No. 18-916

In the Supreme Court of the United States

THRYV, INC., FKA DEX MEDIA, INC., PETITIONER

v.

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

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BRIEF FOR RESPONDENT CLICK-TO-CALL TECHNOLOGIES, LP

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QUESTION PRESENTED

This case asks whether Congress barred all judicial review, ever, of the USPTO's interpretation of a key provision of the America Invents Act's statutory framework for inter partes review.

Under 35 U.S.C. 315(b), Congress placed an express limit on the USPTO's institution authority: "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." 35 U.S.C. 315(b) (emphasis added).

According to the government and petitioner, the USPTO has the exclusive authority to say what this provision means, and no court may question the agency's interpretation of this express limit on its own power. They base this argument on 35 U.S.C. 314(d), which cuts off an enumerated category of appeals: "The determination by the Director whether to institute an inter partes review *under this section* shall be final and nonappealable" (emphasis added). The government and petitioner maintain that Section 314(d) forecloses review of questions under Section 315(b), even though Section 315(b) does not arise "under this section" (*i.e.*, Section 314).

The question presented is:

Whether Section 314(d) forecloses judicial review of any question bearing on the institution decision, including the agency's interpretation of the time bar in Section 315(b).

PARTIES TO THE PROCEEDING BELOW AND RULE 29.6 STATEMENT

Petitioner is Thryv, Inc., formerly known as Dex Media, Inc. Respondents are Click-to-Call Technologies, LP, and Andrei Iancu, the Director of the U.S. Patent and Trademark Office.

Click-To-Call Technologies, LP, has no parent corporation, and no publicly held company owns 10% or more of its stock.

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INTRODUCTION

At its irreducible core, this case asks whether the USPTO has the unreviewable power to define the scope of its own jurisdiction. Under Section 315(b), Congress placed a clear limit on the Board's institution authority, directing that inter partes review "may not be instituted" over time-barred petitions. Yet according to the government and petitioner, the USPTO has the exclusive authority to say what this statutory restriction means, and Section 314(d) prohibits the courts from reviewing the USPTO's interpretation of its own power.

This is wrong. Even taken at face value, their position is extraordinary: it says the USPTO can assert authority that Congress never intended to give it; institute review

over a time-barred petition contrary to Congress's express directives; and avoid any judicial review, ever, even if the agency's construction misreads the core limits on its power—as the agency now admits was the case here. If Congress truly wished to erase all judicial review over the IPR statutory framework, it would have made that unusual intention unmistakably clear. Section 314(d)'s actual text is far more limited. The Federal Circuit correctly construed the statutory framework, and petitioner's theory is incompatible with the strong presumption favoring judicial review and this Court's decisions, which have already rejected the government's sweeping understanding of Section 314(d).

Under a proper construction, the judiciary retains its usual power to "set aside agency action 'not in accordance with law' or 'in excess of statutory jurisdiction, authority, or limitations.'" *SAS Inst., Inc.* v. *Iancu*, 138 S. Ct. 1348, 1359 (2018) (quoting 5 U.S.C. 706(2)(A), (C)). The government and petitioner err in asking the Court to invite the agency to supplant the judiciary's traditional role in saying what the law is. The judgment below should be affirmed.

STATUTORY PROVISIONS INVOLVED

The relevant portions of the Patent Act of 1952, 35 U.S.C. 1 *et seq.*, and the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, are reproduced in the appendix to the government's brief (App. 1a-23a). The relevant portions of the Administrative Procedure Act (APA), 5 U.S.C. 701 *et seq.*, are reproduced in an appendix to this brief (App., *infra*, 1a-3a).

STATEMENT

1. In 2011, Congress created a process called inter partes review as part of the AIA. This new mechanism "allows a third party to ask the U.S. Patent and Trademark Office to reexamine the claims in an already-issued patent and to cancel any claim that the agency finds to be unpatentable in light of prior art." *Cuozzo Speed Techs., LLC* v. *Lee*, 136 S. Ct. 2131, 2136 (2016). Even though this review process involves granted patents, it is conducted in agency proceedings before Article I judges.[1]

a. The statutory scheme creates a functional division between issues delegated to agency discretion and issues restricting agency power. Section 314 falls on the side of discretion. It sets out a process that the agency must conduct in order to grant inter partes review. It starts with a "[t]hreshold" determination, requiring the Director to identify a "reasonable likelihood that the petitioner would prevail with respect to at least 1 of the [challenged] claims." 35 U.S.C. 314(a). It then imposes a "[t]iming" requirement, setting out the deadline for the Director to "determine whether to institute an inter partes review under this chapter." 35 U.S.C. 314(b). It next includes a "[n]otice" provision, for informing the parties, "in writing, of the Director's determination under subsection (a)." 35 U.S.C. 314(c). And it finally concludes with a "[n]o [a]ppeal" provision, which cuts off a defined set of appeals: "The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable." 35 U.S.C. 314(d).

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[1] The government's brief examines in detail both the statutory scheme and the procedural history. Respondent offers this concise statement to avoid repeating those points.

Other provisions fall in the category of mandatory restrictions on agency power. These provisions, such as Section 315(b), impose direct commands regarding things the agency may *not* do: "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." 35 U.S.C. 315(b). The "restrictions" imposed by these requirements are designed to balance important interests between patent owners and accused infringers, as well as systemic interests between the agency and courts. U.S. Br. 36 ("the restrictions imposed by Section 315 are intended to manage the burden on patent owners ad minimize the wasted resources that duplicative judicial and administrative proceedings might entail").

b. The Director delegated his institution authority to the USPTO's Patent Trial and Appeal Board. 37 C.F.R. 42.104(a)-(b). Each panel interprets Chapter 31's operative statutes independently; one panel generally cannot bind other panels, unless the agency elects to convene its new Precedential Opinion Panel, which can create (or upset) precedent in individual cases. See U.S. Br. 5-6. Nothing prevents that panel from revisiting old issues or reversing outcomes with each new administration.

2. Petitioner sought inter partes review in this case in 2013. See Pet. App. 144a. After more than half a decade of litigation, multiple trips to the Federal Circuit and this Court, intervening decisions from the Federal Circuit sitting en banc, and intervening decisions from this Court shaping the landscape, respondent finally prevailed before the Federal Circuit. That court held that the agency misinterpreted Section 315(b) and exceeded its authority by instituting review over a time-barred petition. See Pet. App. 47a, 73a; see also *id.* at 34a (holding, under *Wi-Fi*

One, LLC v. *Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (en banc), that the panel had jurisdiction notwithstanding Section 314(d)).

Petitioner sought review on both questions—the availability of judicial review and the proper interpretation of Section 315(b). In response to the petition, the government conceded, for the first time, that the agency had indeed misinterpreted Section 315(b). It thus admitted that the USPTO had instituted review over a time-barred petition, in violation of the controlling statutory framework. Even though the government conceded that error, it still argued that, under Section 314(d), no court should be permitted to review the USPTO's construction of statutes like Section 315(b). This Court granted certiorari limited to the jurisdictional question. See 139 S. Ct. 2742.

SUMMARY OF ARGUMENT

This case concerns important issues about administrative law and judicial power. According to petitioner and the government, Congress delegated the judicial function to an administrative agency, gave that agency unfettered discretion to say what the law is, and then instructed that no Article III court, ever, at any level, may review the agency's interpretation of the statutory limits on its own power.

Petitioner and the government are wrong. Under Section 315(b), Congress placed a clear limit on the USPTO's authority, and nothing in Section 314(d) suggests that Congress left the agency as the sole arbiter of its own jurisdiction. If Congress genuinely intended such an extraordinary departure from the most traditional norms of judicial review, one would expect to see that intent reflected in the clearest possible fashion. Nothing in the AIA remotely surpasses that threshold. The judgment should be affirmed.

I. There is a strong traditional presumption favoring judicial review, and that presumption cannot be overcome without a compelling showing. Judicial review is necessary to check executive action and secure the separation of powers; it ensures that agencies respect statutory limits on their authority. Congress rarely instructs agencies to follow certain rules while leaving the agency unchecked to enforce those limits. And those same presumptions are codified in the APA, which broadly authorizes injured parties to seek judicial recourse for unlawful agency action.

Given the strength of these presumptions, any ambiguity in the law is construed to *preserve* Article III authority; judicial review is not cut off if the statute is susceptible to any contrary reading.

II. Every relevant factor makes clear that courts have the authority to review the USPTO's construction of Section 315(b), and nothing in Section 314(d) forecloses the judiciary's role in cabining the agency to its proper bounds.

A. The proper outcome is clear from a straightforward reading of the operative text. Section 314(d)'s plain text limits its focus to the Director's single determination "under th[at] section." That "determination" is found in Section 314(a), not Section 315(b)—which, numerically, is *not* "under th[at] section." If Congress wished to capture other limits on the agency's authority, it would have extended Section 314(d) to any determination "under this *chapter*." It used that different formulation repeatedly throughout Chapter 31, and there is no basis for thinking that choice was not deliberate.

This message is reinforced by the different phrasing Congress employed in Sections 314(d) and 315(b). The former grants the Director discretion to make a decision; the latter is an outright ban on agency authority. That leaves

Section 314(d)'s language a poor fit for Section 315(b)'s absolute prohibition on agency action.

B. Section 314(d)'s plain-text interpretation is confirmed by its context and structure. First, it would make little sense for Congress to place the "no appeal" provision in Section 314 if it wished to capture determinations made in other sections; the better explanation—especially in light of Congress's careful choice of the term "under this *section*"—is that Congress was indeed focused on the initial merits determination found in Section 314(a), not statutory limits imposed elsewhere in that *chapter*.

Nor would it be natural for Congress to articulate a series of detailed, precise limits on agency authority while simultaneously abrogating the judiciary's traditional role in enforcing those limits. Congress is not in the habit of handing agencies blank checks; it is especially not in that habit after announcing a reticulated scheme to cabin agency authority.

Nor is there any reason to think that Congress would delegate these particular legal issues to PTAB judges. The prohibitions in Section 315(b) implicate legal issues of general applicability; they do not implicate patent-specific knowledge, and there is no reason to think that PTAB judges would outperform Article III judges in saying what the law is.

A broad ban on judicial review is also inconsistent with Section 319, which broadly authorizes a full appeal from the agency's "final written decision." Any party "dissatisfied" with the final decision may appeal, and Congress did not place any limits on the subjects eligible for appellate challenge. This is consistent with the merger doctrine and the APA's Section 704, both of which permit parties to raise interlocutory issues upon a final order. Further, if parties can challenge the agency's invocation of the wrong

statute to invalidate a patent, surely parties can also challenge the agency's invocation of the wrong petition to institute review. In each instance, the agency exceeds its statutory authority, and judicial review is necessary to cabin the agency to its proper bounds.

C. A sweeping reading of Section 314(d) is also incompatible with this Court's directive that jurisdictional rules must be clear. Respondent's rule is clear, workable, and predictable. It isolates the agency's preliminary merits determination under Section 314(a)—just as Section 314(d) directs—and leaves all other questions subject to traditional appellate review.

The government's and petitioner's proposed rule, by contrast, promises only uncertainty and confusion. Under their theory, courts must somehow determine which provisions of the AIA are sufficiently "close" (whatever that means) to the Section 314(a) determination. But there is no clear yardstick for measuring that kind of theoretical concept; the results will be unprincipled and unworkable, and will generate unnecessary litigation at the jurisdictional stage—the one stage where clarity and certainty is most prized in Article III disputes.

D. This Court has already rejected the foundation of the government's and petitioner's argument in *SAS Institute* v. *Iancu*, 138 S. Ct. 1348 (2018). *SAS Institute* confirms that the Federal Circuit was correct in *Wi-Fi One*: the agency does not have unreviewable authority to construe the outer limits of its own power; there is no indication (much less a *clear and convincing* one) that Congress stripped the courts of their traditional reviewing function; and *Cuozzo*, correctly understood, limits Section 314(d)'s bar to the Director's institution decision *under Section 314(a)*—not the Director's interpretation of the entire statutory framework. Nothing in the government's or petitioner's brief casts any doubt on these core propositions.

E. Protecting judicial review also advances Congress's objectives in the AIA. Congress inserted the restrictions on agency authority for a reason; those restrictions temper the hardships and costs of inter partes review on patent owners, and they prevent the waste and abuse that might tax judicial and party time and resources. It does little good to calibrate the public's interest if no court is available to enforce the calibration.

The government and petitioner trot out a series of counterarguments, but none has any merit. It is bizarre to suggest that Congress's statutory aims are frustrated by—*enforcing the statute*. While judicial review may ultimately toss certain USPTO invalidity rulings, any costs "squandered" in an individual proceeding are more than outweighed by the costs *saved* on a systemic level. And while the government and petitioner (and their amici) suggest unfairness in leaving "invalid" patents on the books, they simply ignore that the agency decision is not always right; the USPTO is reversed about one in four times, meaning that many of the *vacated* decisions would be *reversed* decisions had the parties proceeded to the merits.

F. Even if a Section 315(b) issue decided at the institution stage were somehow barred from review, Section 319 presents a separate avenue here for judicial relief: the agency decided this Section 315(b) question *both in its institution decision and again in its final written decision*, giving respondent a clear basis for being "dissatisfied" with the direct substance of the final decision.

G. The government's and petitioner's remaining arguments are meritless. Petitioner repeatedly refuses to grapple with Section 314(d)'s *actual* text, eliding or truncating the key phrase ("under this section") in critical parts of its brief. And while petitioner is undoubtedly correct that the agency is instructed to consider the patent

owner's response in deciding the "[t]hreshold" merits issue under Section 314(a), petitioner is wrong that this means the agency is tasked (*under Section 314(a)*) with deciding the Section 315(b) time-bar issue. The text could not be any clearer: Section 314(a) covers a single issue, nothing more, and that issue is the preliminary merits decision that is virtually always washed away with the final judgment.

Finally, the government and petitioner argue that the linguistic differences between Section 314(d) and Section 303(c) and former Section 312(c) prove that Congress implicitly endorsed a broader appeal bar in Section 314(d). This is baseless. All three statutes say effectively the same thing in only slightly different ways. The most significant difference is one that does not help the government or petitioner: Section 303(c) targeted only *negative* institution decisions, leaving *affirmative* grants theoretically available for appeal. Congress could not repeat that formulation in Section 314(d) without adopting a reading of the provision that *no one* endorses.

In the end, this is not a difficult case. Under the strong presumption favoring judicial review, the agency will not be permitted to act as the sole arbiter of the meaning of federal law without a clear and convincing showing in the AIA's scheme. Yet every relevant factor—even without any thumb on the scale—points decidedly in favor of judicial review, which is likely why *SAS Institute* has effectively endorsed respondent's position.

The government admits that it exceeded its statutory authority in instituting an inter partes review, and but-for the availability of judicial review, respondent would never have had the opportunity to correct the agency's unauthorized action. Because Congress did not let the agency define the scope of its own jurisdiction, the judgment below should be affirmed.

ARGUMENT

CONGRESS DID NOT BAR ALL JUDICIAL REVIEW OVER THE USPTO'S INTERPRETATION OF THE AIA'S STATUTORY SCHEME

I. THE STRONG PRESUMPTION FAVORING JUDICIAL REVIEW PRESERVES THE COURTS' TRADITIONAL ROLE IN ENFORCING STATUTORY LIMITS ON AGENCY ACTION

A. 1. "Judicial review of administrative action is the norm in our legal system." *Mach Mining, LLC* v. *EEOC*, 135 S. Ct. 1645, 1656 (2015). "'Very rarely do statutes withhold judicial review,'" and "[i]t has never been the policy of Congress to prevent the administration of its own statutes from being judicially confined to the scope of authority granted or to the objectives specified.'" *Bowen* v. *Mich. Acad. of Family Physicians*, 476 U.S. 667, 671 (1986) (quoting S. Rep. No. 752, 79th Cong., 1st Sess. 26 (1945)).

These bedrock principles are reflected in a "strong presumption favoring judicial review." *Mach Mining*, 135 S. Ct. at 1653. This presumption is "'well-settled'": "Congress legislates with knowledge of the presumption," and it takes "clear and convincing evidence" to set it aside. *Kucana* v. *Holder*, 558 U.S. 233, 251-252 (2010) (internal quotation marks omitted). This presumption protects the proper role of the judiciary in construing federal statutes, and it ensures that agencies act within the confines of their statutory authority. Without this review, an agency's "compliance with the law would rest in the [agency's] hands alone," *Mach Mining*, 135 S. Ct. at 1652; it would become "the unreviewable arbiter" of whether it had complied with the limits imposed on its own power, *Smith* v. *Berryhill*, 139 S. Ct. 1765, 1777 (2019).

While this strong presumption is "rebuttable," "the burden for rebutting it is heavy." *Smith*, 139 S. Ct. at 1777

(internal quotation marks omitted). "When a statute is 'reasonably susceptible to divergent interpretation, we adopt the reading that accords with traditional understandings and basic principles: that executive determinations generally are subject to judicial review.'" *Kucana*, 558 U.S. at 251 (quoting *Gutierrez de Martinez* v. *Lamagno*, 515 U.S. 417, 434 (1995)). It is thus the exceedingly rare situation where an agency alone gets to say what federal law means.

2. Although the government acknowledges this traditional standard, it incorrectly attempts to water it down. U.S. Br. 25-26. It never recognizes the presumption's strength; it fails to acknowledge that any ambiguity is construed in favor of *preserving* judicial review; and, remarkably, it even attributes *to the Federal Circuit* the "clear and convincing" showing required to set it aside, U.S. Br. 25 ("The Federal Circuit viewed that presumption as requiring a 'clear and convincing' indication that Congress intended to prohibit review.").

This is disingenuous. This Court has already affirmed the "strength of th[e] presumption" in this very context, *SAS Inst., Inc.* v. *Iancu*, 138 S. Ct. 1348, 1359 (2018), and the "clear and convincing" showing was not invented by the Federal Circuit, but by this Court: as "*Cuozzo* explained, *this Court's precedents* require 'clear and convincing indications' that Congress meant to foreclose review." *Ibid.* (emphasis added); see also, *e.g.*, *Bowen*, 476 U.S. at 671-672 (explaining that "[t]his standard has been invoked time and again when considering whether the [agency] has discharged 'the heavy burden of overcoming the strong presumption that Congress did not mean to prohibit all judicial review of [its] decision'").

The government may prefer to meet a lower standard, but that ship has sailed: this Court has "long applied a

strong presumption favoring judicial review of administrative action." *Mach Mining*, 135 S. Ct. at 1653.

B. This traditional presumption is consistent with the longstanding principles of judicial review in the APA. The APA codifies the judiciary's critical role in our nation's "regime of separate and divided powers." *Bowen*, 476 U.S. at 670-671. It affords a broad right of review to persons "suffering legal wrong because of agency action." 5 U.S.C. 702. It instructs the reviewing court to "decide all relevant questions of law" and "interpret constitutional and statutory provisions." 5 U.S.C. 706. And it mandates that the "reviewing court shall * * * hold unlawful and set aside agency action, findings, and conclusions" that are "not in accordance with law" or "in excess of statutory jurisdiction, authority, or limitations, or short of statutory right." 5 U.S.C. 706(2)(A), (C).

While only "final agency action" is generally subject to judicial review, the APA further confirms that "[a] preliminary, procedural, or intermediate agency action or ruling not directly reviewable is subject to review on the review of the final agency action." 5 U.S.C. 704. And although the APA can be displaced "to the extent" that a "statute[] preclude[s] judicial review," 5 U.S.C. 701(a)(1), such a finding must be made consistent with "the strong presumption in favor of judicial review," *SAS Inst.*, 138 S. Ct. at 1359 (internal quotation marks omitted); see also *Abbott Labs.* v. *Gardner*, 387 U.S. 136, 140-141 (1967).

This Court has squarely held that the APA applies to cases reviewing USPTO final decisions, *Dickinson* v. *Zurko*, 527 U.S. 150, 152 (1999), and it accordingly authorizes courts to set aside the USPTO's actions exceeding its statutory authority. See, *e.g.*, *SAS Inst.*, 138 S. Ct. at 1359; *Cuozzo*, 136 S. Ct. at 2142. This again furthers Congress's important interest in avoiding unchecked agency action.

See, *e.g.*, *Weyerhaeuser Co.* v. *U.S. Fish & Wildlife Serv.*, 139 S. Ct. 361, 370 (2018).

II. CONGRESS DID NOT GRANT THE USPTO THE UNREVIEWABLE POWER TO DEFINE THE SCOPE OF ITS OWN JURISDICTION

A. Section 314(d)'s Plain Text Establishes That Congress Did Not Bar Judicial Review Over The Agency's Construction Of Section 315(b)

1. a. Statutory interpretation starts with the text (*e.g.*, *Henson* v. *Santander Consumer USA Inc.*, 137 S. Ct. 1718, 1721 (2017)), and the text here is unambiguous. On its face, Section 314(d) is expressly limited to the Director's "determination" *under Section 314*: "The determination by the Director whether to institute inter partes review *under this section* shall be final and nonappealable." 35 U.S.C. 314(d) (emphasis added). That language targets determinations under a single section (Section 314), and it leaves no room for stripping judicial review over provisions found *elsewhere* in Chapter 31, including Section 315(b).

That plain language is dispositive here. Section 314(d)'s bar is textually limited to "this section," and Section 315(b) is unquestionably *outside* that section. Congress imposed a series of limits on the agency's power to conduct inter partes review. If Congress wanted to eliminate judicial review over all those restrictions, it would have at least extended Section 314(d)'s bar to determinations made "under this *chapter*." Congress used that broader formulation throughout the Act, including in a *neighboring provision of Section 314 itself*. See 35 U.S.C. 314(b) (setting a three-month deadline for the Director to "institute an inter partes review *under this chapter*"); see also, *e.g.*, 35 U.S.C. 313 (authorizing patentee's response to "set[] forth reasons why no inter partes review should be instituted" under "any requirement *of this chapter*")

(emphasis added); 35 U.S.C. 316(d)(1) (authorizing motions to amend during "an inter partes review instituted *under this chapter*") (emphasis added); 35 U.S.C. 316(e) (setting evidentiary standards in "an inter partes review instituted *under this chapter*") (emphasis added).

Congress did not use contrasting terms in adjacent provisions for them to assume the same meaning. See, *e.g.*, *Nken* v. *Holder*, 556 U.S. 418, 430 (2009); *Russello* v. *United States*, 464 U.S. 16, 23 (1983). The fact that Congress wrote "under this *chapter*" (not "under this *section*") in Section 314(b) shows that Congress knows exactly how to use that broader language where it so wishes. Yet Congress did not use that language in Section 314(d), despite using it two subsections earlier. Even without the strong presumption favoring judicial review, that linguistic choice was plainly deliberate.

Moreover, any contrary reading of the operative clause ("under this section") would impermissibly render it surplusage. See *Roberts* v. *Sea-Land Servs.*, 566 U.S. 93, 111 (2012); *United States* v. *Jicarilla Apache Nation*, 564 U.S. 162, 185 (2011). If Section 314(d) cuts off judicial review over any "institution" determination made anywhere in Chapter 31, then "under this section" has no meaning. Section 314(d) would mean exactly the same thing with or without it; in fact, Congress could replace "section" with "chapter" and it would have the identical effect. That is not the way Congress writes statutes, and it is not the way this Court construes them—especially, again, when such a reading leaves an agency's construction of federal law unreviewable in any court.

b. It is also clear which "determination" Congress had in mind when it wrote Section 314(d)—its natural referent was the "[t]hreshold" *merits* determination under Section 314(a).

That determination is the only substantive determination referenced in the entire "section." It is the single place where "the Director" is required to "*determine[]*" anything, and what he is required to "determine" is telling: "[t]he Director may not authorize an inter partes review to be instituted *unless* the Director determines * * * there is a *reasonable likelihood*" that the petitioner would prevail. 35 U.S.C. 314(a) (emphases added). That kind of initial, tentative assessment is often unreviewable either because any prejudice is "washed clean" by the *final* merits decision, *In re Hiniker Co.*, 150 F.3d 1362, 1367 (Fed. Cir. 1998); cf. *Ortiz* v. *Jordan*, 562 U.S. 180, 184 (2011), or because the question is committed to agency discretion by law, 5 U.S.C. 701(a)(2)—making it a comfortable fit for Section 314(d). See *Cuozzo*, 136 S. Ct. at 2140 ("the kind of initial determination at issue here—that there is a 'reasonable likelihood' that the claims are unpatentable on the grounds asserted—is akin to decisions which, in other contexts, we have held to be unreviewable"). The same is not true of *other* preconditions to inter partes review found elsewhere "in this *chapter*." 35 U.S.C. 314(b) (emphasis added); see also, *e.g.*, *Wi-Fi One*, 878 F.3d at 1374 ("Enforcing statutory limits on an agency's authority to act is precisely the type of issue that courts *have* historically reviewed.") (emphasis added).[2]

The determination under subsection (a) is also exactly like the same limited determinations that Congress cut off

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[2] Section 314(b), entitled "[t]iming," imposes a *deadline* for the Director to "institute an inter partes review under this *chapter*." 35 U.S.C. 314(b) (emphasis added). Its command is procedural only, it confirms that the agency's authority turns on factors in "this chapter" (*i.e.*, outside "this section"), and it covers a deadline, not the Director's discretionary "determination"—yes or no—"whether" to do something.

from review before the AIA (in both ex parte reexamination and inter partes reexamination). All sides agree that Sections 303(c) and former 312(c) preclude review *only* of the initial merits determination; those sections did not eliminate judicial review over the agency's construction of any federal statute or obstruct the judiciary's usual power to "set aside agency action 'not in accordance with law' or 'in excess of statutory jurisdiction, authority, or limitations.'" *SAS Inst.*, 138 S. Ct. at 1359 (quoting 5 U.S.C. 706(2)(A), (C)). Nothing in the AIA's text indicates Congress's (silent) desire for a sharp break from this historical trend—let alone to prevent the judiciary from enforcing Congress's own limits on agency authority.

Section 314(a) thus isolates a "determin[ation]" *under this section* that the Director must make to "institute[]" inter partes review. 35 U.S.C. 314(a). It is consistent with the "character" of decisions that are prime candidates for an appeal bar, *Kucana*, 558 U.S. at 247 (finding this factor "significant"), and it aligns with the statutory history of related provisions in Sections 303(c) and 312(c) (2000) (*id.* at 249 (using this factor to "corroborate[]" the Court's construction). There is no reason to strain Section 314(d)'s plain language to sweep in requirements *not* found "under this section," when subsection (a) supplies an actual determination that is a perfect fit for what subsection (d) actually says.

While this conclusion is hotly contested in this case, it is not genuinely disputed in this Court's decisions. The natural reading of Section 314 is the same one this Court has already embraced twice in the past three years: "§ 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.'" *SAS Inst.*, 138 S. Ct. at 1359 (quoting *Cuozzo*, 136 S. Ct. at 2140) (emphasis added). There is

no basis for believing that this Court (or Congress) misspoke. The "only" determination thus insulated under Section 314(d) is the "initial determination" made "under this section" in *subsection (a)*. The judiciary retains its traditional Article III authority to say what the law is elsewhere in Chapter 31.[3]

2. This plain-text reading is independently reinforced by the terms Congress chose for both Section 314(d) and Section 315(b).

Section 314(d) forecloses review of the Director's "determination * * * *whether*" to proceed. The use of the words "determination" and "whether" implies the Director has discretion to make a decision. But there is no room for any *decision* under Section 315(b). That section imposes an outright bar on the agency's authority. It says "[a]n inter partes review *may not* be instituted" if the petition is late. 35 U.S.C. 315(b) (emphasis added). It does not use any words granting the agency the right to "determine" anything, and it does not even reference "the Director" as the person making the decision. It simply serves as a direct prohibition on instituting review—full stop.

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[3] Although the challenge in *Cuozzo* was nominally based on Section 312(a)(3), it was in effect a challenge to the agency's "reasonable likelihood" determination under Section 314(a). See *SAS Inst.*, 138 S. Ct. at 1359 ("[a] claim that a 'petition was not pleaded "with particularity" under § 312 is little more than a challenge to the Patent Office's conclusion, under § 314(a), that the "information presented in the petition" warranted review'") (quoting *Cuozzo*, 136 S. Ct. at 2142). In any event, it would be the exceedingly rare case where a Section 312(a)(3) challenge could overcome the APA's "rule of prejudicial error." 5 U.S.C. 706; see also, *e.g.*, *Cuozzo*, 136 S. Ct. at 2153-2154 (Alito, J., dissenting). A party cannot prevail without showing prejudice, and there is no conceivable prejudice where there *is* a "reasonable" ground for instituting review.

When Congress crafted Section 314(d)'s scope, it narrowed the relevant category to "determination[s] by the Director whether" to proceed. That is a poor fit for Section 315(b)'s absolute limit on agency power. The Director is not authorized to determine "whether" to exceed the agency's authority, and the Director has no discretion to set aside Congress's restrictions on inter parties review. Section 315(b) says what the agency may *not* do; it leaves nothing to agency judgment or discretion. That kind of restriction falls outside the narrow category of "determination[s] * * * whether" covered by Section 314(d).[4]

3. Under a proper reading of Section 314(d)'s plain text, Congress blocked review exclusively of the single, "[t]hreshold" determination found "under th[at] section" in Section 314(a). Any other reading would require presuming that Congress did not mean what it said, inserted a key phrase to act as mere surplusage, and used two very different words in the same section ("section" and "chapter") but expected courts to assign them the same meaning.

It would be an "extraordinary" decision for Congress to cut off all judicial review, ever, over any institution-related decision, including the agency's interpretation of the statutory limits on its own power. If Congress truly wished to let the agency take over the judicial function in this important area, it would have used language far clearer than this.

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[4] The agency itself drew the same distinction in its regulations, recognizing that its "[j]urisdiction" turns on a petition satisfying "any time period required by statute," 37 C.F.R. 42.3(b), whereas Section 314(a) gave the Board power to "*decide*" the "reasonable likelihood" question, 37 C.F.R. 42.108(c).

B. The AIA's Context And Structure Confirm That Congress Did Not Bar Judicial Review Over The Agency's Construction Of Section 315(b)

Section 314(d)'s plain meaning is reaffirmed by the AIA's structure and its surrounding context. See, *e.g.*, *Davis* v. *Michigan Dep't of Treasury*, 489 U.S. 803, 809 (1989) ("the words of a statute must be read in their context and with a view to their place in the overall statutory scheme").

1. a. The very fact that Congress placed the "no appeal" bar in Section 314 itself confirms its narrow focus. See, *e.g.*, *Kucana*, 558 U.S. at 246 (considering the "statutory placement"). Subsection (d) is likely found in Section 314 because Congress was *targeting the single "determination" in Section 314*. This explains why Congress limited the bar to "under this section," and why it did not locate the bar together with all the express restrictions on the agency's authority found in other parts of Chapter 31, including Section 315(b) (or, for that matter, as a direct limitation on Section 319's right to appeal).[5]

Those other restrictions set out express limits on things the agency *cannot* do. *E.g.*, 35 U.S.C. 315(a)-(b).

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[5] Petitioner or the government may suggest that Congress placed Section 314(d) where it did because the entire focus of Section 314 is *instituting review*. This overlooks a key point: Section 314 is limited to the process of instituting review *over eligible cases*. The section sets out a merits threshold; a deadline; a notice requirement; and the appeal bar. It does not dictate or direct the scope of the agency's authority, which is set elsewhere in the "requirement[s] of *this chapter*," 35 U.S.C. 313 (emphasis added)—and, indeed, Section 314 itself confirms that any review is instituted "under this chapter," *not* under Section 314. 35 U.S.C. 314(b). Unless a petition makes it through the gateway prerequisites imposed by every other section, the Director has nothing to do (and no "determination" to make) under Section 314.

Those restrictions are separate from the narrow, discretionary "[t]hreshold" determination in Section 314(a), and they come *after* the appeal bar in Section 314(d). If Congress wished the bar to reach all those restrictions, it would have grouped them together with the bar itself—or at least specified, textually, that the appeal bar covered provisions found elsewhere "in this chapter." Its "statutory placement" is a telling indication that Congress did not intend to eliminate judicial review over the entire AIA statutory framework. *Kucana*, 558 U.S. at 246.[6]

b. An expansive reading of Section 314(d) is also inconsistent with the AIA's comprehensive, reticulated scheme.

Congress included a series of restrictions on the agency's power, including multiple provisions that expressly and absolutely prohibit the institution of inter partes review. See, *e.g.*, 35 U.S.C. 315(a)(1), (b). Those restrictions on agency authority are detailed and elaborate, and they confine the agency to the proper balance that Congress struck over this new procedure. It is inconceivable that Congress imposed an entire set of affirmative limits only to leave the agency as the sole arbiter of the express checks on its own power: "It has never been the policy of Congress to prevent the administration of its own statutes from being judicially confined to the scope of authority granted." *Bowen* v. *Michigan Acad. of Family*

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[6] Other statutory restrictions also arise *before* Section 314—such as Congress's express limits in Section 311(b), restricting the scope of inter partes review "only" to "ground[s] that could be raised under section 102 or 103" and "prior art consisting of patents or printed publications." 35 U.S.C. 311(b). Although these limitations appear earlier in the scheme than Section 314(d), what matters here is that they are listed *separately* from Section 314. Again, if Congress wished to capture those limitations in the appeal bar, it would have extended its sweep to the entire "chapter," not "*the* determination"—in the singular—"under *this section*." 35 U.S.C. 314(d) (emphasis added).

Physicians, 476 U.S. 667, 671 (1986) (quoting S. Rep. No. 752, 79th Cong., 1st Sess. 26 (1945)).

Indeed, neither petitioner nor the government can explain why Congress would bother adding all these mandatory restrictions if it did not intend for any court to enforce them. Congress understands that "legal lapses and violations occur, and especially so when they have no consequence," and thus "rarely intends to prevent courts from enforcing its directives to federal agencies." *Mach Mining*, 135 S. Ct. at 1651, 1652-1653. There is no hint in Section 314(d)'s tailored language suggesting Congress intended to hand the USPTO a "'blank check[]'" for administering the AIA. *Bowen*, 476 U.S. at 671.

c. The substantive context further confirms Section 314(d)'s narrow scope. The USPTO has expertise in deciding whether subject matter is patentable. But it has no expertise in deciding the meaning of general provisions of federal law. So while it is thus perfectly sensible to think Congress might preclude review of the agency's initial *patentability* determination under Section 314(a), there is every reason to think it would not extend that same deference to the agency's construction of the AIA's overall statutory scheme.

Indeed, for at least two reasons, issues outside Section 314 are highly unlikely candidates for a jurisdiction-stripping provision. First, those issues (*e.g.*, estoppel,[7] limitation periods,[8] immunity,[9] etc.) are not the kind of issues

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[7] See, *e.g., Arista Networks, Inc.* v. *Cisco Sys., Inc.,* 908 F.3d 792, 804 (Fed. Cir. 2018) (holding that the doctrine of "assignor estoppel has no place in IPR proceedings").

[8] See, *e.g., Wi-Fi One*, 878 F.3d at 1367 (holding that Section 315(b)'s time bar is reviewable on appeal).

[9] See, *e.g., Saint Regis Mohawk Tribe* v. *Mylan Pharm. Inc.,* 896 F.3d 1322, 1326 (Fed. Cir. 2018), cert. denied, 139 S. Ct. 1547 (2019)

Congress would normally cut off from judicial review. "Some interpretive issues * * * fall more naturally into a judge's bailiwick," *Kisor* v. *Wilkie*, 139 S. Ct. 2400, 2417 (2019), and "[d]etermining the meaning of a statute or regulation * * * presents a classic legal question," *id.* at 2432 (Gorsuch, J., concurring in the judgment). A panel of PTAB judges has no "comparative expertise" in interpreting the meaning of a generic time bar, and the agency will not do a better job definitively construing a federal statute than an Article III court. *Kisor*, 139 S. Ct. at 2417.[10] Absent exceptionally clear language, there is no reason to believe Congress granted the agency *unchecked* authority to engage in the type of statutory construction that "rarely" falls outside judicial review. *Mach Mining*, 135 S. Ct. at 1651.[11]

Second, this is not merely a question of Article III judges "say[ing] what the law is." *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137, 177 (1803). It is a question of preserving judicial review of administrative action. Issues under provisions like Section 315(b) set the outer limits of the agency's power. "Absent [judicial] review, the [agency's]

(holding that "tribal sovereign immunity cannot be asserted in IPRs"); see also *Regents of the Univ. of Minnesota* v. *LSI Corp.*, 926 F.3d 1327, 1341 (Fed. Cir. 2019) (holding "that state sovereign immunity does not apply to IPR proceedings").

[10] This case is a perfect illustration. Here, the Board relied on two inapposite Federal Circuit decisions—one arising from the Court of Veterans Appeals and the other from the Board of Contract Appeals—to conclude that a dismissal without prejudice of a district-court infringement complaint nullified the Section 315(b) time bar. Surely the Federal Circuit is in a better relative position to interpret the impact of its own cases on the AIA than the Board.

[11] Tellingly, Congress granted the agency the power to "set[] forth the standards for the showing of sufficient grounds to institute a review under section 314(a)," but *not* for any other statutory requirements for inter partes review. 35 U.S.C. 316(a)(2).

compliance with the law would rest in the [agency's] hands alone." *Mach Mining*, 135 S. Ct. at 1652. The founders were well aware of the dangers "when political actors are left free not only to adopt and enforce written laws, but also to control the interpretation of those laws." *Kisor*, 139 S. Ct. at 2437-2438 (Gorsuch, J., concurring in the judgment). There is no indication here that Congress accepted the serious risk of leaving both the interpretation and execution of the AIA's provisions in the agency's hands.

2. a. A sweeping reading of Section 314(d)'s bar is incompatible with Section 319, which authorizes a full appeal from the agency's "final written decision": "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." 35 U.S.C. 319.

Congress thus broadly authorized judicial review by any party "dissatisfied" with a "final written decision." Parties can be "dissatisfied" because the agency's decision is substantively wrong. But parties can also be "dissatisfied" because the agency exceeded its authority in issuing *any* decision in the first place. See *SAS Inst.*, 138 S. Ct. at 1359; 5 U.S.C. 706(2)(C). Indeed, Section 318(a) itself authorizes the agency to issue a final decision only "[i]f an inter partes review is *instituted and not dismissed*." 35 U.S.C. 318(a) (emphasis added). Thus, the institution of the proceeding is part-and-parcel of Section 318(a)'s final decision, and the agency's authority to act turns on a proper institution. If the institution was unauthorized, the decision is unauthorized. And an *unauthorized* final decision is a legitimate (and predictable) source of a party's "dissatisf[action]."

Nor is there any substantive limit on the scope of the appeal. While Section 318(a) says that the agency's *decision* shall address "patentability," Section 319 simply says

that a party must be "dissatisfied" with that decision. That is a straightforward adversity requirement: if a party's interests are prejudiced by a final decision, it has a right to appeal, raising any issue that would undo the final decision. That is consistent with the traditional rule that all non-final decisions merge into a final order, *e.g.*, *In re Diet Drugs Prods. Liab. Litig.*, 418 F.3d 372, 377 (3d Cir. 2005); cf. *Mohawk Indus., Inc.* v. *Carpenter*, 558 U.S. 100, 109 (2009), and with the APA's directive that all interlocutory orders are subject to review upon "final agency action," 5 U.S.C. 704.[12] There is no indication that Congress sought to displace either settled doctrine here, and certainly no textual basis for restricting the *subjects* on appeal to patentability issues alone.

In fact, this Court already has implicitly endorsed these propositions. In *Cuozzo*, for example, the Court explained that parties could challenge the agency's invocation of the wrong statute (*e.g.*, Section 112) to invalidate a patent under inter parties review. See 136 S. Ct. at 2141-2142. But if parties may challenge a final decision because it is based on *statutes* outside the purview of inter partes review, there is no reason parties could not challenge a final decision based on *petitions* outside the purview of inter parties review. In each instance, the agency is exceeding its authority—in one case, by applying statutes that fall beyond its mandate, and in the other case, by addressing petitions that fall beyond its mandate. There is no permissible interpretation of Section 314(d) that permits "the

[12] In its operative regulations, the agency itself endorses the merger rule and its application to these proceedings: "A judgment, except in the case of a termination, *disposes of all issues that were, or by motion reasonably could have been, raised and decided.*" 37 C.F.R. 42.73(a) (emphasis added); see also 37 C.F.R. 42.2 ("*Judgment* means a final written decision by the Board, or a termination of a proceeding.").

agency to act outside its statutory limits" in either scenario. *Id.* at 2141. In all events, this assuredly confirms that Section 319 appeals may indeed go beyond the merits of the "patentability" decision.

Indeed, the USPTO initially *conceded* that Section 319 provided full appellate review, including of issues related to the agency's baseline authority—at least until it later changed its mind. When the agency was first confronted with this issue, it declared that the AIA's narrow appeal bar did *not* prevent parties from challenging the agency's statutory authority once a final decision was issued:

> The post-grant review scheme (as with its inter partes sibling) retains the right of judicial review—in the Federal Circuit—for any party "dissatisfied" by the PTAB's ultimate "written determination" on the post-grant review. *Nothing in the statutory scheme limits the reasons that a party might be so "dissatisfied," and this could include the fact that the PTAB lacked the authority to issue a written determination* * * * .

USPTO Mem., *Versata Dev. Group, Inc.* v. *Rea*, No. 1:13-cv-328, Doc. 18 at 16 (filed E.D. Va. May 16, 2013) (citing 35 U.S.C. 329) (emphasis added); see also USPTO Reply, *Versata*, *supra*, Doc. 42 at 17 (filed July 5, 2013) ("As the USPTO explained in its opening memorandum, Versata has an adequate alternative remedy through which it can obtain Article III review of the USPTO's *threshold decision that it was authorized to engage in post-grant review* * * *—*i.e.*, direct appeal to the Federal Circuit from the PTAB's final written decision.") (emphasis added).

While the government has since flip-flopped on the issue, Congress usually does not grant something with one hand to immediately take it away with the other. Here, the fact that Section 319 broadly authorizes review is inconsistent with the idea that Section 314(d) broadly cuts off review. Especially in light of the government's own past

briefing, it is particularly hard to say that the AIA's statutory scheme is not at least "reasonably susceptible" to a construction preserving the courts' "traditional" reviewing function. *Gutierrez de Martinez* v. *Lamagno*, 515 U.S. 417, 434 (1995); see also *Kucana*, 558 U.S. at 251.[13]

3. A proper reading of Section 314(d) is also consistent with the APA's traditional rules and longstanding principles of judicial review. The government's aggressive construction of Section 314(d), by contrast, would invite a jarring conflict with these established norms.

Section 314(d)'s "no appeal" bar falls perfectly in line with the APA's traditional limits. There is usually no review of preliminary decisions "washed away" by a final decision. See, *e.g.*, 5 U.S.C. 704. And there is usually no review of decisions committed by law to agency discretion. See, *e.g.*, 5 U.S.C. 701(a)(2). Section 314(d) reinforces these rules. It avoids disputes over Section 314(a)'s *initial* patentability assessment after the *final* decision has issued, and it ensures that immediate appeals will not disrupt ongoing agency proceedings. This advances the AIA's objectives while still preserving meaningful judicial review after the agency proceedings are over.[14]

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[13] To be perfectly clear: Section 314(d) does insulate the agency's *initial* "[t]hreshold" determination, 35 U.S.C. 314(a), even on appeal from a final decision. But the judiciary retains its usual power (under Section 319 and the APA) to enforce the statutory bounds on the agency's authority, including Section 315's express restrictions on the agency's power. *SAS Inst.*, 138 S. Ct. at 1359 ("§ 314(d) does not 'enable the agency to act outside its statutory limits'"). If Congress intended to enact a broader jurisdiction-stripping statute, it would have used broader language in Section 314(d) and narrower language in Section 319.

[14] Congress included similar "no appeal" provisions for ex parte reexamination and inter partes reexamination, even where the APA itself might independently foreclose review. See 35 U.S.C. 303(c); 35

This Court confirmed that the APA applies in this context well before Congress enacted the AIA, and Congress had every reason to keep "judicial review" "available" when the USPTO "exceed[s] its statutory bounds." *SAS Inst.*, 138 S. Ct. at 1359. If Congress wanted to let the agency act as the sole arbiter of its compliance with the AIA's statutory scheme, it would have made that "'rare[]'" intent far clearer than it did. *Bowen*, 476 U.S. at 671.

C. The Proper Construction Of Section 314(d) Is Compelled By The Need For A Clear And Administrable Jurisdictional Rule

The plain-text reading of Section 314(d) is again confirmed by this Court's directive that "'[j]urisdictional rules should be clear.'" *Direct Mktg. Ass'n* v. *Brohl*, 135 S. Ct. 1124, 1133 (2015).

1. This Court has consistently emphasized the importance of clarity and certainty in jurisdictional statutes. *E.g.*, *Bolivarian Republic of Venezuela* v. *Helmerich & Payne Int'l Drilling Co.*, 137 S. Ct. 1312, 1321 (2017). The Court interprets jurisdictional provisions to create "clear and administrable rules," *Merrill Lynch, Pierce, Fenner & Smith Inc.* v. *Manning*, 136 S. Ct. 1562, 1568 (2016), and to avoid "vague and obscure boundar[ies]," *Direct Mktg.*, 135 S. Ct. at 1133 (internal quotation marks omitted). A jurisdictional provision should be construed to "remain as simple as possible," *Hertz Corp.* v. *Friend*, 559 U.S. 77, 80 (2010): "'The boundary between judicial power and nullity should * * * if possible, be a bright line, so that very little thought is required to enable judges to keep inside it.'"

U.S.C. 312(c) (2000). This establishes a clear pattern of Congress removing uncertainty by reinforcing traditional limits on review—while otherwise *not* upsetting Article III's traditional role in checking agency action that exceeds statutory authority, 5 U.S.C. 706(2)(C).

Sisson v. *Ruby*, 497 U.S. 358, 375 (1990) (Scalia, J., concurring). This emphasis on "administrative simplicity" promotes predictability, preserves judicial and party resources, and minimizes unnecessary litigation. *Hertz*, 559 U.S. at 94-95.

In choosing between competing "interpretation[s] of [a] jurisdictional statute[]," this Court thus "favor[s] clear boundaries," *Direct Mktg.*, 135 S. Ct. at 1131, over rules "too complex and impractical to apply," *Hertz*, 559 U.S. at 95.

2. This principle points overwhelmingly in favor of respondent's position. Unlike the government's and petitioner's proposal, respondent's rule is as clear as it gets: Section 314(d) precludes judicial review of the agency's single, preliminary, "[t]hreshold" determination in Section 314(a), but nothing else. Article III courts retain their usual power to review the agency's construction of federal law, and to enforce the statutory limits on agency authority. A challenge to anything *besides* the initial Section 314(a) determination is eligible for review.

The government and petitioner, by contrast, propose an alternative rule based on their misreading of *Cuozzo*. Rather than limit Section 314(d)'s scope to the Director's "determination" under Section 314(a), they say that Section 314(d) also precludes any issue *linked* (to some unknown degree) to the institution decision. This requires asking whether an issue is "'closely tied'" to institution, involves statutes "'closely related'" to Section 314, or presents interpretive questions extending "'well beyond'" those issues. U.S. Br. 28-29; Pet. Br. 26, 30. For its part, petitioner also says Section 314(d) bars review of anything short of "shenanigans," which it views as "'a devious trick used especially for an underhanded purpose.'" Pet. Br. 28-29 & n.6. According to petitioner, this means that jurisdiction disappears if "the PTAB's decision, even if incorrect,

represented a good-faith attempt to apply [a] provision to the facts of this case." *Id.* at 28.

These alternative rules are unprincipled and unworkable. There is no reliable way to measure whether a legal issue is "closely tied" (*how* close?) to the Section 314(a) inquiry. Everyone agrees that Section 314(d) cannot bar *everything*, lest it would free the agency to institute review on forbidden grounds (*e.g.*, Section 101 or Section 112), institute review over petitions unexcusedly filed a decade late (as was done in this case), or engage in other flagrant abuses of the agency's authority. See, *e.g.*, *Cuozzo*, 136 S. Ct. at 2141-2142. But there is no obvious way to predictably apply a standard requiring multiple "judgments about matters of degree that are not readily susceptible to bright lines." *Merrill Lynch*, 136 S. Ct. at 1580 (Thomas, J., concurring). Parties will frequently disagree whether "estoppel" provisions, "real party in interest" tests, and other statutory questions fall in the right or wrong category. If accepted, these tests would inevitably "invite[] greater litigation" and produce scattershot results. *Hertz*, 559 U.S. at 94-95. "Given the importance of clarity in jurisdictional statutes, it is quite a stretch to infer that Congress wished to embrace such an unpredictable test." *Merrill Lynch*, 136 S. Ct. at 1578 (Thomas, J., concurring) (citing *Hertz*, *supra*).

Petitioner's "innocent shenanigans" proposal is arguably worse. Leaving aside that nothing in Section 314 embraces a "good faith" inquiry, it is wholly impractical to ask what a three-member PTAB panel *intended* in misconstruing its statutory authority. This would invite evidentiary fact-finding into the subjective views of a government body, arising for the first time in an appellate tribunal. It makes little sense to hinge the Federal Circuit's jurisdiction on the results of such fact-bound questions.

A clear holding that Section 314(d) means exactly what it says—it bars review of the single "determination" referenced "under this section"—avoids endless disputes about the judiciary's power to decide legal challenges falling within the wheelhouse of Article III authority. It ensures that appellate panels can interpret and decide the proper meaning of the AIA's statutory scheme, rather than leaving those questions (at least some unspecified collection of them) to the agency's unfettered discretion. Yet the government and petitioner still maintain that Congress reversed the strong presumption favoring judicial review, and replaced it with an imprecise, standardless test designed to foster litigation and uncertainty. Their reading flouts this Court's background rules, and it should be rejected.

D. This Court's Decision In *SAS Institute* Has Already Confirmed That The Judiciary Retains Its Traditional Reviewing Function

This Court effectively resolved the issue here in *SAS Inst., Inc.* v. *Iancu*, 138 S. Ct. 1348 (2018), both rejecting the foundation of the government's and petitioner's argument, and confirming, unequivocally, that Congress was not willing to let the USPTO unilaterally define the scope of its own jurisdiction.

1. a. In *SAS Institute*, the Court was confronted with the exact same argument that the government and petitioner raise here: that Section 314(d) "foreclos[es] judicial review of any legal question bearing on the institution of inter partes review." 138 S. Ct. at 1359.

This Court had little trouble rejecting that contention. As the Court explained, there is a "strong presumption" favoring judicial review, and Congress has to speak in "clear and convincing" terms to overcome that presumption. 138 S. Ct. at 1359 (internal quotation marks omitted). Given the presumption's "strength" and "the statute's

text," the Court found that Section 314(d)'s scope was far narrower: "§ 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.'" *Ibid.* (explaining *Cuozzo*'s limited holding) (emphases added). Section 314(d)'s bar did not extend to blocking review of the agency's construction of the statutory framework, and the judiciary retained its usual power to "set aside agency action 'not in accordance with law' or 'in excess of statutory jurisdiction, authority, or limitations.'" *Ibid.* (quoting 5 U.S.C. 706(2)(A), (C)).

As the Court concluded, "§ 314(d) does not 'enable the agency to act outside its statutory limits,'" and "nothing in § 314(d) or *Cuozzo* withdraws [the judiciary's] power to ensure that an inter partes review proceeds in accordance with the law's demands." 138 S. Ct. at 1359. *SAS Institute* thus reaffirmed that courts may exercise review to cabin agency action to its "statutory bounds." *Ibid.*

b. In so holding, *SAS Institute* understood Section 314(d) exactly as respondent does: there is a strong presumption favoring judicial review; Section 314(d) is textually limited to the Director's "'initial determination' under § 314(a)"; both provisions are consistent with the APA and preserve the judiciary's traditional reviewing function; and nothing in Section 314(d) prevents the exercise of Article III power to constrain agency action exceeding its statutory mandate.

These settled principles control the disposition of this case. Under a straightforward application of *SAS Institute*, there is no question that courts have the authority to review the USPTO's construction of Section 315(b). That statute directly cabins the agency's authority, and nothing in Section 314(d) forecloses the judiciary's role in enforcing this statutory limit on the agency's power. The Federal Circuit adopted that conclusion before *SAS Institute*,

and its decision is now unassailable in light of this Court's unequivocal rationale. See, *e.g.*, *Wi-Fi One, LLC* v. *Broadcom Corp.*, 878 F.3d 1364, 1374 (Fed. Cir. 2018) (en banc) ("Enforcing statutory limits on an agency's authority to act is precisely the type of issue that courts have historically reviewed."); *id.* at 1375 (O'Malley, J., concurring) ("If the [USPTO] exceeds its statutory authority by instituting an IPR proceeding under circumstances contrary to the language of § 315(b), our court, sitting in its proper role as an appellate court, should review those determinations.").

The government and petitioner may disagree with this Court's decision, but there is little doubt that *SAS Institute* meant what it said in construing the limited reach of Section 314(d).

2. Faced effectively with controlling authority, the government and petitioner attempt to distinguish *SAS Institute*, but their arguments are unavailing.

The government's argument is mere wishful thinking. See U.S. Br. 31-33 (trying to reframe *SAS Institute* as resolving *post-institution* violations). It dodges the main holding by plucking out language coming from an entirely different section of the opinion, which was addressing an entirely different point. (Note the significant gap in pincites between the pages the government cites (1354, 1356) and the pertinent discussion (1359).) The Court set out the *relevant* section in plain text ("At this point, only one final question remains to resolve."). It squarely set up the issue, explaining it was addressing the government's attempt to "foreclos[e] judicial review of *any legal question bearing on the institution of inter partes review*"—*i.e.*, the same point the government is advancing here. The Court then squarely rejected that argument based on each of respondent's key arguments—including the strong presumption favoring judicial review; the limited

reach of *Cuozzo*, which "precludes judicial review *only of the Director's 'initial determination' under § 314(a)*"; the applicability of the APA's traditional power to set aside unauthorized agency action; and its ultimate conclusion—Section 314(d) "does not 'enable the agency to act outside its statutory limits.'" 138 S. Ct. at 1359 (emphases added).

For the most part, these points are conspicuously absent from the government's brief and petitioner's brief. Compare, *e.g.*, Pet. Br. 29-32 (suggesting, for example, that *SAS Institute*'s "discussion of judicial review" "must be read in * * * context," apparently as opposed to at face value); U.S. Br. 31 (conceding the Court's language "taken in isolation" means what it says). They may believe that *SAS Institute* could have been decided on different grounds or narrower grounds, but that is plainly not what the Court did. It took on the government's point directly that Section 314(d) cut off any review of the institution decision, and confirmed that review is indeed available to say "the Director exceeded his statutory authority." 138 S. Ct. at 1359. This all-but resolves the question presented here.

3. Both the government and petitioner argue that Justice Alito's dissent in *Cuozzo* supports the opposite result, highlighting the dissent's suggestion that "the petition's timeliness" would be "unreviewable" under the majority's approach. Pet. Br. 28 (quoting *Cuozzo*, 136 S. Ct. at 2155 (Alito, J., dissenting)); U.S. Br. 31 (same). But they both ignore what Justice Alito also wrote three paragraphs later: "I take the Court at its word that today's opinion *will not permit the Patent Office 'to act outside its statutory limits' in these ways*." 136 S. Ct. at 2155 (Alito, J., dissenting) (emphasis added). Thus both the *Cuozzo* majority and dissent were on the same page that courts would still be able to review the meaning of statutes setting out the core limits on the agency's authority—even if they disagreed on other things. And *SAS Institute* has

now ended the debate that the Court was serious about the narrowness of *Cuozzo*'s bar.[15]

As this Court already explained once before, the government's and petitioner's theory "overreads both the statute and our precedent." *SAS Inst.*, 138 S. Ct. at 1359. *SAS Institute* walked through the multiple statements in *Cuozzo* confirming that it resolved a functional challenge under Section 314(a), and Section 314(d) was properly limited to the "initial determination" under that section. *Ibid.* Any contrary reading of *Cuozzo* would flout the strong presumption favoring judicial review; stand at odds with Section 314's plain text, context, and structure; and invite a jurisdictional rule that would be impossible to administer. Congress did not endorse a system lacking any Article III oversight, and nothing in Section 314(d) or *Cuozzo* suggests otherwise. The courts retain their proper role in construing the meaning of federal law.

E. Preserving Judicial Review Promotes Congress's Objectives And Protects The Careful Balance That Congress Struck In The AIA

1. The AIA's purpose is advanced by preserving judicial review over the AIA's statutory framework. Article III oversight protects the balance struck in the Act's provisions and enforces important limits on the agency's power. It also provides meaningful guidance to all stakeholders about the scope of inter partes review. This avoids ad hoc, unpredictable, panel-dependent decisions before

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[15] As *SAS Institute* confirmed, "minor technical violations" involving things like Section 312(a)(3) either target the Section 314(a) determination itself (as in *Cuozzo*), 138 S. Ct. at 1359, or fail automatically under the APA's prejudice requirement, 5 U.S.C. 706. There is no need to artificially expand Section 314(d)'s scope, and assign away all Article III power to the agency, simply to ward off meritless challenges under the AIA.

the agency, where each panel is generally permitted to adopt its own construction of the AIA's controlling provisions. A definitive judicial ruling can obviously provide guidance and certainty that non-binding agency decisions cannot.[16] Judicial review, in short, ensures that Congress's statutory restrictions—which uniquely reflect Congress's purpose—are "'not merely advisory'" as they relate to the USPTO. *Bowen*, 476 U.S. at 671.

As best illustrated by this very case, it is worth pausing to consider the implications of withholding judicial review. The USPTO had previously adopted a construction of Section 315(b) at odds with its "unambiguous" interpretation. Pet. App. 47a. The agency (and now the government) have since admitted the agency's error and that it exceeded its authority. And yet the government still believes that no court should have any role in saying what Section 315(b) means, even for pure questions of statutory construction bearing on statutes outside the only "section" Congress even debatably cut off from judicial review. U.S. Br. 35-36.

While Congress theoretically has the ability to leave this judicial task exclusively in agency hands, it is rarely "'the policy of Congress to prevent the administration of its own statutes from being judicially confined to the scope of authority granted.'" *Bowen*, 476 U.S. at 671. There is no indication in Section 314(d) that Congress intended to depart from that fundamental policy here.

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[16] The Board currently consists of 270 administrative-patent judges, permitting a staggering 19 million unique combinations of three-judge panels. See Scott R. Boalick, et al., *Patent Public Advisory Committee Quarterly Meeting: Patent Trial and Appeal Board Update*, at 4 (USPTO Fed. 7, 2019), available at https://tinyurl.com/boalick-PTAB.

2. The government and petitioner maintain that exercising judicial review here is inconsistent with the AIA's purpose, but their arguments are unavailing.

a. According to petitioner, allowing judicial review of Section 315(b) decisions would "undermine" the "substantial power Congress chose to give the Board." Pet. Br. 40-41. But it hardly "undermines" the power Congress gave to the Board by *enforcing Congress's limits on the Board's power*. Congress gave the agency a new and powerful tool to revisit patentability. But the power was not unlimited and Congress's concerns did not run in only one direction. Congress balanced the agency's new and robust powers—ones that can destroy granted property rights in an Article I tribunal—by imposing certain express, absolute restrictions on agency authority. It plainly promotes Congress's objectives to enforce those limits.

The government and petitioner suggest it would be odd to upset the agency's determination when other parties could show up and immediately seek review of the same patent. U.S. Br. 34. But as the government admits, Section 315(b) "manage[s] the burden on patent owners and minimize[s] the wasted resources that duplicative judicial and administrative proceedings might entail." Br. 36. Those objectives are frustrated even if a hypothetical party could file a non-existent future challenge to the same patent. And if Congress wanted to grant the agency the power to initiate review without a proper challenger, it knew exactly how to do it: Unlike inter partes review, ex parte reexamination can be initiated at a petitioner's request or *on the Director's "own initiative," at "any time."* 35 U.S.C. 303(a). There is no comparable grant of authority in Chapter 31.

b. The government and petitioner argue that reversing USPTO's invalidity rulings on jurisdictional grounds would frustrate the AIA's objectives, by keeping "invalid

patents" on the books for "months or years" (Pet. Br. 40-41), and leaving "potential infringers and the public" exposed to invalid patents (U.S. Br. 34). This is wrong on virtually every level.

First and foremost, it is wrong to automatically presume that these patents are indeed invalid. The agency proceeding is only the first step in the process, and the USPTO is reversed about one in four times. See, *e.g.*, Brian J. Love, et al., *Determinants of Patent Quality: Evidence from Inter Partes Review Proceedings*, 90 U. Colo. L. Rev. 67, 102 (2019). That means many of these "invalid" patents are actually valid, and the USPTO's decision would have been reversed on the merits had it not been reversed for exceeding the agency's authority. Judicial review simply constrains the agency to act within its bounds and channels time-barred challenges back where they belong—in court.

Second, the government and petitioner overlook that the public still has full access to the USPTO's decision, even after it has been vacated. The decision may lose its legal effect, but it is not erased from the books. If the decision's substance is sound, accused infringers will refuse to settle cases or license the patent. And the patentee will be on notice of the patent's potential invalidity, raising the prospect of exceptional-case findings in future litigation. See 35 U.S.C. 285 (authorizing attorney's fees in "exceptional cases"); see *Octane Fitness, LLC* v. *ICON Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014).

Third, if the USPTO exceeded its authority, the Board's final written decision is vacated, not reversed. Because the AIA's estoppel provisions are only triggered by "a final written decision," in that case the petitioner will still be free to challenge the patent's validity in district court. 35 U.S.C. 315(e)(2).

In the real world, in short, the agency's (vacated) decision will have practical effects commensurate with its persuasive force. A weak decision would likely have been reversed and will be rightly ignored. A strong decision will empower defendants to stand by their rights and temper a patentee's enthusiasm for enforcing a (likely) invalid patent. Thus any unfairness in insisting upon an *authorized* proceeding is significantly reduced.

In any event, the AIA's objectives are ultimately advanced *by enforcing the AIA's terms*. While it may be more efficient or useful in individual cases to plow ahead with an invalid proceeding, Congress created a framework with limits for a reason. "The APA's presumption of judicial review is a repudiation of the principle that efficiency of regulation conquers all." *Sackett* v. *EPA*, 566 U.S. 120, 131 (2012). And nothing in the AIA's scheme suggests that Congress gave a free pass to USPTO invalidity rulings when the agency exceeds its congressional mandate.

c. The government and petitioner also argue that vacating unauthorized Board decisions would "'squander the time and resources spent adjudicating the actual merits of the petition.'" U.S. Br. 33; Pet. Br. 36. This is wrong. Any "squandered" individual costs are dwarfed by the costs avoided at a systemic level—and the individual costs are considerably less than the government and petitioner suggest.

First, on a systemic level, enforcing the limits on agency authority prevents the institution of countless, unauthorized inter partes reviews. That prevents *future* proceedings that Congress never wanted or approved, and it spares the parties in those proceedings from incurring months or years of unauthorized expense. Indeed, after the Federal Circuit corrected the USPTO's misreading of

Section 315(b) here, the agency has since denied institution in dozens of proceedings, all of which might have otherwise incurred costs far exceeding those "squandered" in this case. Forcing the agency to act within the bounds of its authority does far more to achieve Congress's objectives than distorting the AIA's overall balance to preserve the outcome in a single case.[17]

Second, the government and petitioner vastly overstate the case-specific costs of vacating invalid agency action. That vacatur does not wipe out all the work that went into the proceedings. Parties can still use the same experts and expert reports developed for the inter partes review. The same attorneys can litigate the same patentability issues in court, having already put in the effort before the agency. Parties can even agree to use depositions from the inter partes review in judicial proceedings. Put simply, the same work product can generally be reused, and any duplication can be minimized or avoided.[18]

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[17] The government and petitioner also wrongly minimize the benefits of Section 315(b). Section 315(b)'s time bar is essential for avoiding unfairness and inefficiency where parties invoke agency review after extensive litigation in court (or where parties recruit related groups to file collateral AIA attacks after the one-year deadline). It is fair to sacrifice certain costs to enforce the express rights Congress granted in the AIA.

[18] The government says it is pointless to vacate a time-barred inter partes review because the parties have already absorbed the "burden" and "wasted resources" from "duplicative judicial and administrative proceedings." Br. 36. This is *thrice* wrong. First, it is hardly rare for the Federal Circuit to reverse the USPTO and remand for further proceedings; enforcing the time-bar eliminates those proceedings and restores any pending litigation. Second, time-barred petitions are often filed by accused infringers who are unhappy with the course of litigation in district court; patentees have a right to resolve their disputes in court (rather than in an abbreviated Article I pro-

Finally, the government's and petitioner's argument proves too much. The same logic suggests that *any* invalidity decision, no matter how far outside the agency's authority, should stand—including, say, one "canceling a patent claim for 'indefiniteness under § 112' in inter partes review." *Cuozzo*, 136 S. Ct. at 2141-2142. Not every statute "pursues its purposes at all costs." *Rodriguez* v. *United States*, 480 U.S. 522, 525-526 (1987) (per curiam). Here, Congress struck an express balance between multiple objectives, including those in Section 315(b). There is no indication that Congress intended to impose detailed limits on the agency only for the agency to serve as the sole arbiter of its own jurisdiction.[19]

d. Finally, petitioner is wrong that judicial review will lead to an unmanageable influx of new appeals. Br. 37-40. Appellate courts are not overwhelmed by questions of statutory construction, which fall within the heartland of what appellate courts do. And each time a panel resolves

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cess) once a party misses the AIA's statutory deadline. Finally, enforcing the AIA's limits will prevent *future* agency errors imposing additional "burdens" and "waste" on the system; those serious costs should not be tolerated simply because it may be too late to avoid them in a given case.

[19] Intel says that permitting judicial review will "undermine the efficiency and cost-effectiveness of inter parties review." Br. 4. This is puzzling. Parties seek judicial review at the *end* of the process; it cannot disrupt or delay the inter partes review itself. And any litigation costs are minimal given that the *same* questions would have already been resolved before the agency. Judicial review does not require researching new arguments or developing a new record; it simply requires re-briefing, where appropriate, the same grounds argued below. And it will have no material effect on the timing or efficiency of the appeal, whose mechanics will not change. Parties will have the same number of briefs filed on the same schedule; the only difference is the panel may be able to resolve the case on a statutory issue without diving into complex, technical matters typical of most anticipation and obviousness defenses.

what a provision like Section 315(b) means, it provides guidance for all stakeholders—which short-circuits unauthorized proceedings (and future appeals) in the first place.

Nor is there any reason to think appellate courts will be overridden with appeals raising "intensely factual" questions. Pet. Br. 38. Factual challenges under the APA are subject to substantial-evidence review. *Oil States Energy Servs., LLC* v. *Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1372 (2018); *In re Sullivan*, 498 F.3d 1345, 1350 (Fed. Cir. 2007). That standard is often difficult to meet and easy for courts to resolve. And because those issues usually fail for those very reasons, few patentees will waste bandwidth or resources on low-probability questions—which is likely why petitioner has not offered any evidence of the Federal Circuit being flooded with baseless, time-consuming appeals in the 21 months since *Wi-Fi One* was issued.

F. All Else Aside, Judicial Review Is Available Because The Agency Decided This Issue In Its Final Written Decision

All else aside, Section 319 provides its own direct authority for judicial review when the agency resolves the Section 315(b) issue in its final written decision. This independent ground applies in this case irrespective of how the Court ultimately construes Section 314(d).

In many instances, including the proceedings below, the agency will make its jurisdictional ruling twice—once at the institution stage and again in its final written decision. See Pet. App. 120a-122a, 159a-162a. And the two decisions are not always identical: the final decision can reflect new thinking and new facts, including those developed in post-institution discovery. So even if the agency's initial Section 315(b) decision were somehow shielded by the "institution decision," the agency's later decision was

not. It was made apart from institution, and it appears in a final order expressly subject to judicial review under Section 319. There is no textual basis for applying Section 314(d)'s bar to that separate agency ruling.[20]

G. The Government's And Petitioner's Contrary Arguments Are Meritless

The government and petitioner make various additional arguments in support of cutting off judicial review. These arguments are meritless.

1. Petitioner asserts that Section 314(d) "categorically" insulates *any* institution issue from review (Br. 21), but does so by repeatedly truncating the operative text. That provision does not insulate *any* institution decision, but only the determination "*under this section*." Because petitioner cannot explain what meaning that phrase has—or why Congress chose a different term ("under this *chapter*") two subsections earlier—it simply elides the limiting language: "Congress also specified that '[t]he determination . . . whether to institute an inter partes review . . . shall be final and nonappealable." Br. 2 (ellipses in original); see also, *e.g.*, *id.* at 13, 21.

Unlike petitioner's reading, respondent's is consistent with the APA and the strong presumption favoring judicial review. If petitioner wishes to overcome that presumption, it has to at least engage the actual terms ("under this section") that Congress used.

2. Petitioner likewise misreads the plain language of Section 314(a). According to petitioner, Section 314(a) must capture the Section 315(b) determination, because

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[20] Because Section 315(b) may be triggered by service upon a "real party in interest * * * or privy of the petitioner," a patent owner may need to engage in discovery to ferret out the relationship between the petitioner and a previously-served party. See, *e.g., Wi-Fi One*, 878 F.3d at 1370.

"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,'" and *those* sections permit the patent owner to argue "'the failure of the petition to meet any requirement of *this chapter*.'" Br. 17-18.

But the *full* text of Section 314(a) does not say to examine the pleadings *for timeliness*; it says to examine those pleadings for a single purpose: to determine if "there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the [challenged] claims." 35 U.S.C. 314(a). On its face, this imposes an *additional merits determination* (which is why it says review may not be instituted "unless"); it does not address *all* the AIA's restrictions on instituting review, much less anything about the time bar in Section 315(b).

3. The government and petitioner argue (U.S. Br. 18-19, 25; Pet. Br. 20-23) that "[t]he broad scope of Section 314(d)" is confirmed by the different, narrower language that Congress used in Section 303(c) and former Section 312(c), which preclude judicial review of preliminary merits determinations like Section 314(a). See 35 U.S.C. 303(c) ("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."); 35 U.S.C. 312(c) (2000) ("A determination by the Director under subsection (a) shall be final and nonappealable."); see also 35 U.S.C. 312(a) (2000) ("the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request"). This fails for two primary reasons.

First, the government and petitioner are reading far too much into far too little. There is no "magic words" requirement. The question is what *Section 314(d)'s* plain

text says, and there is no single correct way to limit the "no appeal" bar to the determination in Section 314(a). And that is especially true given the strong presumption favoring judicial review. Oblique references to similar text in parallel provisions cannot supply the "'clear and convincing indications'" necessary to cut off Article III authority to say what the law is. *SAS Inst.*, 138 S. Ct. at 1359; *Kucana*, 558 U.S. at 252.[21]

In any event, the most telling contrast is *not* between Section 314(d) and Section 303(c) or former Section 312(c), but the obvious difference between "under this section" and "under this *chapter*." Congress used the latter formulation in Section 314 itself. If it wanted Section 314(d)'s bar to apply outside Section 314 to other provisions of the chapter, it knew exactly what to say. The fact that it focused instead on the determination "under this section" is the strongest indicator of Congress's intent.

Second, the government and petitioner are misreading the other provisions. Section 303(c) provided a different "no appeal" bar altogether—one limited to decisions *not* to institute: "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" (emphasis added). Congress thus cut off review of decisions *declining* institution but preserved review of decisions *granting* institution. See, *e.g.*, *In re Recreative Techs. Corp.*, 83 F.3d 1394, 1395-1396 (Fed. Cir. 1996). If Congress used the same formulation here, it would result in a very different statute—one permitting

[21] Indeed, what these sections actually show is that Section 314(d) aligns well with Congress's treatment of similar provisions in the past. Rather than presume Congress intended a drastic break from tradition (without saying anything about it), it is far more likely Congress used comparable language to stay the same course. See, *e.g.*, *Kirtsaeng* v. *John Wiley & Sons, Inc.*, 568 U.S. 519, 551 (2013).

review even of *affirmative* "initial determinations" under Section 314(a). Under *either* side's theory, it is hardly a mystery why Congress did not copy that language.

And former Section 312(c) simply replaced "under subsection (a)" for Section 314(d)'s "under this section." Those two phrases are functionally identical, especially given that Section 314's *sole merits determination* is found in *subsection (a)*. The change from "subsection (a)" to "section" would be an astoundingly indirect, subtle way to expand Section 314(d)'s reach beyond that "section" to everything in its entire "chapter." Congress does not legislate significant policy changes "in vague terms or ancillary provisions—it does not, one might say, hide elephants in mouseholes." *Whitman* v. *Am. Trucking Ass'ns, Inc.*, 531 U.S. 457, 468 (2001). This is a mousehole.

* * *

The AIA's plain text, context, structure, purpose, and history all point in the same direction, as this Court squarely concluded only two Terms ago: "§ 314(d) precludes judicial review only of the Director's 'initial determination' under § 314(a)," and thus "judicial review" remains available to "set aside agency action 'not in accordance with law' or 'in excess of statutory jurisdiction, authority, or limitations.'" *SAS Inst.*, 138 S. Ct. at 1359 (quoting 5 U.S.C. 706(2)(A), (C)). Section 315(b) falls comfortably *outside* Section 314(a), and fits comfortably *within* the AIA's express restrictions on the USPTO's "jurisdiction, authority, [and] limitations." The agency here instituted review in plain violation of the controlling rules limiting its power, and its final action is thus subject to Article III review.

At a minimum, however, the government and petitioner have failed to overcome the "'strong presumption' favoring judicial review." *Mach Mining*, 135 S. Ct. at 1651. Inter partes review is a potent procedure; it would

be extraordinary for Congress to leave the process unchecked, with no opportunity to contest the agency's assertion of authority. If Congress truly intended Section 314(d) to write "blank checks drawn to the credit of some administrative officer or board," S. Rep. No. 752, 79th Cong., 1st Sess. 26 (1945), it had to express that intention clearly. Section 314(d) falls well short of the mark. Because the government and petitioner have failed to muster the "'heavy burden' * * * that Congress 'prohibit[ed] all judicial review' of the agency's compliance with a legislative mandate," *Mach Mining*, 135 S. Ct. at 1651, the decision below should be affirmed.

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted.

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APPENDIX

APPENDIX

1. 5 U.S.C. 701 provides in pertinent part:

Application; definitions

(a) This chapter applies, according to the provisions thereof, except to the extent that—

(1) statutes preclude judicial review; or

(2) agency action is committed to agency discretion by law.

* * * * *

2. 5 U.S.C. 702 provides:

Right of review

A person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof. An action in a court of the United States seeking relief other than money damages and stating a claim that an agency or an officer or employee thereof acted or failed to act in an official capacity or under color of legal authority shall not be dismissed nor relief therein be denied on the ground that it is against the United States or that the United States is an indispensable party. The United States may be named as a defendant in any such action, and a judgment or decree may be

entered against the United States: Provided, That any mandatory or injunctive decree shall specify the Federal officer or officers (by name or by title), and their successors in office, personally responsible for compliance. Nothing herein (1) affects other limitations on judicial review or the power or duty of the court to dismiss any action or deny relief on any other appropriate legal or equitable ground; or (2) confers authority to grant relief if any other statute that grants consent to suit expressly or impliedly forbids the relief which is sought.

3. 5 U.S.C. 704 provides:

Actions reviewable

Agency action made reviewable by statute and final agency action for which there is no other adequate remedy in a court are subject to judicial review. A preliminary, procedural, or intermediate agency action or ruling not directly reviewable is subject to review on the review of the final agency action. Except as otherwise expressly required by statute, agency action otherwise final is final for the purposes of this section whether or not there has been presented or determined an application for a declaratory order, for any form of reconsideration, or, unless the agency otherwise requires by rule and provides that the action meanwhile is inoperative, for an appeal to superior agency authority.

4. 5 U.S.C. 706 provides:

Scope of review

To the extent necessary to decision and when presented, the reviewing court shall decide all relevant ques-

tions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

(1) compel agency action unlawfully withheld or unreasonably delayed; and

(2) hold unlawful and set aside agency action, findings, and conclusions found to be—

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

(D) without observance of procedure required by law;

(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute; or

(F) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.