

No. 18-1309

IN THE
Supreme Court of the United States

BOOKING.COM B.V.,

Petitioner,

v.

UNITED STATES PATENT AND
TRADEMARK OFFICE *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

**AMICUS CURIAE BRIEF OF THE
ASSOCIATION OF AMICUS COUNSEL
IN SUPPORT OF PETITIONER AND
URGING CONSOLIDATION WITH *IANCU v.*
NANTKWEST, INC., NO. 18-801 FOR JOINT
ARGUMENT AND DECISION**

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STATEMENT OF INTEREST OF *AMICUS CURIAE*¹

The Association of Amicus Counsel (“AAC”) submits this amicus curiae brief with the written consent of both parties. The AAC is an independent, unincorporated, non-profit organization consisting of lawyers having diverse affiliations and law practices. Members of the AAC are committed to serving the public interest, and by training, scholarship, experience, and discernment in their respective areas of the law, they are possessed of the requisite abilities in appellate advocacy and proficiency in preparing and submitting amicus curiae briefs that call attention to relevant matter not already raised by the parties and which may be helpful to courts and other tribunals.

Neither the AAC nor any of its members on this brief represents a party in this litigation or has a direct financial stake in its outcome. Rather, the AAC is deeply interested in the present subject matter and believe their views will assist this Court in determining the correct interpretation and application of the laws in this case involving issues of contention in specific controversies, including appeals in litigations whose outcomes will affect the interests of the parties and those of others similarly situated and of the public.

1. No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than the amicus curiae, or its counsel made a monetary contribution to its preparation or submission. The parties were provided proper notice and have consented to the filing of this brief

In sum, the mission of the AAC includes advancing the science of jurisprudence through the submission of amicus briefs in this and other cases of controversy in order to advocate, promote, and assist in the judicial development of the law in the time-honored tradition of “friends of the court”.

SUMMARY OF ARGUMENT

An exceptional question of singular statutory construction is currently before this Court in two intellectual property (IP) cases -- one of them on a writ of certiorari to the Federal Circuit the petition for which was filed by the Government on behalf of the U.S. Patent and Trademark Office (“USPTO” or “Agency”) and granted March 4, 2019 in *Iancu v. NantKwest, Inc.*, 139 S. Ct. 1292, No. 18-801 (Mar. 4, 2019) (“*NantKwest*”), and the other on the pending petition for writ of certiorari to the Fourth Circuit filed by Booking.Com B.V. in the present case (“*Booking.Com*”) and docketed on April 16, 2019. Stripped of the underlying merits of their subjects matter which are not determinative here, the sole salient issue in these two proceedings is one of adjective law involving the same federal agency in two different areas of IP law, namely, Section 145 of the Patent Act, 35 U.S.C. § 145, and Section 1071(b) of the Trademark Statute (Section 21(b) of the Lanham Act), 15 U.S.C. § 1071(b). In *NantKwest*, a patent applicant, and in *Booking.Com*, a trademark registration applicant, sought de novo review in U.S. district court of the USPTO’s rejections of their applications. These two cases have polemicized the meaning and scope of a 180-year-old statutory requirement, currently found in the last sentence of 35 U.S.C. § 145, that

“[a]ll the expenses of the proceedings shall be paid by the applicant,”

and in the first sentence of 15 U.S.C. § 1071(b)(3), that

“unless the court finds the expenses to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.”

The Court should seize this opportunity to consolidate *NantKwest* and *Booking.Com* for argument and decision, and thereby economize on the Court’s and the parties’ overall resources in resolving with consistency a singular controversy of first impression in the annals of the Court’s patent and trademark jurisprudence following in the wake of an earlier-denied petition for certiorari in a trademark case on the same issue, namely, *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015), *cert. denied sub. nom. Shammas v. Hirshfeld*, 136 S.Ct. 1376 (2016) (mem.)

As is typical when judging statutes, the problem of the courts in construing the expense-shifting (reimbursement) provisions in Section 145 and in Section 1071(b)(3) boils down to mapping and navigating the contours of the phrase “all the expenses of the proceeding(s)” *within the statutory context*. In that regard, the AAC endorses the position set forth in *Booking.Com B.V.’s* petition for certiorari.

ARGUMENT

I. The *NantKwest* Patent Case

European immunologist Dr. Hans Klingemann described and claimed a method for treating cancer in mammals, including humans in U. S. non-provisional patent application no. 10/008.955 titled “Natural Killer Cell Lines and Methods of Use” filed in 2001 and assigned to NantKwest, Inc.’s predecessor, CoNKwest, Inc., a California company.

In October 2013, the PTAB affirmed part of the examiner’s December 2010 obviousness rejection of three of the claims in the application.

On December 20, 2013, in order to present additional evidence of patentability in traversal of the PTAB’s adverse ruling on obviousness, NantKwest, Inc. instituted a Section 145 civil action for de novo review in the U.S. District Court for the Eastern District of Virginia (naming the USPTO Director as the defendant ex officio under Fed.R.Civ.P. 17(d)). The USPTO prevailed on motion for summary judgment on the merits of patentability which was affirmed by a divided 3-judge panel of the Federal Circuit. *NantKwest, Inc. v. Lee*, 686 F.3d 864, 865 (Fed. Cir. 2017).

On July 27, 2018 the Federal Circuit, sitting en banc, issued a divided (7-4) ruling affirming the district court’s denial of the Government’s request for legal costs. *NantKwest, Inc. v. Iancu*, 898 F.3d 1177 (Fed. Cir. 2018) (en banc).

On December 21, 2018, the Government, on behalf of the USPTO, appealed the en banc ruling by filing a timely petition for certiorari in this Court which was granted on March 4, 2019. *Iancu v. NantKwest, Inc.*, 2019 WL 1005841.

II. The *Booking.Com* Trademark Case

During the years 2011 and 2012, Booking.Com B.V., filed a series of four applications in the USPTO to register various versions of the “Booking.com” trademark. The applications were rejected by the trademark examiner on grounds of descriptiveness and genericness, and the TTAB issued a ruling affirming the rejection. Booking.com B.V. sought judicial recourse by commencing a Section 1071(b) civil action in the Eastern District of Virginia for de novo review in order to make additional submissions with which to challenge the administrative ruling. Booking.Com B.V. prevailed in the civil action on the merits of registrability. *Booking.Com B.V. v. United States Patent and Trademark Office*, 915 F.3d 171 (4th Cir. 2019), *reh’g denied*, No. 172458 (4th Cir. Apr. 5, 2019).

On April 10, 2019, Booking.Com B.V. filed a petition in this Court (No. 18-1309) for writ of certiorari to the Fourth Circuit aimed at overturning that portion of the Fourth Circuit’s February 4, 2019 decision affirming the district court’s granting of the Government’s post-trial motion for an award, inter alia, of the Agency’s legal costs amounting to \$76,000 in salaries allocated to the time spent by the USPTO’s in-house attorneys and paralegal assistants who worked on the case. Citing the divided-panel holding of the Fourth Circuit in *Shammas*

as binding precedent under the rule of stare decisis, the district court acceded to the USPTO's assertion that such costs should be awarded to the Agency as "part of all the expenses" it incurred in defending the civil action, said "expenses" being statutorily shifted in all instances to plaintiff-applicants regardless of the outcomes – even in this case where the Agency lost and Booking.Com B.V. won on the merits of registrability. Thus, the Fourth Circuit affirmed the district court's award of legal costs solely because a three-judge panel of the court of appeals cannot overrule the holding of an earlier three-judge panel of the same court on the same issue in another case.

The *Booking.Com* trademark case together with the *NantKwest* patent case – and the singular issue they present – are now teed up for final resolution. The Court should grant the instant petition for certiorari and consolidate the present case with *NantKwest* pursuant to Supreme Court Rule 27.3 and Fed.R.Civ.P. 42(a) as Booking.Com B.V. had requested on pages 9-10 and 23-24 of its petition, by ordering that the two cases be argued together as one case, and deciding them jointly. This would enable inputs from knowledgeable lawyers for additional parties which would aid the Court's decision-making process, thereby fostering the likelihood of correct and consistent outcomes.

III. The Singularity of the Issues in *NantKwest* and *Booking.Com*

The legal implications, and the business and socioeconomic consequences of this necessarily recurring, singular issue currently at stake in *NantKwest* and in

Booking.Com will be far-reaching and of exceptional, fundamental importance to the entire class of stakeholders in the U.S. patent and trademark systems – including individuals and organizations both in the United States and around the world.

Both the Federal Circuit in *NantKwest* and the Fourth Circuit in the present *Booking.Com* case were tasked with mapping the identical contours and deciphering the identical contextual meaning and scope of the term “all the expenses” recoverable by the USPTO in defending Section 145 and Section 1071(b)(3) civil actions, respectively, and particularly whether “[a]ll the expenses of the proceeding(s)” encompasses the relevant salary amounts paid to legal staff attorneys and paralegal assistants employed in the USPTO’s Office of the Solicitor.

Having granted the USPTO’s petition for certiorari in *NantKwest*, and in the event that *Booking.Com* B.V.’s present petition for certiorari is granted, the Court will have signaled its intention to decide across-the-board whether the American rule against fee-shifting is relevant when interpreting the phrase “[a]ll the expenses of the proceeding(s)” in Sections 145 and 1071(b)(3). The Court will also have the opportunity to address the collateral question of whether that statutory phrase, even aside from the context of the American rule, is validly interpretable by extrapolation to require the awarding of legal costs, including in particular the pro rata salaries paid by the USPTO to its in-house legal and paralegal personnel as compensation for assisting the Department of Justice attorneys in defending the Agency. By implication, the question also arises as to whether, under the USPTO’s

interpretation of the statute, plaintiff-applicants would be required to reimburse the USPTO of for other attorney services that might be incurred by the Agency in future cases of this type.

The real-world financial implications of the Court's forthcoming decision on the issue for both inventors and trademark originators and owners, their assigns, and others in the worldwide business community for whom U.S. patents and trademarks are valuable assets cannot be overstated.

IV. The Split of Authority in the Circuits

The Federal Circuit's en banc ruling in *NantKwest* has created and thereby set the stage for ultimate resolution of a binary, irreconcilable split of authority in the circuits – both horizontal and vertical – between it and the earlier, Fourth Circuit panel decision in *Shammas*, and exacerbated in *Booking.Com* in which a sharply divided three-judge panel of the Fourth Circuit acceded to the PTO's interpretation of the same language in the Lanham Act corresponding to Section 145. The vertical split stems from a judicia fault line separating the different appellate jurisdictions of the Fourth Circuit and the Federal Circuit over judgments of the Eastern District of Virginia under Section 1071(b)(3) of the Trademark Act, and Section 145 of the Patent Act, respectively. Thus, the district court in *Booking.Com* was bound to follow the Fourth Circuit panel decision in the *Shammas* Section 1071(b) trademark case, whereas the same district court in *NantKwest* was not so bound because of the Federal Circuit's exclusive appellate jurisdiction over Section 145 patent cases.

The en banc Federal Circuit majority in *NantKwest* described the Fourth Circuit panel holding in *Shammas* as an “incorrect interpretation” of the expense-shifting provision in the Lanham Act. The dissent in *NantKwest* characterized the circuit split as “unfortunate and unnecessary” because the majority failed to expressly hold that *Baker Botts L.L.P. v. ASARCO LLC*, 135 S. Ct. 258 (2015) effectively overruled *Shammas*; if the Federal Circuit had so held, then the present split would have been at least mitigated. Either way, this Court can put the present chaotic state of affairs entirely to rest in view of the granting of certiorari in *NantKwest*, coupled with the prospective granting of Booking.Com B. V.’s present petition and consolidation of the two cases for argument and decision. Doing so would avoid future decisional anomalies since there are and will be other, apposite cases waiting in the wings and more of them will undoubtedly soon be wending their way through the courts². Hence, the Court’s forthcoming review – and hopefully affirmance – of the Federal Circuit’s en banc holding in *NantKwest*–, and the hoped-for reversal of the Fourth Circuit’s panel decision in *Booking.Com* and consequent rejection of the holding in *Shammas* which would free the court of appeals from the stare decisis effect of *Shammas*, would well serve the legitimate interest of the IP community in securing uniform justice by granting the present petition for certiorari and consolidating the present *Booking.Com* case with *NantKwest*.

2. See, for example, *Realvirt LLC v. Iancu*, 734 Fed. Appx. 754, No. 2017-1159 (Fed. Cir. Aug. 14, 2018); *Taylor v. Lee*, No.1:15-cv-1607, 2016 U.S. Dist. LEXIS 191677 (E.D. Va. July. 12, 2016); *Halozyme v. Iancu*, No. 1:16-cv-1580, 128 U.S.P.Q.2d 1445 (E.D. Va. 2018);

CONCLUSION

Having granted certiorari in *NantKwest*, this Court is poised to decide an exceptionally important question of first impression before it. For the foregoing reasons, the Court's consolidation of these cases will enable judicious and expeditious disposition of them through joint resolution and reconciliation of their holdings to ensure consistency in the overall outcome. This would be of inestimable benefit to the proper and orderly development of federal jurisprudence at an important intersection of adjective patent, trademark, and administrative laws.

NantKwest and if granted, the instant *Booking.Com* petition together are appropriate and ripe for combined argument and decision in order to adjudicate and answer on a consistent basis a singular question framed by a precise, clear, inter-and intra-circuit split of authority in these two currently conflicting precedential court of appeals rulings. *NantKwest* involves a patent application; *Booking.Com* involves a trademark registration application as did the earlier, *Shammas* case. The Federal Circuit's en banc holding in *NantKwest* is diametrically opposite to, and in irreconcilable conflict with, the Fourth Circuit's holdings in *Booking.Com* and in *Shammas*. The Court can now decide which of them becomes the law of the land on a singular issue of judicial interpretation common to cases arising in counterpart statutes affecting both patent applicants and trademark applicants appearing before the same agency.

For the reasons set forth above, the Court should (1) grant *Booking.Com* B.V.'s present petition for certiorari, (ii) consolidate this case with *NantKwest* for purposes of

argument and decision, and (iii) hold that the term “all the expenses of the proceeding” in the context of 15 U.S.C. § 1071(b) (3) does not include legal costs. This will ensure outcomes in this and in future trademark cases that are consistent nationwide with the correct en banc *NantKwest* holding of the Federal Circuit applicable to patent cases under the reimbursement provision in 35 U.S.C. § 145.

Respectfully submitted,

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