- 7 think the most important point here is that the
- 8 components of patented inventions do not have to be
- 9 patentable. Many patented inventions are comprised of a
- 10 bunch of parts where the parts themselves would not be
- 11 patentable because say they were standard off the shelf
- 12 parts.
- 13 JUSTICE KENNEDY: Well, there can be a
- 14 process patent.
- 15 MR. JOSEFFER: Yes, and we don't -- I mean,
- 16 process patents, a process patent is a series of steps
- or acts for performing a certain function, such as
- 18 turning rubber into a tire. We don't think process
- 19 patents are relevant -- are, are covered by this statute
- 20 for a couple of reasons. And it's not --
- 21 JUSTICE STEVENS: What, what is your view of
- 22 what the component is in this case.
- MR. JOSEFFER: The component is the, is the
- 24 actual machine readable copy of software that is
- 25 inserted in --

1	JUSTICE STEVENS: The software is the
2	component?
3	MR. JOSEFFER: Well, but the, the but
4	like with anything, you could say a computer is also the
5	component, but it's the actual computer, not you know,
6	any copy of the same computer.
7	JUSTICE SOUTER: But in this case, you're
8	but Mr. Olson said the component is either the disk or
9	the portion of the hard drive to which the, the coded
10	instructions are transferred.
11	MR. JOSEFFER: Right.
12	JUSTICE SOUTER: Do you accept that?
13	MR. JOSEFFER: The United States view I'm
14	not sure exactly how much we disagree on this but the
15	United States view is that, for example, a blank disk is
16	not a component of this invention because you don't need
17	a blank disk to practice this invention. The the
18	actual component is the physical substantiation, the
19	physical copy of the software that's inserted into a

- JUSTICE SOUTER: In other words, the disk
- 22 plus the -- plus the coded instructions.

computer and if you get a disk --

20

- MR. JOSEFFER: Yes. And again the coded --
- the software could be on a disk or it could be on some
- 25 other technology. It doesn't matter how it --

1	JUSTICE SOUTER: It could be on the hard
2	drive.
3	MR. JOSEFFER: And once it's copied on to
4	the hard drive, then the copy on the hard drive is
5	itself a component.
6	JUSTICE BREYER: I take it that we are
7	operating under the assumption that software is
8	patentable? We have never held that in this Court, have
9	we?
10	MR. JOSEFFER: No, but as I was saying
11	before
12	JUSTICE BREYER: So what should we do here?
13	Should, if we are writing this, since it's never been
14	held that it's patentable in this Court
15	MR. JOSEFFER: I think if
16	JUSTICE BREYER: If I were writing
17	something, should I say on the assumption that it's
18	patentable? Since the issue isn't raised?
19	MR. JOSEFFER: No. I think, I think the
20	reason that's not relevant here is that the patented
21	invention in this case is not software. It's computer
22	that has software loaded into it. And the components of

JUSTICE KENNEDY: Can have you have a

a patented invention do not themselves have to be

23

24

patented.

- 1 copyright on a program?
- MR. JOSEFFER: Ah, if you wrote it out, yes.
- 3 If I wrote out a string of 1's and 0's I could copyright
- 4 the strings of 1's and 0's that was -- that was written
- 5 out on a piece of paper. But the -- in terms of what
- 6 the component is here, the other things --
- 7 JUSTICE SCALIA: Can I ask you, the point I
- 8 don't understand when you say the -- the component is
- 9 the disk that contains material, I understand that
- 10 because here is a separate piece; it's a disk. You plug
- 11 it in; it has the information on it. But then you say,
- 12 if you put it on the hard drive it becomes the
- 13 component. But the hard drive is not a separate thing
- 14 like a disk. And when you say you put it on the hard
- 15 drive you have nothing there but -- but -- but ons and
- 16 offs. You have nothing there but the -- but the
- 17 thought.
- 18 MR. JOSEFFER: Well --
- 19 JUSTICE SCALIA: How can you call, you know,
- 20 what? Is it a separate section of the hard drive? No.
- 21 MR. JOSEFFER: Well, you could go later in
- 22 and delete that software off the hard drive which
- 23 confirms that the software does have a separate physical
- 24 existence in there. But the main point is that the --
- 25 the component is the, is the physical substantiation of

- 1 the software. The actual copy of the software. It
- 2 doesn't matter if it's on a hard disk; doesn't mean it's
- 3 on a disk; it doesn't matter if it's in the air in
- 4 wireless transmission. It's just the physical copy of
- 5 the software. And you could have a situation where
- 6 there are multiple copies of that same component in a
- 7 computer. One --
- 8 JUSTICE ALITO: If these -- if these
- 9 computers are built abroad and are sold with Windows
- 10 installed, the component is the electrons on the hard
- 11 drive? Is that what, that's your position?
- 12 MR. JOSEFFER: It's the physical embodiment
- of the software which in some instances is manifested by
- 14 -- by those electrons. Now AT&T's contrary view is that
- 15 the abstract code in the abstract is the component. The
- 16 reason that can't be is that object code in the abstract
- is just a series of 1's and 0's. In theory I could
- 18 memorize in my head or write down on a piece of paper.
- 19 But that's not going to combine with other, with other
- 20 parts to make a patented invention.
- 21 And if I could illustrate that with a simple
- lock and key example, a key has a series of ridges on it
- 23 that enable it to open a lock. And that series of
- 24 ridges can be denoted by a sequence of numbers, bigger
- 25 numbers for deeper ridges. But the component is the key

- 1 that actually turns the lock, not the abstract sequence
- 2 of ridges on the key. And you can then say that about
- 3 anything; you can always say that any physical product,
- 4 any physical part, is a physical manifestation of its
- 5 abstract design.
- JUSTICE KENNEDY: Is that analogous to the
- 7 source and the compilation, the source being the design,
- 8 the compilation being the key?
- 9 MR. JOSEFFER: No. The source code and
- 10 object code are just different computer languages for
- 11 expressing the same thing. There is no -- there's no
- 12 difference between them. One is words and one is
- 13 numbers, but they mean the same thing. There is no
- 14 reason to treat them differently.
- 15 The point is just that if you treat the --
- 16 either the source code or the object code as the
- 17 component, that's just the design of the actual physical
- 18 software that goes into the computer. If you did that
- 19 you'd have a vastly different statute because any
- 20 physical part has a design, but the whole point of the
- 21 statute is to prohibit copying of parts in the United
- 22 States while permitting copying of parts abroad for sale
- 23 abroad.
- But if the design itself was a component
- 25 then you could never copy parts abroad when something

- 1 was designed in the United States, because something
- 2 designed abroad would always infringe because the
- 3 something designed abroad would itself be the component,
- 4 and that would be a vastly different statute there's no
- 5 reason to think Congress intended here, especially
- 6 because of the extraterritorial consequences.
- 7 JUSTICE GINSBURG: Windows wasn't around
- 8 when this statute was passed.
- 9 MR. JOSEFFER: Well, the statute was enacted
- 10 in 1984 when software was certainly present. It's fair
- 11 to say that Congress was not thinking of software, but
- 12 that's further caution for not expanding the statute
- 13 beyond traditional territorial reaches. Because first,
- 14 this Court has cautioned, has said that it should be
- 15 cautious in applying existing electrical property
- 16 statutes to new technologies. And in addition it's
- 17 emphasized in Deepsouth that the caution against
- 18 extraterritoriality applies in this very context. So
- 19 Congress is writing against the backdrop of normal
- 20 territorial principles, which are the making, using or
- 21 selling inventions of foreign countries subject only to
- 22 foreign law, and against the backdrop of Deepsouth,
- 23 which has specifically held that Congress has to speak
- 24 clearly to enact of statute like this.
- JUSTICE GINSBURG: I thought it was the

	1	position	of	the	Federal	Circuit	that	Deepsouth	has	to	be
--	---	----------	----	-----	---------	---------	------	-----------	-----	----	----

- 2 brought into an electronic era, and so the -- the
- 3 Federal Circuit was taking a statute that had a shrimp
- 4 deveiner in mind and saying well, this is how that
- 5 notion should apply to an electronic world.
- 6 MR. JOSEFFER: Right. And the reason that
- 7 doesn't work in the statutory text and policies is that
- 8 the component that we are talking about here is the
- 9 specific part that goes in the machine. And if -- and
- 10 if -- and under the statute you have to let the company
- 11 send the design abroad to manufacture it abroad, both to
- 12 protect the company's ability to compete abroad and to
- 13 protect the foreign government's prerogatives.
- 14 Otherwise it's just a vastly different statute than the
- 15 one that Congress enacted. That's really our terms of
- 16 the politics.
- JUSTICE STEVENS: Your time is up, but I
- 18 want to ask you one yes or no question. In your view is
- 19 software patentable?
- 20 MR. JOSEFFER: Standing alone in and of
- 21 itself, no.
- JUSTICE STEVENS: Thank you.
- 23 Mr. Waxman.
- 24 ORAL ARGUMENT OF SETH P. WAXMAN,
- 25 ON BEHALF OF RESPONDENT

- 1 MR. WAXMAN: Mr. Justice Stevens, and may it
- 2 please the Court.
- 3 There is no question that Microsoft supplies
- 4 the Windows object code, that is the precise, machine
- 5 readable sequence of commands that instructs a
- 6 computer's processor. From the United States, that is
- 7 paragraph 7 of the stipulation.
- 8 There is likewise no question that it does
- 9 so with the intent that precisely the same sequence,
- 10 which runs to millions of lines of binary digits, will
- 11 be installed and stored -- those are Microsoft's
- 12 words -- in foreign computers precisely so that they may
- 13 practice AT&T's invention.
- 14 Those facts resolve this case because it is
- 15 thus entirely consistent with the ordinary meaning of
- 16 the words of the statute to say that Microsoft has
- 17 quote, "supplied" a quote, "component" that when quote,
- 18 "combined with hardware" enables the practice of AT&T's
- 19 invention. Now let's look at --
- JUSTICE BREYER: Suppose I send someone to
- 21 the Patent Office --
- MR. WAXMAN: Excuse me?
- JUSTICE BREYER: Suppose I send someone to
- 24 the Patent Office, goes there, picks up the patent, and
- 25 this patent is written very, very, very concretely and

- 1 specifically. Gets on the phone, phones somebody in
- 2 Germany and reads it to him. And that person, having an
- 3 excellent memory, takes everything in and now he has the
- 4 precise instruction necessary to change the machine
- 5 around or put various things into it. So now it is a
- 6 precise copy of the machine in the United States.
- 7 MR. WAXMAN: That's not the --
- JUSTICE BREYER: Is that -- how is that
- 9 different from this? How is it different?
- 10 MR. WAXMAN: That is very different than
- 11 this case because what -- first of all, we all agree
- 12 that software code in and of itself, removed from a
- 13 physical structure, cannot be patentable and when
- 14 software -- when some -- when an invention that is
- 15 practiced with software is patented, at the most what
- 16 you will see is preferred embodiments of the source code
- 17 which is language that humans understand and which
- 18 computers do not.
- 19 A lot of work has to be done in items of
- 20 debugging and testing and compiling to create what is,
- 21 by stipulation, at issue in this case, which is the
- 22 precise, machine readable sequence that commands a
- 23 computer's CPU millions of times a second. Source code
- 24 would do nothing. Source code has to be worked on
- 25 overseas.

1 JUSTICE BREYER: No, no. We have a genius 2 -- we have, as they used to have to get all the stuff 3 that we stole from England, with the -- with the --4 remember the weaving machines and the cotton spinners 5 and so forth? This genius comes over here; he looks at 6 a really complex machine; it is now stored in his head, 7 the precise details that nobody else could do. He runs 8 back to Germany, and he builds it. Well, he has absolutely stolen the precise, incredibly complex 9 10 details of this machine. MR. WAXMAN: Well --11 12 JUSTICE BREYER: Now, does it matter, if 13 instead of sending the individual, we send the machine 14 to Germany. This genius looks at it in Germany and 15 there he makes the copy. Are they any different? 16 MR. WAXMAN: When you're talking -- when 17 you're talking about sending designs over or blueprints 18 or management instructions or a high level version of, 19 gee let's have a code that will perform the following 20 functions, and you have people design and make and 21 compile and test and debug that code overseas, of course that component, the component is the object code, the 22 23 precise commands that reside in the computer and 24 continually interact with the hardware of the computer 25 in a way I'm going to describe and is not disputed,

- 1 millions of times a second.
- 2 Let's take this case. Okay. Is it -- the
- 3 question is, is it a component and whether what was
- 4 supplied was in fact combined. That's, that's -- that's
- 5 what this case boils down to. As to the component.
- 6 We have something, software program, the
- 7 NetMeeting and sound recorded program that can in its
- 8 object, its machine readable command form, is developed,
- 9 bought and sold entirely separately from any hardware
- 10 that it commands.
- 11 JUSTICE SOUTER: And that is what is on
- 12 master disk.
- MR. WAXMAN: And that is what is either on
- 14 the master disk or, although either side obscures this,
- 15 that is what is represented in the electric --
- 16 electronic transmission, that is another means by which
- 17 the code is supplied.
- 18 And in paragraph 7 of the stipulation
- 19 Microsoft acknowledges that it supplies the Windows
- 20 object code by transmitting it to manufacturers
- 21 overseas. And the way that happens is the code, the
- 22 machine language, is resident in Redmond, either in the
- 23 pits and lands of a CD or on the varying magnetic
- 24 orientations of a hard drive, and a, some engineer from
- 25 Microsoft presses a button and it is essentially, it is

- 1 taken and converted into photons which stream whatever
- 2 it is, 7,000 miles, under the land and under the
- 3 Atlantic Ocean and emerges into a machine, a computer, a
- 4 bit of otherwise inanimate parts that are sitting there
- 5 in Dusseldorf, where it is loaded onto the hard drive,
- 6 it's converted from photons to a series of electrical
- 7 pulses.
- 8 JUSTICE STEVENS: Is that really what
- 9 happens? As I understand it there is an intermediate
- 10 step. They don't send it directly from the United
- 11 States to each of the individual computers in Germany.
- 12 They send it to a central point which then redistributes
- 13 it. Is that not right.
- MR. WAXMAN: Well, I think that paragraph 7
- of the stipulation, it doesn't specify one way or the
- 16 other, but their case, Justice Stevens, depends upon the
- 17 following. Because if I --
- 18 JUSTICE STEVENS: If you're correct that
- 19 they're just sending from New York direct to the 500
- 20 different machines all on one transmission from New
- 21 York, there's no lawsuit here.
- MR. WAXMAN: Let me give you two examples --
- JUSTICE STEVENS: Is that what you're trying
- 24 to tell us, that they do send it directly from New York
- 25 to 500 different recipients in Germany?

- 1 MR. WAXMAN: No, no, no. And it wouldn't --2 what I'm saying is there is at least one violation of 271(f) here. 271(f) looks exclusively at what is done 3 4 in the United States. It is entirely irrelevant to 271(f) what, if anything, is done overseas. The Federal 5 6 Circuit has made this clear in the Waymark case and it's 7 consistent with the language. JUSTICE STEVENS: Would it be a violation if 8 they sent, if they sent the golden disk abroad and 9 10 nobody ever copied anything off the golden disk? MR. WAXMAN: If they sent the golden disk 11 abroad or if the Microsoft engineer --12 13 JUSTICE STEVENS: Would you answer my 14 question? 15 MR. WAXMAN: I think I am. The answer is --JUSTICE STEVENS: If they send the golden 16 17 disk abroad and never use it, would that be a violation?
- 18 MR. WAXMAN: If they had the necessary
- 19 intent and purpose. They had to have had the specific
- 20 intent and purpose that it be combined in order to
- 21 create a device that wouldn't --
- JUSTICE STEVENS: Suppose it is never, it is
- 23 never combined?
- MR. WAXMAN: It wouldn't matter.
- JUSTICE SOUTER: So you -- and the reason it

- 1 wouldn't matter on your view is that the component is
- 2 the object code on the disk, not the disk itself?
- 3 MR. WAXMAN: That's right.
- 4 JUSTICE SOUTER: All right. Then why
- 5 doesn't that get you --
- 6 MR. WAXMAN: It could be --
- 7 JUSTICE SOUTER: Why doesn't that get you
- 8 right back to the point that Justice Breyer was making?
- 9 You are saying, I think, in essence if you send a
- 10 blueprint -- this is like a blueprint. It tells, it
- 11 tells a machine which may be in Europe how to put the
- 12 object code on other disks or on hard drives. The
- 13 machine in Europe is following instructions just the way
- 14 an artisan would follow a blueprint.
- MR. WAXMAN: Here's the difference.
- 16 JUSTICE SOUTER: What is the difference?
- 17 MR. WAXMAN: And it's nicely embodied in
- 18 Microsoft's reply's use, repeated use of the word
- 19 "antecedent." A blueprint or a design is a precursor to
- 20 the actual device. It is the instructions about how to
- 21 make something. It's not the thing itself. And here
- 22 what we have is the object code that is the precise
- 23 commands that, unlike design information, interact
- 24 continuously with the hard drive and with the processor
- 25 in order to make physical changes on an ongoing basis.

JUSTICE SOUTER: Yes, but the "continuously" 1 2 does not describe the process of going from the master 3 disk to what you claim to be the infringing computer 4 sold in Europe. There is no continuous process there. 5 As I understand it, what happens is -- let's just take 6 the master disk and forget the photon for the moment. 7 The master disk functions like a blueprint. They send, 8 from the United States they send the blueprint to Europe. The blueprint is put in some kind of a machine 9 10 in Europe. And by the use of the blueprint the machine 11 puts electrical charges on a disk or on a hard drive, and that it seems to me does bear out the blueprint 12 13 analogy. And if it does, then any export of a blueprint 14 or indeed the simple export, the simple sending of the 15 '820, if that's the right number, patent in this case 16 would be a violation. 17 MR. WAXMAN: I have to disagree, Justice 18 Souter, because the blueprint -- the patent is not the 19 actual series of commands that runs the machine and 20 neither is the blueprint. The blueprint is 21 instructions, to be sure, and it can be reflected in intangible code, but it's instructions about how to make 22 23 something and once it's made it's done. You can say, as 24 Mr. Olson did, that the design is embodied in the thing

that is made. The blueprint for a semiconductor chip in

25

- 1 some sense is always reflected in that chip. But if you
- 2 don't like the chip you have to get rid of it. Software
- 3 can be -- if you don't like Microsoft Word, you can
- 4 download it and you can delete it and download
- 5 WordPerfect and use that. And what happens in the
- 6 computer -- and I think this does bear on what the
- 7 nature of the component is and why in the ordinary sense
- 8 of the word "component" and the ordinary sense of the
- 9 words "supply" and "combine," they apply naturally to
- 10 what Microsoft does.
- I mean, is a disk, is a typewriter, is a
- 12 screen, is a hard drive, is a CPU a component? Are they
- 13 components when they have the code embedded in it? Of
- 14 course. But that doesn't -- a tire doesn't become not a
- 15 component of a car just because a tire with a wheel
- 16 attached to it is also a component. The question is --
- JUSTICE KENNEDY: But suppose, suppose you
- 18 had a machine that makes another machine, and if you
- 19 ship that machine to Europe -- and there's a patent for
- 20 the machine that makes it. If you ship it to Europe and
- 21 it starts making another machine, the statute is not
- violated; and isn't that just what's happening here?
- MR. WAXMAN: No, no, no. This is not a
- 24 machine tool. The thing that was violated, the machine
- 25 readable object code, is precisely what is installed on

- 1 the computer and precisely what is moved from one part
- 2 of the computer to another in different forms as the
- 3 computer operates and it continually instructs. This is
- 4 dynamic. It's not --
- 5 JUSTICE BREYER: How would you, how would
- 6 you -- go back for a second, please, because, if you're
- 7 finished with that, because I don't see how to decide
- 8 for you without at the same time permitting a person to
- 9 walk over to the Patent Office, to read that application
- 10 and the description, which after all at least can be a
- 11 very highly detailed set of instructions of how to make
- 12 a machine, getting on the phone, explaining that just
- 13 like the blueprint which it is just like to somebody in
- 14 Europe. They then make it. And that on your reading
- 15 would violate the statute. It can't be right that that
- 16 would and you don't even think it would.
- MR. WAXMAN: I don't because --
- 18 JUSTICE SOUTER: And so what's the
- 19 difference between that and this case for you?
- 20 MR. WAXMAN: Justice Breyer, there is a
- 21 long, long spectrum with respect to software that goes,
- 22 goes from high level system architecture to all the way
- 23 down through component architecture, pseudo code, source
- 24 code, which is, which is a description that humans
- 25 understand, and the actual machine language that a

- 1 computer will understand. Invention -- patents do not
- 2 specify machine language. The machine code is totally
- 3 dependent on what type of processor it's relating to and
- 4 somebody who takes source code -- I could make an
- 5 argument that if you take, steal the Microsoft source
- 6 code, which is the crown jewel, it is the greatest trade
- 7 secret of this country, it will not be sent overseas,
- 8 but if somebody took it with a bunch of smart engineers
- 9 and said, you know, convert this into, convert this into
- 10 something a computer will understand that will combine
- 11 with a computer, that involves a question of whether
- 12 what's going on overseas is manufacture as opposed to
- 13 assembly.
- 14 Look at it from the perspective -- maybe
- 15 this helps. Let's look at the question from the
- 16 perspective of Microsoft, the OEM, and the user
- 17 overseas. Object code is the end of Microsoft's
- 18 manufacturing process. That is what they make. They
- 19 don't make hard drives, they don't make disks, they
- 20 don't make computers. They fully finish their product,
- 21 the Windows operating code, and then send it overseas.
- 22 The OEM is --
- JUSTICE SCALIA: That, that code is not
- 24 patentable, you've said.
- 25 MR. WAXMAN: The code is not patentable.

- 1 The expression is copyrightable. AT&T has not sought to
- 2 get a patent on the code. AT&T has a patent on a system
- 3 that can be practiced, among other ways, through the use
- 4 of software.
- 5 JUSTICE SOUTER: But what is it that they
- 6 export and send overseas?
- 7 MR. WAXMAN: They export in a variety of
- 8 different physical forms --
- 9 JUSTICE SOUTER: Right, it's a thing. It's
- 10 an object of some sort, isn't it?
- 11 MR. WAXMAN: It is an intangible sequence of
- 12 commands that is carrying --
- 13 JUSTICE SOUTER: It is an object that has
- 14 coded onto it, transferred to it in a readable way,
- 15 those commands. But it's an object, isn't it?
- 16 MR. WAXMAN: Well, it's not necessarily an
- 17 object. I don't know whether you would call a stream of
- 18 photons that is constantly repeated under the Atlantic
- 19 Ocean an object.
- JUSTICE GINSBURG: Mr. Waxman, this may,
- 21 this may help focus that question. Suppose the master
- 22 disks were made abroad. You would be taking the same
- 23 position, would you not?
- 24 MR. WAXMAN: If -- that depends how it were
- 25 made. If it were --

1	JUSTICE SCALIA: I hope we can continue
2	calling it the golden disk. It has a certain
3	Scheherazade quality that really adds a lot of interest
4	to this case.
5	(Laughter.)
6	MR. WAXMAN: Justice Ginsburg, the question
7	is what is made. If making it means somehow creating,
8	reconfiguring the precise sequence of commands
9	JUSTICE GINSBURG: No. That's given by
10	Microsoft to one of its offices in Europe. But the
11	golden disk itself is made abroad.
12	MR. WAXMAN: If the, if the object code
13	itself, the very precise sequence that can't be changed,
14	is supplied from the United States
15	JUSTICE GINSBURG: Yes.
16	MR. WAXMAN: the act is implicated.
17	JUSTICE GINSBURG: So the only thing
18	MR. WAXMAN: Regardless of
19	JUSTICE GINSBURG: The only thing supplied
20	is this, one side calls it abstract, one side calls it
21	something else. But anyway, it is the series of 0's and
22	1's; that's the only thing that's supplied from the
23	United States?
24	MR. WAXMAN: That's right.
25	JUSTICE GINSBURG: Any physical

- 1 manifestation of it is done abroad. You would still be
- 2 taking the position that you're taking, is that not so?
- 3 MR. WAXMAN: Well, yes, except that the
- 4 intangible sequence of commands can only be carried in
- 5 the form of, by attaching it to a physical platform or a
- 6 bucket.
- JUSTICE STEVENS: Yes, but it doesn't have
- 8 to be --
- 9 MR. WAXMAN: Even a radio wave. Microsoft
- 10 has patent claims for software.
- 11 JUSTICE STEVENS: The physical object does
- 12 not have to originate in the United States. Can they
- 13 not transmit the commands to a physical object in
- 14 Germany and have that be the substitute for the golden
- 15 disk?
- MR. WAXMAN: Well, of course, and they do
- 17 that.
- JUSTICE STEVENS: Yes.
- 19 MR. WAXMAN: They press a button and they
- 20 have an electronic transmission that sends a stream of
- 21 protons under the Atlantic Ocean and are changed into
- 22 electrical impulses that are used to inscribe the
- 23 precise code onto a hard drive in the form of
- 24 electromagnetic pulses.
- JUSTICE STEVENS: But that they now send to

- 1 some central point which redistributes them. They send
- 2 one copy to, say, the wholesaler, who then makes 500
- 3 copies that are sent to the retail customers, isn't that
- 4 correct?
- 5 MR. WAXMAN: That may be. We don't --
- 6 JUSTICE STEVENS: Which is exactly what
- 7 happens in this case?
- 8 MR. WAXMAN: It's one of the things that
- 9 happens in this case. We have a stipulated record that
- 10 is not very detailed, but in that instance there is only
- 11 one violation.
- 12 JUSTICE STEVENS: My question is if that is
- 13 what happens, when the retransmission takes place when
- one copy is converted into 500 how can those 500 all be
- 15 components rather than copies of the single component?
- MR. WAXMAN: Well, the only -- I have two
- answers to that question, both of them I think directly
- 18 answering your question. First of all, the statute is
- 19 violated only when the precise object code is
- 20 expatriated from the United States, when it is supplied
- 21 from the United States. That's the violation. The
- 22 other issues are damages, what damages are you entitled
- 23 to. What is combined with the computer is the precise
- 24 thing that is supplied because it is the precise
- 25 sequence of commands.

1 JUSTICE BREYER: But is there any precedent 2 for that sort of thing? That is, I understand your 3 point now, I think, but however you put it, it has to 4 come down to the fact that this very, very complex and 5 detailed thing that is being supplied is an abstract set 6 of numbers. And I can understand how the patent 7 application does not itself contain that set of numbers, 8 but rather contains an instruction as to how to generate that set of numbers. 9 10 But I then would be guite frightened of 11 deciding for you and discovering that all over the world there are vast numbers of inventions that really can be 12 13 thought of in the same way that you're thinking of this 14 one, and suddenly all kinds of transmissions of 15 information themselves and alone become components. I'm asking you, is there any outside the computer field 16 17 analogous instance where the transmission of information 18 has itself been viewed as the transmission of a 19 component? 20 MR. WAXMAN: I'm not aware of any. 21 lower courts, Microsoft was arguing that the biotech industry was an analogy, but there is some very obvious 22 23 differences between what is supplied in terms of object 24 code that instructs a machine and a, you know, a sequence of nucleotides, the abstract sequence of 25

- 1 nucleotides. But I think we need to be quite precise
- 2 here. We are not complaining that the component is an
- 3 idea. We're not complaining -- we're not arguing that a
- 4 component is some form of information. What we're
- 5 saying here is -- I mean, nobody is paying billions of
- 6 dollars from an idea. When the commands are loaded onto
- 7 the hard drive of a computer in the form of
- 8 electromagnetic orientations and when you press a button
- 9 saying give me NetMeeting, and the processor says -- and
- 10 this is what electrical engineers say -- fetch the
- 11 instructions, fetch the commands to the random access
- 12 memory where it's -- where it is there reflected in a --
- in a form of patterns of electrical charges. And when
- 14 the code then moves back and forth, the instructions
- 15 move back and forth from the CPU and RAM, they --
- 16 they -- millions of times a second they are replicating
- 17 themselves.
- 18 JUSTICE KENNEDY: Well, is it an answer to
- 19 Justice Breyer, or maybe it isn't, that we have no
- 20 conceptual problem saying there would be liability if
- 21 this happened within the territorial limits of the
- 22 United States?
- MR. WAXMAN: Absolutely not.
- 24 JUSTICE KENNEDY: And so there shouldn't be
- 25 a greater conceptual problem if you prevail, in applying

- 1 it abroad.
- 2 MR. WAXMAN: That's --
- JUSTICE BREYER: Well, sure, there is. It's
- 4 a bigger --
- 5 MR. WAXMAN: If I can, I just want to make
- 6 sure I answer your question.
- JUSTICE BREYER: But it's totally different
- 8 in that of course it violates the patent in the United
- 9 States. The whole question here is whether or not the
- 10 person has to go get a patent in Germany, which he can
- 11 do or not do. And the -- the concern that I'm worried
- 12 about is in the future it might be outside your field,
- 13 it might be in biology, but if you suddenly say that the
- 14 transmission purely of information is the transmission
- 15 of a component, no matter how detailed, I can easily see
- 16 in biology or medicine where a patent has an instruction
- 17 and indeed, that instruction is an instruction to create
- 18 other detailed procedures, processes, dishes, Petri
- 19 dishes, I don't know what it is, and we transmit that
- 20 detailed information abroad. Then suddenly it's our
- 21 patent law and not the foreign patent law that would
- 22 govern. That's why I asked for precedent.
- MR. WAXMAN: Okay. First of all, this
- 24 statute does not reach anything that is done overseas.
- 25 It doesn't reach what the German OEM does. It doesn't

- 1 reach what anybody does overseas. It -- it makes liable
- 2 as an infringer somebody who supplies -- who is in the
- 3 United States who supplies from the United States a
- 4 component with the intent, with the express intent that
- 5 that component be combined in a way to create a device
- 6 that would practice a U.S. patent. Now I don't believe
- 7 -- I firmly am confident that if you look at what's at
- 8 issue in this case, there may be all sorts of questions
- 9 about what is or isn't a component. I might think that
- 10 a design is a component or it isn't a component, but
- 11 think of these three features: One, this is something
- 12 that is totally modular. It is developed, bought and
- 13 sold entirely independent of any of the hardware to
- 14 which it is, with which it is combined, and between
- 15 which it moves continuously as it operates. Number two,
- 16 it can be removed or updated entirely independently of
- 17 the other components. And it is dynamic, unlike
- 18 designs, unlike molds, unlike instructions about how to
- 19 make something, all of which are exhausted. They have
- 20 done their work when the thing is made. That's why
- 21 those things are called hardware.
- JUSTICE SOUTER: All right. But --
- MR. WAXMAN: These are instructions not
- 24 about how to make something. They are instructions
- 25 about what the other things that are made should do and

- 1 how they do it.
- 2 JUSTICE SOUTER: You can perfectly well say
- 3 that in this case. You can say that the instruction is
- 4 exhausted once the golden disk has sent its information
- 5 through an intermediary machine onto the new disk that
- 6 is made.
- 7 MR. WAXMAN: You could not say that because
- 8 if you take the information from a golden master or a
- 9 stream of photons and put it on a hard drive, unless
- 10 that continues to move and change in form, the computer
- 11 will not work. The computer operates by having you
- 12 press a button saying do this function. The central
- 13 processing unit then says where are my instructions on
- 14 how to do it. It says find them and put them in random
- 15 access memory, where it is then replicated in the form
- 16 of patterns of electrical charges, quite a different
- 17 physical form than it exists on the hard drive. And the
- 18 program counter --
- 19 JUSTICE SOUTER: That simply means that
- 20 after the -- the -- the idea as you put it, has
- 21 been placed on the hard drive, certain other processes
- 22 must take place too before we get the result that people
- 23 are buying computers to -- to obtain. But it's still
- 24 the case that the -- that the code on the golden disk is
- 25 exhausted once that has been transferred from the disk

- 1 through an intermediary machine on its way ultimately to
- 2 a working computer just -- and my only point is -- just
- 3 the way you can say that the blueprint in effect is
- 4 exhausted once the house has been built.
- 5 MR. WAXMAN: It's not because the blueprint
- 6 has no further work to do. It was something that --
- 7 JUSTICE SOUTER: Sure. You can use it
- 8 again.
- 9 MR. WAXMAN: Something you teach, has no
- 10 further work to do with respect to the infringing
- 11 device, but the object code works continuously and gives
- 12 continuous instructions to the various hardware
- 13 components completely unlike. But let me go to --
- 14 JUSTICE SOUTER: The object code has several
- 15 jobs. One job when embodied on the golden disk is tell
- 16 a -- is to tell a machine how to make disks or how to
- 17 put a message on a hard drive. Another job that the
- 18 object code has is when the object code gets on the
- 19 resulting disk or the hard drive. But in fact, the
- 20 manifestation of the object code on the golden disk and
- 21 the manifestation of the object code on the resulting
- 22 disk are separable, just as the blueprint is separable
- 23 from what is constructed.
- 24 MR. WAXMAN: Justice Souter, just taking
- 25 your -- taking that as -- that as the case, the United

- 1 States in footnote 2 of its brief repeats what Microsoft
- 2 argued in the court of appeals and the district court,
- 3 which is that if it took instead of one golden master,
- 4 but 100,000 CDs, which is what a golden master is, one
- 5 for each computer, that would be a 271(f) infringement.
- 6 But that also requires copying and transforming the code
- 7 that is on the CD-ROM which is in the form of physical
- 8 pits and lands and indentations, and downloading it into
- 9 the hard drive where the same exact sequence is
- 10 manifested as varying orientations of electronic,
- 11 electromagnetic fields, and that is no different
- 12 whatsoever than this case.
- 13 If you say, well, what destroys you in this
- 14 case is that the code has to be copied, replication,
- 15 precise instantaneous replication is simply how software
- 16 works. It's not just how it's supplied. It's not just
- 17 how it's combined. It's how it interacts dynamically
- 18 within the computer. And that's why we say it's a
- 19 component.
- Let me just be clear about what the
- 21 statutory interpretation question here is. It's not as
- 22 whether our conception of the component as the code --
- 23 as the -- as the command is better than their conception
- of the component as a CD or a light wave or a telephone
- 25 wire that contains that.

1 The question is, there may very -- it may 2 very well be both things. The question is whether the word component naturally applies to what we do. And our 3 4 -- we have given dozens of references to the use of 5 intangible software, program software as components. 6 have given you the dictionary definition with an example 7 from Webster's. They have not responded with one 8 counter-example. The only dictionary example they provide you relates to the word "such", and it's in 9 10 their reply brief on page 5. But they have given you 11 not the first definition of such under Black, in Black's Eighth, they have given you the second one. The first 12 one is, of this or that kind, she collects a variety of 13 14 things. And that definition, under that definition it 15 wouldn't matter whether you said, well, the component 16 has to be physical or, you know, it could be either. 17 Because even if it has to be physical --18 JUSTICE ALITO: Can you think of any 19 machine -- can you think of any machine other than a 20 computer that has a component that is not a physical 21 thing? 22 MR. WAXMAN: I can't. And that's why it 23 seems to me, I mean -- and there are -- there are 24 machines that have nonphysical things in them but not 25 that operate in the sort of same dynamic way. We gave

- 1 the example of the intangible text of Moby Dick in a
- 2 book. And they give the example of, you know, an
- 3 incredibly complicated series of circuits on a -- on a
- 4 chip. But those don't continue to operate and interact
- 5 in the way that this paradigmatic component does. Thank
- 6 you.
- JUSTICE STEVENS: Thank you, Mr. Waxman.
- 8 Mr. Olson, you have, let's see, four minutes.
- 9 REBUTTAL ARGUMENT OF THEODORE B. OLSON
- 10 ON BEHALF OF THE PETITIONER
- 11 MR. OLSON: Thank you, Justice Scalia. I
- 12 mean Justice Stevens.
- 13 (Laughter.)
- I was about to address Justice Scalia and
- 15 recite the case -- cite the case Nixon versus
- 16 Fitzgerald, which is directly responsive to the question
- 17 Justice Scalia raised at the very beginning of the
- 18 audience, that a stipulation with respect to damages
- 19 does not make a case moot. And also with respect to a
- 20 question raised by Justice Scalia, or a comment made by
- 21 him, it doesn't have to be gold. It's a master disk.
- JUSTICE SCALIA: I'm sorry.
- MR. OLSON: What this essentially comes down
- 24 to is something that Mr. Waxman repeatedly said. It is
- 25 the commands that are a component. The commands to the

- 1 individual foreign made computers. Those are -- those
- 2 commands cannot be understood and cannot be used by that
- 3 computer unless they are in a physical medium that is
- 4 created as a copy of the master disk that sends abroad
- 5 -- that's sent abroad.
- As I said at the beginning, the stipulation
- 7 is full of the word "copies", foreign replicated copies.
- 8 That's what we're talking about here, something that is
- 9 recreated. And Justice Breyer, your question about
- 10 someone who's got a really good memory and can go abroad
- 11 and recite the 1's and 0's, pictures can be taken,
- 12 copies can be made in lots of different ways.
- 13 And in response to Justice --
- JUSTICE BREYER: His answer to me is that --
- 15 that -- it's sort of misleading to think of this as if
- 16 it's just information, because it's really a method that
- 17 switches things at a level of detail that is impossible
- 18 to put in a patent application. It's taking the
- 19 information in a patent application, it's transforming
- 20 it into what we think of as 1's and 0's, but they're not
- 21 really even 1's and 0's. What they are is things that
- 22 happen with electricity.
- MR. OLSON: That's right.
- JUSTICE BREYER: And it's putting that on
- 25 the disk and then it makes other things happen.

1 MR. OLSON: I agree. 2 JUSTICE BREYER: It's putting something physical on a disk, pits and lands, instructions that 3 4 are copied from the master disk and then put into either a hard drive or a disk, it's the same thing. It's 5 6 something that is into the computer that will make the 7 computer operate. 8 You're right, Justice Ginsburg, that the court of appeals for the Federal Circuit thought it was 9 10 bringing this statute up to date and it even said so. We are making an extension of the statute to keep up to 11 date with the technology. That is not for courts to do. 12 13 This Court is --14 JUSTICE KENNEDY: Are you saying that the 15 infringement act that happened in the United States 16 involved no components? 17 MR. OLSON: The infringement that happened 18 in the United States which was under Section B, which 19 provides Section B inducement liability for making 20 copies domestically of -- the same thing that happened 21 here. Copies of the object code were put on physical mediums and sent to domestic manufacturers. Domestic 22 23 reproduction constitutes infringement under Section 24 271(b) but foreign reproduction is not a violation of

Section 271(a) or 271(b). Hence, we're talking about

25

1	the two sections where
2	JUSTICE BREYER: So they had a license to do
3	that, because if they didn't have a license to make the
4	master disk here in the United States, the making of it
5	would have violated the patent; is that right?
6	MR. OLSON: The making of the master disk if
7	actually used in a computer with a microphone and a
8	speaker, and that's the liability that existed in the
9	stipulation under 271(a). Making copies is liability
10	domestically under 271(b). If it's going to be liable
11	for foreign made replications, then it must be under
12	271(f). The language of the statute, we submit is
13	clear. Physical things must be components under 271(f)
14	because they must be supplied from somewhere. Ideas
15	have no physical from. They're in the air. The words
16	used, "supplied from" tells us that it must be a
17	physical thing combined with. Ideas don't combine with
18	physical things to make a patented invention. Physical
19	things do. Thank you, Your Honor.
20	JUSTICE STEVENS: Thank you, Mr. Olson. The
21	case is submitted.
22	[Whereupon, at 11:15 a.m., the case in the
23	above-entitled matter was submitted.]
24	

25

	1	1	<u> </u>	1
A	53:1	argued 49:2	26:22	37:5,20 43:1
ability 27:12	Ah 23:2	arguing 43:21	balance 16:16	44:19 45:3,7
able 18:22	air 24:3 54:15	44:3	Basically 14:19	52:9,14,24
above-entitled	ALITO 15:17	argument 1:12	basis 18:16	53:2 54:2
1:11 54:23	24:8 50:18	2:2,5,9,12 3:3	34:25	brief 3:18 10:20
abroad 3:15	ambiguous 14:9	3:6 16:18	bear 35:12 36:6	49:1 50:10
6:14,21 8:1 9:2	14:13	27:24 38:5	beginning 51:17	bringing 53:10
9:25 10:1,3	amicus 1:19 2:7	51:9	52:6	broad 6:6
11:23 12:4,11	16:19	art 19:13	behalf 1:15,19	brought 27:2
13:19 14:22,24	amount 4:10,20	artificial 15:17	1:21 2:4,7,11	bucket 41:6
15:1,5,16,20	5:10,14,19	artisan 34:14	2:14 3:7 16:19	Buick 14:25
15:24,24 16:11	amounts 3:21	asked 45:22	27:25 51:10	builds 30:8
17:6,6,12,23	analogous 25:6	asking 43:16	Belgium 13:21	built 24:9 48:4
18:2,4,14 24:9	43:17	assembling	believe 4:1 46:6	bullish 19:6
25:22,23,25	analogy 35:13	17:23 18:3	bet 4:5	bunch 20:10
26:2,3 27:11	43:22	19:2	better 49:23	38:8
27:11,12 33:9	answer 8:19	assembly 17:6	beyond 26:13	business 12:22
33:12,17 39:22	11:2 33:13,15	17:12 38:13	bigger 24:24	button 31:25
40:11 41:1	44:18 45:6	Assistant 1:17	45:4	41:19 44:8
45:1,20 52:4,5	52:14	assumption 22:7	billions 44:5	47:12
52:10	answering 42:18	22:17	binary 14:4	buy 12:21,24
absolutely 30:9	answers 16:2	Atlantic 32:3	28:10	buying 47:23
44:23	42:17	39:18 41:21	bind 13:18	
abstract 13:12	antecedent	attached 36:16	biological 15:4	C
13:24 14:4,5	34:19	attaching 41:5	biology 45:13,16	C 2:1 3:1
24:15,15,16	anybody 46:1	attempt 18:12	biotech 43:21	call 8:11 23:19
25:1,5 40:20	anyway 40:21	attempted 13:25	bit 14:19 32:4	39:17
43:5,25	appeal 3:21,23	AT&T 1:6 3:4	Black 50:11	called 11:7
accept 21:12	3:24 4:22 5:3	3:22 7:21 8:10	Black's 50:11	46:21
access 44:11	appeals 6:15,19	8:14,19 10:18	blank 21:15,17	calling 13:24
47:15	10:20 49:2	13:6,18 39:1,2	blueprint 19:22	40:2
acknowledges	53:9	AT&T's 3:18	19:23 34:10,10	calls 40:20,20
31:19	APPEARAN	24:14 28:13,18	34:14,19 35:7	car 36:15
act 6:12 14:20	1:14	audience 51:18	35:8,9,10,12	carried 41:4
14:21 40:16	appears 8:11	authoritatively	35:13,18,20,20	carrying 39:12
53:15	appendix 7:7	10:21	35:25 37:13	case 4:5 5:4,15
acts 20:17	application 37:9	aware 43:20	48:3,5,22	5:20 6:3 8:24
actual 20:24	43:7 52:18,19	a.m 1:13 3:2	blueprints 30:17	12:13 14:15,16
21:5,18 24:1	applies 26:18	54:22	boils 31:5	16:24 18:8,11
25:17 34:20	50:3		book 51:2	18:14,15 20:22
35:19 37:25	apply 18:23 27:5	<u>B</u>	borders 19:16	21:7 22:21
addition 26:16	36:9	B 1:15 2:3,13	bought 31:9	28:14 29:11,21
address 51:14	applying 17:5	3:6 51:9 53:18	46:12	31:2,5 32:16
adds 40:3	26:15 44:25	53:19	Breyer 20:1	33:6 35:15
advance 19:13	architecture	back 30:8 34:8	22:6,12,16	37:19 40:4
agree 5:5 11:22	37:22,23	37:6 44:14,15	28:20,23 29:8	42:7,9 46:8
14:12 29:11	arguably 10:16	backdrop 26:19	30:1,12 34:8	47:3,24 48:25

49:12,14 51:15 12:14,16 13:12 company's 3:13 6:4,5,9,22 confident 46 51:15,19 54:21 14:4,11 15:24 27:12 6:23 7:18 9:8 confirms 23: 54:22 19:21 24:15,16 compete 17:22 9:12,13,16 confused 10: cases 5:1 25:9,10,16,16 18:2,25 27:12 12:12 13:18 confusing 14 caution 26:12,17 28:4 29:12,16 competition 15:15 16:14 Congress 26 cautious 26:15 30:21,22 31:17 competitors 36:13 42:15 27:15 CD 31:23 49:24 34:12,22 35:22 compilation 48:13 50:5 consequence CD-ROM 49:7 36:13,25 37:23 12:7,16,17 53:16 54:13 26:6
51:15,19 54:21 14:4,11 15:24 27:12 6:23 7:18 9:8 confirms 23: 54:22 19:21 24:15,16 25:9,10,16,16 18:2,25 27:12 12:12 13:18 confused 10: caution 26:12,17 28:4 29:12,16 competition 15:15 16:14 Congress 26: cautious 26:15 29:23,24 30:19 17:21 19:16 20:8 22:22 26:11,19,23: cautious 26:15 30:21,22 31:17 competitors 36:13 42:15 27:15 CD 31:23 49:24 34:12,22 35:22 34:12,22 35:22 compilation 48:13 50:5 consequence
54:22 19:21 24:15,16 compete 17:22 9:12,13,16 confused 10: cases 5:1 25:9,10,16,16 18:2,25 27:12 12:12 13:18 confusing 14 caution 26:12,17 28:4 29:12,16 competition 15:15 16:14 Congress 26 cautious 26:14 29:23,24 30:19 17:21 19:16 20:8 22:22 26:11,19,23 cautious 26:15 30:21,22 31:17 competitors 36:13 42:15 27:15 CD 31:23 49:24 31:20,21 34:2 18:3 43:15 46:17 consequence CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
cases 5:1 25:9,10,16,16 18:2,25 27:12 12:12 13:18 confusing 14 caution 26:12,17 28:4 29:12,16 competition 15:15 16:14 Congress 26 cautioned 26:14 29:23,24 30:19 17:21 19:16 20:8 22:22 26:11,19,23 cautious 26:15 30:21,22 31:17 competitors 36:13 42:15 27:15 CD 31:23 49:24 31:20,21 34:2 18:3 43:15 46:17 consequence CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
caution 26:12,17 28:4 29:12,16 competition 15:15 16:14 Congress 26 cautioned 26:14 29:23,24 30:19 17:21 19:16 20:8 22:22 26:11,19,23 cautious 26:15 30:21,22 31:17 competitors 36:13 42:15 27:15 CD 31:23 49:24 31:20,21 34:2 18:3 43:15 46:17 consequence CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
cautioned 26:14 cautious 26:15 29:23,24 30:19 30:21,22 31:17 17:21 19:16 competitors 20:8 22:22 36:11,19,23 competitors 26:11,19,23 competitors CD 31:23 49:24 31:20,21 34:2 35:22 18:3 competition 43:15 46:17 consequence consequence CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
cautious 26:15 30:21,22 31:17 competitors 36:13 42:15 27:15 CD 31:23 49:24 31:20,21 34:2 18:3 43:15 46:17 consequence consequence CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
CD 31:23 49:24 31:20,21 34:2 18:3 43:15 46:17 consequence consequence CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
CDs 49:4 34:12,22 35:22 compilation 48:13 50:5 consequence
1 CD-ICON 77.7 30.13.43 37.43 14.7.10.17 33.10 34.13 40.0
central 32:12 37:24 38:2,4,6 25:7,8 comprised 20:9 consider 13:2
42:1 47:12 38:17,21,23,25 compile 30:21 computer 6:7 considered 8
certain 5:3 39:2 40:12 compiling 29:20 8:7,12,22 14:14
20:17 40:2 41:23 42:19 complaining 10:12 11:15 consistent 28
47:21 43:24 44:14 44:2,3 13:3,9,10 14:6 33:7
certainly 16:7 47:24 48:11,14 completely 21:4,5,6,20 constantly 39
20:3 26:10 48:18,18,20,21 48:13 22:21 24:7 constitute 15
change 29:4 49:6,14,22 complex 30:6,9 25:10,18 30:23 constitutes
47:10 53:21 43:4 30:24 32:3 53:23
changed 40:13
41:21 21:23 39:14 51:3 37:2,3 38:1,10 48:23
changes 34:25 collects 50:13 component 7:20 38:11 42:23 contain 43:7
charges 35:11 combine 24:19 7:25 8:1,5,14 43:16 44:7 contained 15
44:13 47:16 36:9 38:10 8:17,23 9:2,5,6 47:10,11 48:2 contains 7:7,
chip 35:25 36:1 54:17 9:20 10:2,10 49:5,18 50:20 16:9 23:9 4
36:2 51:4 combined 28:18 10:17,23 11:1 52:3 53:6,7 49:25
Circuit 6:6 14:8 31:4 33:20,23 11:11,14 12:8 54:7 context 16:24
14:10,13,19 42:23 46:5,14 12:16 13:23,23 computers 6:8 17:8 26:18
27:1,3 33:6 49:17 54:17 14:10,15,17 7:17,18,25 8:3 continually
53:9 come 4:6,16 19:20 20:22,23 9:13 10:15 30:24 37:3
circuits 51:3 43:4 21:2,5,8,16,18 12:4,11 24:9 continue 40:
Circuit's 15:22 comes 30:5 22:5 23:6,8,13 28:12 29:18 51:4
18:12,17 51:23 23:25 24:6,10 32:11 38:20 continues 47
circumstances command 31:8 24:15,25 25:17 47:23 52:1 continuous 3
18:24 49:23 25:24 26:3 computer's 28:6 48:12
cite 5:4 51:15 commands 28:5 27:8 28:17 29:23 continuously
claim 35:3 29:22 30:23 30:22,22 31:3 conception 34:24 35:1
claiming 18:6 31:10 34:23 31:5 34:1 36:7 49:22,23 46:15 48:1
claims 41:10 35:19 39:12,15 36:8,12,15,16 conceptual contrary 24:
clear 11:20 33:6 40:8 41:4,13 37:23 42:15 44:20,25 controversy
49:20 54:13
clearly 26:24 51:25,25 52:2 45:15 46:4,5,9 concerned 18:19 convert 38:9
close 17:12 comment 51:20 46:10,10 49:19 conclusion converted 32
code 6:8 7:9,10 companies 6:12 49:22,24 50:3 18:18 32:6 42:14
7:13 8:11,13
8:16,21 11:8,8 company 14:21 51:25 condition 18:25 7:1,4,5,14
11:9,16 12:7 27:10 components conduct 17:5,6 14:23 16:11

17:16 18:14	18:11 20:20	6:15 18:17	33:21 34:20	33:9,10,11,17
22:3 33:10	course 30:21	decisions 14:14	46:5 48:11	34:2,2 35:3,6,7
49:14 53:4	36:14 41:16	deemed 6:9,20	Dick 51:1	35:11 36:11
copies 7:9,10,17	45:8	deeper 24:25	dictionary 50:6	40:2,11 41:15
9:7,9,16 10:3,6	court 1:1,12 3:9	Deepsouth	50:8	47:4,5,24,25
12:3 15:25	4:6,16 5:17	26:17,22 27:1	difference 25:12	48:15,19,20,22
16:14 17:13	6:15,19 10:20	define 13:23	34:15,16 37:19	51:21 52:4,25
19:1 24:6 42:3	14:14 16:22	definition 50:6	differences 19:4	53:3,4,5 54:4,6
42:15 52:7,7	22:8,14 26:14	50:11,14,14	43:23	disks 7:16 34:12
52:12 53:20,21	28:2 49:2,2	delete 23:22	different 3:21	38:19 39:22
54:9	53:9,13	36:4	5:9 11:4 15:7	48:16
copy 8:1 9:19,20	courts 43:21	denoted 24:24	25:10,19 26:4	disputed 30:25
14:25 15:23	53:12	Department	27:14 29:9,9	distinction
20:24 21:6,19	covered 20:19	1:18	29:10 30:15	15:18 17:17
22:4 24:1,4	CPU 29:23	dependent 38:3	32:20,25 37:2	distinguishing
25:25 29:6	36:12 44:15	depending 3:22	39:8 45:7	18:16
30:15 42:2,14	create 4:7 29:20	4:19,21 5:24	47:16 49:11	distribution
52:4	33:21 45:17	depends 4:11	52:12	6:11
copying 6:10	46:5	9:23 13:22	differently	district 4:5 49:2
14:21 17:5,17	created 6:5 52:4	32:16 39:24	25:14	document 8:8
17:18,23 25:21	creating 40:7	describe 30:25	digital 8:15	12:1
25:22 49:6	criminal 5:1	35:2	digits 28:10	doing 15:5,20,20
copyright 20:1,1	critical 8:13	description	dimensions	dollar 3:21
20:2,3 23:1,3	17:19	37:10,24	17:19	dollars 44:6
copyrightable	crown 38:6	design 16:9,10	direct 32:19	domestic 19:19
39:1	curiae 1:19 2:8	17:14 25:5,7	directly 32:10	53:22,22
CORP 1:6	16:19	25:17,20,24	32:24 42:17	domestically
CORPORATI	customers 42:3	27:11 30:20	51:16	53:20 54:10
1:3		34:19,23 35:24	disagree 21:14	doubt 18:18
correct 11:6,10	<u>D</u>	46:10	35:17	download 36:4,4
11:12 12:18	D 3:1	designed 17:2	disagrees 19:11	downloading
13:13 32:18	damages 4:10	26:1,2,3	discovering	49:8
42:4	4:21 42:22,22	designs 30:17	43:11	dozens 50:4
cost 15:19	51:18	46:18	dishes 45:18,19	drive 7:15 8:2
costs 16:7	DARYL 1:17	destroys 49:13	disk 7:1,11,15	9:10 11:16
cotton 30:4	2:6 16:18	detail 52:17	7:19 8:2,4,5,6	12:3,14 21:9
counter 47:18	date 53:10,12	detailed 37:11	8:13 9:1,4,8,18	22:2,4,4 23:12
counter-exam	debug 30:21	42:10 43:5	9:18,20 10:5,6	23:13,15,20,22
50:8	debugging	45:15,18,20	10:11,14 11:15	24:11 31:24
countries 19:8	29:20	details 30:7,10	11:22,23 12:3	32:5 34:24
26:21	decades 10:21	determination	12:14,17,19,21	35:11 36:12
country 17:13	decide 5:7 14:17	19:15,17	12:22 14:3,11	41:23 44:7
17:14,15,18	37:7	determined 16:3	15:25 19:20	47:9,17,21
18:23 19:14	decided 4:19	deveiner 27:4	21:8,15,17,20	48:17,19 49:9
38:7	14:16	developed 31:8	21:21,24 23:9	53:5
country's 17:22	deciding 43:11	46:12	23:10,14 24:2	drives 7:16
couple 14:8	decision 4:11	device 13:14,17	24:3 31:12,14	34:12 38:19

Dusseldorf 32:5	enable 24:23	existed 54:8	finish 10:6 38:20	future 45:12
			finished 37:7	1uture 45.12
dynamic 37:4	enables 18:1	existence 23:24		G
46:17 50:25	28:18	existing 26:15	firmly 46:7	$\overline{\mathbf{G}3:1}$
dynamically	enact 26:24	exists 47:17	first 8:15 17:19	gee 30:19
49:17	enacted 26:9	expanding	26:13 29:11	General 1:18
D.C 1:8,15,18	27:15	26:12	42:18 45:23	generate 43:8
1:21	encoded 11:21	expatriated	50:11,12	0
	engineer 31:24	42:20	Fitzgerald 51:16	genius 30:1,5,14
	33:12	explaining	flip 17:25	German 18:25
E 2:1 3:1,1	engineers 38:8	37:12	focus 39:21	19:1 45:25
earlier 8:24	44:10	export 35:13,14	follow 34:14	Germany 19:2
easily 18:14	England 30:3	39:6,7	following 30:19	29:2 30:8,14
45:15	entered 3:19	express 46:4	32:17 34:13	30:14 32:11,25
easy 15:22 16:4	entirely 4:17	expressing	footnote 49:1	41:14 45:10
effect 48:3	28:15 31:9	25:11	foreign 6:7 7:9	getting 10:15
efficient 16:4,6	33:4 46:13,16	expression 39:1	7:10,16 9:12	37:12
Eighth 50:12	entitled 19:16	extension 17:1	12:5,9,10,19	Ginsburg 8:9,19
either 7:15	42:22	53:11	17:7,13,14,15	13:22 14:1,7
11:15 21:8	Eolas 14:15	extent 18:6	17:18,20,22	18:5 19:18
25:16 31:13,14	equals 13:16	extraordinary	18:3,6 19:10	20:5 26:7,25
31:22 50:16	era 27:2	17:4	19:14 26:21,22	39:20 40:6,9
53:4	especially 5:1	extraterritorial	27:13 28:12	40:15,17,19,25
electric 31:15	26:5	26:6	45:21 52:1,7	53:8
electrical 26:15	ESQ 1:15,17,21	extraterritori	53:24 54:11	give 32:22 44:9
32:6 35:11	2:3,6,10,13	26:18	foreign-made	51:2
41:22 44:10,13	essence 34:9		6:8 7:8	given 40:9 50:4
47:16	essentially 6:9	F	forget 35:6	50:6,10,12
electricity 52:22	31:25 51:23	fact 8:14 31:4	form 15:24 31:8	gives 48:11
electromagnetic	establish 17:20	43:4 48:19	41:5,23 44:4,7	go 23:21 37:6
41:24 44:8	Europe 34:11,13	facts 28:14	44:13 47:10,15	45:10 48:13
49:11	35:4,9,10	fair 26:10	47:17 49:7	52:10
electronic 27:2,5	36:19,20 37:14	fashion 12:4	forms 37:2 39:8	goes 25:18 27:9
31:16 41:20	40:10	fast 15:23 16:4,6	forth 30:5 44:14	28:24 37:21,22
49:10	exact 14:25 49:9	16:12	44:15	going 5:7 9:17
electrons 24:10	exactly 21:14	features 46:11	four 13:16 51:8	16:12 19:15
24:14	42:6	February 1:9	Frankfurt 13:21	24:19 30:25
embedded 36:13	example 17:9,14	Federal 6:6 14:7	frequently 5:1	35:2 38:12
embodied 34:17	21:15 24:22	14:10,13,18	frightened	54:10
35:24 48:15	50:6,8 51:1,2	15:21 18:12,17	43:10	gold 51:21
embodiment	examples 32:22	27:1,3 33:5	full 52:7	golden 7:1,11
24:12	excellent 29:3	53:9	fully 38:20	8:25 9:4,7 10:6
embodiments	exclusively 33:3	fetch 44:10,11	function 20:17	10:11,14 11:22
29:16	Excuse 28:22	field 18:2 43:16	47:12	11:23 14:3
embraces 14:20	exhausted 46:19	45:12	functions 30:20	15:25 33:9,10
emerges 32:3	47:4,25 48:4	fields 49:11	35:7	33:11,16 40:2
emphasized	exhaustively	final 7:25 17:12	further 17:4	40:11 41:14
26:17	18:21	find 18:22 47:14	26:12 48:6,10	47:4,8,24
	10.21		20.12 70.0,10	j-j ·
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	1	1	1	1
48:15,20 49:3	helps 38:15	47:8 52:16,19	47:5 48:1	10:21
49:4	high 30:18 37:22	infringe 26:2	intermediate	Justice 1:18 3:3
good 52:10	highly 37:11	infringement	32:9	3:8,16 4:1,3,14
govern 17:21	Honor 54:19	3:13 6:13 15:2	international	4:23,25 5:10
45:22	hope 40:1	49:5 53:15,17	16:25	5:15,18,23 6:2
government	house 48:4	53:23	interpretation	6:24 7:5,11,19
19:10	humans 29:17	infringer 46:2	4:12 5:22	7:23 8:4,9,19
government's	37:24	infringing 35:3	49:21	9:3,7,11,15,25
17:20 27:13	hypothetical	48:10	invention 3:12	10:5,9,13,23
granted 3:10	4:15	inscribe 41:22	3:14 8:17 17:3	10:25 11:10,14
greater 44:25		inserted 20:25	19:11 21:16,17	11:19 12:6,15
greatest 38:6	I	21:19	22:21,23 24:20	12:20,23,24
grew 15:6,6	idea 13:15 44:3	installed 6:8	28:13,19 29:14	13:4,7,11,13
grounds 18:13	44:6 47:20	7:17 12:4	38:1 54:18	13:14,22,25
guilty 5:2	Ideas 54:14,17	24:10 28:11	inventions 19:7	14:7 15:3,8,10
	identical 14:25	36:25	20:8,9 26:21	15:17 16:17,21
H	identifying	instance 42:10	43:12	18:5 19:18
happen 52:22,25	14:10	43:17	inventive 19:13	20:1,5,13,21
happened 44:21	illustrate 24:21	instances 24:13	involved 5:19,24	21:1,7,12,21
53:15,17,20	implicated	instantaneous	15:19,21 16:7	22:1,6,12,16
happening	40:16	49:15	53:16	22:25 23:7,19
36:22	important 20:7	instruction 29:4	involves 38:11	24:8 25:6 26:7
happens 5:1	impossible	43:8 45:16,17	irrelevant 33:4	26:25 27:17,22
7:10 31:21	52:17	45:17 47:3	issue 4:19 5:3	28:1,20,23
32:9 35:5 36:5	impulses 41:22	instructions	12:12 14:15	29:8 30:1,12
42:7,9,13	inanimate 32:4	8:22 21:10,22	22:18 29:21	31:11 32:8,16
hard 7:15,15 8:2	including 13:24	30:18 34:13,20	46:8	32:18,23 33:8
9:10 11:16	incredibly 30:9	35:21,22 37:11	issues 42:22	33:13,16,22,25
12:3,14 21:9	51:3	44:11,14 46:18	items 29:19	34:4,7,8,16
22:1,4,4 23:12	indentations	46:23,24 47:13		35:1,17 36:17
23:13,14,20,22	49:8	48:12 53:3	J	37:5,18,20
24:2,10 31:24	independent	instructs 28:5	jewel 38:6	38:23 39:5,9
32:5 34:12,24	46:13	37:3 43:24	job 48:15,17	39:13,20 40:1
35:11 36:12	independently	intangible 8:16	jobs 48:15	40:6,9,15,17
38:19 41:23	46:16	8:21 11:5	Joseffer 1:17 2:6	40:19,25 41:7
44:7 47:9,17	individual 30:13	35:22 39:11	16:17,18,21	41:11,18,25
47:21 48:17,19	32:11 52:1	41:4 50:5 51:1	18:5,10 19:24	42:6,12 43:1
49:9 53:5	inducement	intended 26:5	20:3,6,15,23	44:18,19,24
hardware 10:9	53:19	intent 28:9	21:3,11,13,23	45:3,7 46:22
28:18 30:24	industry 43:22	33:19,20 46:4	22:3,10,15,19	47:2,19 48:7
31:9 46:13,21	inexpensive	46:4	23:2,18,21	48:14,24 50:18
48:12	15:22	interact 30:24	24:12 25:9	51:7,11,12,14
head 24:18 30:6	information 8:5	34:23 51:4	26:9 27:6,20	51:17,20,22
hear 3:3 18:8	8:6 15:23	interacts 49:17	judge 5:6	52:9,13,14,24
held 6:6,13 22:8	23:11 34:23	interest 18:7	judgment 3:20	53:2,8,14 54:2
22:14 26:23	43:15,17 44:4	40:3	4:10	54:20
help 16:23 39:21	45:14,20 47:4	intermediary	jurisprudence	

		<u> </u>		
K	let's 28:19 30:19	31:22 32:3	mass 14:23	41:9 43:21
keep 53:11	31:2 35:5	34:11,13 35:9	master 7:11,19	49:1
Kennedy 5:10	38:15 51:8	35:10,19 36:18	7:21 8:13,25	Microsoft's 3:20
5:15,18 7:19	level 30:18	36:18,19,20,21	9:1,18,20 14:3	28:11 34:18
7:23 8:4 9:3,7	37:22 52:17	36:24,24 37:12	14:11 19:20	38:17
9:11,15,25	liability 5:8 6:5	37:25 38:2,2	31:12,14 35:2	miles 32:2
10:5,9 12:6,15	44:20 53:19	43:24 47:5	35:6,7 39:21	millions 28:10
12:20,23,24	54:8,9	48:1,16 50:19	47:8 49:3,4	29:23 31:1
15:3,9,10	liable 6:13 46:1	50:19	51:21 52:4	44:16
20:13 22:25	54:10	machines 9:17	53:4 54:4,6	mind 27:4
25:6 36:17	license 54:2,3	10:23 13:19	material 23:9	minutes 51:8
44:18,24 53:14	light 49:24	16:8 30:4	matter 1:11 4:11	misleading
key 24:22,22,25	likewise 28:8	32:20 50:24	4:12,15 21:25	52:15
25:2,8	limitation 6:4	magnetic 31:23	24:2,3 30:12	Moby 51:1
kind 35:9 50:13	limited 3:10	main 23:24	33:24 34:1	modular 46:12
kinds 43:14	16:25	major 5:19	45:15 50:15	mold 15:12
know 4:4,23	limits 44:21	making 3:11	54:23	19:22,23
5:17 9:4 13:11	line 16:5	15:18 17:3,12	mean 5:18 12:20	molds 46:18
21:5 23:19	lines 28:10	19:1 26:20	19:24 20:15	moment 35:6
38:9 39:17	little 10:13 15:5	34:8 36:21	24:2 25:13	money 5:24
43:24 45:19	loaded 22:22	40:7 53:11,19	36:11 44:5	monopoly 3:10
50:16 51:2	32:5 44:6	54:4,6,9	50:23 51:12	moot 51:19
30.10 31.2	lock 24:22,23	management	meaning 28:15	mousetrap
$\overline{\mathbf{L}}$	25:1	30:18	means 4:8,18	14:24
laboratory	logical 18:18	manifestation	12:25 14:21	move 44:15
15:14	long 37:21,21	7:12 9:1,10,11	31:16 40:7	47:10
land 32:2	look 28:19 38:14	10:17 11:7	47:19	moved 37:1
lands 31:23 49:8	38:15 46:7	12:2 13:2	medicine 45:16	moves 44:14
53:3	looked 7:14	16:10 25:4	medium 7:15	46:15
language 12:9	18:21,22	41:1 48:20,21	52:3	multiple 24:6
14:18 29:17	looks 30:5,14	manifestations	mediums 53:22	mundane 19:8
31:22 33:7	33:3	12:13	memorize 24:18	muteness 3:23
37:25 38:2	lose 5:25	manifested	memory 29:3	
54:12	lot 5:24 29:19	24:13 49:10	44:12 47:15	N
languages 25:10	40:3	manufacture	52:10	N 2:1,1 3:1
Laughter 40:5	lots 52:12	27:11 38:12	merits 3:17	narrowly 18:15
51:13	lower 43:21	manufactured	message 48:17	nations 18:7,19
law 4:12 16:25		7:9 9:13 12:10	method 10:15	19:5
17:5,7 18:23	M	manufacturer	52:16	naturally 36:9
19:1,19 26:22	machine 7:13	7:2	microphone	50:3
45:21,21	8:8 9:21 11:9	manufacturers	54:7	nature 36:7
laws 3:11 15:2	11:24,24 12:1	31:20 53:22	Microsoft 1:3	necessarily
16:3 19:5	12:1 13:17	manufacturing	3:4,22 12:21	39:16
lawsuit 32:21	14:22,23 20:24	15:25 17:9	28:3,16 31:19	necessary 29:4
legal 4:18,19 5:6	27:9 28:4 29:4	18:3 38:18	31:25 33:12	33:18
5:21	29:6,22 30:6	markets 17:22	36:3,10 38:5	need 21:16 44:1
legitimate 4:17	30:10,13 31:8	married 13:9,10	38:16 40:10	needs 13:14
		ĺ		
			1	

	I	I	I	l .
neither 12:7,15	obscures 31:14	3:6 16:18	11:21	permitting
35:20	obtain 47:23	27:24	parts 15:7 17:6	25:22 37:8
NetMeeting	obvious 43:22	order 13:10	17:11 18:4	person 29:2 37:8
31:7 44:9	Ocean 32:3	14:23 33:20	20:10,10,12	45:10
never 14:5 22:8	39:19 41:21	34:25	24:20 25:21,22	perspective
22:13 25:25	odd 12:20	ordinarily 19:24	25:25 32:4	38:14,16
33:17,22,23	OEM 38:16,22	ordinary 28:15	passed 26:8	petition 7:7
new 7:2 8:2,2	45:25	36:7,8	patent 3:10 6:13	Petitioner 1:4
10:15 26:16	Office 28:21,24	organism 15:4	8:17 10:21	1:16,20 2:4,8
32:19,20,24	37:9	orientations	13:6,8,11 15:2	2:14 3:7 16:20
47:5	offices 40:10	31:24 44:8	15:3 16:3,25	51:10
nicely 34:17	offs 23:16	49:10	19:5,14 20:5	Petri 45:18
Nixon 51:15	Okay 6:2 31:2	originate 41:12	20:14,16 28:21	phone 29:1
nonphysical	45:23	outcome 3:22,24	28:24,24,25	37:12
50:24	Olson 1:15 2:3	4:9,21 5:6,9,9	35:15,18 36:19	phones 29:1
normal 17:1	2:13 3:5,6,8,16	outside 7:13	37:9 39:2,2	photon 35:6
26:19	4:1,8,17,25	15:9,13,14	41:10 43:6	photons 32:1,6
normally 20:2	5:13,17 6:1,3	43:16 45:12	45:8,10,16,21	39:18 47:9
notion 27:5	6:24 7:4,21,24	overseas 16:1	45:21 46:6	physical 7:12,14
notwithstandi	8:6,9,18 9:6,9	29:25 30:21	52:18,19 54:5	7:16 8:8,25 9:9
6:3	9:12,22 10:1,8	31:21 33:5	patentability	9:11 10:8,11
novel 19:11	10:11,18 11:2	38:7,12,17,21	19:7	10:17,22 11:7
nucleotides	11:12,18 12:9	39:6 45:24	patentable 20:9	12:2,13 13:2,5
43:25 44:1	12:18,23 13:1	46:1	20:11 22:8,14	14:2 21:18,19
number 16:6,8	13:6,8,13,15		22:18 27:19	23:23,25 24:4
35:15 46:15	13:25 14:12	P	29:13 38:24,25	24:12 25:3,4,4
numbers 24:24	15:8,11 16:2	P 1:21 2:10 3:1	patented 3:12	25:17,20 29:13
24:25 25:13	21:8 35:24	27:24	3:14 8:17	34:25 39:8
43:6,7,9,12	51:8,9,11,23	page 2:2 50:10	10:23 13:4,5,5	40:25 41:5,11
	52:23 53:1,17	pages 7:6	13:10,16 14:22	41:13 47:17
0	54:6,20	paid 4:10,21	17:3 19:23,23	49:7 50:16,17
O 2:1 3:1	once 22:3 35:23	paper 23:5	20:8,9 22:20	50:20 52:3
object 7:9,10,12	47:4,25 48:4	24:18	22:23,24 24:20	53:3,21 54:13
8:8,11,13,21	ongoing 34:25	paradigmatic	29:15 54:18	54:15,17,18,18
11:8 12:13	ons 23:15	51:5	patents 20:16,19	physically 11:25
13:5 14:11	on-off 13:12,12	paragraph 28:7	38:1	picks 28:24
15:24 19:21	open 24:23	31:18 32:14	pattern 15:12	pictures 52:11
24:16 25:10,16	operate 50:25	parcel 6:11	patterns 44:13	piece 23:5,10
28:4 30:22	51:4 53:7	part 6:10 8:2	47:16	24:18
31:8,20 34:2	operates 37:3	14:5,13 15:19	pay 3:22	pill 14:24
34:12,22 36:25	46:15 47:11	17:15 25:4,20	paying 44:5	pits 31:23 49:8
38:17 39:10,13	operating 6:8	27:9 37:1	people 11:3	53:3
39:15,17,19	22:7 38:21	particular 19:6	30:20 47:22	place 42:13
40:12 41:11,13	opinion 14:8	particularly	perfectly 47:2	47:22
42:19 43:23	opposed 38:12	19:11	perform 30:19	placed 47:21
48:11,14,18,18	opposite 5:8	parties 3:19 4:3	performing	platform 41:5
48:20,21 53:21	oral 1:11 2:2,5,9	4:4,18 5:5,20	20:17	playing 18:2
	orar 1.11 4.4,3,9	,,	20.1/	piaying 10.2
	<u> </u>		<u> </u>	<u> </u>

	I	1		I
pleads 5:2	prerogatives	property 26:15	28:17	40:8
please 3:9 12:21	27:13	protect 27:12,13		record 42:9
16:22 28:2	prescribed 3:21	protection 19:14	$\frac{R}{R}$	recorded 31:7
37:6	present 26:10	protects 3:11	R 3:1	recreated 52:9
plug 23:10	preserve 4:18	17:19	radio 41:9	redistributes
plus 13:15 21:22	preserved 3:20	protons 41:21	raise 3:23	32:12 42:1
21:22	preserving 5:3	provide 50:9	raised 8:15	Redmond 31:22
point 15:22 18:1	press 41:19 44:8	provides 53:19	22:18 51:17,20	reference 11:20
20:7 23:7,24	47:12	pseudo 37:23	RAM 44:15	references 50:4
25:15,20 32:12	presses 31:25	pulses 32:7	random 44:11	referred 8:24
34:8 42:1 43:3	prettiest 12:22	41:24	47:14	reflected 35:21
48:2	prevail 44:25	purchasers 12:5	reach 45:24,25	36:1 44:12
points 18:11	principle 13:15	purely 45:14	46:1	regard 18:9
policies 27:7	principles 17:1	purpose 33:19	reaches 26:13	regarding 19:15
policy 19:16	26:20	33:20	read 7:13 11:23	Regardless
politics 27:16	prior 19:13	pursuant 17:10	11:25 12:1	40:18
portion 11:16	problem 3:23	put 10:12 11:15	14:8 37:9	relates 50:9
14:17 21:9	5:16 10:23	12:17 13:16	readable 8:8	relating 38:3
position 6:15	44:20,25	23:12,14 29:5	11:9 20:24	relevant 20:19
7:23,24 8:10	procedures	34:11 35:9	28:5 29:22	22:20
8:20,23 9:4	45:18	43:3 47:9,14	31:8 36:25	remember 30:4
10:19 12:12	process 11:22	47:20 48:17	39:14	removed 29:12
24:11 27:1	20:14,16,16,18	52:18 53:4,21	reading 37:14	46:16
39:23 41:2	35:2,4 38:18	puts 12:2 35:11	reads 6:22 29:2	repeated 34:18
positions 7:22	processes 45:18	putting 16:23	really 6:25	39:18
8:20 10:19	47:21	52:24 53:2	27:15 30:6	repeatedly
practice 21:17	processing		32:8 40:3	51:24
28:13,18 46:6	47:13	<u>Q</u>	43:12 52:10,16	repeats 49:1
practiced 29:15	processor 28:6	quality 40:3	52:21	replicas 16:13
39:3	34:24 38:3	question 3:17,18	reason 22:20	replicate 16:5
precedent 4:24	44:9	4:19 5:6,12,20	24:16 25:14	replicated 6:14
43:1 45:22	produce 16:13	5:21 7:5 8:15	26:5 27:6	7:9,10,16 15:1
precise 28:4	produced 13:19	8:18 9:23 10:3	33:25	47:15 52:7
29:4,6,22 30:7	14:23	19:19 27:18	reasons 19:9	replicating
30:9,23 34:22	product 7:25	28:3,8 31:3	20:20	44:16
40:8,13 41:23	12:10 14:22	33:14 36:16	reassemble 6:6	replication 8:1
42:19,23,24	16:9,11 25:3	38:11,15 39:21	reassembly 3:15	49:14,15
44:1 49:15	38:20	40:6 42:12,17	15:16	replications
precisely 28:9	products 6:14	42:18 45:6,9	REBUTTAL	54:11
28:12 36:25	17:23	49:21 50:1,2	2:12 51:9	reply 50:10
37:1	program 12:24	51:16,20 52:9	recipe 15:12	reply's 34:18
precursor 34:19	12:25 13:1,8	questions 6:25	recipients 32:25	represented
preferred 29:16	23:1 31:6,7	46:8	recite 51:15	31:15
preliminary	47:18 50:5	quite 5:4 18:19	52:11	reproduced
3:17	prohibit 25:21	43:10 44:1	recognized	15:13
prerogative	prohibition 17:2	47:16	10:22	reproduces 15:8
17:20 19:4	properly 17:7	quote 28:17,17	reconfiguring	reproduction

53:23,24	runs 28:10 30:7	42:1	35:14,14	38:4,5
reproductions	35:19	sending 14:22	simply 3:15	Souter 11:14,19
6:7 16:14		15:23,24 17:14	15:23 47:19	21:7,12,21
requires 6:16	S	17:15 30:13,17	49:15	22:1 31:11
49:6	S 2:1 3:1	32:19 35:14	single 18:23	33:25 34:4,7
reserve 16:16	sale 17:6 25:22	sends 41:20 52:4	42:15	34:16 35:1,18
reside 30:23	save 12:16	sense 16:6 36:1	sitting 32:4	37:18 39:5,9
resident 31:22	saying 11:3 12:6	36:7,8	situation 24:5	39:13 46:22
resolution 5:11	22:10 27:4	sent 8:12 11:23	smart 38:8	47:2,19 48:7
resolve 28:14	33:2 34:9 44:5	15:15 33:9,9	software 6:11,25	48:14,24
resolved 4:20	44:9,20 47:12	33:11 38:7	8:15 10:15,16	sovereign 17:20
respect 5:22	53:14	42:3 47:4 52:5	10:22 11:1,3,6	speak 26:23
14:1 37:21	says 6:18 12:24	53:22	13:5 15:21	speaker 54:8
48:10 51:18,19	19:21 44:9	separable 48:22	18:13,13,15,16	specific 17:15
responded 50:7	47:13,14	48:22	19:5 20:24	27:9 33:19
respondent 1:22	Scalia 3:16 4:2,3	separate 14:14	21:1,19,24	specifically
2:11 6:21 7:8	4:14,23,25	23:10,13,20,23	22:7,21,22	26:23 29:1
27:25	5:23 6:2 11:10	separately 31:9	23:22,23 24:1	specify 32:15
Respondents	13:11,13,14	sequence 8:16	24:1,5,13	38:2
6:16	23:7,19 38:23	24:24 25:1	25:18 26:10,11	spectrum 37:21
response 52:13	40:1 51:11,14	28:5,9 29:22	27:19 29:12,14	spinners 30:4
responsive	51:17,20,22	39:11 40:8,13	29:15 31:6	standard 20:11
51:16	Scheherazade	41:4 42:25	36:2 37:21	standing 4:7
result 17:8	40:3	43:25,25 49:9	39:4 41:10	27:20
47:22	screen 36:12	series 8:21 11:5	49:15 50:5,5	start 16:23
resulting 48:19	second 17:25	20:16 24:17,22	software-relat	starts 36:21
48:21	29:23 31:1	24:23 32:6	19:7	States 1:1,12,19
retail 42:3	37:6 44:16	35:19 40:21	sold 12:5,11	2:7 3:12,14
retransmission	50:12	51:3	24:9 31:9 35:4	4:13 6:10,19
42:13	secret 38:7	serious 4:9 5:21	46:13	6:20 7:14
reversed 18:24	section 3:12 6:4	set 37:11 43:5,7	Solicitor 1:17	13:20 15:9,14
reworking 6:16	16:25 23:20	43:9	somebody 29:1	15:15,16 16:15
rid 36:2	53:18,19,23,25	SETH 1:21 2:10	37:13 38:4,8	16:19,24 17:3
ridges 24:22,24	sections 54:1	27:24	46:2	17:5,11,18
24:25 25:2	see 29:16 37:7	shelf 20:11	somewhat 18:15	18:1 19:1,3,6
right 3:21 5:3	45:15 51:8	ship 3:15 36:19	sorry 19:25	21:13,15 25:22
13:7 15:10	selling 3:11	36:20	51:22	26:1 28:6 29:6
21:11 27:6	17:24 18:4	shipped 15:5	sort 3:24 39:10	32:11 33:4
32:13 34:3,4,8	19:2 26:21	shore 17:2	43:2 50:25	35:8 40:14,23
35:15 37:15	semiconductor	shrimp 27:3	52:15	41:12 42:20,21
39:9 40:24	35:25	side 17:25 19:19	sorts 46:8	44:22 45:9
46:22 52:23	send 27:11	19:21 31:14	sought 39:1	46:3,3 49:1
53:8 54:5	28:20,23 30:13	40:20,20	sound 31:7	53:15,18 54:4
rubber 20:18	32:10,12,24	significant 5:19	source 11:7 12:7	statute 4:12 6:17
rules 17:21	33:16 34:9	5:21 19:4	12:15 25:7,7,9	6:18,22 12:10
ruling 6:12	35:7,8 38:21	silence 18:9	25:16 29:16,23	14:17 20:19
run 13:19	39:6 41:25	simple 24:21	29:24 37:23	25:19,21 26:4
	-	-	-	-

		_		_
27:3,10,14	14:2	switches 52:17	27:22 51:5,7	tire 20:18 36:14
28:16 36:21	structure 29:13	system 37:22	51:11 54:19,20	36:15
37:15 42:18	stuff 30:2	39:2	THEODORE	tool 36:24
45:24 53:10,11	subject 17:7		1:15 2:3,13 3:6	totally 38:2 45:7
54:12	18:4 19:1	T	51:9	46:12
statutes 15:1	26:21	T 2:1,1	theory 24:17	trade 38:6
26:16	submit 4:18	take 16:8,10	thing 4:15,20	traditional 17:8
statute's 17:10	11:5 54:12	17:4 22:6 31:2	12:19 14:2	26:13
statutory 27:7	submitted 54:21	35:5 38:5 47:8	15:13 23:13	transfer 9:24
49:21	54:23	47:22	25:11,13 34:21	transferred 7:1
stay 19:3	substantiation	taken 7:22 8:20	35:24 36:24	11:17 21:10
steal 38:5	21:18 23:25	10:19 18:18	39:9 40:17,19	39:14 47:25
step 17:4 32:10	substitute 41:14	32:1 52:11	40:22 42:24	transforming
steps 20:16	subsumed 6:11	takes 6:21 29:3	43:2,5 46:20	49:6 52:19
Stevens 3:3,8	suddenly 43:14	38:4 42:13	50:21 53:5,20	transmission
6:24 7:5,11	45:13,20	talking 15:18	54:17	24:4 31:16
10:13,24,25	sufficient 19:12	19:9 27:8	things 16:13	32:20 41:20
13:4,7 16:17	sufficiently	30:16,17 52:8	23:6 29:5 42:8	43:17,18 45:14
16:21 20:21	19:13	53:25	46:21,25 50:2	45:14
21:1 27:17,22	suggesting	tangible 6:7	50:14,24 52:17	transmissions
28:1 32:8,16	15:11	7:17 15:19	52:21,25 54:13	11:21 43:14
32:18,23 33:8	suit 4:7,9,9	tantamount	54:18,19	transmit 41:13
33:13,16,22	supplied 6:9,18	15:25	think 5:13,16	45:19
41:7,11,18,25	6:20 7:3 9:14	teach 48:9	9:22 11:19	transmitting
42:6,12 51:7	10:2 13:20	technologies	16:2 18:10,14	31:20
51:12 54:20	14:18 16:15	26:16	19:10,12 20:7	treat 25:14,15
stipulated 7:8	19:20 28:17	technology	20:18 22:15,19	trivial 5:11,18
42:9	31:4,17 40:14	21:25 53:12	22:19 26:5	trumped-up 4:7
stipulation 3:19	40:19,22 42:20	telephone 49:24	32:14 33:15	4:8
7:6 8:25 28:7	42:24 43:5,23	tell 32:24 48:15	34:9 36:6	truth 18:16
29:21 31:18	49:16 54:14,16	48:16	37:16 42:17	trying 32:23
32:15 51:18	supplies 28:3	telling 19:19	43:3 44:1 46:9	turning 20:18
52:6 54:9	31:19 46:2,3	tells 34:10,11	46:11 50:18,19	turns 25:1
stipulations	supply 36:9	54:16	52:15,20	two 4:3 7:22
11:19,20	supplying 6:12	template 15:12	thinking 26:11	8:20 10:19
stole 30:3	14:20	19:22	43:13	11:3 13:15,16
stolen 30:9	supporting 1:20	terms 23:5	thought 10:14	14:14 16:6
stored 28:11	2:8 16:20	27:15 43:23	10:16 23:17	17:18 18:20
30:6	suppose 4:3 5:10	territorial 26:13	26:25 43:13	32:22 42:16
strange 18:9	9:15 15:3	26:20 44:21	53:9	46:15 54:1
stream 32:1	28:20,23 33:22	territoriality	three 10:20 16:2	type 11:25 38:3
39:17 41:20	36:17,17 39:21	17:1	16:8 46:11	typewriter
47:9	Supreme 1:1,12	test 30:21	tie 18:13	36:11
strikes 5:4	sure 21:14 35:21	testing 29:20	time 15:20 16:16	
string 23:3	45:3,6 48:7	text 17:10 27:7	27:17 37:8	<u>U</u>
strings 23:4	Surely 16:3	51:1	times 14:8 29:23	ultimately 48:1
structural 10:22	switch 8:22	Thank 3:8 16:16	31:1 44:16	understand 3:18

8:10,18 9:23	varying 31:23	40:24 41:3,9	28:12,16 36:9	1984 26:10
11:6,11,13,18	49:10	41:16,19 42:5	54:15	
13:9 23:8,9	vast 43:12	42:8,16 43:20	work 27:7 29:19	2
29:17 32:9	vastly 25:19	44:23 45:2,5	46:20 47:11	2 49:1
35:5 37:25	26:4 27:14	45:23 46:23	48:6,10	2007 1:9
38:1,10 43:2,6	version 30:18	47:7 48:5,9,24	worked 29:24	21 1:9
understandable	versus 51:15	50:22 51:7,24	working 48:2	27 2:11
5:5	vial 15:5	way 3:25 4:6,6	works 48:11	271(a) 53:25
understands	view 11:1 20:21	4:16 8:19 11:6	49:16	54:9
11:24 12:1	21:13,15 24:14	11:10,12 30:25	world 27:5	271(b) 53:24,25
understood	27:18 34:1	31:21 32:15	43:11	54:10
17:10 52:2	viewed 18:12,15	34:13 37:22	worried 45:11	271(f) 3:13 6:4
unit 47:13	43:18	39:14 43:13	wouldn't 33:1	16:25 33:3,3,5
United 1:1,12,19	violate 15:1	46:5 48:1,3	33:21,24 34:1	49:5 54:12,13
2:7 3:12,14	37:15	50:25 51:5	50:15	
4:13 6:10,18	violated 36:22	Waymark 33:6	write 24:18	3
6:20 7:13	36:24 42:19	ways 11:4 14:1	writing 22:13,16	3 2:4
13:20 15:9,14	54:5	16:12 18:20	26:19	4
15:14,16 16:15	violates 45:8	39:3 52:12	written 23:4	
16:19,24 17:3	violation 33:2,8	weaving 30:4	28:25	44-A 7:6
17:5,11,18	33:17 35:16	Webster's 50:7	wrote 23:2,3	47-A 7:6
18:1,25 19:3,6	42:11,21 53:24	Wednesday 1:9		5
21:13,15 25:21		went 9:1	X	5 50:10
26:1 28:6 29:6	W	We'll 3:3	x 1:2,7 5:7	
32:10 33:4	wager 3:24 4:11	we're 44:3,3,4		500 32:19,25
35:8 40:14,23	4:16	52:8 53:25	Y	42:2,14,14 51 2:14
41:12 42:20,21	walk 37:9	we've 14:16	Y 5:8	
44:22 45:8	want 27:18 45:5	whatsoever	Yeah 20:5	580 13:8
46:3,3 48:25	wanted 5:11	49:12	York 32:19,21	7
53:15,18 54:4	18:25	wheel 36:15	32:24	728:731:18
updated 46:16	warrant 19:14	wholesaler 42:2		32:14
usable 13:17	Washington 1:8	win 5:24	0	7,000 32:2
use 8:7 11:3,4	1:15,18,21	Windows 24:9	0's 8:16,22 11:5	1,000 32.2
33:17 34:18,18	wasn't 8:14 26:7	26:7 28:4	23:3,4 24:17	8
35:10 36:5	wave 41:9 49:24	31:19 38:21	40:21 52:11,20	820 35:15
39:3 48:7 50:4	Waxman 1:21	wire 49:25	52:21	
user 38:16	2:10 27:23,24	wireless 24:4	05-1056 1:5 3:4	9
usually 18:7	28:1,22 29:7	wish 17:22	1	99 9:16,16
U.S 3:10 6:12	29:10 30:11,16	word 5:18 11:3		
46:6	31:13 32:14,22	11:6 34:18	1's 8:16,21 11:5	
	33:1,11,15,18	36:3,8 50:3,9	23:3,4 24:17	
V	33:24 34:3,6	52:7	40:22 52:11,20	
v 1:5	34:15,17 35:17	WordPerfect	52:21	
variety 39:7	36:23 37:17,20	36:5	10:14 1:13 3:2	
50:13	38:25 39:7,11	words 6:16,21	100 9:17 15:6	
various 29:5	39:16,20,24	7:7,8 18:24	100,000 49:4	
48:12	40:6,12,16,18	21:21 25:12	11:15 54:22	
			16 2:8	
L	<u> </u>	<u> </u>	1	1