

No. 18-1027

In The
Supreme Court of the United States

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SUPERIOR COMMUNICATIONS, INC.,

Petitioner,

v.

VOLTSTAR TECHNOLOGIES, INC.,

Respondent.

—————◆—————
**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

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REPLY BRIEF FOR PETITIONER

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ANDREW M. JACOBS
Counsel of Record
SYDNEY LEACH
SNELL & WILMER LLP
One Arizona Center
400 East Van Buren Street
Suite 1900
Phoenix, Arizona 85004
(602) 382-6000
ajacobs@swlaw.com

Counsel for Petitioner

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REPLY BRIEF FOR PETITIONER

Far from undermining the significance of the questions presented in Superior Communications, Inc.’s petition for writ of certiorari, Respondent Voltstar Technology Inc.’s brief in opposition further highlights the need for this Court’s review. Voltstar asserts (at 3) that the first question presented by Superior—whether under § 314(d) a party may appeal the PTAB’s application of § 315(b)’s time bar provision made during its decision to institute IPR—was already decided by this Court in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018). That is simply not true. Not only did *SAS Institute* not even purport to decide the issue presented here, but Voltstar’s interpretation of the statute would effectively require this Court to overturn *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016), which this Court has not done. For all the reasons stated in the petition, the first question presented by Superior is a significant issue ripe for this Court’s adjudication.

In its petition (at 30–32), Superior explained that the majority’s interpretation of § 315(b) in *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018) will lead to gamesmanship and unnecessary litigation. In response, Voltstar attempts to show various ways a defendant could mitigate the gamesmanship, but its suggestions require further unnecessary litigation. [Opp. Br. at 11 (suggesting that defendants simply file an IPR or defend itself in future litigation).] But this is the problem with the *Click-to-Call* decision, not the solution. The necessity of further strategies to combat likely gamesmanship and unnecessary litigation

further illustrates the need for this Court to grant review to avoid such consequences in the first place.

Importantly, the Federal Circuit, in taking both questions presented by Superior *en banc*, believed that the two questions presented were of “exceptional importance,” Fed. R. App. P. 35(a)(2), and the resulting split decisions—which included vigorous dissents—demonstrate both the importance of the issue and a deep divide that should be resolved by this Court.

Finally, Voltstar points to no underlying facts or extraneous issues that would otherwise preclude review of both questions presented. This case remains the appropriate vehicle for resolving these significant questions presented.

This Court should grant Superior’s petition and review this case on the merits. In the alternative, the Court should grant review in one of the two other pending cases that raise the same issues—*Dex Media, Inc. v. Click-to-Call Techs., LP* (No. 18-916) and *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.* (No. 18-999)—and hold this case pending resolution of the issues on the merits.

I. SAS INSTITUTE, INC. v. IANCU DID NOT RESOLVE THE FIRST QUESTION PRESENTED.

Voltstar asserts that *SAS Institute, Inc. v. Iancu* resolved Superior’s first question presented, citing to language in the *SAS Institute* decision stating

“§ 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.’” [Opp. Br. at 4 (quoting *SAS Institute*, 138 S. Ct. at 1359 (emphases added by Voltstar)).] However, *SAS Institute*’s decision does not preclude application of other statutes to the initial determination made by the PTAB under § 314(a), including § 315(b). *SAS Institute* thus does not resolve the issue of whether a party may appeal the PTAB’s application of § 315(b)’s time bar provision made during its decision to institute IPR.

This conclusion is bolstered by this Court’s decision in *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016), which states that § 314(d) bars judicial review in situations where a patent holder challenges the PTAB’s institution decision under § 314(a) or under “a statute closely related to that decision to institute inter partes review.” *Id.* at 2142. *SAS Institute* did not even consider whether § 315(b) constituted “a statute closely related to that decision to institute inter partes review” as Voltstar suggests. That decision does not, therefore, resolve the issue of whether a party may appeal the PTAB’s application of § 315(b)’s time bar provision made during its decision to institute IPR under § 314(a). To the contrary, the *SAS Institute* decision points to statutes other than § 314(a) that are reviewed as part of a determination under § 314(a) and barred from review under § 314(d), including § 312. *See id.* at 1359 (“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’” (emphasis added)).

If *SAS Institute* were read to limit § 314(d) only to issues raised purely under the letter of § 314(a), and to not apply § 314(d) to “a statute closely related to that decision to institute inter partes review” such as § 315(b) as Voltstar suggests, then *SAS Institute* would have effectively negated one of the primary rationales of *Cuozzo Speed Techs.*, which this Court did not even purport to do.

It is worth noting that the United States Patent and Trademark Office (USPTO) agrees with Superior in a related petition for certiorari pending in this Court that under § 314(d) a party may not appeal the PTAB’s application of § 315(b)’s time bar provision made during its decision to institute IPR, and persuasively explains why that is so. See U.S. Br. at 13–17, *Dex Media, Inc. v. Click-to-Call Techs., LP*, No. 18-916 (filed May 1, 2019). As the USPTO explains: “Unlike . . . the partial-institution practice at issue in *SAS Institute*, applying Section 314(d) to the Board’s application of Section 315(b) would not permit the Board to expand the substantive scope of inter partes review or evade any statutory requirement concerning the content of its final written decision.” U.S. Br. at 17. Indeed, *SAS Institute* involved a statute “deliver[ing] unmistakable commands,” 138 S. Ct. at 1358, while §§ 314(d) and 315(b) combined afford the Director discretion whether to institute an IPR, a decision that Congress determined should be “final and nonappealable.” § 314(d).

Further, the fact that the Federal Circuit took the issue *en banc*, and the resulting split decision, demonstrates that a majority of judges of that court viewed the issue as having “exceptional importance,” Fed. R. App. 35(a)(2), and the resulting split decision shows the issue is far from an easy one. The issue not only merits review, but calls out for this Court’s further guidance.

II. VOLTSTAR’S OPPOSITION CONFIRMS THAT GAMESMANSHIP AND UNNECESSARY LITIGATION WOULD OCCUR IF THE FEDERAL CIRCUIT’S INTERPRETATION OF § 315(b) FROM *CLICK-TO-CALL* WERE TO STAND.

Voltstar’s opposition acknowledges the gamesmanship and unnecessary litigation that would occur under the Federal Circuit’s current interpretation of § 315(b), but suggests various strategies for litigating parties to mitigate those results. Notably, however, none of these strategies and unnecessary litigation are necessary under the correct interpretation of § 315(b) previously followed by the PTAB. Congress could not have desired the gamesmanship and unnecessary litigation that will result from the Federal Circuit’s interpretation.

Voltstar acknowledges litigation scenarios where 1) a “sue-and-voluntarily-dismiss” plaintiff attempts to preclude further review through gamesmanship; and 2) a defendant guessing as to a possibility of future

litigation and filing a potentially unnecessary IPR based on that mere possibility. Opp. Br. at 11. Neither result is desirable. This sort of gamesmanship and unnecessary litigation by both plaintiffs and defendants would only burden district courts and the PTAB and waste valuable resources.

In the first scenario, a plaintiff is now incentivized to file suit, then dismiss the complaint without prejudice, and start a one-year clock running for the defendant to file an IPR. Notably, gamesmanship on behalf of the plaintiff is virtually certain because § 315(b) makes no qualifications about which patent claims are asserted against the defendant or what products or methods of defendant or what specific acts of the defendant under 35 U.S.C. § 271 are at issue. A plaintiff would be incentivized to withhold information on its strongest positions and voluntarily dismiss its complaint, with the knowledge that the defendant would believe a low threat of liability exists and not dedicate the resources to preparing an IPR.

In the second scenario, defendants must choose whether to file for an IPR within a year of a complaint that is dismissed without prejudice being served. In many instances, the need to protect from the patent will effectively force the defendant into litigating an IPR based on the speculative possibility of a future complaint that may never occur. These absurd results could not have been what Congress intended.

Voltstar asserts that Superior provides an “atextual” interpretation of § 315(b). [Opp. Br. at 9.] That is

simply not true. “Congress is understood to legislate against a background of common-law adjudicatory principles.” *Mohamed v. Palestinian Auth.*, 566 U.S. 449, 457 (2012) (quoting *Astoria Fed. Sav. & Loan Ass’n v. Solimino*, 501 U.S. 104, 108 (1991)). This Court therefore routinely interprets statutes in light of well-established background legal principles not expressly set forth in the statutory text. *E.g.*, *Jesner v. Arab Bank, PLC*, 138 S. Ct. 1386, 1425–26 (2018); *Torres v. Lynch*, 136 S. Ct. 1619, 1631 (2016); *Samantar v. Yousuf*, 560 U.S. 305, 320 n.13 (2010); *Meyer v. Holley*, 537 U.S. 280, 285 (2003); *Young v. United States*, 535 U.S. 43, 49 (2002); *Nat’l Private Truck Council, Inc. v. Okla. Tax Comm’n*, 515 U.S. 582, 589–90 (1995); *United States v. Shabani*, 513 U.S. 10, 13 (1994); *Wis. Dep’t of Revenue v. William Wrigley, Jr., Co.*, 505 U.S. 214, 231 (1992). Here, the meaning of “served with a complaint” must be interpreted against the well-established legal principle that service of a complaint is a nullity when the complaint is subsequently dismissed without prejudice. Voltstar’s attempt to rip the statute’s words out of context and ignore established legal principles is entirely unpersuasive.

In addition, a dismissal without prejudice “carries down with it previous proceedings and orders in the action, and *all pleadings, both of plaintiff and defendant*, and all issues, with respect to plaintiff’s claim.” *In re Matthews*, 395 F.3d 477, 480 (4th Cir. 2005) (emphasis added). Indeed, permitting such a dismissal to trigger § 315(b) allows the plaintiff to benefit from the dismissal, in violation of the established principle that

a dismissal without prejudice “leaves the parties in the *same legal position* as if no suit had ever been filed.” *Dawson Farms, LLC v. Farm Serv. Agency*, 504 F.3d 592, 601 (5th Cir. 2007) (emphasis added); *see also, e.g., Jorge v. Rumsfeld*, 404 F.3d 556, 563 (1st Cir. 2005).

Voltstar asserts that “dismissals without prejudice do not wipe out the very fact of the proceeding,” contending that the filing of the complaint “still has multiple legal consequences.” [Opp Br. at 9.] This assertion is doubly wrong. First, in contending that the dismissal without prejudice does not “wipe out” the action, Voltstar unduly minimizes the legal effect of the dismissal. In fact, “a voluntary dismissal [without prejudice] . . . wipes the slate clean,” *Sandstrom v. Chem-Lawn Corp.*, 904 F.2d 83, 86 (1st Cir. 1990), “results in a *tabula rasa*,” *Jorge*, 404 F.3d at 563, and “render[s] the proceedings a nullity,” *Norman v. Arkansas Dep’t of Educ.*, 79 F.3d 748, 751 (8th Cir. 1996); *see* 9 Charles Alan Wright, *et al.*, *Federal Practice and Procedure* § 2367 (3d ed. 1998).

Second, Voltstar errs in its contention that a dismissal without prejudice has “multiple legal consequences.” [Opp. Br. at 9.] As Judge Dyk explained in his dissent in *Click-to-Call Techs., LP v. Ingenio, Inc.*, the Federal Circuit majority identified only two such consequences, and neither was “a situation where the legal issue is the legal effect of the earlier filing, and the question is whether the original filing triggers a legal obligation, such as the start of a time period.” 899 F.3d 1321, 1353 (Fed. Cir. 2018).

Finally, application of the legal principle that a dismissal without prejudice leaves the parties as if no lawsuit had been filed avoids the absurd outcomes addressed above.

III. THIS CASE REMAINS THE APPROPRIATE VEHICLE FOR RESOLVING THESE SIGNIFICANT QUESTIONS PRESENTED.

Notably, Voltstar's brief points to no underlying facts or extraneous issues that would otherwise preclude review of both questions presented by Superior's petition. Voltstar thus effectively concedes that this case is a proper vehicle to resolve those issues.

This Court should grant certiorari on both questions presented here.

IV. THIS CASE MAY BE CONSOLIDATED WITH THE PENDING PETITIONS IN *DEX MEDIA, INC. V. CLICK-TO-CALL TECHS., LP* (NO. 18-916) OR *ATLANTA GAS LIGHT CO. V. BENNETT REGULATOR GUARDS, INC.* (NO. 18-999).

Superior's petition raises the same questions as two other petitions currently petitioning for certiorari in this Court—*Dex Media, Inc. v. Click-to-Call Techs., LP* (No. 18-916) and *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.* (No. 18-999). The Court should, therefore, grant review and consolidate all of those cases for briefing and review on the merits.

In the alternative, this Court should grant review in at least one of the pending cases and hold the others pending this Court's resolution of the issues on the merits.



CONCLUSION

This Court should grant the Petition.

Respectfully submitted,

ANDREW M. JACOBS
Counsel of Record

SYDNEY LEACH
SNELL & WILMER LLP
One Arizona Center
400 East Van Buren Street
Suite 1900
Phoenix, Arizona 85004
(602) 382-6000
ajacobs@swlaw.com
Counsel for Petitioner