

No. 23-1023

IN THE
Supreme Court of the United States

JODI A. SCHWENDIMANN,

Petitioner,

v.

NEENAH, INC.,

Respondent.

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

**REPLY IN SUPPORT OF PETITION
FOR A WRIT OF CERTIORARI**

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Both the Patent Trial and Appeal Board (“the Board”) and the district courts are required to construe claim terms in patents using the exact same standard: the standard set forth in *Phillips*. Nevertheless, for the patents at issue here, the Board and the District Court adopted different, conflicting claim constructions. Because the two bodies were supposed to be applying the same standard but ended up with different results, one set of claim constructions is, necessarily, incorrect. In the proceedings below, Petitioner Jodi A. Schwendimann (“Schwendimann” or “Patent Owner”) requested that the Panel resolve the conflict between two sets of claim constructions, including deciding whether the Board erred in failing to adopt the District Court’s claim constructions. Instead of resolving this conflict, the Panel issued a Rule 36 judgment, affirming the Board’s finding of anticipation. The one-word affirmance contains no explanation of which set of claim constructions the Panel deemed correct (and applied in finding the claims anticipated).

As a result of the Rule 36 judgment, (1) Patent Owner does not know which error the Panel made and, therefore, is deprived of an opportunity to seek meaningful review; and (2) the public does not know the scope of patent claims, including patent claims that are still valid (and can still be subject to lawsuit). For these reasons, the Panel’s use of Rule 36 warrants this Court’s supervisory review. Patent Owner respectfully requests this Court grant her Petition for writ of certiorari and exercise its supervisory review to clarify that (1) the Federal Circuit should limit its use of Rule 36 in patent cases to appeals in which a one-word affirmance will adequately put the public (and the patent owner) on notice as to the scope of the patent claims; and (2) the circuit courts that follow the minority

rule (allowing one-word affirmances) should refrain from issuing one-word affirmances in appeals involving conflicting determinations under the same legal standard.

I. The Petition Presents an Important Issue that Affects Patent Owner, the Public, and Future Litigants.

Neenah's response brief argues that certiorari should be denied because the issues presented are "not cert worthy" and have no "general importance." Br., at 5 & 13. To the contrary, this is precisely the type of case in which this Court's exercise of its supervisory role is warranted. *See* SUP. CT. R. 10(a). Without this Court's intervention, patent owners will have their valuable patent rights stripped away without ever knowing the basis, the public will not receive notice of the scope of the patent claims, and petitioners and patent owners will receive disparate treatment.

1. Without this Court's Intervention, Patent Owners Will Have Their Valuable Patent Rights Stripped Away without Knowing the Basis.

As discussed above, although the Board and the District Court should have been applying the same standard (*Phillips*), the two bodies adopted conflicting claim constructions: the District Court's claim constructions required a functional component; the Board's did not. Instead of issuing a written decision explaining whether the Board's constructions, the District Court's constructions, or (somehow) both constructions were correct, the Panel instead issued a Rule 36 judgment, affirming the Board's

finding that the claims were anticipated. Issuing a Rule 36 judgment in these circumstances means that Patent Owner does not know the basis upon which her patent rights were stripped away.¹ She knows that **an** error was made, but she does not know **which** error was made.² As a result, she cannot appeal the error (at least not without being accused of seeking an advisory opinion on a “hypothetical holding” (*see* Br., at 12)). This case involves a question of fundamental fairness: should Patent Owners

1. Neenah argues that affirmance means the Panel agreed with the Board’s constructions (Br., at 5), but that is not true. The affirmance reveals only that the Panel agreed the claims were anticipated. It is unknown which claim constructions the Panel applied in reaching that decision. Notably, during oral argument, at least one of the Panelists seemed to agree that both the claim language and the specification supported a claim construction that – like the District Court’s constructions – would include a functional requirement. *See* Oral Argument at 20:07-14, *Schwendimann v. Neenah*, No. 23-1023 (Oct. 3, 2023), available at https://oralarguments.cafc.uscourts.gov/default.aspx?fl=22-1951_10032023.mp3 (“Oral Argument”) (“The claim says ‘water repellent.’ Aren’t I supposed to interpret the plain meaning of the claim term?”); *id.* at 17:30-53 (“I kind of think [the specification is] sort of saying these [listed materials] can act as water repellents **when they ‘improve the wash/wear resistance of the transferred image’**....” (emphasis added & quoting ‘773 Patent, at 9:66-10:1)).

2. Neenah asserts that the Board correctly applied Federal Circuit precedent on claim construction **and** anticipation. Br., at 6. That is incorrect. If the Panel adopted the Board’s claim construction, the Panel erred in failing to apply *Phillips*, which requires that claim terms be construed based upon the claims and specification, both of which, here, require each material to perform a function. If the Panel adopted the District Court’s claim construction, the Panel erred in failing to apply precedent on anticipation. *See* Petition, at 8-9 (quoting *Therasense, Inc. v. Becton, Dickinson & Co.*, 593 F.3d 1325 (Fed. Cir. 2010)).

be notified of the basis upon which their valuable patent rights are stripped away from them?

Neenah asserts this Court should deny certiorari because the construction of the claim terms of these particular patents has no precedential value to future litigants in cases involving different patents. Br., at 5-6. However, this problem will affect future litigants: in every case in which there are differing claim constructions below, and the Federal Circuit issues a Rule 36 judgment, patent owners will have their rights stripped away without knowing the basis. This Court has the capacity to ensure that does not happen by exercising its supervisory authority.

2. Without this Court's Intervention, the Public Will Not Know the Scope of Patent Claims.

The Rule 36 judgment also affects the public. Because it is unclear which claim construction the Panel adopted, the public does not know the scope of the patent claims. This includes the claims in the patents that have **not** been invalidated. Indeed, the contested claim terms also appear in the claims that are still valid. Because of the Rule 36 judgment, the public does not know the scope of those claims.

Neenah suggests this concern is irrelevant because the claims have expired. Br., at 11. However, recovery for patent infringement damages go back six years (35 U.S.C. § 286), and the patents expired just three years ago. Therefore, there is the potential for future litigation involving the claims of the patents that have **not** been invalidated, but – as a result of the Rule 36 judgment – the

parties to any future litigation will not know the proper scope of the claims. Again, this issue of the public not knowing the scope of patent claims is an issue that will affect future litigants as well, in any case in which a Rule 36 judgment is entered where there are differing claim constructions below.

3. Without this Court’s Intervention, Petitioners and Respondents Will Be Treated Disparately in Patent Cases.

In the Petition, Schwendimann highlighted that the need for this Court’s intervention here is particularly pronounced because the USPTO is playing both sides of the street: issuing patents and then stripping those same patents away at an alarmingly high rate. Neenah argues this is “irrelevant” to the issue of whether this Court should grant certiorari. Br., at 11. To the contrary, however, the Court’s supervisory power is designed to be exercised precisely in these circumstances – i.e., when the lower courts have departed from the accepted and usual course of judicial proceedings. SUP. CT. R. 10(a).

Here, this Court’s precedent requires that “the Board’s final **written decision** [must] address every claim **the petitioner** presents for review.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1358, 200 L. Ed. 2d 695 (2018) (emphasis added). At the same time, however, as a result of the Rule 36 judgment below, **Patent Owner** did **not** receive a written decision on all of her claims that have been invalidated. This is a fundamental departure from what should be the accepted and usual course of judicial proceedings because litigants are treated unequally: petitioners receive a written opinion explaining why their

challenges were (or were not) successful, whereas patent owners are deprived of any explanation of why their claims were invalidated. *See* U.S. Const. amend. XIV; *Bolling v. Sharpe*, 347 U.S. 497, 499 (1954). This is, therefore, precisely the type of case that is proper for this Court’s exercise of supervisory power.

4. The Federal Circuit’s Use of One-Word Affirmances Departs from the Accepted and Usual Course of Judicial Proceedings.

Neenah asserts this Court should deny certiorari is because other federal appellate courts also allow for summary affirmance. Br., at 7 (citing 2d Cir. IOP 32.1.1). But the Federal Circuit (and Second Circuit) are in the minority in their use of one-word affirmances. In other circuits, the “accepted and usual course of judicial proceedings” is to support judgments with written opinions containing, at a minimum, information the court found to be crucial to the decision. Under internal rule or established practice, eight circuits provide an explanation when rendering a decision: the First, Third, Fourth, Sixth, Seventh, Ninth, Eleventh, and D.C. Circuits.³ In contrast,

3. The First Circuit requires an order, memorandum and order, or opinion. 1st Cir. R. 36(a). The Third Circuit permits a “judgment order” affirming by reference to the opinion below (3rd Cir. I.O.P. 6.3.2), but, in practice, has not issued a one-word affirmance since 2006. The Fourth Circuit permits “summary opinions,” but they must “set[] forth the Court’s decision and the reason or reasons therefor.” 4th Cir. I.O.P. 36.3. The Sixth Circuit requires an opinion or order and only permits decision without written opinion in open court and when the decision is unanimous. 6th Cir. R. 36(a) & (b). The Seventh Circuit requires courts to issue either a precedential “opinion” or a non-precedential “order.” 7th Cir. R. 32.1(b). In practice, the Circuit’s non-precedential “orders” explain the court’s rationale. *See, e.g., Stewart v. First Am. Title Ins. Co.*, No. 22-3105, 2023 WL 5923771

the Federal Circuit joins a minority of circuits which allow one-word affirmances: the Second, Fifth, Eighth, and Tenth Circuits.⁴ The Federal Circuit’s departure from that accepted and usual course – particularly in instances where it results in patent owners being deprived of rights without explaining why – warrants this Court’s intervention.

Neenah argues that all federal courts of appeals have discretion to promulgate procedural rules. Br., at 7. It is true that each circuit may “make and amend rules governing its practice.” Fed. R. App. P. 47(a)(1). At the same time, however, the “discretion in promulgating local rules is not ... without limits,” and “[t]his Court may exercise its inherent supervisory power to ensure that these local rules are consistent with ‘the principles of right and justice.’” *Frazier v. Heebe*, 482 U.S. 641, 645 (1987) (internal quotation and citations omitted). The use of Rule 36 here – where it results in patent owners being stripped of their rights without notice as to why – is inconsistent with the principles of right and justice.

(7th Cir. Sept. 12, 2023). The Ninth Circuit permits “a memorandum disposition,” which must contain a “concise explanation of this Court’s decision” and recite “information crucial to the result.” 9th Cir. General Order. 4.3.a. The Eleventh Circuit permitted “Affirmance without Opinion,” but that Rule has been rescinded. 11th Cir. R. 36-1 (Rescinded). The D.C. Circuit permits “abbreviated dispositions,” but they must “contain[] a notation of precedents or accompanied by a brief memorandum” (D.C. Cir. R. R.36(d)) and, in all unpublished decisions, “[a]n opinion, memorandum, or other statement explaining the basis for this court’s action in issuing an order or judgment” must “be retained as part of the case file ... and be publicly available there on the same basis as any published opinion.” D.C. Cir. R. 36(e).

4. See Fed. Cir. R. 36(a); 2d. Cir. IOP 32.1.1; 5th Cir. R. 47.6; 8th Cir. R. 47B; 10th Cir. R. 36.1.

5. The Cases in Which This Court Denied Certiorari in Rule 36 Cases Are Distinguishable and Irrelevant.

Another reason Neenah asserts this Court should deny certiorari is because the Supreme Court has denied certiorari in other cases involving Rule 36 judgments. *Br.*, at 5. Importantly, neither of the Rule 36 cases cited by Neenah involved competing claim constructions below – i.e., one set of claim constructions from the Board, and a separate set of claim constructions from a District Court.⁵ Thus, neither case presented the problem of the public and patent owner being deprived of knowing the scope of the claims. Because neither case is on point, neither is relevant to the question of certiorari before this Court here. Also, the Patent Owner is **not** arguing that Rule 36 judgments are **always** (or “**generally**”) improper, as Neenah suggests. *Id.*

6. Patent Owner’s Petition Does Not Seek Review of Simple “Erroneous Factual Findings.”

Neenah asserts that this Court should deny certiorari because Patent Owner is only seeking correction of a “fact-

5. *See generally* Petition for Writ of Certiorari, *Bobcar Media, LLC v. Aardvark Event Logistics, Inc.*, No. 21-158, 2021 WL 3423010 (Aug. 2, 2021); Petition for Writ of Certiorari, *Virentem Ventures, LLC v. Google LLC*, No. 22-803 (Feb. 21, 2023), *available at* https://www.supremecourt.gov/DocketPDF/22/22-803/255219/20230221160437456_Virentem%20Petition%20E%20FILE%20Feb%2021%2023.pdf (petitioner disagreed with Federal Circuit’s claim constructions but knew how the claims had been construed). In both cases, the petitioners challenged the Federal Circuit’s use of Rule 36 judgments, arguing that the use of the Rule was always, or generally, problematic. *See generally id.*

bound error” or “fact-bound claim constructions.” Br., at 6. This is incorrect, for numerous reasons. As an initial matter, the Petition is not seeking to fix some factual error made by the Panel; instead, Patent Owner is asking this Court to require the Panel to provide enough of a written opinion so that Patent Owner can understand why her claims were invalidated and the public can understand the scope of the claims. Moreover, regardless of which error was made, the error is a **legal** error, not a fact-based error. If the Panel adopted the Board’s claim constructions, the Panel’s error was a **legal** error in construing the claims contrary to *Phillips*. See *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 574 U.S. 318 (2015) (explaining that “the ultimate question of claim construction is **a matter of law** that the Federal Circuit reviews de novo” (emphasis added)). If the Panel adopted the District Court’s claim constructions (and nevertheless somehow found the claims anticipated), then the Panel’s error also was a legal error, because it involved the Panel’s failure to apply its own precedent on anticipation. See Petition, at 8-9. Therefore, regardless of which error the Panel made below, the error was a legal error, not a fact-based error.

II. The Two Sets of Claim Constructions Below Are in Conflict, Demonstrating that Either the Board or the District Court Incorrectly Applied *Phillips*.

Neenah argues that the two sets of claim constructions do not conflict. Br., at 9-10. However, a simple review of the two sets of claim constructions shows that they conflict. The District Court’s construction required that each of the materials perform a specific function. For example, for the claim term “water repellent,” the District Court’s construed the claim term to require that the material

actually “provides water resistance.” In stark contrast, the Board’s constructions **do not** require the material to perform **any** function: they permit a material (e.g., a wax) to satisfy the claimed “water repellant” limitation even if the wax does not actually repel water in the composition. *See* App.20a-21a; *see also* Oral Argument, at 19:47-20:10 (confirming Neenah’s position that it is possible for water repellant to be a water repellant as long as it has a smidge of wax even if it’s not enough to actually repel water). The two sets of claim construction directly conflict.

The Rule 36 judgment makes it impossible to know which set of claim constructions the Panel found correct. Indeed, later in Neenah’s brief, Neenah acknowledges that no one knows the basis of the Panel’s decision, because Neenah cautions that the Court should not “hypothesize” on which ground the Federal Circuit affirmed. *Br.*, at 12; *see also id.* at 10 (speculating as to what the Federal Circuit “must have” decided in issuance its Rule 36 judgment); *id.* at 14 (arguing that “the Federal Circuit presumably found ...”). That is precisely the problem: because Schwendimann does not know why the Federal Circuit affirmed, the only way for her to appeal is to hypothesize on what the basis might have been. This highlights the fundamental problem with the issuance of Rule 36 judgments in this situation.

III. Neenah’s Response Highlights the Problem of Patent Owner Not Receiving Notice.

Schwendimann’s Petition for certiorari included a second question presented: whether – to the extent the Panel found that the District Court’s claim constructions were correct – the Panel erred in invalidating claims

as anticipated where there was no express or inherent disclosure that the prior art reference. *See* Petition, at 8-9. On this issue, Neenah argues that this Court should not grant certiorari because it is a “hypothetical.” Br., at 12. But Neenah is trying to have its cake and eat it, too: on the one hand, Neenah argues that the Panel’s implicit holding on claim construction is clear, but, on the other hand, argues that this Court does not have jurisdiction to correct the Federal Circuit’s error because no one actually knows what that error was. In short, Neenah’s argument about the “hypothetical” nature of Schwendimann’s second issue presented demonstrates precisely why review is needed here: Patent Owner should be permitted to know the claim constructions upon which her claims were invalidated so that she may form a “non-hypothetical” issue for appeal.

CONCLUSION

For the reasons set forth above, Petitioner respectfully requests this Court grant its petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

Respectfully Submitted,

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