No. __A-_____

In the Supreme Court of the United States

RETURN MAIL, INC.,
Applicant,

v.

UNITED STATES POSTAL SERVICE AND UNITED STATES,
Respondents.

APPLICATION FOR EXTENSION OF TIME WITHIN WHICH TO FILE A PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

To the Honorable John G. Roberts, Jr., Chief Justice of the United States and Circuit Justice for the United States Court of Appeals for the Federal Circuit:

Pursuant to Rules 13.5 and 30.2 of this Court, Applicant Return Mail, Inc. ("Return Mail") respectfully requests that the time to file a petition for writ of certiorari in this matter be extended for 60 days to, and including, May 14, 2018. The Federal Circuit entered its judgment and issued an opinion in support of the judgment on August 28, 2017. Return Mail filed a timely Combined Petition for Rehearing and Rehearing En Banc on October 12, 2017. The Federal Circuit denied the Combined Petition on December 15, 2017. Unless extended, the time for filing a

petition for writ of certiorari will expire on March 15, 2018. This Application is filed at least ten days prior to that date pursuant to Supreme Court Rule 13.5.

The jurisdiction of this Court would be invoked under 28 U.S.C. § 1254(1). Attached are copies of the Federal Circuit's majority and dissenting opinions (Exhibit 1) and its order denying rehearing and rehearing en banc (Exhibit 2).

BACKGROUND

This case concerns the Federal Circuit's erroneous conclusion that the United States has standing to participate in covered business method (CBM) review proceedings under the America Invents Act (AIA) at the Patent Trial and Appeal Board ("Board"). In particular, the case involves two substantial and important issues: (1) whether a compensation suit under 28 U.S.C. § 1498(a) for the eminent domain taking of a patent license by the United States is a suit for patent "infringement" under the AIA; and (2) whether the United States is a "person" with standing to petition the Board to institute post-grant proceedings under the AIA.

Return Mail is a U.S. patent owner that sued the Postal Service seeking "reasonable and entire compensation for the unlicensed use" of its invention under § 1498(a) at the U.S. Court of Federal Claims. Following an adverse claim construction ruling in that court, the Postal Service filed a petition for CBM review at the Board. Return Mail challenged the petition on the ground that the Postal Service lacked standing to participate in CBM review because it had not been sued for patent infringement under the Patent Act. Rather, the Postal Service had been

sued in a compensation action under § 1498(a).[1] The Board rejected Return Mail's argument and instituted CBM review based on its view that "the United States has been sued for infringement . . . under 28 U.S.C. § 1498(a)." *United States Postal Service v. Return Mail, Inc.*, No. CBM2014-00116, Paper No. 11 (P.T.A.B. Oct. 16, 2014). The Board subsequently invalidated Return Mail's patent in its final written decision.

A divided Federal Circuit panel affirmed the Board's standing determination, holding that "the Postal Service was 'sued for infringement' within the meaning of [AIA] § 18(a)(1)(B) when Return Mail filed the Claims Court suit against it under § 1498(a)." Op. at 28. Although the majority "recognize[d] there are important differences between § 1498(a) suits against the government and suits for infringement against private parties, these differences . . . are insufficient to compel a conclusion that Congress intended to exclude a government-related party sued under § 1498(a) from being able to petition for CBM review." *Id.* at 15.

In reaching this conclusion, the panel majority raised a separate issue of statutory construction *sua sponte*, and held that the Postal Service is a "person" with standing to petition the Board in post-grant review proceedings under the AIA. Op.

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[1] Unlike a private party, the United States cannot be sued for patent infringement action under 35 U.S.C. §§ 271 and 281 in a U.S. district court. *See Advanced Software Design Co. v. Fed. Reserve Bank of St. Louis*, 583 F.3d 1371, 1375-76 (Fed. Cir. 2009). Rather, the United States may only be sued in the Court of Federal Claims. *See* 28 U.S.C. § 1498(a) ("Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture.").

at 27. The dissent criticized the majority's reasoning, stating that "[t]he panel majority errs in stating that the proper inference is that the government is a 'person' under this statute, for the vast weight of statute and precedent requires the opposite inference." Dissent at 9. Return Mail petitioned the Federal Circuit to rehear the standing issues passed upon in the majority panel's opinion with the benefit of adversarial briefing from the parties. However, the court denied the petition.

Return Mail's certiorari petition will explain that the United States cannot satisfy the AIA's express standing requirements for participation in CBM review proceedings before the Board. The Federal Circuit's holding to the contrary erroneously disregards longstanding precedent from this Court (and from the Federal Circuit itself), ignores the statutory framework of the AIA, and misapprehends the underlying legal basis of compensation suits against the United States under § 1498(a).

Compensation actions sounding in eminent domain under § 1498(a) are fundamentally different from tortious patent infringement actions under Title 35. For over one hundred years, both this Court the Federal Circuit have clearly distinguished between these two actions. *See, e.g., Crozier v. Fried. Krupp Aktiengesellschaft*, 224 U.S. 290, 305 (1912) (the United States has "the undoubted authority . . . to exert the power of eminent domain" and "appropriat[e] . . . a license to use the inventions" covered by a patent under the statutory predecessor to § 1498(a)); *Zoltek Corp. v. United States*, 672 F.3d 1309, 1321 (Fed. Cir. 2012) (en banc in part) ("Instead of relying on any infringement sections in § 271, § 1498(a)

creates its own independent cause of action."); *Motorola, Inc. v. United States*, 729 F.2d 765, 768 (Fed. Cir. 1984) ("Although a section 1498 action may be similar to a Title 35 action, it is nonetheless only parallel and not identical."). Indeed, over thirty years ago the Federal Circuit expressly identified "numerous examples of where the patent statutes are inapplicable in an eminent domain context," including availability of attorney's fees, availability of injunctive relief, and differences in liability for direct versus indirect use of the patented invention. *Motorola*, 729 F.2d at 768 n.3.

The difference between these causes of action is central to the issue of standing in CBM review proceedings before the Board. The AIA is a carefully balanced statutory scheme with two central goals being to provide an alternative forum to the U.S. district courts in which to resolve patent validity disputes, and to protect patent owners from repetitive and abusive filings by challengers. To balance these goals, Congress expressly specified that in order to have standing to file a CBM review petition under the AIA, the petitioner must be a "person" who "has been sued for infringement of the patent" or "charged with infringement under that patent." AIA § 18(a)(1)(B) (emphasis added); *see also* 35 U.S.C. §§ 311, 321. If a petitioner is able to satisfy the standing requirements and the Board institutes a CBM review proceeding, that petitioner would be estopped from re-litigating issues raised in the CBM review in two forums: in U.S. district courts (under 28 U.S.C. § 1338) or in the International Trade Commission (under 19 U.S.C. § 1337). AIA § 18(a)(1)(D); *see also* 35 U.S.C. §§ 315(e)(2), 325(e)(2). As noted by the dissent, "[t]he estoppel provision is the backbone of the AIA, for it is through estoppel that the AIA achieves its purpose

of expeditious and economical resolution of patent disputes without resort to the courts." Dissent at 7.

The Federal Circuit's opinion erred by conferring standing on the United States to petition for CBM review. By holding that the Postal Service was "sued for infringement," the majority ignored the plain text of the AIA along with the substantial body of precedent clearly distinguishing between tortious patent infringement under Title 35 and compensation suits sounding in eminent domain under § 1498(a). Moreover, by holding that the Postal Service is a "person" eligible to seek AIA review, the majority disregarded Congress' consistent statutory definition of "person," *see* 1 U.S.C. § 1, in addition to this Court's "longstanding interpretive presumption" that the word "'person' does not include the sovereign" which "may be disregarded only upon some affirmative showing of statutory intent to the contrary." *Vt. Agency of Natural Resources v. United States ex rel. Stevens*, 529 U.S. 765, 780–781 (2000).

The practical effect of the Federal Circuit's decision results in an anomaly: the United States alone may seek AIA review without facing any risk of estoppel in subsequent proceedings. Although all other petitioners are estopped from re-litigating issues raised during a CBM review in U.S. district courts or at the International Trade Commission, *see* AIA § 18(a)(1)(D), the AIA makes no provision for estoppel applying to a § 1498(a) action at the Court of Federal Claims. While acknowledging the "oddity of this result," Op. 24, the majority leaves it to Congress to sort out the "soundness of exempting the government from the estoppel provision,"

id. The Federal Circuit's decision would improperly confer standing on the United States to seek AIA review at the Board, and improperly grant the United States the "unique advantage of not being estopped in the Claims Court from re-litigating grounds raised during the CBM review proceeding." Op. 24. As such, the Federal Circuit's decision cannot stand.

REASONS FOR GRANTING AN EXTENSION OF TIME

Return Mail respectfully submits that a 60-day extension to the time within which to file a petition for writ of certiorari is necessary and appropriate for the below reasons:

First, as noted above, this case raises significant questions regarding the interplay between the government's eminent domain authority, the rights of U.S. patent owners, and the jurisdiction and authority of the Board, including:

- Whether a compensation suit under § 1498(a) for the eminent domain taking of a patent license by the United States is a suit for patent "infringement" under the AIA.
- Whether the United States is a "person" with standing to petition the Board to institute post-grant proceedings under the AIA.

These issues are raised squarely and in a manner ripe for this Court's review. Notably, there is at least a prospect that this Court will grant certiorari, given that the Federal Circuit panel was not unanimous in its decision, and no other appellate court has jurisdiction to hear similar cases in the future. *See, e.g., SAS Inst., Inc. v. Lee*, 137 S. Ct. 2160 (2017) (mem.) (granting certiorari following a divided panel

opinion without rehearing); *Life Techs. Corp. v. Promega Corp.*, 136 S. Ct. 2505 (2016) (mem.) (same). Moreover, this Court has granted certiorari in several recent cases involving the AIA's contours[2]; this case presents questions similar in nature and of equal importance to the proper functioning of the patent system.

Second, at least one case scheduled to be decided by this Court in the current term may affect the arguments and legal authority cited in Return Mail's forthcoming certiorari petition. *See Oil States Energy Servs., LLC, v. Greene's Energy Grp., LLC*, 639 Fed. App'x 639 (Fed. Cir. 2016), *cert. granted*, No. 16-712, 137 S. Ct. 2239 (U.S. Nov. 23, 2016). Specifically, there is a reasonable probability that, depending on how this Court rules in *Oil States*, the instant appeal may be mooted. Additional time would minimize the burden on the parties and this Court by ensuring that a live controversy exists when Return Mail's petition is filed.

Third, no meaningful burden or prejudice would arise from Return Mail's proposed extension. The Federal Circuit's mandate affirming the Board's cancellation of Return Mail's patent issued on December 22, 2017. The parallel litigation between the parties under § 1498(a) at the Court of Federal Claims has been stayed pending the outcome of the CBM review proceeding at the Board for over three years. Additionally, the Court of Federal Claims recently extended the stay until March 19, 2018, at which point the parties are requested to provide a joint status report. *See* Order, *Return Mail, Inc. v. United States*, No. 11-130C (Fed. Cl.

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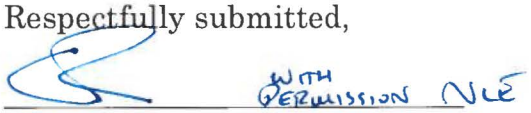
[2] *See, e.g., SAS Inst.*, 137 S. Ct. at 2160; *Oil States Energy Servs., LLC v. Greene's Energy Grp, LLC*, 137 S. Ct. 2239 (2016) (mem.); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 890 (2016) (mem.).

Dec. 22, 2017), ECF No. 95. In light of the extended stay at the Court of Federal Claims, and further in light of the Federal Circuit's mandate, Return Mail's proposed extension would impose no additional burden or prejudice on the parties.

CONCLUSION

For the foregoing reasons, Return Mail's application for a 60-day extension to and including May 14, 2018, within which to file a petition for a writ of certiorari in this case should be granted.

Respectfully submitted,



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