

No. 17-349

IN THE
Supreme Court of the United States

SKKY, INC.,

Petitioner

v.

MINDGEEK, S.A.R.L., MINDGEEK USA, INC.,
PLAYBOY ENTERPRISES, INC.

Respondents.

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

REPLY BRIEF FOR PETITIONER

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REPLY BRIEF FOR PETITIONER

Because this petition implicates the same issue that the Court will soon decide in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, cert. granted, No. 16-712 (June 12, 2017), Skky asks that the Court hold its petition pending the decision in *Oil States*. In other petitions implicating the same issue as *Oil States*, the Government has also urged that the Court hold the petition pending the determination in *Oil States*. See *Celgard, LLC v. Joseph Matal, Interim Director, United States Patent and Trademark Office*, No. 16-1526, Respondent Brief at 5, (August 21, 2017) (appeal from an *inter partes* review, and the Government stating that “the Court should hold the petition in this case pending the decision in *Oil States* and then dispose of the petition as appropriate in light of that decision.”); see also *Depomed, Inc. v. Joseph Matal, Interim Director, United States Patent and Trademark Office*, Respondent Brief at 1, No. 17-114 (September 20, 2017) (appeal from an *inter partes* review, and the Government stating that “the Court should hold the petition in this case pending the decision in *Oil States* and then dispose of the petition as appropriate in light of that decision.”).

In addition, third-party respondents have also agreed that the Court should hold petitions pending the resolution of *Oil States* in cases involving the same issue as *Oil States*. See e.g., *IPR Licensing, Inc. v. ZTE Corp., et al.*, Respondents' Brief at 1, No. 17-159 (September 2, 2017) (appeal from an *inter partes*

review, and ZTE stating that “the Court should hold the petition in this case pending the decision in *Oil States* and then dispose of the petition as appropriate in light of that decision.”).

Despite the near unanimous position that the Court should hold those petitions that implicate the same issue as *Oil States*, Respondents argue that this petition should be denied because “even if this Court in *Oil States* were to find constitutional defects in *inter partes* review, such decision should only apply prospectively—not retroactively.” Respondents’ Brief at 4-5. Whether *Oil States* may be applied retroactively is not a proper basis for denying this petition now. Respondents put the cart before the horse. The appropriate time to decide the impact of *Oil States* on this petition is after *Oil States* has been decided, and not before. It would be premature for the Court to consider the retroactivity of *Oil States* now since this Court has not yet decided *Oil States*. Thus, the issue of retroactivity is not a reason to deny the petition now.

In addition, although Respondents assert that *Oil States* would not be applied retroactively, this Court has established that when it applies a rule of federal law, that rule “must be given full retroactive effect in all cases still open on direct review and as to all events, regardless of whether such events predate or postdate our announcement of the rule.” *Harper v. Virginia Department of Taxation*, 509 U.S. 86, 97 (1993).

Even under Respondents’ articulation of the

legal standard for retroactivity, which considers “whether retrospective operation will further or retard the operation of the holding in question,” Skky would satisfy this standard. If this Court holds in *Oil States* that *inter partes* review is unconstitutional, that would mean that Skky’s patent was invalidated through an improper proceeding. Retroactive application of the decision to this petition to hold that Skky’s patent was improperly invalidated would “further the operation” of this holding. In addition, to *not* apply such a decision retroactively would produce an inequitable result as it would mean numerous patents would remain invalidated even though they were so found through an unconstitutional proceeding.

Respondents assert the opposite, arguing that “retroactive application would result in relitigation of infirm patent claims across the country at untold costs to parties who relied on *inter partes* review to make their invalidity challenges in the first instance.” Respondents’ Brief at 7. Respondents miss the point. If invalidity determinations by the Patent Office are held to be unconstitutional, then patent owners would be entitled to adjudication of invalidity of their patents by a jury or judge in the first instance, not by an Article I agency.

Finally, Respondents argue that “[b]y failing to preserve its original constitutional argument on appeal at the Federal Circuit below, Skky waived its right to assert such challenges here.” Respondents’ Brief at 7. The cases Respondents cite to support their argument, however, do not address challenges

to the very mechanism giving rise to the appeal, and do not state that these issues can be waived or must be raised below. The constitutional challenge presented in *Oil States*, and in this case, addresses the fundamental issue of whether *inter partes* review proceedings before the Patent Trial and Appeal Board, and appeals from the same, are themselves proper under the United States Constitution. Such fundamental constitutional rights cannot be waived. Thus, nothing in Respondents' opposition prevents the Court from deciding the issue at hand.

In sum, Respondents have not provided any persuasive basis for denying the petition now. The Government, as well as numerous third parties, agree that the Court should hold a petition, such as this petition, pending the decision in *Oil States*.

CONCLUSION

Skky respectfully requests that the Court hold its petition pending this Court's resolution of *Oil States*. Should the Court hold that Patent Office proceedings analyzing the validity of patents are unconstitutional, Skky respectfully requests that this Court grant this petition, vacate the decision below, and remand for further consideration.

Respectfully submitted,

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