

No. 17-1018

In The
Supreme Court of the United States

—◆—
UNILOC USA, INC., ET AL.,

Petitioners,

v.

SEGA OF AMERICA, INC., ET AL.,

Respondents.

—◆—
**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

—◆—
BRIEF IN OPPOSITION

—◆—
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QUESTION PRESENTED

Whether *inter partes* review of an expired patent comports with Article III and the Seventh Amendment.

RULE 29.6 DISCLOSURE STATEMENT

The parent company of respondent SEGA of America, Inc. is Sega Games, Co. Ltd., and no publicly held company owns 10% or more of its stock.

The parent company of respondent Ubisoft, Inc. is Ubisoft Entertainment, S.A., and no publicly held company owns 10% or more of its stock.

The parent company of respondent Kofax, Inc. is Kofax Parent Limited, and no publicly held company owns 10% or more of its stock.

Respondent Cambium Learning Group, Inc. has no parent corporation and no publicly held company owns 10% or more of its stock.

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OPINIONS BELOW

The Court of Appeals for the Federal Circuit’s opinion, Pet. App. 1a-13a, is unreported in the Federal Reporter but is available at 2017 WL 4772565 (Fed. Cir. October 23, 2017). The Patent Trial & Appeal Board’s final decision in the *inter partes* review proceeding, Pet. App. 16a-69a, is unreported but is available at 2016 WL 932971 (PTAB March 10, 2016).



JURISDICTION

The judgment of the court of appeals was entered on October 23, 2017. The petition was filed on January 23, 2018. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).



STATEMENT

Uniloc Luxembourg, S.A. (“Uniloc”) is the owner of U.S. Patent No. 5,490,216 (“’216 patent”). Respondents filed a petition at the United States Patent and Trademark Office’s Patent Trial and Appeal Board (“the Board”) requesting *inter partes* review of claims 1-20 of the ’216 patent. The Board’s final decision held all challenged claims to be unpatentable, based in part on Respondents’ showing that the ’216 patent was not entitled to the priority dates of its parent provisional applications. Pet. App. 30a-41a.

Uniloc does not attempt to defend the validity of its patent at this Court. Uniloc instead admits its petition for certiorari merely presents “similar questions” as this Court is already considering in *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, cert. granted, No. 16-712 (argued Nov. 27, 2017). Pet. at 5. Uniloc briefly rehashes the arguments made by Oil States, and asserts an expired patent no longer implicates any public rights. Pet. at 4. In *Oil States*, the Respondents Greene’s Energy Group LLC et al., along with numerous amici in support of Respondents, have now thoroughly addressed why the *inter partes* review process comports with the Constitution. For the same reasons, no distinguishable issue is raised by a patent’s expiration that justifies review in this case.

Finally, Uniloc argues this petition should be held pending the Court’s decision in *Oil States* so it may be disposed of in light of that decision. Pet. at 5. Under the factors this Court considers to determine whether a holding applies retroactively this petition should be denied.



REASONS FOR DENYING THE WRIT

I. The Expiration of a Patent does not Transform it into a Private Right

Whether a patent is expired or not has no bearing on its status as a public right. Uniloc asserts that an expired patent involves purely private rights, offering an unexplained analogy to *Stern v. Marshall*, 564 U.S.

462, 484 (2011) to assert that litigation seeking monetary damages is the kind of dispute reserved to Article III courts. Pet. at 4. This ignores the Court's guidance in *Stern* that "what makes a right 'public' rather than private is that the right is integrally related to particular federal government action." *Id.* at 490-91. Moreover, a dispute between private parties implicates public rights where "the claim at issue derives from a federal regulatory scheme," or where "resolution of the claim by an expert government agency is deemed essential to a limited regulatory objective within the agency's authority." *Id.* at 490.

The residual rights retained by a patent owner after its patent expires flow from the same federal government scheme that created the patent right in the first instance and are therefore public rights. A patent owner retains the right to seek monetary damages for six years from the expiration of its patent for infringement that occurred while the patent was in force. 35 U.S.C. § 286. The ability to enforce this governmentally granted right is not impacted by the patent's expiration, and thus cannot transform it into a private right suddenly detached from the governmental scheme that created it.

Uniloc offers no plausible justification for why the rights in an expired patent differ from an unexpired patent, and this petition should be denied.

II. Even if this Court Finds *Inter Partes* Review Unconstitutional in *Oil States*, that Holding Should Not Apply Retroactively

Uniloc asks the Court to hold the petition pending its decision in *Oil States*. Pet. at 5. If this Court finds constitutional defects with *inter partes* review in *Oil States* that holding should not be applied retrospectively.

This Court considers three factors to determine whether a decision should be applied retroactively: (1) “whether the holding in question decided an issue of first impression whose resolution was not clearly foreshadowed by earlier cases”; (2) “whether retrospective operation will further or retard the operation of the holding in question”; and (3) “whether retroactive application could produce substantial inequitable results in individual cases.” *Northern Pipeline Coast Co. v. Marathon Pipe Line Co.*, 458 U.S. 50, 88 (1982) (quoting *Chevron Oil Co. v. Huson*, 404 U.S. 97, 106-07 (1971)).

A determination in *Oil States* that *inter partes* review is unconstitutional would not have been “clearly foreshadowed” by prior precedent because this Court has denied certiorari on the same issue on three prior occasions. See *Cooper v. Lee*, 137 S. Ct. 291 (No. 15-955) (2016); *MCM Portfolio LLC v. Hewlett-Packard Co.*, 137 S. Ct. 292 (No. 15-1330) (2016); *Cooper v. Square, Inc.*, 137 S. Ct. 475 (No. 16-76) (2016).

Second, retrospective application of any holding that *inter partes* review is unconstitutional would not

further the operation of the holding because Congress' intent in enacting the AIA was to "improve patent quality and limit unnecessary and counterproductive litigation costs." H.R. Rep. No. 112-98, pt. 1, at 39-40 (2011). Vacating the Board's well-reasoned determination that the '216 patent is invalid would decrease patent quality, and lead to unnecessary litigation to rehash the same arguments made at the Board and now affirmed by the Federal Circuit.

Finally, in *Northern Pipeline*, this Court acknowledged that "retroactive application . . . would surely visit substantial injustice and hardship upon those litigants who relied upon the [Bankruptcy] Act's vesting of jurisdiction in the bankruptcy courts." *Id.* at 88. Retroactive application in this case would lead to wasteful and time-consuming re-litigation of settled issues, and potentially deprive Respondents of the ability to re-challenge the validity of the '216 patent either before the Board (via *ex parte* reexamination) or in the district court by way of a declaratory judgment action. *See, e.g.*, 35 U.S.C. § 302; 37 C.F.R. § 1.510(a).

For the foregoing reasons, if this Court holds in *Oil States* that *inter partes* review is unconstitutional, such a holding should not apply retroactively. Uniloc's petition should be denied.



CONCLUSION

The petition for a writ of certiorari should be denied without awaiting the outcome in *Oil States*.

Respectfully submitted,

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