No. 21-888

In the Supreme Court of the United States

INTEL CORPORATION, PETITIONER

v.

VLSI TECHNOLOGY LLC, ET AL.

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

BRIEF FOR THE FEDERAL RESPONDENT IN OPPOSITION

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QUESTION PRESENTED

In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress authorized the United States Patent and Trademark Office (USPTO) to reconsider the patentability of claims in an issued patent at the request of a third party through an administrative process called inter partes review. Under procedures established by the AIA, the USPTO first decides whether to institute review of the challenged patent claims. If it grants review, the USPTO conducts a trial and ordinarily issues a final written decision regarding patentability. The AIA authorizes a party to the inter partes review to appeal the agency's "final written decision with respect to the patentability" of the challenged patent claims, which is issued "[i]f an inter partes review is instituted and not dismissed." 35 U.S.C. 318(a), 319. The Act provides that the agency's determination whether to institute an inter partes review is "final and nonappealable." 35 U.S.C. 314(d). The question presented is as follows:

Whether petitioner may appeal the USPTO's denial of its petition for inter partes review where petitioner contends that, in determining whether to institute inter partes review, the agency considered factors that are inconsistent with the AIA and adopted in a procedurally flawed manner.

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OPINIONS BELOW

The order of the court of appeals (Pet. App. 1a-5a) is not published in the Federal Reporter but is available at 2021 WL 5968443. The decisions and orders of the Patent Trial and Appeal Board (Pet. App. 7a-18a, 19a-30a, 31a-46a, 47a-57a, 59a-74a, 75a-90a, 91a-105a, 107a-123a, 125a-140a, 141a-156a, 157a-170a) are not published in the United States Patents Quarterly but are available at 2020 WL 5900072, 2020 WL 5846628, 2020 WL 4820610, 2020 WL 4820595, 2020 WL 3033209, 2020 WL 3033208, 2020 WL 2563448, 2020 WL 2544917, 2020 WL 2544912, 2020 WL 2544910, and 2020 WL 2201828.

JURISDICTION

The judgment of the court of appeals was entered on May 5, 2021. A petition for rehearing was denied on August 26, 2021 (Pet. App. 171a-174a). On October 27,

2021, the Chief Justice extended the time within which to file a petition for a writ of certiorari to and including December 24, 2021, and the petition was filed on December 13, 2021. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. This case involves petitioner's attempt to appeal decisions by the U.S. Patent and Trademark Office (USPTO) *not* to institute administrative proceedings to reconsider the patentability of claims in issued patents. This petition presents the same issues, arising in the same posture, as the petitions for writs of certiorari this Court denied in *Apple Inc.* v. *Optis Cellular Technology, LLC*, 142 S. Ct. 859 (2022) (No. 21-118), and *Mylan Laboratories Ltd.* v. *Janssen Pharmaceutica, N.V.*, 142 S. Ct. 874 (2022) (No. 21-202).

a. The Patent Act of 1952, 35 U.S.C. 1 *et seq.*, charges the USPTO with examining applications for patents, and it directs the USPTO to issue a patent if the statutory criteria are satisfied. 35 U.S.C. 131. Federal law has long authorized the USPTO to reconsider the patentability of the inventions claimed in issued patents. In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress established several new procedures, to be conducted before the USPTO's Patent Trial and Appeal Board (Board), through which third parties may challenge the patentability of claims in issued patents. See H.R. Rep. No. 98, 112th Cong., 1st Sess. Pt. 1, at 39-40 (2011); *Oil States Energy Servs., LLC* v. *Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018); *Cuozzo Speed Techs., LLC* v. *Lee*, 579 U.S. 261, 267-268 (2016). As relevant here, the AIA established inter partes review, which is limited to challenges "that could be raised under section 102 or

103" (*i.e.*, anticipation or obviousness challenges) and that are based on "prior art consisting of patents or printed publications." 35 U.S.C. 311(b) and (c); see 35 U.S.C. 311-319. This case concerns inter partes review.

b. Under the AIA, inter partes review proceeds in two phases. When a petition for inter partes review is filed, the Director of the USPTO first must determine whether to institute a review. 35 U.S.C. 314. The institution decision is made on the basis of the petition and any response that the patent owner files. The decision must be made within three months after the agency receives the patent owner's response or, if no response is filed, "the last date on which such response may be filed." 35 U.S.C. 314(b)(2).

The AIA imposes several prerequisites for instituting an inter partes review. The Director "may not" institute review unless he finds "a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. 314(a). Inter partes review also "may not be instituted" if (1) "before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent"; or (2) "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(a)(1) and (b).

Although the AIA imposes various limits on the Director's authority to institute an inter partes review, it contains "no mandate to institute review," even where a petition satisfies the statutory prerequisites. *Cuozzo*, 579 U.S. at 273; see *SAS Inst. Inc.* v. *Iancu*, 138 S. Ct. 1348, 1356 (2018). Instead, "Congress has committed

the decision to institute inter partes review to the Director's unreviewable discretion." *United States* v. *Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021). Consistent with that approach, the AIA provides that the determination "whether to institute an inter partes review" is "final and nonappealable." 35 U.S.C. 314(d).

If the Director elects to institute an inter partes review, the Board conducts a trial-like proceeding to determine the patentability of the claims at issue. See 35 U.S.C. 316; 37 C.F.R. Pt. 42, Subpt. A. At the end of the proceeding (unless the matter has been dismissed), the Board must "issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner." 35 U.S.C. 318(a). A party aggrieved by the Board's final written decision may appeal that decision to the Federal Circuit. 35 U.S.C. 141(c), 319.

c. The Director has delegated to the Board the responsibility to determine, when a petition for inter partes review is filed, whether a review should be instituted. 37 C.F.R. 42.4(a). The Director is "responsible for providing policy direction and management supervision for the Office," 35 U.S.C. 3(a)(2)(A), and has used several mechanisms to guide the Board regarding the proper exercise of its delegated authority to institute inter partes reviews. *Inter alia*, the Director may designate as precedential particular Board opinions concerning whether to institute inter partes review, thus making those opinions "binding Board authority in subsequent matters involving similar facts or issues." USPTO, Patent Trial and Appeal Board, *Standard Operating Procedure 2 (Revision 10)*, at 8-11 (Sept. 20, 2018), https://go.usa.gov/xwXem. At issue here is the Director's designation as precedential of two Board decisions that identify criteria for determining whether to

institute an inter partes review when parallel proceedings involving the same patent and the same or similar issues are pending in district court. See *NHK Spring Co.* v. *Intri-Plex Techs., Inc.*, No. IPR2018-752, 2018 WL 4373643 (P.T.A.B. Sept. 12, 2018); and *Apple Inc.* v. *Fintiv, Inc.*, No. IPR2020-19, 2020 WL 2126495 (P.T.A.B. Mar. 20, 2020).

In *NHK*, the Board noted that efficiency weighed in favor of denying review when a "district court proceeding will analyze the same issues and will be resolved before any trial on the [inter partes review p]etition concludes." 2018 WL 4373643, at *7. The Board expanded on *NHK* in *Fintiv*, explaining that "an early trial date" is one "non-dispositive factor[]" that "should be weighed as part of a 'balanced assessment of all relevant circumstances of the case, including the merits,'" in determining whether to institute review. 2020 WL 2126495, at *2 (citation omitted). The Board in *Fintiv* identified six factors the Board had previously considered "relat[ing] to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding":

> 1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
>
> 2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
>
> 3. investment in the parallel proceeding by the court and the parties;
>
> 4. overlap between issues raised in the petition and in the parallel proceeding;

> 5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
>
> 6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at *2-*3. "[I]n evaluating the factors," the decision in *Fintiv* explained, "the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id.* at *3.

2. Petitioner Intel Corporation filed a series of 12 petitions for inter partes review of patents owned by private respondent VLSI Technology LLC. Pet. App. 7a, 19a, 31a, 47a, 59a, 75a, 91a, 107a, 125a, 141a, 157a. The patents that petitioner challenged in these petitions were already the subject of several infringement lawsuits filed by VLSI against Intel. *Id.* at 9a, 21a, 33a-34a, 49a, 61a, 77a, 93a, 109a, 127a, 143a, 159a.

Between May and October 2020, the Board denied each petition for inter partes review after considering the *Fintiv* factors. See Pet. App. 18a, 30a, 46a, 57a, 74a, 90a, 105a, 123a, 140a, 156a, 170a. In the most recent opinion, for example, the Board noted "that the related district court litigation involves the same parties and issues"; that the district court "litigation is quite advanced and trial will likely be scheduled months prior to the issuance of any final written decision in this case"; and that "instituting an *inter partes* review would likely duplicate the district court's efforts and could lead to inconsistent results, undercutting the efficiency and integrity of the patent system." *Id.* at 17a. The Board concluded that, "taking a holistic view of the relevant circumstances of this proceeding, we determine that instituting an *inter partes* review would be an inefficient

use of the Board's and parties' resources, and we exercise discretion to deny institution under 35 U.S.C. § 314(a)." *Id.* at 17a-18a.

3. Petitioner appealed the Board's non-institution decisions to the Federal Circuit and sought, in the alternative, "writs of mandamus to review the Board's decisions." Pet. App. 4a. In an unpublished summary order, the court dismissed the appeals and denied mandamus relief. The court concluded that its decision in *Mylan Laboratories Ltd.* v. *Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1379 (Fed. Cir. 2021), cert. denied, 142 S. Ct. 874 (2022), "clearly controls this case." Pet. App. 4a. The court explained that *Mylan* had "confirmed that 35 U.S.C. § 314(d) bars the availability of jurisdiction under 28 U.S.C. § 1295(a)(4) to hear appeals from non-institution decisions" and had held "that a petitioner raising the same *ultra vires* challenges that Intel raises has failed to establish the high standard necessary for mandamus relief." *Ibid.* The court concluded that, "[f]or the same reasons, this court dismisses Intel's appeals for lack of jurisdiction and denies its requests for mandamus relief." *Id.* at 5a.

The court of appeals denied rehearing and rehearing en banc without noted dissent. Pet. App. 174a.

ARGUMENT

Earlier this Term, this Court denied two certiorari petitions presenting the same question that petitioner raises in this case. See *Apple Inc.* v. *Optis Cellular Tech., LLC*, 142 S. Ct. 859 (2022) (No. 21-118), and *Mylan Laboratories Ltd.* v. *Janssen Pharmaceutica, N.V.*, 142 S. Ct. 874 (2022) (No. 21-202). The same result is warranted here. In *Mylan*, this Court declined to review the decision that the Federal Circuit concluded "clearly controls this case." Pet. App. 4a (citing *Mylan*

Labs. Ltd. v. *Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1379 (Fed. Cir. 2021), cert. denied, 142 S. Ct. 874 (2022)); see *id.* at 5a (dismissing petitioner's appeals and denying writs of mandamus "[f]or the same reasons" as in *Mylan*). Petitioner's arguments lack merit, and ongoing agency reconsideration of the policies to which petitioner objects provides an additional reason to deny review.

1. As petitioner acknowledges, this petition "present[s] substantially the same" question as *Apple* and *Mylan*. Pet. 1; see Pet. 2 (explaining that petitioner "previously filed [amicus] briefs in support of those petitions" but "now petitions in its own right"). As in those cases, petitioner asks this Court to grant a writ of certiorari to determine "[w]hether review in the U.S. Court of Appeals for the Federal Circuit is available when the" USPTO denies a petition for inter partes review. Pet. 1; see Pet. at i, *Mylan Labs. Ltd.*, *supra* (No. 21-202) (*Mylan* Pet.); Pet. at i, *Apple Inc.*, *supra* (No. 21-118) (*Apple* Pet.). Indeed, the petition's statement of the question presented is identical to that in *Apple*. Compare Pet. i, with *Apple* Pet. at i.

This case does not differ from *Mylan* or *Apple* in any material respect. In all three cases, the Board denied petitions to institute inter partes review after considering various factors (the "*Fintiv* factors"), including the status of related district court litigation, that were set out in a Board decision the Director had made precedential. See Pet. 13-14; *Mylan* Pet. at 11-12; *Apple* Pet. at 12-13. In all three cases, the disappointed petitioners attempted to appeal to the Federal Circuit, seeking writs of mandamus in the alternative. Pet. 14-15; *Mylan* Pet. at 12-13; *Apple* Pet. at 12-13. And in all three cases, the Federal Circuit dismissed the appeals

for lack of jurisdiction and denied mandamus relief. See Pet. App. 5a; *Mylan*, 989 F.3d at 1383; *Apple Inc.* v. *Optis Cellular Tech., LLC*, No. 21-1043, 2020 WL 7753630, at *1 (Fed. Cir. Dec. 21, 2020), cert. denied, 142 S. Ct. 859 (2022).* The court of appeals' decision in this case contains no independent reasoning, dismissing the appeals and denying mandamus relief "[f]or the same reasons" the court had previously given in *Mylan*. Pet. App. 5a.

2. The government previously explained why the Federal Circuit was correct to conclude that it lacks jurisdiction over appeals like those in this case, *Mylan*, and *Apple*, and why the court was correct to deny mandamus relief in response to challenges like those petitioner raises in this case. Gov't Br. in Opp. at 11-19, *Mylan Labs. Ltd.*, *supra* (No. 21-202); Gov't Br. in Opp. at 10-20, *Apple Inc.*, *supra* (No. 21-118). The government briefly reiterates those reasons here.

Petitioner argues (Pet. 17-25) that the court of appeals should have exercised jurisdiction over petitioner's appeals from the USPTO's decisions declining to institute inter partes reviews. Under the AIA, however, the only inter partes review decision made subject to appeal is "the final written decision of the [Board] under section 318(a)." 35 U.S.C. 319. Such a "decision with respect to the patentability" of the challenged claims is issued only "[i]f an inter partes review is instituted and not dismissed," 35 U.S.C. 318(a), and it can affect the patent holder's rights or estop the petitioner in future judicial or agency proceedings, see 35 U.S.C.

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* The petition for a writ of certiorari in *Mylan* did not challenge the Federal Circuit's denial of mandamus relief. See Gov't Br. in Opp. at 10, *Mylan Labs. Ltd.*, *supra* (No. 21-202).

315(e)(1). By contrast, the AIA makes "[t]he determination by the Director whether to institute an inter partes review * * * final and nonappealable." 35 U.S.C. 314(d). And unlike "final written decision[s]" resolving questions of patentability, 35 U.S.C. 319, non-institution decisions do not affect patentholders' existing rights or petitioners' future ability to challenge patent validity. Nor does 28 U.S.C. 1295(a)(4)(A) authorize the type of appeals that Section 314(d) precludes. Section 1295 grants the Federal Circuit "exclusive jurisdiction" over specified types of appeals, but it does not confer a right to appeal any particular category of decision, much less override Section 314(d)'s explicit bar on appeals of decisions whether to institute inter partes reviews. Accordingly, under the plain terms of the AIA, the court correctly dismissed petitioner's appeals of the Board's non-institution decisions in these cases.

Petitioner further contends (Pet. 25-29) that this Court should grant a writ of certiorari to clarify the court of appeals' authority to issue a writ of mandamus when the USPTO declines to institute inter partes review. But the AIA contains "no mandate to institute review," even where a petition satisfies the statutory prerequisites. *Cuozzo Speed Techs., LLC* v. *Lee*, 579 U.S. 261, 273 (2016). Because the "decision to deny a petition is a matter committed to the Patent Office's discretion," *ibid.*, a disappointed petitioner for inter partes review could establish the requisite "clear and indisputable right to relief" only in extraordinary circumstances, *Mylan*, 989 F.3d at 1382. The court of appeals has left open the possibility that mandamus review might be available in this context for "colorable constitutional claims," but it has explained that challenges like the ones petitioner raises here do not satisfy the demanding

mandamus standard. *Ibid.* The court thus correctly concluded that petitioner does not meet "the high standard necessary for mandamus relief." Pet. App. 4a.

3. Pending agency proceedings regarding the *Fintiv* factors provide an additional reason for this Court to deny review. Petitioner argues that the Director acted without sufficient public notice and comment when he mandated consideration of the *Fintiv* factors, and that these factors have caused various adverse effects on the inter partes review process. See Pet. 29-34. The USPTO has solicited and is currently considering public comments on the *Fintiv* factors, however, and it will determine whether those factors should be modified based on public input and the agency's "broad experience as it relates to considerations for instituting" AIA proceedings. 85 Fed. Reg. 66,502, 66,503 (Oct. 20, 2020). In particular, the Director requested public comments on (1) whether the agency should "promulgate a rule with a case-specific analysis, such as generally outlined in *Fintiv* and its progeny, for deciding whether to institute" an inter partes review while parallel district court proceedings are pending; (2) whether the agency should instead adopt a bright-line rule for dealing with such circumstances; and (3) whether there are "any other modifications [the USPTO] should make in its approach." *Id.* at 66,506. Particularly in light of that pending agency process, petitioner's disapproval of the USPTO's current approach cannot justify this Court's intervention here.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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