

No. _____

In The
Supreme Court of the United States

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**

PETITION FOR WRIT OF CERTIORARI

ANDREW M. JACOBS
Counsel of Record
SYDNEY LEACH
W. DANNY GREEN
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

QUESTIONS PRESENTED

An interested party can challenge a patent by filing a petition for “inter partes review” (“IPR”) with the Patent Trial and Appeal Board (the “PTAB”) within the Patent and Trademark Office. The statute establishing IPR includes two provisions, the interpretation of which have sharply divided the en banc Federal Circuit. The first concerns timing. It states that IPR “may not be instituted if the petition requesting the proceedings is filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent.” 35 U.S.C. § 315(b). The second concerns appeal rights. It states that the “determination whether to institute [IPR] . . . is final and nonappealable.” 35 U.S.C. § 314(d).

Despite Congress making the determination whether to institute IPR “nonappealable” in § 314(d), the en banc Federal Circuit recently held that a decision to institute IPR *is* appealable, where that decision is based on a finding that § 315(b)’s time-bar did not apply. That decision—over a vigorous dissent—opened the door to the appeal below. But more recently, the en banc Federal Circuit held that when a patent infringement complaint is served on the petitioner but later dismissed without prejudice, § 315(b) does apply to bar any petition for IPR filed beyond one year from service of the dismissed complaint. The panel below dismissed the appeal based solely on this more recent case.

The questions presented are:

1. 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.

QUESTIONS PRESENTED—Continued

2. Whether § 315(b) precludes the PTAB from instituting IPR when the petitioner sought IPR more than a year after it was served with a patent infringement complaint that was voluntarily dismissed without prejudice.

PARTIES TO THE PROCEEDINGS

The caption of this petition contains all parties to the proceedings.

RULE 29.6 DISCLOSURE STATEMENT

Petitioner Superior Communications, Inc. has no parent corporation and no publicly held company owns 10% or more of its stock.

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PETITION FOR WRIT OF CERTIORARI

Petitioner Superior Communications, Inc. respectfully submits this petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

**OPINIONS BELOW**

The November 6, 2018, opinion of the United States Court of Appeals for the Federal Circuit, terminating the appeal and remanding with instructions to vacate the underlying inter partes review, is unpublished and unreported and appears in the Appendix to the Petition (“App.”) at App. 1–3.

The final written decision of the Patent Trial and Appeal Board (“PTAB”) is unpublished but available at 2018 WL 1902040 and appears at App. 4–79. The PTAB’s decision to institute inter partes review appears at App. 80–120.

**STATEMENT OF JURISDICTION**

The judgment of the United States Court of Appeals for the Federal Circuit was entered on November 6, 2018. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).



STATUTORY PROVISIONS INVOLVED

This case involves the appealability of a decision whether to institute inter partes review under 35 U.S.C. § 314, which in relevant part provides:

(a) **Threshold.**—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

...

(d) **No Appeal.**—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

This case also involves the one-year time bar provision of 35 U.S.C. § 315, which in relevant part provides:

(b) **Patent Owner’s Action.**—An inter partes review may not be instituted if 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. . . .



STATEMENT OF THE CASE

A. The Inter Partes Review Process in General.

1. Congress Creates Inter Partes Review as an Efficient Alternative to Litigation.

In 2011, Congress enacted the Leahy–Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011). Congress meant for the AIA to provide a “quick and cost effective alternative[] to litigation” and to “improve patent quality and restore confidence in the presumption of validity that comes with issued patents in court.” H.R. Rep. No. 112-98, pt. 1, at 45, 48 (2011).

The AIA created a new adjudicatory proceeding called inter partes review (“IPR”), which modified the inter partes reexamination system then in place. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). IPR “offers a second look at an earlier administrative grant of a patent.” *Id.* at 2144. But rather than have a patent examiner at the Patent and Trademark Office (“PTO”) conduct this “second look,” the AIA created within the PTO the Patent Trial and Appeal Board (“PTAB” or “Board”), which is composed of administrative patent judges. *Id.* The Board “conducts the proceedings, reaches a conclusion, and sets forth its reasons” as to a patent’s validity. *Id.*

2. IPR Begins With a Petition and the Board’s Initial Decision Whether to “Institute” IPR.

IPR begins when “[a]ny person other than the patent owner . . . file[s] a petition for inter partes review.” *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018) (citing 35 U.S.C. § 311(a)). A petition must state “the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a)(3). The patent owner may then “file a preliminary response to the petition” containing “reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.” *Id.* § 313.

Based on these initial filings, the PTAB, acting on behalf of the Director of the PTO, *see* 37 C.F.R. § 42.4(a), determines whether to “institute” IPR. *See* 35 U.S.C. § 314(a). The PTAB will institute IPR if “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition” (“Institution Decision”). *Id.* An Institution Decision is “committed to the [PTAB’s] discretion.” *Oil States*, 138 S. Ct. at 1371.

But this discretion is not limitless—the PTAB may not institute IPR if there has been prior infringement litigation:

An inter partes review may not be instituted if 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(b).

3. After Instituting IPR, the Board Issues a Final Written Decision.

Once instituted, IPR then proceeds toward a trial, and that process includes “many of the usual trappings of litigation,” like discovery, briefing, and oral arguments or hearings. *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). At the end of this process, PTAB must “issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added” by amendment. 35 U.S.C. § 318(a).

A party “dissatisfied with the final written decision . . . may appeal” to the Federal Circuit. *Id.* § 141(c); *see also id.* § 319. But here too, there are limits. The Institution Decision is beyond appellate review: “The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” *Id.* § 314(d).

With this legal framework in mind, this petition now turns to the facts of this case.

B. Superior Petitions For IPR Three Years After a Suit Against Superior Was Filed But Voluntarily Dismissed.

1. VoltStar Files and Later Dismisses a Patent Infringement Lawsuit.

Sometime before 2012, Respondent VoltStar Technologies, Inc. obtained U.S. Patent No. 7,910,833 (the “’833 Patent”). App. 9. The ’833 Patent concerns a power device “for charging portable electronic devices.” *Id.* The patent describes a shut-off feature within the power device that would prevent it “from continuing to draw power (i.e. phantom load) from an AC outlet when the electronic device becomes fully charged or is removed from the power device.” *Id.* In simpler terms, the shut-off feature ensures a power device does not draw power when it is plugged in but not actually powering something else. *See id.*

In February 2013, VoltStar sued Petitioner Superior Communications, Inc. for allegedly infringing the ’833 Patent. App. 81–82. The parties voluntarily dismissed the suit in October 2013 under Federal Rule of Civil Procedure 41(a).¹ App. 82.

¹ The parties actually dismissed two suits at this time. In 2012, VoltStar also brought an infringement suit asserting the ’833 patent against AT&T Inc. App. 81. The suit was eventually consolidated with the VoltStar’s suit against Superior (which is one of AT&T’s suppliers), both of which were dismissed in October 2013. The AT&T suit does not affect the issues here. App. 20 n.10.

2. Superior Petitions for IPR, Which The Board Institutes.

In October 2016, Superior filed a petition for IPR, challenging the remaining claims of the '833 Patent as obvious.² *See* App. 80–81, 118–19. In response, VoltStar argued that, because Superior petitioned for IPR over a year after VoltStar sued Superior in February 2013, the Board could not institute IPR under the one-year time bar of § 315(b), even though VoltStar voluntarily dismissed the suit. *See* App. 88.

The Board rejected this argument under what was then a well-established rule: “Because the effect of a voluntary dismissal without prejudice is to render the prior action a nullity, such action does not give rise to a statutory bar under 35 U.S.C. § 315(b).” App. 89 (collecting “previous Board decisions” stating that “the Federal Circuit has consistently interpreted the effect of such dismissals as leaving parties as though the action had never been brought”) (internal quotation marks omitted). The Board therefore found the February 2013 suit no impediment to instituting IPR and further found Superior had demonstrated a reasonable likelihood that all the challenged claims were unpatentable. App. 88–91, 118–19.

² Superior previously filed a petition for inter partes reexamination, the predecessor to IPR, which led to cancellation of most of the claims of the '833 Patent. App. 7–8. Superior challenged the remaining claims in its IPR, and the reexamination process is not otherwise relevant to this petition.

3. The Board Issues Its Final Written Decision, From Which VoltStar Appeals.

The parties filed additional briefing after the PTAB's Institution Decision. App. 6. VoltStar again argued that its voluntarily dismissed February 2013 suit against Superior should have precluded the Board from instituting IPR. App. 19–23.

The Board disagreed, and in its Final Written Decision it relied on additional PTAB decisions frequently rejecting this argument. App. 20–21 (quoting *Oracle v. Click-to-Call*, Case IPR2013-00312, 2013 WL 11311788, at *7 (PTAB Oct. 30, 2013)). The Board ultimately found that all of the claims Superior challenged were obvious and thus unpatentable. App. 5, 79.

Shortly before the Board entered its Final Written Decision, the Federal Circuit issued its en banc *Wi-Fi One* decision, which overruled a prior case that held § 314(d) barred a patent owner from appealing the PTAB's decision to institute IPR. *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1375 (Fed. Cir. 2018), overruling *Achates Reference Publ'g, Inc. v. Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015). Shortly after the Board issued its Final Written Decision, VoltStar appealed. App. 1–2.

4. While VoltStar’s Appeal is Pending, The Federal Circuit Decides *Click-to-Call*, Which Furthers The Federal Circuit Divide Reflected In *Wi-Fi One*.

VoltStar’s appeal was pending when the Federal Circuit issued its en banc *Click-to-Call* decision. *Click-to-Call Technologies, LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018). The case overruled the Board’s longstanding rule that § 315(b)’s one-year time bar did not apply when the previous infringement suit was voluntarily dismissed. *Id.* at 1332–36. Instead, the Federal Circuit held that nothing matters “after the defendant was served” with a complaint—once service occurs, the defendant has one year to petition for IPR under § 315(b). *Id.* at 1333.

Click-to-Call reflects a sharp divide among the Federal Circuit judges that started with *Wi-Fi One*. Compare *Wi-Fi One*, 878 F.3d at 1375–77 (reflecting 9-4 split among the en banc panel) with *Click-to-Call*, 899 F.3d at 1328 n.3, 1355 (reflecting 10-2 split among the en banc panel). In *Wi-Fi One*, the en banc Federal Circuit held that the Board’s application of § 315(b)’s one-year time bar is appealable even though the Board applies § 315(b) as part of the Institution Decision, which is otherwise not appealable under § 314(d). *Wi-Fi One*, 878 F.3d at 1374–75.

The source of the division in *Wi-Fi One* is language in *Cuozzo*—a case in which this Court found that § 314(d) barred a patent owner’s appeal of the Institution Decision. *Cuozzo Speed Techs., LLC v. Lee*, 136

S. Ct. 2131, 2142 (2016). The dissent “suggest[ed]” that the majority’s decision would “categorically preclude review of a final decision” even when the decision is constitutionally defective. *Id.* at 2141. In response, the majority stated that § 314(d) does not apply to bar any and all challenges to the Institution Decision. *Id.* at 2141–42. Instead, this Court explained, § 314(d) “bars judicial review” when a patent owner “grounds” its challenge to the Institution Decision “in a statute closely related to that decision to institute inter partes review.” *Id.* at 2142.

Both the majority and the dissent in *Wi-Fi One* rely heavily on this language in *Cuozzo*. The majority took a narrow view, finding this Court meant for § 314(d) to preclude an appeal only if it challenges the Board’s decisions “closely related to the *preliminary patentability* determination or the exercise of *discretion* not to institute” IPR. *Wi-Fi One*, 878 F.3d at 1373–74 (emphases added). Because § 315(b)’s one-year time bar provision does not relate to whether a claim is patentable or whether the Board has discretion to institute review, the majority found the Board’s application of § 315(b) appealable under *Cuozzo*. *Id.* The en banc Federal Circuit remanded the case for the panel to hear the merits of the patent owner’s challenge to the Board’s application of § 315(b). *Id.* at 1375.

The four dissenters found that the majority’s interpretation contradicted both the language of § 314(d) and this Court’s construction of it in *Cuozzo*. *Id.* at 1377 (Hughes, J., dissenting). According to the dissent, “timeliness under § 315(b) is plainly a question ‘closely

tied’” to the Institution Decision—“[i]ndeed, it is a specific requirement for ‘institution.’” *Id.* Thus, the dividing issue in *Wi-Fi One* is what this Court meant by a “statute closely related” to the Institution Decision, and whether the time-bar provision of § 315(b) is such a statute.

The divide widened with *Click-to-Call*, in which the en banc Federal Circuit answered the question made appealable by *Wi-Fi One*—whether § 315(b)’s time-bar provision applies when a suit that would otherwise trigger § 315(b) is dismissed without prejudice. *Click-to-Call*, 899 F.3d at 1328. The majority found the analysis straightforward—the statute uses the word “serve” and “complaint” and includes no express exceptions for “complaints . . . that are subsequently dismissed.” *Id.* at 1330. Thus, according to the majority, § 315(b) applies in every case where a party is served with a complaint, “irrespective of subsequent events.” *Id.*

The dissent, in contrast, found that the phrase “service of a complaint” in § 315(b) “is not on its face unambiguous,” because in similar situations, “the Supreme Court has held that it is necessary to look beyond the language, to the context and purpose of the statute.” *Id.* at 1350 (Dyk, J., dissenting). The dissent then relied upon “a well-established background principle” that “voluntary dismissals without prejudice . . . restor[e] the parties to the situation that existed before the case had ever been brought.” *Id.* at 1351. For example, in a “closely comparable situation,” a dismissal without prejudice will not toll the statute of

limitations, “absent some evidence of a contrary legislative intent.” *Id.* at 1352. Because there is no such “contrary legislative intent,” the dissent found that Congress “intended to follow the usual rule, that such dismissals render the complaint a nullity.” *Id.* 1353–54.

The dissent also found that the majority’s interpretation conflicted with at least three of § 315(b)’s purposes. *Id.* at 1354–55. *First*, § 315(b) was “designed to give the petitioner a full year” after receiving a patent infringement complaint to petition for IPR, so that the petitioner would know more about the alleged infringement and the patent claims at issue. *Id.* at 1355. This “purpose is thwarted by an early voluntary dismissal without prejudice,” because the potential petitioner likely would not have enough information at that point to decide whether to petition for IPR. *Id.* *Second*, § 315(b) was designed to “limit the burden of litigation on courts and parties” by foreclosing IPR when the parties and the court have spent a year’s worth of time and money on a patent infringement case. *Id.* Dismissals without prejudice “do not implicate these concerns,” because they usually occur well before the parties or the court have expended significant resources. *Id.* *Third*, Congress intended IPR to be a viable alternative to litigation, and applying § 315(b) to voluntary dismissals without prejudice defeats that purpose by paving the way for plaintiffs to file a suit and immediately dismiss it after service on the defendant, just to start the clock and potentially time bar the defendant from seeking IPR. *Id.*

5. The Federal Circuit Vacates The Board’s Final Written Decision On Superior’s IPR Based On *Click-to-Call*.

Once *Click-to-Call* was decided, VoltStar moved to vacate the Board’s Final Written Decision, arguing the Board lacked jurisdiction to institute IPR in light of its February 2013 suit against Superior. App. 1–2. The Federal Circuit obliged, terminating the appeal and remanding “to the Board to vacate the underlying *inter partes* review.” App. 3. The order also served as the Federal Circuit’s mandate, and this petition for writ of certiorari followed.



REASONS FOR GRANTING REVIEW

This case presents two issues that are as important as they are narrow: whether the Board’s application of § 315(b)’s one-year time bar in an Institution Decision is appealable under § 314(d), and if so, whether service of a patent infringement suit that is dismissed without prejudice starts § 315(b)’s one-year time bar. These issues were important enough to warrant en banc treatment by the Federal Circuit, and both issues led to “vigorous dissent[s],” which often lead this Court to grant review. *See SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018) (granting review and noting that the Federal Circuit rejected a party’s argument “over a vigorous dissent”); *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 137 S. Ct. 954, 959–60 (2017) (granting review following “a 6-to-5” en banc Federal Circuit decision); *see also*

Commil USA, LLC v. Cisco Sys., Inc., 135 S. Ct. 1920, 1925 (2015); *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 134 S. Ct. 1744, 1748 (2014).

This Court should also grant review because the decisions below conflict with the plain language of the statutes at issue and this Court's interpretation of them. If left in place, those decisions would pave the way for litigants to defeat the very purposes of those statutes.

I. THIS COURT SHOULD GRANT THE WRIT AND REVIEW *WI-FI ONE*, WHICH CONTRADICTS SECTION 314(d)'S PLAIN LANGUAGE, AS INTERPRETED BY THIS COURT, AND CONFLICTS WITH THE STATUTE'S VERY PURPOSE.

The dissent in *Wi-Fi One* is right: the majority's "narrow reading" of § 314(d) "not only contradicts the statutory language, but is also contrary to the Supreme Court's construction of that language in *Cuozzo*." 878 F.3d at 1377 (Hughes, J., dissenting). If let to stand, *Wi-Fi One* defeats the purposes of § 314(d). *Id.* at 1382.

A. The Federal Circuit's En Banc *Wi-Fi One* Decision Contradicts The Plain Language Of Section 314(d).

The majority's decision in *Wi-Fi One* to allow appellate review of the Institution Decision under

§ 314(d) cannot be squared with the plain language of the AIA in at least two ways.

First, Wi-Fi One cannot be reconciled with Congress’s clearly stated scheme for appellate review in the IPR process. See *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000) (“It is a ‘fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme.’”) (quoting *Davis v. Michigan Dep’t of Treasury*, 489 U.S. 803, 809 (1989)). The IPR process involves only two Board actions from which an appeal might lie—the Institution Decision (§ 314) and the Final Written Decision (§ 318). Congress clearly spoke regarding the appealability of both, leaving no room in the middle.

As the *Wi-Fi One* dissent rightly noted, “Congress’s intent to *prohibit* judicial review of the [Institution Decision] is clear and unmistakable.” 878 F.3d at 1378 (emphasis added). Section 314(d) first “*calls out* a specific agency determination”—the Institution Decision—and then “expressly *prohibits* courts from reviewing that decision.” *Id.* Conversely, Congress’s intent to *authorize* judicial review of the Board’s Final Written Decision is equally clear and unmistakable: “A party dissatisfied with *the final written decision* of the Patent Trial and Appeal Board under section 318(a) may appeal the decision” 35 U.S.C. § 319 (emphasis added). That Congress expressly *authorized* appeals from the Final Written Decision further demonstrates that the AIA’s plain language forecloses appeals from the Institution Decision.

Second, *Wi-Fi One* conflicts with § 314(d)'s plain language by ignoring what goes into the Board's "determination . . . whether to institute" IPR. Under § 314(a), a crucial part of the Board's Institution Decision is the patent owner's response to the petition. Such responses allow a patent owner to raise § 315(b)'s time bar as reason not to institute IPR: "[T]he patent owner shall have the right to file a preliminary response to the petition . . . that sets forth reasons why no [IPR] should be instituted based upon the failure of the petition to meet *any requirement of this chapter*." Thus, the Board's "determination . . . whether to institute" IPR includes the Board's decision on whether § 315(b) applies. Read in conjunction, these provisions mean that § 314(d) precludes appellate review of the Board's application of § 315(b), and yet that is precisely what *Wi-Fi One* allows.

This Court should grant the writ because *Wi-Fi One* conflicts with § 314(d)'s plain language.

B. *Wi-Fi One* Also Conflicts With *Cuozzo*.

While the conflict with § 314(d)'s plain language is one good reason to issue the writ here, there is another—the *Wi-Fi One* majority's decision also "side-step[ped]" this Court's decision in *Cuozzo*, which closely parsed that very statute. *Wi-Fi One*, 878 F.3d at 1379 (Hughes, J., dissenting). In *Cuozzo*, the Board decided to institute review of two patent claims the petitioner did not *expressly* challenge, reasoning that the petitioner "implicitly" challenged them by challenging

another related claim. 136 S. Ct. at 2138. The patent owner appealed the Board’s Institution Decision, arguing the Board should not have instituted IPR over the two claims not expressly challenged in the petition. *Id.*

This Court held that the Institution Decision was not appealable under § 314(d) because, “[f]or one thing, that is what § 314(d) says.” *Id.* at 2139. The Court explained: “In our view, the ‘No Appeal’ provision’s language must, at the least, forbid an appeal that attacks a ‘determination . . . whether to institute’ review by raising this kind of legal question and little more.” *Id.*

But in response to the dissent’s argument that the Court’s decision would “categorically preclude review” in appeals challenging more than just the decision to institute IPR, the Court refined its holding. *Id.* at 2141–42. Rather than holding that § 314(d) bars all appeals of all determinations in an Institution Decision, this Court limited the holding in part as barring judicial review where “a patent holder grounds its claim in a statute closely related to [the] decision to institute inter partes review.” *Id.* at 2142. In other words, if “the grounds for attacking the [Institution Decision] consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review,” § 314(d) bars judicial review. *Id.* at 2141.

Whether § 315(b) time bars a petition for IPR is not just “closely related” to the Institution Decision—it is functionally inseparable from the Institution

Decision, because if § 315(b) applies, IPR “may not be instituted.” Thus, as the dissent in *Wi-Fi One* noted, § 315(b) “is a specific requirement for ‘institution.’” 878 F.3d at 1378 (Hughes, J., dissenting).

Justice Alito’s dissent in *Cuozzo* confirms that § 315(b) is the exact sort of statute the majority had in mind in referring to statutes “closely related” to the Institution Decision. Justice Alito recognized that under the majority opinion, a party cannot appeal the Board’s decision on a petition’s timeliness, because “the petition’s timeliness, no less than the particularity of its allegations, is ‘closely tied to the application and interpretation of statute related to the Patent Office’s decision to initiate . . . review,’ and the Court says such questions are unreviewable.” *Cuozzo*, 136 S. Ct. at 2155 (Alito, J., dissenting). The majority did not dispute Justice Alito’s application of its holding, despite carefully responding directly to many of the dissent’s arguments. *Id.* at 2140 (responding to the dissent’s argument that § 314(d)’s “No Appeal” provision should be limited to interlocutory appeals); *id.* at 2141 (responding to the dissent’s argument based on the presumption in favor of judicial review); *id.* at 2141–42 (limiting the reach of the majority’s holding in light of the dissent’s argument that the majority opinion would “categorically preclude review” of even constitutionally defective Institution Decisions).

The one-year time bar of § 315(b) could not be more “closely related” to the Board’s Institution Decision—the statute itself forbids the Board from instituting IPR if the statute applies. Thus, § 315(b) perfectly

fits this Court’s rule that § 314(d) bars appellate review of statutes “closely related” to the Institution Decision. Yet *Wi-Fi One* relied on this Court’s “closely related” language to reach the opposite result, which should lead this Court to grant the writ and refine what constitutes a statute “closely related” to the Institution Decision under *Cuozzo*.

C. *Wi-Fi One* Undercuts Congress’s Aims in Creating IPR.

Congress had two chief goals in creating IPR: to increase the speed and to decrease the cost of reviewing a patent’s claims as compared to federal infringement litigation and the prior inter partes reexamination process. H.R. Rep. No. 112-98, pt. 1, at 48 (2011) (describing “the purpose” of IPR “as providing quick and cost effective alternatives to litigation”); *see also* S. Rep. No. 110-259, at 20 (2008) (discussing, in early precursor to the AIA, the need to create “a new post-grant review system at the USPTO that will give third parties a quick, inexpensive, and reliable alternative to district court litigation”). As one of the AIA’s cosponsors explained, IPR was meant to “substantially accelerate the resolution of inter partes cases.” *See* 157 Cong. Rec. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl). Congress included several provisions in AIA to achieve these goals:

First, Congress heightened the standard for when the Board may institute review of a patent. *Compare* 35 U.S.C. § 312(a) (2006) (stating the standard for

obtaining review under the prior inter partes reexamination as whether a petition merely raises a “substantial new question of patentability affecting any claim”), *with* 35 U.S.C. § 314(a) (stating the standard for obtaining review under IPR as whether a petition establishes a “reasonable likelihood that the petitioner would prevail”). This ensures PTAB spends its time reaching the merits of fewer, but more meritorious patent challenges.

Second, Congress imposed strict time and other limitations on the IPR process. The Board has only one year from the Institution Decision to issue its Final Written Decision, which the Board can extend only for “good cause” and only for six months. 35 U.S.C. § 316(a)(11). And once the parties and the federal court spend significant time and money litigating a patent infringement suit for over a year, the defendant may no longer petition for IPR. *See id.* § 315(b). Finally, of the two Board decisions Congress requires—the Institution Decision and the Final Written Decision—Congress only authorized appeal from the Final Written Decision. *Id.* §§ 314(d), 319. These provisions reflect Congress’s desire that (1) a patent infringement defendant can choose early on whether to litigate in federal court or petition for IPR, and (2) the Final Written Decision that certain patent claims are invalid, which reflects significant investment by the parties and PTAB *after* the Institution Decision, is not undone by “some minor statutory technicality related to its preliminary decision to institute [IPR].” *Cuozzo*, 136 S. Ct. at 2140.

Wi-Fi One undermines both of Congress’s goals in crafting IPR. *Wi-Fi One* allows a patent owner to upend a Final Written Decision by challenging the Board’s Institution Decision determination that a petition is timely under § 315(b), which is the exact waste of resources that Congress sought to avoid by making the Institution Decision not appealable. *See Cuozzo*, 136 S. Ct. at 2140; *see also Wi-Fi One*, 878 F.3d at 1382 (Hughes, J., dissenting) (“Vacating the Board’s invalidity decision on the basis of threshold questions like timeliness . . . will squander the time and resources spent adjudicating the actual merits of the petition.”). The waste is obvious—to get to a Final Written Decision, parties spend vast amounts of time and money in briefing *before* the Institution Decision, and much more time and money *after* the Institution Decision, including general discovery, significant expert discovery, more briefing, and trial-like hearings. *Iancu*, 138 S. Ct. at 1354; *see also App. 5–6*, 39–42 (showing the many briefs and expert testimony PTAB reviewed in issuing its Final Written Decision). By allowing appellate review of the Institution Decision *after* the Final Written Decision, *Wi-Fi One* makes possible an unnecessary waste of the parties’ and the Board’s resources.

And the waste of resources will not stop there, because if an appellate court vacates a Final Written Decision on the basis that it erroneously instituted an untimely petition for IPR, the parties must then resort to long, costly patent litigation in federal court, simply to re-do the work the PTAB already did. In short, *Wi-Fi One* increases federal court litigation over

patents already determined invalid by the Board, which makes reviewing patents a longer, more expensive process—exactly what IPR was meant to avoid.

Nor does *Wi-Fi One*'s damage stop at appellate review of the Board's finding of a petitioner's timeliness under § 315(b) based on when *the petitioner* was served with a patent infringement suit. Section 315(b) also applies if any "real party in interest" or "privy of the petitioner" is "served with a complaint alleging infringement of the patent." These determinations are much more complex and fact intensive than simply deciding the date on which a petitioner was served with a patent infringement complaint. *See Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (noting the "flexible approach" required for deciding whether a non-party is a real party in interest); *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018) (describing a "non-exhaustive list" of six different, lengthy factors to determine privity); *see also Merck Sharp & Dohme Corp. v. GlaxoSmithKline Biologicals SA*, No. IPR2018-01236, 2018 WL 6707892, at *4–5 (PTAB Dec. 18, 2018) (demonstrating the fact-intensive nature of determining whether an entity is a "real party in interest" that must be named in the petition under § 312(a)(2)). Yet under *Wi-Fi One*, appellants can use these thorny Institution Decision disputes to try and undo Final Written Decisions.

The damage extends even beyond § 315. The *Wi-Fi One* majority implies that other disputes the Board resolves in an Institution Decision may be fodder for

later undoing a Final Written Decision: “We do not decide today whether all disputes arising from §§ 311–14 are final and nonappealable.” *Wi-Fi One*, 878 F.3d at 1375. There are many such “disputes arising from §§ 311–14” that would be resolved by the Institution Decision, including whether a petition was filed too early, § 311(c), or whether the petitioner identified all real parties in interest, § 312(a)(2). And beyond that specific range of statutes, an Institution Decision might resolve other disputes that might be challenged on appeal under *Wi-Fi One*, including the declaratory-judgment bar, § 315(a)(1), and the petitioner-estoppel provision, § 315(e)(1).

Congress intended to avoid the additional cost and time occasioned by allowing appeals of disputes resolved by the Institution Decision. Because *Wi-Fi One* upends those goals, this Court should grant review.

II. THIS COURT SHOULD GRANT THE WRIT AND REVIEW *CLICK-TO-CALL*, WHICH READS SECTION 315(b) TOO NARROWLY, CONTRARY TO THIS COURT’S DECISION IN *KASTEN*, AND WHICH LEADS TO ABSURD RESULTS.

The *Click-to-Call* majority took an impermissibly narrow view of § 315(b) and showed no deference to the Board’s long standing position that when a complaint is dismissed without prejudice, the complaint is a “nullity” and does not trigger § 315(b)’s time bar. *Click-to-Call*, 899 F.3d at 1331. This approach conflicts with

this Court’s admonition in *Kasten* that, in circumstances like those in *Click-to-Call*, courts must “look further” than the isolated statute at issue. *Id.* at 1350 (Dyk, J., dissenting) (quoting *Kasten v. Saint-Gobain Performance Plastics Corp.*, 563 U.S. 1, 7 (2011)). This error, if not corrected now by this Court, will lead to absurd results.

A. The Federal Circuit’s En Banc *Click-to-Call* Decision Reads Section 315(b) Too Narrowly, Disregarding This Court’s Teaching In *Kasten*.

The *Click-to-Call* majority held that a complaint served on a defendant that is later dismissed without prejudice still triggers § 315(b)’s one-year time bar. *Click-to-Call*, 899 F.3d at 1332. This holding reflects at least two flaws.

First, the majority relied almost exclusively on the simple dictionary definitions of “complaint” and “serve,” and found that § 315(b) must apply anytime a “complaint” for patent infringement is “served” on an IPR petitioner. *Id.* at 1330. But as the dissent correctly pointed out, the majority’s plain language analysis cannot be squared with well-settled law that voluntary dismissals without prejudice under Rule 41(a) restore “the parties to the exact situation as if the original complaint had never been filed.” *Id.* at 1351–52 (Dyk, J., dissenting) (citing *Norman v. Ark. Dep’t of Educ.*, 79 F.3d 748, 751 (8th Cir. 1996); 9 Charles Alan Wright *et al.*, Federal Prac. and Proc. § 2367 (3d ed. 2018)); *see*

also *Biomedical Patent Mgmt. Corp. v. Cal., Dep't of Health Servs.*, 505 F.3d 1328, 1334 (Fed. Cir. 2007). In other words, after a voluntary dismissal without prejudice, no “complaint” was “served” as a matter of law that would trigger § 315(b). *See id.*

The *Click-to-Call* dissent reasoned, correctly, that the majority’s plain language analysis should have embraced this general rule because § 315(b) is a time-bar provision “closely comparable” to a statute of limitations, and courts often apply the general rule to hold that a dismissal without prejudice does not toll a statute of limitations. *See id.* at 1352 (citing eight examples from this Court and the First, Sixth, Seventh, Eighth, and D.C. Circuits). The general rule applies even though similar time-bar statutes could be read as narrowly as the majority read § 315(b). *See, e.g., Robinson v. Willow Glen Academy*, 895 F.2d 1168, 1169 (7th Cir. 1990) (holding that the words “commencement of the action” in a tolling statute did not apply even though the plaintiff “commenced” an “action,” because the plaintiff later dismissed that action without prejudice). Courts simply do not read time-bar provisions as narrowly as the *Click-to-Call* majority.

Second, because of this overly narrow reading, the majority afforded no *Chevron* deference at all to the Board’s interpretation of § 315(b) as not applying when the complaint is dismissed without prejudice. *Id.* at 1330–31. According to the majority, § 315(b)’s meaning is so facially obvious that it need not look beyond just the words “serve” and “complaint,” as the Board’s interpretation did. *Click-to-Call*, 899 F.3d at 1331–32.

But here too, “closely comparable” circumstances led this Court in *Kasten* to look beyond the phrase “filed any complaint” because the phrase, read in isolation, could “not provide a conclusive answer to our interpretative question.” *Id.* at 1350 (Dyk, J., dissenting) (quoting *Kasten*, 563 U.S. at 11). The issue in *Kasten* was whether “filed any complaint” included oral complaints, *Kasten*, 563 U.S. at 11, but instead of relying on just the dictionary definition of “file” and “complaint,” this Court had to “look further” to sources like “how the words had been used by ‘legislators, administrators, and judges.’” *Click-to-Call*, 899 F.3d at 1350 (Dyk, J., dissenting) (quoting *Kasten*, 899 F.3d at 1321). Just as “filed any complaint” was sufficiently unclear to lead this Court to consider the broader context, so too the majority’s plain language analysis should have included the well-known principle that a dismissal without prejudice generally has no effect on time-bar statutes. *See id.* at 1350–53; *see also King v. Burwell*, 135 S. Ct. 2480, 2489 (2015) (“Our duty, after all, is to construe statutes, not isolated provisions.”) (internal quotation marks omitted); *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 132 (2000) (“[A] reviewing court should not confine itself to examining a particular statutory provision in isolation. The meaning—or ambiguity—of certain words or phrases may only become evident when placed in context.”).

B. *Click-to-Call* Runs Contrary To Section 315(b)'s Purpose.

Section 315(b) serves at least three goals, all of which confirm that the *Click-to-Call* majority misinterpreted § 315(b). *First*, § 315(b) was designed to require a defendant to petition for IPR soon after having a “reasonable opportunity to . . . understand the patent claims that are relevant to the litigation.” *Click-to-Call*, 899 F.3d at 1354 (Dyk, J., dissenting) (quoting statement of Sen. Kyl, one of the AIA’s cosponsors). *Second*, and similarly, § 315(b)’s one-year limit is supposed to give the defendant sufficient time to discover “which claims will be relevant and how those claims are alleged to read on the defendant’s product” before deciding to seek IPR. *Id.* at 1355 (quoting statement of Sen. Kyl). *Third*, § 315(b) reflects Congressional concern for the waste of resources in allowing federal patent litigation to drag on for too long before a defendant decides to petition for IPR. *Id.*

These goals confirm that the *Click-to-Call* majority interpreted § 315(b) incorrectly. Voluntary dismissals without prejudice usually occur early in a case, which leads the defendant to think “the controversy has dissipated” and thus negates any “notice” the defendant might have obtained by the mere service of a complaint. *Id.* at 1354. Likewise, such early dismissals do not give defendants the benefit of up to one year of seeing how the federal litigation progresses before deciding whether to petition for IPR. *Id.* at 1355. And finally, an early dismissal does not implicate § 315(b)’s concern for judicial waste, because the dismissal

happens when little-to-no resources have been spent. *Id.* The *Click-to-Call* majority opinion, if let to stand, truly undermines all of § 315(b)'s purposes.

C. *Click-to-Call* Leads To Results Congress Cannot Have Intended.

According to the *Click-to-Call* majority, “Simply put, § 315(b)'s time bar is implicated once a party receives notice through official delivery of a complaint in a civil action, irrespective of subsequent events.” *Id.* at 1330. This strict view of § 315(b) leads to some absurd results.

First, as the *Click-to-Call* majority itself notes, Rule 41(a) sometimes allows a plaintiff to voluntarily dismiss an action without prejudice “without court order and without any involvement by the defendant.” *Id.* at 1331 n.4. Even if *Click-to-Call* did not run contrary to § 315(b)'s purpose when a defendant at least agrees to the dismissal, certainly none of § 315(b)'s purposes are served by starting § 315(b)'s clock when the defendant has no say. *See id.* at 1354–55 (Dyk, J., dissenting) (noting at least two of § 315(b)'s purposes are to benefit defendants in patent infringement litigation).

Second, *Click-to-Call*'s severe interpretation of § 315(b) applies even when the complaint at issue is *involuntarily* dismissed. *Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 905 F.3d 1311, 1313–15 (Fed. Cir. 2018). In *Bennett Regulator Guards*, the

Federal Circuit was able to summarily vacate a Final Written Decision based on *Click-to-Call*, *id.* at 1315, when the defendant had been served with a complaint the court involuntarily dismissed for lack of personal jurisdiction over the defendant. *Bennett Regulator Guards, Inc. v. MRC Global Inc.*, No. 4:12CV1040, 2013 WL 3365193, at *1 (N.D. Ohio July 3, 2013). But a complaint served on a defendant over whom a state has no jurisdiction is “ineffectual.” *See Shaffer v. Heitner*, 433 U.S. 186, 198 (1977). Yet because of *Click-to-Call*’s rigid reading of § 315(b), the Federal Circuit saw no inconsistency between § 315(b)’s requirement that a defendant be “served” with a complaint, and the fact that the service of that complaint was “ineffectual” as a matter of law. Other involuntary dismissals will likely receive the same short shrift. *See, e.g., Hamilton Beach Brands, Inc. v. f’real Foods, LLC*, 908 F.3d 1328, 1336–37 (Fed. Cir. 2018) (noting, but not reaching, the § 315(b) time-bar issue of a complaint involuntarily dismissed because the plaintiff did not even own the relevant patents and therefore lacked standing).

Congress cannot have intended for § 315(b) to operate in this matter, and this Court should therefore grant review.

III. THE PETITION RAISES IMPORTANT QUESTIONS ABOUT WHAT DISPUTES RESOLVED BY THE INSTITUTION DECISION MAY BE APPEALED AFTER *WI-FI ONE*, AND THE UNINTENDED CONSEQUENCES OF *CLICK-TO-CALL*.

The issues in this case are important for the Federal Circuit, the PTAB, and patent practitioners, all of whom would benefit from this Court’s guidance.

First, regarding § 314(d)’s no-appeal provision, this Court’s language in *Cuozzo* is a source of division among the Federal Circuit—both the majority and the dissent claimed *Cuozzo* as a primary source of support. *Compare Wi-Fi One*, 878 F.3d at 1373–75 (citing and quoting heavily from *Cuozzo*), *with id.* at 1379–82 (Hughes, J., dissenting) (citing and quoting heavily from *Cuozzo*). And *Wi-Fi One* is not the last word on the issue—the case promises to be a wide source of ongoing debate among Federal Circuit judges regarding what statutes are sufficiently “closely related” to the Institution Decision under *Cuozzo*, and thus nonappealable under § 314(d). *See* Section I.C, *supra* (describing many disputes resolved by the Institution Decision that the Federal Circuit will likely face after *Wi-Fi One*). The lower courts desperately need this Court’s guidance and clarification on the “closely related” standard of *Cuozzo*.

Second, *Click-to-Call* incentivizes abuse by allowing patent owners “to manipulate the filing of infringement actions” just to bar a later petition for IPR.

Click-to-Call, 899 F.3d at 1355 (Dyk, J., dissenting). If “dismissals without prejudice did not nullify the underlying complaint,” patent owners could easily “file suits alleging infringement and subsequently voluntarily dismiss these suits without prejudice after service of a complaint” solely to “begin the one year clock” to petition for IPR under § 315(b). *Id.* This, Congress cannot have intended. *Id.*

Third, *Click-to-Call* encourages otherwise unlikely litigation, both in federal courts and under IPR. Prior to *Click-to-Call*, a patent infringement defendant faced with a proposal to voluntarily dismiss would have little reason to oppose, because the defendant knew that a future IPR was possible if the plaintiff sued again, based on the Board’s settled view that § 315(b)’s one-year time bar would not apply. *Oracle*, 2013 WL 11311788, at *7. But after *Click-to-Call*, any defendant facing the choice of voluntarily dismissing a patent infringement complaint must seriously consider opposing the dismissal or petition for IPR, or else lose the right to petition for IPR later. *See Click-to-Call*, 899 F.3d at 1330 (finding no possible exception to § 315(b)’s time-bar based on what might occur after a complaint is served).

This necessarily means that some federal patent cases that otherwise would have settled so the parties could wait-and-see will not settle, and defendants will be forced to file petitions for IPR they otherwise would not have filed until the plaintiff later re-filed the infringement suit. *See* Ryan Davis, *Fed. Cir. Time-Bar*

Case Puts Pressure On Patent Defendants (Aug. 22, 2018), Law360, <https://www.law360.com/articles/1075841> (quoting patent attorney after *Click-to-Call* as saying: “Now defendants need to think about whether they need to move forward and file an IPR when they ordinarily wouldn’t.”). This increase in both federal litigation and petitions for IPR also runs afoul of Congress’s purpose in enacting the AIA, and this Court should grant review to rectify this unintended consequence.

Fourth, the en banc Federal Circuit took wildly diverging views of the appropriate plain language analysis in *Wi-Fi One* and *Click-to-Call*. In *Wi-Fi One*, the en banc Federal Circuit found that the Board’s application of § 315(b)’s time-bar provision in its Institution Decision was appealable under § 314(d), *despite* § 314(d)’s clear, plain language that the Institution Decision is “nonappealable.” *Wi-Fi One*, 878 F.3d at 1367, 1374–75. Rather than looking solely to the words of § 314(d), the court’s analysis accounted for the general legal presumption favoring judicial review. *Id.* Yet in *Click-to-Call*, the en banc Federal Circuit looked solely to § 315(b)’s words and nothing else in finding that § 315(b)’s one-year time bar applies so long as a “complaint” is “served.” 899 F.3d at 1330–31. Contrary to its *Wi-Fi One* decision, the court now found it could not consider the general legal principle that a complaint that is later voluntarily dismissed is treated as a “nullity.” *Id.* This inconsistency between closely related cases calls out for this Court’s review.

IV. THIS CASE IS A SUITABLE VEHICLE FOR RESOLVING THE QUESTIONS PRESENTED.

This case has no extraneous issues that would otherwise preclude review of both questions presented. The first question—whether § 314(d)’s no-appeal provision allows a party to appeal the Board’s application of § 315(b) in the Institution Decision—is squarely presented here, because VoltStar appealed precisely that issue, and were it not for *Wi-Fi One*, VoltStar would have been unable to appeal in the first place. The second question—whether § 315(b)’s one-year time bar applies when the complaint at issue is voluntarily dismissed without prejudice—is likewise at issue here, because that is the *sole* issue on which the Federal Circuit vacated the Board’s Final Written Decision. App. 1–3. And the issue was well-preserved below—indeed, the PTAB in both its Institution Decision and Final Written Decision addressed and rejected VoltStar’s argument that Superior’s petition was time barred. App. 19–23, 88–91. *Click-to-Call* foreclosed any ability by Superior to address the issue on the merits of VoltStar’s appeal; instead, the Federal Circuit summarily vacated the Board’s Final Written Decision without full merits briefing solely because *Click-to-Call* directly overruled the Board’s prior decisions that Superior’s petition was not time barred by § 315(b).

The Federal Circuit’s decision below rests on both *Wi-Fi One* and *Click-to-Call*, and it reached no other issues, and thus this case would allow the Court to consider *Wi-Fi One* and *Click-to-Call* without having to wrestle with other issues.

Moreover, the Federal Circuit vacated a Final Written Decision that otherwise invalidated *all* the claims in a patent for which IPR was instituted, thereby reviving patent claims that by all accounts should be invalid. App. 79. And to get to the Final Written Decision, the parties invested a substantial amount of time and money, including at least five long, detailed briefs, App. 5–6, and extensive expert discovery and expert testimony, App. 39–42.

Thus, this case is worthy of this Court’s review and is ideal for it.

◆

CONCLUSION

For the foregoing reasons, the Court should grant review.

Respectfully submitted,

ANDREW M. JACOBS
Counsel of Record

SYDNEY LEACH
W. DANNY GREEN
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