

No. 18-916

IN THE
Supreme Court of the United States

THRYV, INC., FORMERLY KNOWN AS DEX MEDIA, INC.,
Petitioner,

v.

CLICK-TO-CALL TECHNOLOGIES, LP, *ET AL.*,
Respondents.

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

BRIEF FOR PETITIONER

MITCHELL G. STOCKWELL
THURSTON WEBB
AMANDA N. BROUILLETTE
KILPATRICK TOWNSEND
& STOCKTON LLP
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309
(404) 815-6500

SHANNON STRAW
THRYV, INC.
611 N. Brand Blvd., 3rd Floor
Glendale, CA 91203
(818) 649-8772

ADAM H. CHARNES
Counsel of Record
JASON P. STEED
KILPATRICK TOWNSEND
& STOCKTON LLP
2001 Ross Avenue
Suite 4400
Dallas, TX 75201
(214) 922-7106
acharnes
@kilpatricktownsend.com

Attorneys for Petitioner

QUESTION PRESENTED

The America Invents Act created “inter partes review” (“IPR”), an agency procedure for challenging a patent before the Patent Trial and Appeal Board (“PTAB”). The statute has two provisions particularly relevant here. First, 35 U.S.C. § 315(b) provides that “[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent.” Second, § 314(d) provides that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.”

In a recent case, the *en banc* Federal Circuit held (with four dissenters) that, notwithstanding § 314(d), a PTAB decision to institute an IPR after finding that the § 315(b) time bar did not apply was appealable. The Federal Circuit panel applied that ruling in this case.

The question presented is:

Whether 35 U.S.C. § 314(d) permits judicial review of the Patent Trial and Appeal Board’s decision to institute an inter partes review upon finding that § 315(b)’s time bar did not apply.

PARTIES TO THE PROCEEDINGS

YellowPages.com, LLC, and Ingenio, Inc., were appellees below. YellowPages.com, LLC, and Ingenio, LLC, were petitioners before the Patent Trial and Appeal Board (“PTAB”). Ingenio, Inc., was renamed Ingenio, LLC, and then was merged into YellowPages.com, LLC; YellowPages.com, LLC, was then merged into petitioner Dex Media, Inc. On July 15, 2019, Dex Media, Inc., changed its name to Thryv, Inc.

Respondent Click-to-Call Technologies, LP, was an appellant below and a respondent before the PTAB.

Respondent Andrei Iancu, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, was an intervenor in the Court of Appeals.

Oracle Corporation and Oracle OTC Subsidiary LLC were initially appellees below and were petitioners before the PTAB. While the appeal was pending, the Federal Circuit granted their unopposed motion to withdraw from further participation in the appeal, upon their settlement of the case. Pursuant to Rule 12.6, petitioner believes that Oracle Corporation and Oracle OTC Subsidiary LLC have no interest in the outcome of this petition.

RULE 29.6 DISCLOSURE STATEMENT

Petitioner Thryv, Inc., is wholly owned by Thryv Holdings, Inc. Thryv Holdings, Inc., has no parent corporations and no publicly held company owns 10% or more of its stock.

TABLE OF CONTENTS

	<i>Page</i>
QUESTION PRESENTED.....	i
PARTIES TO THE PROCEEDINGS.....	ii
RULE 29.6 DISCLOSURE STATEMENT	iii
TABLE OF CONTENTS	iv
TABLE OF AUTHORITIES.....	vi
OPINIONS BELOW	1
JURISDICTION	1
STATUTORY PROVISIONS INVOLVED	2
INTRODUCTION.....	2
STATEMENT	3
A. The America Invents Act	3
B. The patent infringement cases	7
C. The IPR proceedings before the PTAB.....	8
D. The Federal Circuit appeals	10
SUMMARY OF THE ARGUMENT	13
ARGUMENT	16
I. The AIA contains clear and convincing indications that Congress intended to preclude judicial review of the PTAB’s determination, as part of its institution decision, that § 315(b)’s time bar did not apply.	16
A. The AIA’s plain language dictates that the PTAB’s time-bar determination	

under § 315(b) is not subject to judicial review.	17
B. Unreviewability of timeliness decisions is consistent with <i>Cuozzo</i> and <i>SAS Institute</i>	25
C. The Federal Circuit’s justifications for its holding are meritless.	32
D. The purpose of the AIA confirms that timeliness decisions are not appealable.	34
CONCLUSION	41
APPENDICES	
Appendix A: The America Invents Act, 35 U.S.C. §§ 311–319	1a
Appendix B: 35 U.S.C. § 141(c)	12a
Appendix C: 35 U.S.C. § 312 (2010 ed.) (repealed 2011)	13a

TABLE OF AUTHORITIES

Cases

<i>Achates Reference Publishing, Inc. v. Apple Inc.</i> , 803 F.3d 652 (Fed. Cir. 2015).....	10
<i>Amneal Pharm., LLC v. Endo Pharm. Inc.</i> , No. IPR2014-00360, 2018 WL 446628 (PTAB Jan. 10, 2018).....	38
<i>Apple Inc. v. OpenTV, Inc.</i> , No. IPR2015-00969, Paper 29 (PTAB Sept. 10, 2016).....	23
<i>Applications in Internet Time, LLC v. RPX Corp.</i> , 897 F.3d 1336 (Fed. Cir. 2018), <i>cert. denied</i> , 139 S. Ct. 1366 (2019).....	38
<i>Blackberry Corp. v. MobileMedia Ideas, LLC</i> , No. IPR2013-00016, Paper 31 (PTAB Dec. 11, 2013).....	23
<i>Block v. Cmty. Nutrition Inst.</i> , 467 U.S. 340 (1984).....	16
<i>Bowen v. Mich. Acad. of Family Physicians</i> , 476 U.S. 667 (1986).....	16
<i>Bowtech, Inc. v. MCP IP, LLC</i> , No. IPR2019-00380, 2019 WL 2894443 (PTAB July 3, 2019).....	38
<i>Brewster v. Gage</i> , 280 U.S. 327 (1930).....	22
<i>Briscoe v. Bell</i> , 432 U.S. 404 (1977).....	19, 20

<i>Briscoe v. Levi</i> , 535 F.2d 1259 (D.C. Cir. 1976).....	20
<i>Califano v. Sanders</i> , 430 U.S. 99 (1977).....	34
<i>Crawford v. Burke</i> , 195 U.S. 176 (1904).....	20
<i>Cree, Inc. v. Document Security Sys., Inc.</i> , No. IPR2018-01223, 2018 WL 6016827 (PTAB Nov. 16, 2018)	38
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 136 S. Ct. 2131 (2016).....	<i>passim</i>
<i>Deeper, UAB v. Vexilar, Inc.</i> , No. IPR2018-01310, 2019 WL 328753 (PTAB Jan. 24, 2019).....	6
<i>Dep't of Homeland Sec. v. MacLean</i> , 135 S. Ct. 913 (2015).....	21
<i>Digital Realty Tr., Inc. v. Somers</i> , 138 S. Ct. 767 (2018).....	34
<i>FLIR Sys., Inc. v. Garmin Corp.</i> , No. IPR2018-01490, 2018 WL 5276319 (PTAB Oct. 22, 2018).....	38
<i>Hamdan v. Rumsfeld</i> , 548 U.S. 557 (2006).....	34
<i>Harmonic Inc. v. Avid Tech., Inc.</i> , 815 F.3d 1356 (Fed. Cir. 2016).....	6
<i>Hartford Underwriters Ins. Co. v. Union Planters Bank, N.A.</i> , 530 U.S. 1 (2000).....	17
<i>Henson v. Santander Consumer USA Inc.</i> , 137 S. Ct. 1718 (2017).....	17, 20, 22

<i>HTC Corp. v. AGIS Software Dev., LLC</i> , No. IPR2019-00389, 2019 WL 2866034 (PTAB July 2, 2019).....	23
<i>Infiltrator Water Techs., LLC v. Presby Patent Trust</i> , No. IPR2018-00224, 2018 WL 4773425 (PTAB Oct. 1, 2018).....	38
<i>INS v. Cardoza-Fonseca</i> , 480 U.S. 421 (1987).....	21
<i>Intel Corp. v. Alacritech, Inc.</i> , No. IPR2018-00226, 2018 WL 2735469 (PTAB June 5, 2018).....	38
<i>Intel Corp. v. Alacritech, Inc.</i> , No. IPR2018-00234, 2018 WL 2740385 (PTAB June 5, 2018).....	38
<i>Lamie v. U.S. Tr.</i> , 540 U.S. 526 (2004).....	17
<i>Lear, Inc. v. Adkins</i> , 395 U.S. 653 (1969).....	37
<i>Lindahl v. OPM</i> , 470 U.S. 768 (1985).....	19
<i>Merck Sharp & Dohme Corp. v. GlaxoSmithKine Biologicals SA</i> , No. IPR2018-01236, 2018 WL 6707892 (PTAB Dec. 18, 2018).....	38
<i>Mobile Tech, Inc. v. Sennco Sols., Inc.</i> , No. IPR2017-02199, 2018 WL 1891466 (PTAB Apr. 10, 2018), <i>modified by</i> 2018 WL 2010536 (PTAB Apr. 27, 2018).....	38

<i>Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC</i> , 138 S. Ct. 1365 (2018).....	4, 6, 36
<i>Pirie v. Chi. Title & Tr. Co.</i> , 182 U.S. 438 (1901).....	20
<i>Pope Mfg. Co. v. Gormully</i> , 144 U.S. 224 (1892).....	37
<i>Power Integrations, Inc. v. Semiconductor Components Indus., LLC</i> , 926 F.3d 1306 (Fed. Cir. 2019).....	18, 27, 39
<i>Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.</i> , 324 U.S. 806 (1945).....	35, 37
<i>Republic of Sudan v. Harrison</i> , 139 S. Ct. 1048 (2019).....	21
<i>Rubicon Commc’ns, L.P. v. Lego A/S</i> , No. IPR2016-01187, Paper 100 (PTAB Dec. 14, 2017).....	23
<i>SAS Inst. Inc. v. Iancu</i> , 138 S. Ct. 1348 (2018).....	<i>passim</i>
<i>Semiconductor Components Indus., LLC v. Power Integrations, Inc.</i> , No. IPR2016-01592, 2018 WL 813000 (PTAB Feb. 8, 2018).....	38
<i>Unified Patents Inc. v. Bradium Techs. LLC</i> , No. IPR2018-00952, 2018 WL 6721788 (PTAB Dec. 20, 2018).....	38
<i>Unified Patents, Inc. v. Realtime Adaptive Streaming, LLC</i> , No. IPR2018-00883, 2018 WL 6504233 (PTAB Oct. 11, 2018).....	38

<i>United States v. Erika, Inc.</i> , 456 U.S. 201 (1982).....	17
<i>United States v. Fausto</i> , 484 U.S. 439 (1988).....	19
<i>VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.</i> , No. 2017-1368, 2019 WL 2912776 (Fed. Cir. July 8, 2019).....	23
<i>Watson Labs., Inc. v. United Therapeutics Corp.</i> , No. IPR2017-01622, 2018 WL 396243 (PTAB Jan. 11, 2018), <i>modified by</i> 2018 WL 2090630 (PTAB Apr. 30, 2018).....	38
<i>WesternGeco LLC v. ION Geophysical Corp.</i> , 889 F.3d 1308 (Fed. Cir. 2018), <i>cert. denied</i> , 139 S. Ct. 1216 (2019).....	39
<i>Wi-Fi One, LLC v. Broadcom Corp.</i> , 837 F.3d 1329 (Fed. Cir. 2016).....	10
<i>Wi-Fi One, LLC v. Broadcom Corp.</i> , 878 F.3d 1364 (Fed. Cir. 2018) (<i>en banc</i>).....	<i>passim</i>
<i>Wis. Cent. Ltd. v. United States</i> , 138 S. Ct. 2067 (2018).....	20, 22, 35
<i>Worlds Inc. v. Bungie, Inc.</i> , 903 F.3d 1237 (Fed. Cir. 2018).....	39
Statutes and Regulations	
37 C.F.R. § 42.100	6
37 C.F.R. § 42.108	4
37 C.F.R. § 42.108(a)	29
37 C.F.R. § 42.4(a)	4

Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011)	2, 3
5 U.S.C. § 701(a)(1)	16
28 U.S.C. § 1254(1)	1
35 U.S.C. § 141(c)	2, 7, 18
35 U.S.C. § 303(a)	21
35 U.S.C. § 303(c)	21, 22
35 U.S.C. § 311	18
35 U.S.C. § 311(a)	4, 23
35 U.S.C. § 311(c)	5
35 U.S.C. § 312 (2010) (repealed 2011),	2, 22
35 U.S.C. § 312(a)	22
35 U.S.C. § 312(a)(1)	5
35 U.S.C. § 312(a)(2)	5
35 U.S.C. § 312(a)(3)	4, 25, 26, 33
35 U.S.C. § 312(c) (2010) (repealed 2011)	22
35 U.S.C. § 313	5, 8, 13, 18, 31
35 U.S.C. § 314	6, 16, 18, 22, 32, 33
35 U.S.C. § 314(a)	<i>passim</i>
35 U.S.C. § 314(b)	6
35 U.S.C. § 314(d)	<i>passim</i>
35 U.S.C. § 315(a)(1)	4, 5, 40
35 U.S.C. § 315(b)	<i>passim</i>
35 U.S.C. § 315(c)	23
35 U.S.C. § 315(e)(1)	40

35 U.S.C. § 316	6
35 U.S.C. § 316(a)(11)	7, 36
35 U.S.C. § 316(d).....	19
35 U.S.C. § 317(a).....	24, 40
35 U.S.C. § 318(a).....	7, 14, 19, 29, 30, 40
35 U.S.C. § 319	7, 18
35 U.S.C. § 325(d).....	40

Other Authorities

Nicholas Bagley, <i>The Puzzling Presumption of Reviewability</i> , 127 Harv. L. Rev. 1285 (2014).....	34
157 Cong. Rec. H4425 (daily ed. June 22, 2011).....	40
157 Cong. Rec. S1376 (daily ed. Mar. 8, 2011).....	35
157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011)	24, 37, 40
Michael D. Frakes & Melissa F. Wasserman, <i>Does the U.S. Patent and Trademark Office Grant Too Many Bad Patents?: Evidence from a Quasi-Experiment</i> , 67 Stan. L. Rev. 613 (2015)	37
H.R. Rep. No. 112-98, pt. 1 (2011)	3, 24, 35, 39, 40
Jay P. Kesan, <i>Carrots and Sticks to Create a Better Patent System</i> , 17 Berkeley Tech. L.J. 763 (2002)	37
Brian J. Love, <i>et al.</i> , <i>Determinants of Patent Quality: Evidence</i>	

<i>From Inter Partes Review Proceedings,</i> 90 U. Colo. L. Rev. 67 (2019).....	37
Merriam-Webster, https://www.merriam-webster.com/dictionary/shenanigan	28
Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48764 (Aug. 14, 2012).....	5
Trial Practice Guide Update 8 (Aug. 2018)	5
Webster’s Encyclopedic Unabridged Dictionary of the English Language 1763 (1996)	29
9 Charles Alan Wright and Arthur R. Miller, Federal Practice and Procedure § 2367 (3d ed. 2008).....	28

OPINIONS BELOW

The November 12, 2015, opinion of the United States Court of Appeals for the Federal Circuit, initially dismissing the appeal for lack of jurisdiction, is unpublished but reported at 622 F. App'x 907 and is reprinted in the Appendix to the Petition ("Pet. App.") at Pet. App. 1a–5a. The November 17, 2016, opinion of the Federal Circuit, again dismissing the appeal for lack of jurisdiction, is unpublished but available at 2016 WL 6803054 and is reprinted at Pet. App. 6a–28a. The January 19, 2018, order of the Federal Circuit, granting rehearing, is unpublished but reported at 710 F. App'x 447 and is reprinted at Pet. App. 29a–32a. The August 16, 2018, opinion of the Federal Circuit is published at 899 F.3d 1321 and is reprinted at Pet. App. 33a–106a.

The final written decision of the Patent Trial and Appeal Board is reprinted at Pet. App. 107a–138a. Its decision to institute inter partes review is reprinted at Pet. App. 144a–176a, and its denial of rehearing of that decision is reprinted at Pet. App. 139a–143a.

JURISDICTION

The judgment of the United States Court of Appeals for the Federal Circuit was entered on August 16, 2018. Pet. App. 33a. No petition for rehearing was filed. On November 7, 2018, the Chief Justice granted petitioner an extension of time to file the petition until December 14, 2018. On November 20, 2018, the Chief Justice granted a further extension until January 11, 2019. The petition for a writ of certiorari was filed on January 11, 2019, and granted on June 24, 2019. The jurisdiction of this Court rests on 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

The Leahy-Smith America Invents Act, 35 U.S.C. §§ 311–319, the appeal provision of the Patent Act, *id.* § 141(c), and the *ex parte* reexamination provision of the Patent Act, 35 U.S.C. § 312 (2010) (repealed 2011), are set forth in the Appendix to this brief.

INTRODUCTION

In the Leahy-Smith America Invents Act (“AIA”), Congress adopted a new adjudicatory process for reviewing the validity of issued patents known as *inter partes* review (“IPR”). IPRs are adjudicated before the Patent Trial and Appeal Board (“PTAB” or “Board”). Congress separated IPR proceedings into two steps: an institution phase, during which the Board decides whether it will conduct the IPR trial; and a merits phase, during which the Board conducts a trial and determines the patentability of the challenged claims. Consistent with its goal of adopting a quicker and more cost-effective way of eliminating “bad patents” than litigation in federal court, Congress included several features that streamline the proceedings. For example, Congress imposed strict deadlines on the institution and merits phases of IPRs. Congress also specified that “[t]he determination . . . whether to institute an *inter partes* review . . . shall be final and nonappealable.” 35 U.S.C. § 314(d).

Congress’s preclusion of judicial review of the decision to institute an IPR plays an important role in the statutory scheme. It streamlines appeals by excluding tangential issues decided during the institution phase, including (as relevant here) whether the petition was timely under 35 U.S.C.

§ 315(b). More important, it also ensures that the expert agency's determination of unpatentability, made after upwards of two years of litigation, will not be overturned on grounds unrelated to patentability. This is critical, because overturning an IPR decision based on tangential, non-merits grounds decided at the institution stage would permit the patent owner to continue to enforce an invalid patent, thereby substantially harming the public interest.

Undermining this statutory scheme, the Federal Circuit held that the Board's determination that a petition is timely under § 315(b) is reviewable on appeal, despite the categorical text of § 314(d). The Federal Circuit based this holding on the presumption of judicial review of agency actions. The Federal Circuit's decision should be reversed. The presumption of reviewability is overcome because the AIA contains clear and convincing indications that Congress intended to preclude judicial review of § 315(b) time-bar determinations. The Federal Circuit's contrary decision is inconsistent with the plain text of the statute and overlooks the role §§ 314(d) and 315(b) play in the overall statutory scheme. It is also inconsistent with this Court's precedent and the overall purpose of the AIA.

STATEMENT

A. The America Invents Act

Congress enacted the AIA in 2011. *See* Pub. L. No. 112-29, 125 Stat. 284 (2011). With the AIA, Congress intended to provide “quick and cost effective alternatives to litigation” and to “improve patent quality and restore confidence in the presumption of validity that comes with issued patents in court.” H.R.

Rep. No. 112-98, pt. 1, at 48 (2011) (“House Report”). The AIA replaced the former system of inter partes reexamination with a new adjudicatory proceeding called inter partes review. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). IPR is “a second look at an earlier administrative grant of a patent.” *Id.* at 2144. The PTAB, located within the Patent and Trademark Office (“PTO”), “conducts the proceedings, reaches a conclusion, and sets forth its reasons.” *Id.* at 2137.

The AIA established a two-step process for IPR proceedings.

Step One: First, the PTAB, acting on behalf of the Director of the PTO, *see* 37 C.F.R. §§ 42.4(a) , 42.108, determines whether to institute an IPR. “Any person other than the patent owner can file a petition for inter partes review.” *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018); *see* 35 U.S.C. § 311(a). But the petition must satisfy certain requirements. For example, a petition for IPR “may be considered” only if the petitioner pays the required fee and the petition provides information specified by the AIA and any PTO regulations, including “the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” *Id.* § 312(a)(3). Moreover, an IPR “may not be instituted” if the petitioner filed an action in court challenging the validity of the patent before filing the IPR petition. *Id.* § 315(a)(1).

The AIA also imposes several timing requirements. The petition must not be filed too early: it “shall be filed” after the later of (1) nine months after the patent is granted or (2) termination of any

post-grant review. *Id.* § 311(c). And the petition must not be filed too late: as relevant here, an IPR “may not be instituted” in certain circumstances if there has been prior litigation in court over the patent:

An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.

Id. § 315(b).

After the petition is filed, the patent owner has “the right to file a preliminary response to the petition” specifying “reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.” *Id.* § 313. Thus, in its response, the patent owner can oppose institution of the IPR on procedural grounds—for example, failure of the petitioner to pay the requisite fee, *id.* § 312(a)(1), or to identify all real parties in interest, *id.* § 312(a)(2). And the patent owner can oppose institution based on the AIA’s election-of-remedies and time bars—for example, if the petitioner previously filed a civil action seeking to invalidate the patent, *id.* § 315(a)(1), or (as alleged here) filed the IPR petition more than one year after it was sued for infringement of the patent, *id.* § 315(b). *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48764 (Aug. 14, 2012) (explaining that the patent owner’s response can argue that the petitioner “is statutorily barred from pursuing a review”); Trial Practice Guide Update 8 (Aug. 2018) (“In deciding whether to institute the trial, the Board considers at a minimum whether or not a party has satisfied the

relevant statutory institution factors.”), *available at* <https://go.usa.gov/xU7GP>.

The PTAB considers both the petition and the preliminary response and then determines whether to “institute” an IPR. *See* 35 U.S.C. § 314. The statute requires the PTAB to decide whether to institute the IPR within three months after the preliminary response is filed. *Id.* § 314(b). The PTAB may institute an IPR if it concludes that “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” *Id.* § 314(a). But the PTAB can decline to institute an IPR even if the petitioner demonstrates a reasonable likelihood of prevailing.¹ *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016). Either way, “the decision whether to institute review is made by the Director and committed to his unreviewable discretion.” *Oil States*, 138 S. Ct. at 1378 n.5.

Step Two: If the PTAB institutes an IPR, the Board conducts a trial to determine if any of the challenged patent claims should be cancelled. *See Oil States*, 138 S. Ct. at 1371–72. The trial process includes “many of the usual trappings of litigation,” as “[t]he parties conduct discovery and join issue in briefing and at an oral hearing.” *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018); *see* 35 U.S.C. § 316; 37 C.F.R. § 42.100. The PTAB must “issue a final written decision with respect to the patentability

¹ *E.g.*, *Deeper, UAB v. Vexilar, Inc.*, No. IPR2018-01310, 2019 WL 328753, at *16 (PTAB Jan. 24, 2019) (declining to institute an IPR despite finding a reasonable likelihood that the petitioner would prevail as to two of 23 claims).

of any patent claim challenged by the petitioner and any new claim added” by amendment. 35 U.S.C. § 318(a). The AIA requires the PTAB to issue the final written decision within 12 months of the institution of the IPR, a deadline that may be extended by an additional six months “for good cause shown.” *Id.* § 316(a)(11).

The AIA, incorporating the appeal provisions of the Patent Act, permits judicial review following completion of the IPR. Specifically, any party “who is dissatisfied with the final written decision of the Patent Trial and Appeal Board . . . may appeal the Board’s decision” to the Federal Circuit. *Id.* § 141(c); *see also id.* § 319. But the AIA limits the ability of the patent owner to appeal the PTAB’s decision to institute an IPR in the first place, stating: “The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” *Id.* § 314(d). In other words, while the AIA allows judicial review of the PTAB’s final written decision issued at Step Two, it expressly precludes review of the institution determination made at Step One.

B. The patent infringement cases

In 2001, Inforocket.Com, Inc.—which had been granted an exclusive license by the inventor—sued Keen, Inc., for infringement of U.S. Patent No. 5,818,836 (the “836 Patent”). Pet. App. 35a. The ’836 Patent disclosed “a method and system for establishing anonymous telephone communications.” *Id.* at 146a–147a. Shortly thereafter, Keen sued Inforocket on patents of its own. *Id.* at 36a. In 2003, Keen acquired Inforocket and, as part of the merger, the parties voluntarily dismissed both actions—

including the litigation involving the '836 Patent—without prejudice. *Id.* Keen then changed its name to Ingenio, Inc. *Id.*

Respondent Click-to-Call Technologies, LP, acquired the '836 Patent in 2011 and, in May 2012, filed complaints asserting infringement of that patent against multiple parties in the Western District of Texas. *Id.* at 37a. One of those actions accused AT&T, Inc., Ingenio, Inc., and YellowPages.com, LLC, of infringing the '836 Patent. *Id.* The litigation was stayed pending resolution of the IPR proceedings described below. *Id.*

Before and during these proceedings, Ingenio, Inc., underwent a series of mergers, sales, and name changes. The upshot is that Ingenio, Inc., was ultimately merged into YellowPages.com, LLC, which in turn was merged into Dex Media, Inc., which recently changed its name to Thryv, Inc.

C. The IPR proceedings before the PTAB

On May 28, 2013, Ingenio, LLC (one of the interim entities in Ingenio's corporate history), YellowPages.com, Oracle Corp., and Oracle OTC Subsidiary LLC filed an IPR petition challenging the '836 Patent on grounds of anticipation and obviousness. Pet. App. 37a–38a. Click-to-Call filed a preliminary response pursuant to 35 U.S.C. § 313. In that response, Click-to-Call contended that the IPR was time-barred under § 315(b) because Ingenio was in privity with Keen, which had been served with a complaint alleging infringement of the '836 Patent in 2001. Pet. App. 38a–39a.

After supplemental briefing, the Board rejected Click-to-Call's time-bar challenge, finding that the

2001 complaint against Keen did not bar Ingenio's IPR petition. *Id.* at 161a. Specifically, the Board noted that “[t]he Federal Circuit consistently has interpreted the effect of [voluntary dismissals without prejudice] as leaving the parties as though the action had never been brought.” *Id.* at 161a–162a. Therefore, the PTAB reasoned, “the dismissal of the infringement suit brought by Inforocket against Keen—now Ingenio, LLC—nullifies the effect of the service of the complaint and, as a consequence, does not bar Ingenio, LLC or any of the other Petitioners from pursuing an *inter partes* review of the '836 patent.”² *Id.* at 162a. The PTAB then concluded that “there is a reasonable likelihood” that the petitioners could show that 13 identified claims of the '836 Patent were unpatentable, so it instituted *inter partes* review as to those claims. *Id.* at 173a–174a.

Click-to-Call requested rehearing of the PTAB's time-bar ruling in the institution order. The PTAB denied rehearing, concluding that it did not abuse its discretion in its prior determination that § 315(b) did not bar the IPR proceeding. *Id.* at 139a–143a.

On October 28, 2014, the PTAB issued a final written decision, holding that the 13 challenged claims were either anticipated or obvious and therefore were unpatentable. *Id.* at 107a–138a.

² The PTAB had asked for supplemental briefing on two additional issues: whether § 315(b)'s time bar applied on a petitioner-by-petitioner basis (such that, even if the statute barred Ingenio's petition, the other petitioners could still prosecute the IPR), and whether—in light of the reexamination of the patent in 2004—the same patent was at issue in both the previous infringement action and this IPR petition. Pet. App. 162a.

D. The Federal Circuit appeals

Click-to-Call appealed the PTAB's decision, but it did not challenge the PTAB's unpatentability determination. Instead, it only sought "review of the Board's initial decision to institute IPR." Pet. App. 2a. That appeal followed a circuitous path.

1. Initially, on November 12, 2015, the Federal Circuit dismissed Click-to-Call's appeal for lack of appellate jurisdiction under 35 U.S.C. § 314(d). The court relied (Pet. App. 2a–5a) on its then-recent decision in *Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015), which held that "35 U.S.C. § 314(d) prohibits this court from reviewing the Board's determination to initiate IPR proceedings based on its assessment of the time-bar of § 315(b)." 803 F.3d at 658.

Click-to-Call then petitioned this Court for a writ of certiorari. On June 27, 2016, this Court granted the petition, vacated the judgment, and remanded for further consideration in light of *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016). *See* 136 S. Ct. 2508 (2016).

On remand, and after supplemental briefing on the impact of *Cuozzo*, the Federal Circuit again dismissed the appeal on November 17, 2016. The court relied on its then-recent decision in *Wi-Fi One, LLC v. Broadcom Corp.*, 837 F.3d 1329 (Fed. Cir. 2016). As explained by the court in this case, the *Wi-Fi One* panel had held that "*Cuozzo* did not overrule our previous decision in *Achates* and that later panels of the court remain bound by *Achates*." Pet. App. 9a.

2. Click-to-Call then filed a petition for en banc rehearing, arguing that *Achates* and *Wi-Fi One* should

be overruled. Less than a month later, the Federal Circuit granted rehearing en banc in the *Wi-Fi One* case.

On January 8, 2018, the Federal Circuit issued a sharply divided en banc decision in *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018). The en banc court expressly overruled *Achates* and held that time-bar determinations under § 315(b) are appealable. Judge Reyna, writing for the en banc majority, relied on “the ‘strong presumption’ favoring judicial review of administrative actions, including the Director’s IPR institution decisions.” *Id.* at 1371. The majority found “no clear and convincing indication in the specific statutory language in the AIA, the specific legislative history of the AIA, or the statutory scheme as a whole that demonstrates Congress’s intent to bar judicial review of § 315(b) time-bar determinations.” *Id.* at 1372. Further, the majority concluded that “[t]he time-bar determination . . . is not akin to either the non-initiation or preliminary-only merits determinations for which unreviewability is common in the law.” *Id.* at 1373. Moreover, the majority opined that unreviewability is “limited to the Director’s determinations closely related to the preliminary patentability determination or the exercise of discretion not to institute,” and “[w]hether a petition has complied with § 315(b) is not such a determination.” *Id.*

Judge O’Malley concurred and wrote a separate opinion. In her view, § 314(d)’s “bar on appellate review” is limited to decisions regarding “the substantive adequacy of a timely filed petition.” *Id.* at 1376 (O’Malley, J., concurring). Because the “time bar has nothing to do with the substantive adequacy of the

petition,” she opined, the prohibition of appellate review is inapplicable. *Id.*

Judge Hughes, joined by Judges Lourie, Bryson, and Dyk, dissented. The dissenters contended that the majority opinion “not only contradicts the statutory language, but is also contrary to the Supreme Court’s construction of that language in *Cuozzo*.” *Id.* at 1377 (Hughes, J., dissenting). “Congress’s intent to prohibit judicial review of the Board’s IPR institution decision is clear and unmistakable,” the dissent explained. *Id.* at 1378. “The statute *calls out* a specific agency determination, and expressly *prohibits* courts from reviewing that decision.” *Id.* (emphasis in original). Moreover, the dissenters pointed out that, under *Cuozzo*, § 314(d) applies to “‘questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.’” *Id.* at 1377 (quoting *Cuozzo*, 136 S. Ct. at 2141). As they explained, “timeliness under § 315(b) is plainly a question ‘closely tied’ to the Director’s decision to institute. Indeed, it is a specific requirement for ‘institution.’” *Id.* at 1378.

3. On January 19, 2018, the Federal Circuit issued an order construing Click-to-Call’s petition for rehearing en banc as a petition for panel rehearing, and it granted the petition. It vacated its prior dismissal of the appeal in light of the en banc decision in *Wi-Fi One*, and ordered supplemental briefing on the Board’s compliance with § 315(b). Pet. App. 30a–31a.

Upon rehearing, the Federal Circuit issued an opinion vacating the PTAB’s decision and remanding with instructions to dismiss the IPR. The panel held that the time bar of § 315(b) was triggered by service

of *any* complaint, even if that complaint was later dismissed without prejudice. Pet. App. 43a–60a. The opinion included a footnote in which the en banc court similarly held, without additional explanation, that the time bar applies to such a complaint.³ *Id.* at 43a n.3. Judge Dyk, joined by Judge Lourie, dissented. *Id.* at 93a–106a.

SUMMARY OF THE ARGUMENT

1. The Court presumes that a statute provides for judicial review of agency decisions, but that presumption is overcome when there are clear and convincing indications that Congress intended to preclude judicial review. The AIA contains clear and convincing indications that Congress intended to preclude judicial review of the PTAB’s determination that § 315(b)’s time bar does not apply. Section 315(b) identifies particular circumstances in which an IPR “may not be instituted,” and § 314(d) precludes judicial review of “[t]he determination . . . whether to institute an inter partes review.” The decision whether the § 315(b) time bar applies is an integral part of the institution decision; indeed, it is a condition precedent for institution. Congress specifically contemplated that the patent owner would assert the time bar in its response to the petition filed pursuant to § 313, and it directed the agency to consider this response in deciding whether to institute an IPR.

³ The panel (but not the en banc court) also rejected petitioner’s two additional arguments (*see* note 2, *supra*) for why the § 315(b) time bar did not apply. Pet. App. 60a–71a. Petitioner does not seek review of those issues, and they are not addressed here.

This reading of § 314(d) is confirmed by the appeal provisions of the AIA, which provide for judicial review only of the final patentability determination. It is also confirmed by other Patent Act restrictions on judicial review, which were written more narrowly to preclude appellate review only of the agency's preliminary merits determinations, not its holdings on other aspects of the institution decision.

2. The Court's decision in *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016), supports the conclusion that § 314(d) precludes judicial review of the PTAB's decision that § 315(b)'s time bar did not apply. *Cuozzo* held that § 314(d) applies to a statute "closely tied to the application and interpretations of statutes related to the Patent Office's decision to initiate inter partes review." *Id.* at 2141. Because § 315(b) is a condition precedent to institution, it is just such a statute. And the PTAB's decision that § 315(b) is inapplicable to a patent-infringement complaint subsequently dismissed without prejudice does not fall within the exceptions to non-reviewability recognized in *Cuozzo*.

The Court's decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), did not alter the holding in *Cuozzo* that § 314(d) precludes judicial review where the question is closely tied to the decision to institute an IPR. *SAS Institute* involved a provision of the AIA (§ 318(a)) that becomes relevant *after* the institution decision is made, and it allowed judicial review because that provision defined the scope of an IPR that has been instituted. Conversely, the one-year time bar in § 315(b) implicates whether review can be instituted in the first place, not the scope of the IPR trial after the IPR begins. Thus, together, *Cuozzo* and

SAS Institute confirm that the PTAB's patentability decisions, made at Step Two of the IPR process, are reviewable, but the Board's preliminary procedural decisions made at Step One of the IPR process—including time-bar determinations under § 315(b)—are unreviewable.

3. In light of the AIA's plain language and the Court's decision in *Cuozzo*, the Federal Circuit's justifications for permitting judicial review of time-bar determinations under § 315(b) are meritless. The Federal Circuit held that appellate review is proscribed only for determinations "closely related" to the Board's preliminary patentability determination. But this holding is inconsistent with both the language of the statute and this Court's decision in *Cuozzo*.

4. Finally, the overall purpose of the AIA confirms that § 314(d) was meant to preclude judicial review of timeliness determinations under § 315(b). Congress intended the AIA to provide a quick and cost-effective alternative to litigation in federal court. This purpose would be eviscerated by allowing the Federal Circuit to overturn the PTAB's patentability decisions based on preliminary procedural rulings. Requiring relitigation of patentability findings already made by the expert agency, based only on disagreement with the agency's preliminary procedural rulings, would not only be inefficient and a waste of the PTAB's scarce resources, but also harmful to the public interest by allowing patent owners to enforce invalid patents. Moreover, permitting judicial review of § 315(b) determinations would open a Pandora's box of appellate litigation over tangential procedural issues

decided at the institution stage—thereby increasing the cost and undermining the efficiency of IPRs.

ARGUMENT

I. The AIA contains clear and convincing indications that Congress intended to preclude judicial review of the PTAB’s determination, as part of its institution decision, that § 315(b)’s time bar did not apply.

Generally, there is a “strong presumption that Congress intends judicial review of administrative action.” *Bowen v. Mich. Acad. of Family Physicians*, 476 U.S. 667, 670 (1986). But “[t]he presumption favoring judicial review of administrative action is just that—a presumption.” *Block v. Cmty. Nutrition Inst.*, 467 U.S. 340, 349 (1984). “[T]he presumption favoring judicial review [is] overcome” when Congress’s “intent to preclude judicial review is ‘fairly discernable in the statutory scheme.’” *Id.* at 351; see also 5 U.S.C. § 701(a)(1) (providing for judicial review “except to the extent that . . . statutes preclude judicial review”). This standard is satisfied by “clear and convincing indications, drawn from specific language, specific legislative history, and inferences of intent drawn from the statutory scheme as a whole, that Congress intended to bar review.” *Cuozzo*, 136 S. Ct. at 2140 (quotation marks omitted).

Here, Congress’s intent is unmistakable: to preclude judicial review of the PTAB’s determination of whether the § 315(b) time bar applies, as part of the Board’s decision whether to institute an IPR. The clear and convincing indication of Congress’s intent can be seen in the plain language of §§ 314 and 315(b),

in the broader context of the AIA, and in the markedly different language Congress used in other no-appeal provisions, formerly and currently, in the AIA and the Patent Act. Interpreting the AIA to bar judicial review of § 315(b) determinations is also compelled by *Cuozzo* and the AIA’s purpose, and is consistent with *SAS Institute*.

A. The AIA’s plain language dictates that the PTAB’s time-bar determination under § 315(b) is not subject to judicial review.

1. “It is well established that ‘when the statute’s language is plain, the sole function of the courts—at least where the disposition required by the text is not absurd—is to enforce it according to its terms.’” *Lamie v. U.S. Tr.*, 540 U.S. 526, 534 (2004) (quoting *Hartford Underwriters Ins. Co. v. Union Planters Bank, N.A.*, 530 U.S. 1, 6 (2000)). This bedrock principle applies even when interpreting a statute precluding judicial review. See *United States v. Erika, Inc.*, 456 U.S. 201, 206 (1982) (“Our lodestar is the language of the statute.”). Applying this principle to §§ 314(d) and 315(b) is straightforward. Section 315(b) specifies when an IPR “may not be instituted,” and § 314(d) identifies that specific agency action—the determination whether to institute an IPR—and expressly prohibits judicial review of it. See *Wi-Fi One*, 878 F.3d at 1378 (Hughes, J., dissenting).

That Congress intended determinations of the § 315(b) time bar to fall within § 314(d)’s preclusion of judicial review is confirmed when the Court “extend[s] [its] gaze from the narrow statutory provision at issue to take in the larger statutory landscape.” *Henson v. Santander Consumer USA Inc.*, 137 S. Ct. 1718, 1722 (2017). Section 314(a) specifies that the institution

decision must be based on “the information presented in the petition filed under section 311 and any response filed under section 313.” Section 313 in turn expressly allows the patent owner’s response opposing institution to argue “the failure of the petition to meet any requirement of *this chapter*.” Section 315(b) is one of the requirements of “this chapter”—chapter 31 of part III of title 35 of the U.S. Code. Indeed, as the *Wi-Fi One* majority recognized, § 315(b) establishes a condition precedent for institution. *See* 878 F.3d at 1374. As the Federal Circuit explained more recently, “[t]he Board’s decision under § 315(b) is whether to institute or not.” *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306, 1314 (Fed. Cir. 2019).

Accordingly, as Click-to-Call did here, Pet. App. 159a–160a, the patent owner presents its argument that the petition was not timely filed under § 315(b) in its preliminary response filed pursuant to § 313. The PTAB then adjudicates this contention as part of its determination “under this section [§ 314]” whether to institute an IPR. Section 314(d), in turn, renders the determination whether to institute—no matter the basis—“final and nonappealable.”

Moreover, once the PTAB issues the final written decision, the AIA limits appeals just to the question of patentability. A party may appeal only the “final written decision” of the PTAB. *See* 35 U.S.C. § 319 (“A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) may appeal *the decision* pursuant to sections 141 through 144.”) (emphasis added); *id.* § 141(c) (“A party to an inter partes review . . . who is dissatisfied with the final written decision of the Patent Trial and

Appeal Board under section 318(a) . . . may appeal the Board’s decision only to the United States Court of Appeals for the Federal Circuit.”). The PTAB’s final written decision under § 318(a) is limited to “the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).” *Id.* § 318(a). Thus, the Federal Circuit’s appellate review is restricted to the Board’s final written decision on the *merits*. The earlier decision to institute review, including a determination that the petition was timely, has no bearing on patentability. By limiting judicial review to patentability, Congress made perfectly clear that preliminary procedural issues—such as whether the petition was timely filed—are not subject to judicial review.

When read “[i]n the context of the entire statutory scheme,” *United States v. Fausto*, 484 U.S. 439, 447 (1988), the language chosen by Congress in § 314(d) to preclude judicial review is “unambiguous and comprehensive.” *Lindahl v. OPM*, 470 U.S. 768, 780 (1985). It should therefore be enforced as written.

In overriding the plain text to reach a contrary determination, the Federal Circuit ignored the teaching of *Briscoe v. Bell*, 432 U.S. 404 (1977). In *Briscoe*, 1975 amendments to the Voting Rights Act had extended it to “language minorities.” *Id.* at 405. Texas sued to stop the Attorney General and Director of the Census from determining that Texas was covered by the amendments. *Id.* at 406–07. Section 4(b) of the statute, however, provided that such a determination “shall not be reviewable in any court.” *Id.* at 408. Similar to the *Wi-Fi One* majority, in *Briscoe* the D.C. Circuit reasoned that, “even where the intent of Congress was to preclude judicial review,

a limited jurisdiction exists in the court to review actions which on their face are plainly in excess of statutory authority.” *Briscoe v. Levi*, 535 F.2d 1259, 1265 (D.C. Cir. 1976). But this Court rejected that reasoning. Because “[t]he language is absolute on its face and would appear to admit of no exceptions,” the Court enforced the no-appeal provision as written. *Briscoe*, 432 U.S. at 410. Likewise, here, because § 314(d) “could hardly prohibit judicial review in more explicit terms,” *id.* at 409, this Court should enforce the statute as Congress wrote it.

2. A comparison between § 314(d) and other Patent Act restrictions on judicial review—both a “neighboring provision[],” *Henson*, 137 S. Ct. at 1722, and a former provision now repealed—confirms this reading. Unlike § 314(d), other judicial review limitations preclude review of the preliminary merits assessment alone, and not other elements of the institution decision. “[A] change in phraseology creates a presumption of a change in intent,” because ordinarily “Congress would not have used such different language . . . without thereby intending a change of meaning.” *Crawford v. Burke*, 195 U.S. 176, 190 (1904); *see also Pirie v. Chi. Title & Tr. Co.*, 182 U.S. 438, 448 (1901) (“When the purpose of a prior law is continued, usually its words are, and an omission of the words implies an omission of the purpose.”); *Wis. Cent. Ltd. v. United States*, 138 S. Ct. 2067, 2077 (2018) (Breyer, J., dissenting) (identifying “the statute’s history” as “[a]nother interpretive tool”).

That Congress intended § 314(d) to make the Director’s § 315(b) time-bar determination “final and nonappealable” is clear when comparing the language of § 314(d) with the text Congress used to authorize

appeals of patent reexaminations. When considering a request for reexamination, the Director must “determine whether a substantial new question of patentability . . . is raised by the request.” 35 U.S.C. § 303(a). Section 303(c) then provides: “A determination by the Director pursuant to subsection (a) of this section that no substantial new question of patentability has been raised will be final and nonappealable.” *Id.* § 303(c). The limitation on judicial review for reexaminations materially differs from § 314(d), illuminating Congress’s intent to bar appellate review of § 315(b) determinations.

Section 303(c) denies appellate review only of the Director’s determination whether there is a “substantial new question of patentability”; other aspects of the decision whether to begin a reexamination fall *outside* the appeal bar. By contrast, § 314(d) categorically insulates from appeal “[t]he determination by the Director whether to institute an inter partes review.” This differing language demonstrates that Congress intended that all determinations that formed part of the IPR institution decision be insulated from appellate review, not just the Director’s decision whether “there is a reasonable likelihood that the petitioner would prevail.” 35 U.S.C. § 314(a). “The contrast between the language used in the two standards . . . certainly indicate[s] that Congress intended the two standards to differ.” *INS v. Cardoza-Fonseca*, 480 U.S. 421, 432 (1987); *see also Republic of Sudan v. Harrison*, 139 S. Ct. 1048, 1058 (2019) (“Congress generally acts intentionally when it uses particular language in one section of a statute but omits it in another.”) (quoting *Dep’t of Homeland Sec. v. MacLean*, 135 S. Ct. 913, 919 (2015)).

Similarly, Congress’s intent is clear when § 314(d) is compared with former 35 U.S.C. § 312(c) (2010) (repealed 2011), which applied to the repealed inter partes reexamination procedure. Former § 312 was structured analogously to § 314: subsection (a) contained the standard for institution of an inter partes reexamination, and subsection (c), termed “final decision,” contained the restriction on judicial review. Specifically, former § 312(a) provided that the “Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request.” *Id.* § 312(a). Then, former § 312(c) provided that “[a] determination by the Director *under subsection (a)* shall be final and non-appealable.” *Id.* § 312(c) (emphasis added). The contrast with § 314(d) is obvious: like § 303(c), former § 312(c) bars an appeal only of the determination of whether there is a “substantial new question of patentability,” while § 314(d) bars review of the institution decision in its totality.

Congress could have drafted § 314(d) as it wrote § 303(c) and the former § 312(c)—but it didn’t. This Court “usually ‘presume[s] differences in language like this convey differences in meaning.’” *Wis. Cent.*, 138 S. Ct. at 2071 (quoting *Henson*, 137 S. Ct. at 1723); *see also Brewster v. Gage*, 280 U.S. 327, 337 (1930) (“The deliberate selection of language so differing from that used in the earlier act[] indicates that a change of law was intended.”). Indeed, if Congress had wanted to limit the denial of judicial review just to the PTAB’s determination whether there was a “reasonable likelihood that the petitioner would prevail,” 35 U.S.C. § 314(a), as the *Wi-Fi One* majority held, “it knew exactly how to do so—it could

have simply borrowed from the statute next door.” *SAS Inst.*, 138 S. Ct. at 1355.

3. Applying § 314(d) to the § 315(b) time bar does not enable the PTAB to exceed its authority, nor does it undermine the patent owner’s private interest in repose. This is so for a simple reason: § 315(b)’s time restraint does not limit the Board’s authority to invalidate a challenged patent claim. Rather, it bars only a *particular* petitioner from being the *first* to challenge the claim. This is seen in three ways. First, a party who cannot file its own IPR because of § 315(b) can, under § 315(c), nonetheless join an IPR that was filed by another petitioner.⁴ *See* 35 U.S.C. § 315(b) (“The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”); *HTC Corp. v. AGIS Software Dev., LLC*, No. IPR2019-00389, 2019 WL 2866034, at *3 (PTAB July 2, 2019). Second, the AIA allows any party “who is not the owner of a patent” to petition for an IPR during the patent’s term. 35 U.S.C. § 311(a). The statute therefore permits a party who could not have infringed the patent, and thus could not have been sued for patent infringement, to petition for an IPR. Third, if the petitioner and patent owner settle after the institution of an IPR, the AIA accords the PTAB authority to decline to terminate the IPR and instead to “proceed to a final written decision,” notwithstanding the absence of any petitioner.⁵ *Id.*

⁴ *E.g.*, *VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*, No. 2017-1368, 2019 WL 2912776, at *2 (Fed. Cir. July 8, 2019).

⁵ *E.g.*, *Rubicon Commc’ns, L.P. v. Lego A/S*, No. IPR2016-01187, Paper 100 (PTAB Dec. 14, 2017); *Apple Inc. v. OpenTV, Inc.*, No. IPR2015-00969, Paper 29 (PTAB Sept. 10, 2016); *.Blackberry*

§ 317(a); see *Cuozzo*, 136 S. Ct. at 2144. These provisions reflect Congress’s overriding purpose of authorizing the PTAB to use the IPR process to “weed[] out” “poor-quality patents.” 157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer).

Rather than limiting the PTAB’s substantive authority to invalidate a patent or protect the patent owner’s interest in repose, § 315(b) serves a wholly different purpose: ensuring that an IPR will not interfere with a previously filed, materially advanced, and on-going patent-infringement action in district court. See House Report 47–48. Congress recognized that cases pending for more than a year typically result in substantial expenditures of resources by both the parties and the court, and that scarce PTAB resources should not be devoted to such cases. But allowing judicial review of the time-bar determination would not serve this interest. If the PTAB concludes that § 315(b) does not bar the IPR and then institutes the IPR, appellate review of the institution decision would not occur until after the final written decision; if the district court litigation is not stayed, upwards of two to three years of concurrent litigation in district court and the PTAB/Federal Circuit would occur. Indeed, there is no possibility in this case that the IPR might interfere with the *Inforocket.Com, Inc. v. Keen, Inc.* patent-infringement litigation, since that case was dismissed without prejudice many years before the IPR petition was filed.

* * *

For these reasons, Congress provided clear and convincing indications that the Board’s decision to institute an IPR, based in part on its assessment that § 315(b)’s time bar did not apply, is not subject to appellate review.

B. Unreviewability of timeliness decisions is consistent with *Cuozzo* and *SAS Institute*.

1. This Court’s decision in *Cuozzo* confirms that § 314(d) does not permit appeal of the Board’s decision that § 315(b)’s time bar did not apply.

In *Cuozzo*, this Court considered whether § 314(d) prohibits review of the Board’s decision to institute an IPR. After the Board issued a final written decision canceling several patent claims, the patent owner argued that the Board erred in instituting the IPR because the petition had failed to identify “with particularity” the grounds for its challenge, as required by 35 U.S.C. § 312(a)(3). *See* 136 S. Ct. at 2139. This Court confirmed that the Board’s initial decision instituting the IPR, including its finding that the particularity requirement was satisfied, was not appealable. “For one thing,” the Court explained, “that is what § 314(d) says.” *Id.* “For another,” the challenge to the decision to institute the IPR was simply “an ordinary dispute about the application of certain relevant patent statutes concerning the Patent Office’s decision to institute inter partes review.” *Id.* The Court noted that “[o]ur conclusion that courts may not revisit this initial determination gives effect to [the] statutory command” that “the agency’s decision [is] ‘final’ and ‘nonappealable.’” *Id.* at 2141.

As the Court indicated, this result is consistent with the purpose of the AIA. “[A] contrary holding would undercut one important congressional objective, namely, giving the Patent Office significant power to revisit and revise earlier patent grants.” *Id.* at 2139–40. “We doubt that Congress would have granted the Patent Office this authority . . . if it had thought that the agency’s final decision could be unwound under some minor statutory technicality related to its preliminary decision to institute inter partes review.” *Id.* at 2140.

The Court also made clear that § 314(d)’s review bar reaches beyond the PTAB’s determination under § 314(a) whether “there is a reasonable likelihood that the petitioner would prevail.” The Court noted that its interpretation “applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” *Id.* at 2141. The Court then found that the question of whether a petition was pleaded with particularity under § 312(a)(3) was “closely tied” to the initiation decision and that § 314(d)’s appeal bar therefore applied. *Id.*

To be sure, the Court in *Cuozzo* did not categorically preclude review of every institution decision. The Court noted that § 314(d) would not bar appeal of “constitutional questions” or questions that “depend on other less closely related statutes.” *Id.* Moreover, the Court believed that agency “shenanigans,” such as invalidating a patent claim on a basis statutorily unavailable in an IPR, could be reviewed. *Id.* at 2141–42. But the Court made clear

that it did not intend these narrow exceptions to undermine the broad rule barring judicial review of institution decisions. *See id.* at 2136 (explaining that § 314(d) bars review of “mine-run claim[s] . . . involving the Patent Office’s decision to institute inter partes review”); *id.* at 2139 (“In our view, the ‘No Appeal’ provision’s language must, at the least, forbid an appeal that attacks a ‘determination . . . whether to institute’ review by raising this kind of legal question and little more.”) (quoting 35 U.S.C. § 314(d)) (omission in original).

The issue here—a challenge to the Board’s decision to institute an IPR based on its determination that § 315(b)’s time bar did not apply—does not fall within *Cuozzo*’s limited exceptions to § 314(d)’s bar against judicial review of the institution decision. The challenge does not involve a constitutional question or an extra-statutory ground for invalidating a patent on the merits. Instead, the Board’s determination whether § 315(b)’s time bar applies is “closely tied” to the decision to institute an IPR.

Section 315(b) states that “[a]n inter partes review *may not be instituted* if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” 35 U.S.C. § 315(b) (emphasis added). Thus, by its plain terms, § 315(b) addresses *only* the institution decision by specifying the circumstances in which an IPR “may not be instituted.” Section 315(b) is therefore integral to the institution decision. As the Federal Circuit recently put it: “The Board’s decision under § 315(b) is whether to institute or not.” *Power Integrations*, 926 F.3d at

1314. In short, a determination whether § 315(b)'s time bar applies is precisely the kind of “application of . . . [a] relevant patent statute[]” that *Cuozzo* held is unreviewable. 136 S. Ct. at 2139. Even the dissenters in *Cuozzo* recognized that “the petition’s timeliness . . . is ‘closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate . . . review.’” *Id.* at 2155 (Alito, J., joined by Sotomayor, J., dissenting).

The PTAB’s decision that § 315(b) is inapplicable to a patent-infringement complaint that was subsequently dismissed without prejudice cannot properly be treated as a “shenanigan” under *Cuozzo*. As the dissent in the Federal Circuit demonstrated, the PTAB’s decision, even if incorrect, represented a good-faith attempt to apply the provision to the facts of this case. Pet. App. 93a–106a. Indeed, the Board’s decision (*id.* at 161a–162a) was based on the traditional rule, followed by the Federal Circuit and “numerous” other federal courts, that “a voluntary dismissal without prejudice under Rule 41(a) leaves the situation as if the action had never been filed.” 9 Charles Alan Wright and Arthur R. Miller, *Federal Practice and Procedure* § 2367, at 559 & n.95 (3d ed. 2008); *see* Pet. 21–22. By contrast, the example of “shenanigans” that the Court offered in *Cuozzo* was the Board disregarding an express statutory command. 136 S. Ct. at 2141–42. The PTAB’s timeliness decision, therefore, was not a shenanigan—“a devious trick used especially for an underhand purpose”⁶—that *Cuozzo* contemplated could be reviewed on appeal.

⁶ Merriam-Webster, <https://www.merriam-webster.com/dictionary/shenanigan> (last visited Aug. 20, 2019); *see also* Webster’s

2. The Court also recently addressed § 314(d) in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018). Nothing in the Court’s opinion in *SAS Institute* alters *Cuozzo*’s holding that § 314(d) precludes judicial review “where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” *Cuozzo*, 136 S. Ct. at 2141.

The issue in *SAS Institute* was whether the PTO could, pursuant to regulation, see 37 C.F.R. § 42.108(a), “initiate[] an inter partes review” and then “choose to limit its review to only *some*” of the challenged patent claims. *SAS Institute*, 138 S. Ct. at 1352–53 (emphasis in original). The Court held that “[t]he agency cannot curate the claims at issue but must decide them all.” *Id.* at 1353.

In so holding, the Court repeatedly distinguished the PTAB’s discretion to institute inter partes review (at Step One) from its ability to control the scope of that review once granted (at Step Two). Based on its interpretation of 35 U.S.C. § 318(a)—a provision addressing the Board’s obligations *after* the institution decision has been made⁷—the Court emphasized that “[t]he Director . . . is given . . . the

Encyclopedic Unabridged Dictionary of the English Language 1763 (1996) (defining “shenanigan” as “deceit; trickery”).

⁷ Section 318(a) provides: “If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).” 35 U.S.C. § 318(a).

choice ‘whether’ to institute an inter partes review,” but lacks “discretion regarding what claims [an inter partes] review will encompass.” *Id.* at 1355–56 (emphasis omitted).

The Court’s discussion of judicial review in *SAS Institute* must be read in the context of these conclusions. The Court in *SAS Institute* was responding to the argument that § 314(d) “foreclos[ed] judicial review of any legal question bearing on the institution of inter partes review.” *Id.* at 1359. Of course, *Cuozzo* rejected this very argument, holding that § 314(d) precludes appellate review only of questions “closely tied . . . to the Patent Office’s decision to initiate inter partes review.” *Cuozzo*, 136 S. Ct. at 2141. But discarding some of the claims in the petition after the IPR was instituted was not “closely tied” to the institution decision, the Court explained, because it went beyond the “binary choice” to “either institute review or don’t.” *SAS Inst.*, 138 S. Ct. at 1355. Instead, the issue in *SAS Institute* involved “what claims [the] review will encompass” in an IPR that was already instituted, an issue governed by § 318(a). *Id.* at 1356 (emphasis omitted).

Put another way, *SAS Institute* held that institution was a “binary choice”: either the PTAB will institute an IPR or it will not. The scope of the IPR after it is instituted (“what claims review will encompass”), this Court held, is not part of the Director’s institution decision at all. And because the PTAB’s challenged practice of declining to allow IPR trials to encompass all challenged claims is not part of the institution decision, that practice simply falls outside the § 314(d) limitation on judicial review.

The context here differs markedly. Unlike in *SAS Institute*, the one-year time bar in § 315(b) implicates “the question whether to institute review” in the first place, and not “what claims that review will encompass.” *Id.* Under *SAS Institute*, therefore, § 315(b) determinations are not reviewable.

Finally, in explaining that *Cuozzo* did not preclude the Court from reviewing the PTAB’s attempt to control the scope of an IPR after the decision to institute an IPR had been made, the Court said: “Given the strength of this presumption [in favor of review] and the statute’s text, *Cuozzo* concluded that § 314(d) precludes judicial review only of the Director’s ‘initial determination’ under § 314(a) that ‘there is a “reasonable likelihood” that the claims are unpatentable on the grounds asserted’ and review is therefore justified.” *SAS Inst.*, 138 S. Ct. at 1359. This single sentence does not open the door to judicial review of the Board’s time-bar determination under § 315(b). Applying the sentence this way would “overread[] both the statute and [the Court’s] precedent.” *Id.* As explained above, *supra*, at 17–18, “the Director’s ‘initial determination’ under § 314(a),” *i.e.*, Step One of the IPR process, *includes* the Director’s time-bar determination under § 315(b)—because the time bar will be raised in the response to the petition under § 313, and the Director will consider all the issues raised in both the petition and the response under § 314(a). So when the Court stated that § 314(d) “precludes judicial review only of the Director’s ‘initial determination’ under § 314(a),” *id.*, this sentence should be understood as saying that § 314(d) precludes judicial review “only” of the institution decision made at Step One, whereas *SAS*

Institute involved a patentability determination made at Step Two.

C. The Federal Circuit’s justifications for its holding are meritless.

The Federal Circuit in *Wi-Fi One* reasoned that § 314(d)’s restriction on judicial review was narrow because it applied to “[t]he determination . . . whether to institute an inter partes review *under this section*.” 878 F.3d at 1372 (quoting 35 U.S.C. § 314(d)) (emphasis in original). The Federal Circuit opined that the phrase “under this section” incorporates the “reasonable likelihood of prevailing” standard in § 314(a), and § 314(d) unreviewability therefore “is limited to the Director’s determinations closely related to the preliminary patentability determination.”⁸ *Id.* at 1372–73. Thus, in the Federal Circuit’s view, findings made by the PTAB in the institution order that do not relate to the “reasonable likelihood of prevailing” determination are reviewable. *Id.*; *see also id.* at 1376 (O’Malley, J., concurring) (“Section 314(d)’s bar on appellate review is directed to the Director’s assessment of the substantive adequacy of a timely filed petition.”).

The *Wi-Fi One* majority’s reasoning—while maximizing the Federal Circuit’s jurisdiction—is wrong for multiple reasons. First, it misreads the import of the phrase “under this section” in § 314(d). While the AIA imposes several requirements outside of § 314 that must be satisfied before an IPR can be

⁸ The Federal Circuit acknowledged that the Director’s “exercise of discretion not to institute” an IPR would also be unreviewable. *Wi-Fi One*, 878 F.3d at 1373. Because the PTAB instituted an IPR below, such discretion is not relevant here.

instituted, *see supra*, at 4–5, the PTAB’s actual decision whether to institute is made pursuant to § 314. Every decision to institute, therefore, is made “under” § 314, even if the PTAB considers other provisions of the AIA in reaching that determination. *See Wi-Fi One*, 878 F.3d at 1380 (Hughes, J., dissenting) (“[T]he phrase ‘under this section’ simply refers to the fact that inter partes review is instituted under § 314.”).

Second, the *Wi-Fi One* majority’s reasoning is refuted by *Cuozzo*. That case held that § 314(d) “bars judicial review” of the institution decision if the appeal challenges the PTAB’s “reasonable likelihood” finding “*or . . . grounds its claim in a statute closely related to that decision.*” 136 S. Ct. at 2142 (emphasis added). *Cuozzo* therefore recognized that the appeal bar applies to *statutes* other than § 314, so long as they are “closely related” to the institution decision. Section 315(b) is “a *statute* closely related to [the institution] decision,” as it functions expressly as a condition precedent to institution. Contrary to the Federal Circuit’s holding, *Cuozzo* did not limit the appeal bar to “determinations closely related to the preliminary patentability determination.” *Wi-Fi One*, 878 F.3d at 1372–73. Indeed, that *Cuozzo* is not as narrow as the *Wi-Fi One* majority contended is demonstrated by the facts of *Cuozzo* itself. In that case, the patent owner did *not* appeal a preliminary patentability decision under § 314(a), but rather argued that the petition failed to satisfy the particularity requirement located in a *different* provision, § 312(a)(3). *Cuozzo*, 136 S. Ct. at 2142. The Court nonetheless held that § 314(d) precluded review.

In addition, as explained above, *supra*, at 20–23, while other judicial review limitations in the AIA and Patent Act bar appellate review of the application of the substantive institution standard, Congress wrote § 314(d) more broadly, to prohibit review of all aspects of the institution decision. “Congress’ rejection of the very language that would have achieved the result” adopted by the Federal Circuit “weighs heavily against [the Federal Circuit’s] interpretation.” *Hamdan v. Rumsfeld*, 548 U.S. 557, 579–80 (2006).

Finally, the *Wi-Fi One* majority misunderstood *Cuozzo*’s discussion of the “preliminary” nature of the patentability determination in § 314(a). The *Wi-Fi One* majority contended that the time-bar determination “is not akin to either the non-initiation or preliminary-only merits determinations for which unreviewability is common in the law.” 878 F.3d at 1373. Even if this were correct, it is irrelevant. Congress wrote § 314(d) to apply beyond “preliminary-only merits determinations,” and this Court’s “duty, of course, is to respect that choice.” *Califano v. Sanders*, 430 U.S. 99, 108 (1977). By “sidestep[ping] constraints on [its] reviewing authority,” the Federal Circuit “upset the balance that Congress has struck between a host of incommensurate values. It is Congress’s role, not the courts’, to strike that balance.” Nicholas Bagley, *The Puzzling Presumption of Reviewability*, 127 Harv. L. Rev. 1285, 1330 (2014).

D. The purpose of the AIA confirms that timeliness decisions are not appealable.

The plain textual interpretation of § 314(d) is confirmed by the AIA’s purpose. See *Digital Realty*

Tr., Inc. v. Somers, 138 S. Ct. 767, 777 (2018); *Wis. Cent.*, 138 S. Ct. at 2076 (Breyer, J., dissenting).

Congress intended the IPR procedure to “protect the public’s ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’” *Cuozzo*, 136 S. Ct. at 2144 (quoting *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 816 (1945)) (omission in original). Congress contemplated that IPR proceedings would provide a “quick and cost effective alternative[] to litigation” and would “improve patent quality and restore confidence in the presumption of validity that comes with issued patents in court.” House Report 48. The IPR mechanism achieves this result by providing the PTO with “significant power to revisit and revise earlier patent grants.” *Cuozzo*, 136 S. Ct. at 2139–40. Congress specifically intended IPRs to result in faster and cheaper adjudication than either patent litigation in federal court or the previous mechanism of inter partes reexamination. *See* House Report 40 (explaining that the AIA “is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs”).

Several provisions of the AIA work together to ensure the efficiency and speed of the IPR process. At the outset, Congress heightened the standard to initiate the administrative proceeding from that applicable in reexaminations. 157 Cong. Rec. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (“Among the reforms that are expected to expedite these proceedings are . . . the elevated threshold for instituting proceedings. The elevated threshold will require challengers to front load their case.”). While a

“substantial new question of patentability affecting any claim” was sufficient to trigger a reexamination, *see Oil States*, 138 S. Ct. at 1371, the AIA allows institution of an IPR only when “there is a reasonable likelihood that the petitioner would prevail” as to at least one claim, *see* 35 U.S.C. § 314(a). Second, the AIA imposes a strict 18-month time limit on the IPR process after institution. *Id.* § 316(a)(11) (one-year time limit that can be extended up to six months for good cause). Third, while a party dissatisfied with the PTAB’s decision can appeal to the Federal Circuit, it cannot appeal the Board’s decision to institute the IPR in the first place. *Id.* § 314(d). After the parties expended considerable effort and expense to litigate the IPR, and after the Board devoted its limited resources to adjudicating the petition, Congress did not want “the agency’s final decision [to] be unwound under some minor statutory technicality related to its preliminary decision to institute inter partes review.” *Cuozzo*, 136 S. Ct. at 2140.

Judicial review of a timeliness decision under § 315(b) undermines the third mechanism through which Congress intended to ensure the efficiency of the IPR process. Congress simply did not intend to allow the Federal Circuit, after two years or more of litigation, to undo an express finding that one or more claims in a patent are unpatentable, based on the preliminary decision to institute the IPR. “Vacating the Board’s invalidity decision on the basis of threshold questions like timeliness or real parties in interest will squander the time and resources spent adjudicating the actual merits of the petition.” *Wi-Fi One*, 878 F.3d at 1382 (Hughes, J., dissenting). Not only does this result waste the PTAB’s scarce resources, but it also harms the public interest by

permitting the patent owner to continue to enforce an invalid patent,⁹ at least until the conclusion of costly and time-consuming relitigation in federal court (or another IPR) of the very same issues already determined by the PTAB. See *Lear, Inc. v. Adkins*, 395 U.S. 653, 674 (1969); *Pope Mfg. Co. v. Gormully*, 144 U.S. 224, 234 (1892). “The possession and assertion of patent rights are ‘issues of great moment to the public.’” *Precision Instrument Mfg.*, 324 U.S. at 815. It is widely recognized that “invalidly issued patents . . . impose significant costs on society,” such as impeding competition and innovation and leading to “supracompetitive pricing and diminished quantity.”¹⁰ This is an outcome that Congress intended to prevent. See 157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer) (Congress intended IPRs to “ensure that the poor-quality patents can be weeded out through administrative review rather than costly litigation”).

Moreover, judicial review of the timeliness of a petition under § 315(b) would open a Pandora’s box of appellate litigation over tangential issues decided at the institution stage. The PTAB addresses *many* time-

⁹ When IPR petitions resulted in a final written decision, the PTAB has cancelled about 82 percent of the instituted claims reviewed. See Brian J. Love, *et al.*, *Determinants of Patent Quality: Evidence From Inter Partes Review Proceedings*, 90 U. Colo. L. Rev. 67, 107 (2019). The Federal Circuit has affirmed approximately 86 percent of final written decisions that it has reviewed. *Id.* at 102 n.159.

¹⁰ Michael D. Frakes & Melissa F. Wasserman, *Does the U.S. Patent and Trademark Office Grant Too Many Bad Patents?: Evidence from a Quasi-Experiment*, 67 Stan. L. Rev. 613, 620 (2015); see also Jay P. Kesan, *Carrots and Sticks to Create a Better Patent System*, 17 Berkeley Tech. L.J. 763, 767–68 (2002).

bar issues during the institution decision.¹¹ It may be relatively easy for the PTAB to determine whether a particular party was previously served with a specific patent infringement complaint. But the application of § 315(b) is not so straightforward when the Board must decide whether a different entity that was sued for patent infringement is a “real party in interest” or a “privy of the [IPR] petitioner.” 35 U.S.C. § 315(b). Those determinations are intensely factual,¹² often requiring discovery and, naturally, frequently involving discovery disputes. *See Applications in*

¹¹ *E.g., Cree, Inc. v. Document Sec. Sys., Inc.*, No. IPR2018-01223, 2018 WL 6016827 (PTAB Nov. 16, 2018); *FLIR Sys., Inc. v. Garmin Corp.*, No. IPR2018-01490, 2018 WL 5276319 (PTAB Oct. 22, 2018); *Infiltrator Water Techs., LLC v. Presby Patent Tr.*, No. IPR2018-00224, 2018 WL 4773425 (PTAB Oct. 1, 2018); *Intel Corp. v. Alacritech, Inc.*, No. IPR2018-00234, 2018 WL 2740385 (PTAB June 5, 2018); *Mobile Tech, Inc. v. Sennco Sols., Inc.*, No. IPR2017-02199, 2018 WL 1891466 (PTAB Apr. 10, 2018), *modified by* 2018 WL 2010536 (PTAB Apr. 27, 2018); *Semiconductor Components Indus., LLC v. Power Integrations, Inc.*, No. IPR2016-01592, 2018 WL 813000 (PTAB Feb. 8, 2018); *Watson Labs., Inc. v. United Therapeutics Corp.*, No. IPR2017-01622, 2018 WL 396243 (PTAB Jan. 11, 2018), *modified by* 2018 WL 2090630 (PTAB Apr. 30, 2018); *Amneal Pharm., LLC v. Endo Pharm. Inc.*, No. IPR2014-00360, 2018 WL 446628 (PTAB Jan. 10, 2018).

¹² For recent examples of PTAB decisions addressing complex privity or real-party-in-interest determinations, see *Bowtech, Inc. v. MCP IP, LLC*, No. IPR2019-00380, 2019 WL 2894443, at *5–7 (PTAB July 3, 2019); *Unified Patents Inc. v. Bradium Techs. LLC*, No. IPR2018-00952, 2018 WL 6721788, at *3–6 (PTAB Dec. 20, 2018); *Merck Sharp & Dohme Corp. v. GlaxoSmithKine Biologicals SA*, No. IPR2018-01236, 2018 WL 6707892, at *4–5 (PTAB Dec. 18, 2018); *Unified Patents, Inc. v. Realtime Adaptive Streaming, LLC*, No. IPR2018-00883, 2018 WL 6504233, at *6–8 (PTAB Oct. 11, 2018); *Intel Corp. v. Alacritech, Inc.*, No. IPR2018-00226, 2018 WL 2735469, at *7–8 (PTAB June 5, 2018).

Internet Time, LLC v. RPX Corp., 897 F.3d 1336, 1351 (Fed. Cir. 2018) (“Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.”), *cert. denied*, 139 S. Ct. 1366 (2019); *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018) (explaining the “non-exhaustive list of considerations” relevant to privity, including “(1) an agreement to be bound; (2) pre-existing substantive legal relationships between the person to be bound and a party to the judgment . . . ; (3) adequate representation by someone with the same interests who was a party . . . ; (4) assumption of control over the litigation in which the judgment was rendered; (5) where the nonparty to an earlier litigation acts as a proxy for the named party to relitigate the same issues; and (6) a special statutory scheme expressly foreclosing successive litigation by nonlitigants”), *cert. denied*, 139 S. Ct. 1216 (2019). Instead of beginning and ending those disputes at the PTAB, they are now fodder for Federal Circuit appeals.¹³ This is directly contrary to Congress’s intent to create a “quick and cost effective alternative[] to litigation.” House Report 48.

Further, the application of “real party in interest” and “privity” in § 315(b) is just the start of the collateral issues that the Federal Circuit, and potentially this Court, will be required to resolve on

¹³ *E.g.*, *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306 (Fed. Cir. 2019); *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237 (Fed. Cir. 2018).

appeal. Others include the declaratory-judgment bar in 35 U.S.C. § 315(a)(1), the petitioner-estoppel provision in § 315(e)(1), the provisions of § 325(d) applicable when an IPR and post-grant review involving the same patent are pending simultaneously, and the statutory discretion to consider whether the same or substantially the same prior art or arguments were presented to the PTO previously, *see id.* § 325(d). Appeals on such questions are precisely what Congress intended to avoid—but which the Federal Circuit now allows.

Finally, judicial review of the PTAB’s timeliness determinations is directly contrary to the substantial power Congress chose to give the Board. In order to “improve patent quality and restore confidence in the presumption of validity” in issued patents, House Report 48, Congress entrusted the Board with “significant power to revisit and revise earlier patent grants”—including the power to continue an IPR proceeding and invalidate a patent claim “even after the original petitioner settles and drops out.” *Cuozzo*, 136 S. Ct. at 2139–40; *see* 35 U.S.C. § 317(a) (“If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).”). Providing the Board with such broad power reflects the importance Congress placed on “screen[ing] out bad patents.” 157 Cong. Rec. H4425 (daily ed. June 22, 2011) (statement of Rep. Goodlatte); *see also* 157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer) (noting the AIA would “ensure that the poor-quality patents can be weeded out”). Allowing judicial review to upset the expert agency’s determination of patent invalidity, based not on disagreement with the substance of its patentability decision but instead on

a tangential preliminary issue like timeliness, would undermine this critical congressional purpose by allowing invalid patents to persist for additional months or years.

CONCLUSION

For the foregoing reasons, the Court should reverse the judgment of the Court of Appeals.

Respectfully submitted.

MITCHELL G. STOCKWELL
THURSTON WEBB
AMANDA N. BROUILLETTE
KILPATRICK TOWNSEND
& STOCKTON LLP
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309
(404) 815-6500

SHANNON STRAW
THRYV, INC.
611 N. Brand Blvd.
3rd Floor
Glendale, CA 91203
(818) 649-8772

ADAM H. CHARNES
Counsel of Record
JASON P. STEED
KILPATRICK TOWNSEND
& STOCKTON LLP
2001 Ross Avenue
Suite 4400
Dallas, TX 75201
(214) 922-7106
acharnes
@kilpatricktownsend.com

Counsel for Petitioner

APPENDIX

APPENDIX A
THE AMERICA INVENTS ACT
35 U.S.C. §§ 311–319

§ 311. Inter partes review

(a) In General.—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.

(b) Scope.—A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

(c) Filing Deadline.—A petition for inter partes review shall be filed after the later of either—

- (1) the date that is 9 months after the grant of a patent; or
- (2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

§ 312. Petitions

(a) Requirements of Petition.—A petition filed under section 311 may be considered only if—

- (1) the petition is accompanied by payment of the fee established by the Director under section 311;
- (2) the petition identifies all real parties in interest;

(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including—

(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and

(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions;

(4) the petition provides such other information as the Director may require by regulation; and

(5) the petitioner provides copies of any of the documents required under paragraphs (2), (3), and (4) to the patent owner or, if applicable, the designated representative of the patent owner.

(b) Public Availability.—As soon as practicable after the receipt of a petition under section 311, the Director shall make the petition available to the public.

§ 313. Preliminary response to petition

If an inter partes review petition is filed under section 311, the patent owner shall have the right to file a preliminary response to the petition, within a time period set by the Director, that sets forth reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.

§ 314. Institution of inter partes review

(a) Threshold.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

(b) Timing.—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after—

(1) receiving a preliminary response to the petition under section 313; or

(2) if no such preliminary response is filed, the last date on which such response may be filed.

(c) Notice.—The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

(d) No Appeal.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

§ 315. Relation to other proceedings or actions

(a) Infringer's Civil Action.—

(1) Inter partes review barred by civil action.—An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil

action challenging the validity of a claim of the patent.

(2) Stay of civil action.—If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for inter partes review of the patent, that civil action shall be automatically stayed until either—

(A) the patent owner moves the court to lift the stay;

(B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent; or

(C) the petitioner or real party in interest moves the court to dismiss the civil action.

(3) Treatment of counterclaim.—A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

(b) Patent Owner's Action.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

(c) Joinder.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary

response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

(d) Multiple Proceedings.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

(e) Estoppel.—

(1) Proceedings before the office.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

(2) Civil actions and other proceedings.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any

ground that the petitioner raised or reasonably could have raised during that inter partes review.

§ 316. Conduct of inter partes review

(a) Regulations.—The Director shall prescribe regulations—

(1) providing that the file of any proceeding under this chapter shall be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the ruling on the motion;

(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a);

(3) establishing procedures for the submission of supplemental information after the petition is filed;

(4) establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title;

(5) setting forth standards and procedures for discovery of relevant evidence, including that such discovery shall be limited to—

(A) the deposition of witnesses submitting affidavits or declarations; and

(B) what is otherwise necessary in the interest of justice;

(6) prescribing sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an

unnecessary increase in the cost of the proceeding;

(7) providing for protective orders governing the exchange and submission of confidential information;

(8) providing for the filing by the patent owner of a response to the petition under section 313 after an inter partes review has been instituted, and requiring that the patent owner file with such response, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response;

(9) setting forth standards and procedures for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substitute claims, and ensuring that any information submitted by the patent owner in support of any amendment entered under subsection (d) is made available to the public as part of the prosecution history of the patent;

(10) providing either party with the right to an oral hearing as part of the proceeding;

(11) requiring that the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review under this chapter, except that the Director may, for good cause shown, extend the 1-year period by not more than 6 months, and may adjust the time periods in this paragraph in the case of joinder under section 315(c);

(12) setting a time period for requesting joinder under section 315(c); and

(13) providing the petitioner with at least 1 opportunity to file written comments within a time period established by the Director.

(b) Considerations.—In prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.

(c) Patent Trial and Appeal Board.—The Patent Trial and Appeal Board shall, in accordance with section 6, conduct each inter partes review instituted under this chapter.

(d) Amendment of the Patent.—

(1) In general.—During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

(A) Cancel any challenged patent claim.

(B) For each challenged claim, propose a reasonable number of substitute claims.

(2) Additional motions.—Additional motions to amend may be permitted upon the joint request of the petitioner and the patent owner to materially advance the settlement of a proceeding under section 317, or as permitted by regulations prescribed by the Director.

(3) Scope of claims.—An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.

(e) Evidentiary Standards.—In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.

§ 317. Settlement

(a) In General.—An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. If the inter partes review is terminated with respect to a petitioner under this section, no estoppel under section 315(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that inter partes review. If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).

(b) Agreements in Writing.—Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an inter partes review under this section shall be in writing and a true copy of such agreement or understanding shall be filed in the Office before the termination of the inter partes review as between the parties. At the request of a party to the proceeding, the agreement or understanding shall be treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on

written request, or to any person on a showing of good cause.

§ 318. Decision of the Board

(a) Final Written Decision.—If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).

(b) Certificate.—If the Patent Trial and Appeal Board issues a final written decision under subsection (a) and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.

(c) Intervening Rights.—Any proposed amended or new claim determined to be patentable and incorporated into a patent following an inter partes review under this chapter shall have the same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation therefor, before the issuance of a certificate under subsection (b).

(d) Data on Length of Review.—The Office shall make available to the public data describing the length of time between the institution of, and the

issuance of a final written decision under subsection (a) for, each inter partes review.

§ 319. Appeal

A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) may appeal the decision pursuant to sections 141 through 144. Any party to the inter partes review shall have the right to be a party to the appeal.

APPENDIX B

35 U.S.C. § 141(c)

§ 141(c). Appeal to Court of Appeals for the Federal Circuit

Post-Grant and Inter Partes Reviews.—A party to an inter partes review or a post-grant review who is dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) or 328(a) (as the case may be) may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit.

APPENDIX C**35 U.S.C. § 312 (2010 ed.) (repealed 2011)****§ 312. Determination of issue by Director**

(a) Reexamination.—Not later than 3 months after the filing of a request for inter partes reexamination under section 311, the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.

(b) Record.—A record of the Director's determination under subsection (a) shall be placed in the official file of the patent, and a copy shall be promptly given or mailed to the owner of record of the patent and to the third-party requester.

(c) Final Decision.—A determination by the Director under subsection (a) shall be final and non-appealable. Upon a determination that no substantial new question of patentability has been raised, the Director may refund a portion of the inter partes reexamination fee required under section 311.