

No. 18-916

IN THE
Supreme Court of the United States

THRYV, INC., F/K/A DEX MEDIA, INC.,
PETITIONER,

v.

CLICK-TO-CALL TECHNOLOGIES, LP,

AND

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR
INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,
RESPONDENTS.

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

**BRIEF OF AMICUS CURIAE
ATLANTA GAS LIGHT COMPANY
IN SUPPORT OF PETITIONER**

HOLMES J. HAWKINS, III
RUSSELL E. BLYTHE
KING & SPALDING LLP
1180 Peachtree St., NE
Atlanta, GA 30309
(404) 572-4600

JEFFREY S. BUCHOLTZ
Counsel of Record
JOSHUA N. MITCHELL
KING & SPALDING LLP
1700 Pennsylvania Ave. NW
Washington, DC 20006
(202) 737-0500
jbucholtz@kslaw.com

Counsel for Amicus Curiae Atlanta Gas Light Company
September 10, 2019

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

INTEREST OF AMICUS CURIAE 1

SUMMARY OF ARGUMENT..... 2

**ARGUMENT: THE FEDERAL CIRCUIT
ARROGATED JURISDICTION THAT
CONGRESS DENIED IT. 4**

CONCLUSION 20

TABLE OF AUTHORITIES

Cases

<i>Arista Networks, Inc. v. Cisco Systems, Inc.</i> , 908 F.3d 792 (Fed. Cir. 2018).....	17
<i>Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.</i> , No. 18-999 (U.S.)	1
<i>Click-to-Call Techs., LP v. Ingenio, Inc.</i> , 899 F.3d 1321 (Fed. Cir. 2018) (en banc in part)	16
<i>Cuozzo Speed Techs. LLC v. Lee</i> , 136 S. Ct. 2131 (2016)	passim
<i>Dish Network L.L.C. v. TQ Beta, LLC</i> , IPR2015-01756, 2018 WL 1870499 (P.T.A.B. Apr. 12, 2018).....	11
<i>Food Marketing Inst. v. Argus Leader Media</i> , 139 S. Ct. 2356 (2019)	9
<i>In re Power Integrations</i> , 899 F.3d 1316 (Fed. Cir. 2018).....	21
<i>Macauto U.S.A. v. BOS GmbH & KG</i> , No. IPR2012-000004, 2013 WL 5947694 (P.T.A.B. Jan. 24, 2013).....	19
<i>Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC</i> , 138 S. Ct. 1365 (2018)	10
<i>Return Mail, Inc. v. U.S. Postal Serv.</i> , 868 F.3d 1350 (Fed. Cir. 2017), <i>rev’d</i> , 139 S. Ct. 1853 (2019)	17
<i>SAS Institute v. Iancu</i> , 138 S. Ct. 1348 (2018)	passim

<i>St. Jude Med. Cardiology Div., Inc. v. Volcano Corp.</i> , 749 F.3d 1373 (Fed. Cir. 2014).....	13
<i>Wi-Fi One v. Broadcom Corp.</i> , 878 F.3d 1364 (Fed. Cir. 2018) (en banc).....	17
<i>Worlds Inc. v. Bungie Inc.</i> , 903 F.3d 1237 (Fed. Cir. 2018).....	17
Statutes	
35 U.S.C. § 312	5, 6, 8, 14
35 U.S.C. § 314	passim
35 U.S.C. § 315	4, 5, 11, 15
35 U.S.C. § 317	10
35 U.S.C. § 318	8
Fed. Cts. Improvement Act of 1982, Pub. L. 97-164.....	16
Other Authorities	
157 Cong. Rec.	10, 11, 13
David Lange, <i>Recognizing the Public Domain</i> , 44 (Autumn) L. & C.P. 147 (1981)	9
Matthew G. Sipe, <i>Experts, Generalists, Laypeople— And the Federal Circuit</i> , 32 Harv. J.L. & Tech. 575 (2019)	17
Saurabh Vishnubhakat, <i>The Porous Court-Agency Border in Patent Law</i> , 51 Akron L. Rev. 1069 (2017).....	16

U.S. Patent & Trademark Office, Trial Statistics:
IPR, PGR, CBM (July 2019),
available at <https://bit.ly/2Zwj0ZS>..... 19

INTEREST OF AMICUS CURIAE*

Atlanta Gas Light Company is the largest natural gas distributor in the southeastern United States. It provides energy to hundreds of communities in Georgia.

When Atlanta Gas Light attracts suits from patent owners seeking to collect rents for alleged infringement based on patents that are obvious over or anticipated by prior art—as in the co-pending case, *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, No. 18-999—it values the ability to challenge and invalidate those patents using the quick, orderly, and relatively inexpensive post-grant review processes that Congress established in the America Invents Act.

In Atlanta Gas Light’s case, patent owner Bennett sued Atlanta Gas Light alleging infringement of U.S. Patent No. 5,810,029—a patent that claimed sixty-year-old technology—and did so in an Ohio district court that plainly lacked personal jurisdiction over the Georgia-based utility company. The district court thus dismissed the case without prejudice, but Atlanta Gas Light—fearing a recurrence of Bennett’s meritless infringement accusations—petitioned for inter partes review (IPR) of the ’029 patent. The Board instituted IPR, but just two weeks shy of when the final written decision was due, the Board dismissed the IPR on the ground that

* Petitioner and the private respondent have filed blanket consents, and the federal respondent has consented in writing to the filing of this brief. No counsel for a party authored this brief in whole or in part, and no person or entity other than amicus and its counsel made a monetary contribution intended to fund its preparation or submission.

Atlanta Gas Light had not identified its then-parent holding company, AGL Resources, as a real party in interest. Atlanta Gas Light promptly filed a second petition, and the Board again instituted IPR and ultimately found all claims of the '029 patent unpatentable. *See Atlanta Gas Light* Pet. 8–10.

Here just as in Atlanta Gas Light's case, the Federal Circuit's arrogation of statutorily prohibited jurisdiction undid on procedural grounds a completed IPR that found the asserted patent claims unpatentable, leaving the parties back at square one, required to relitigate the same issues the Patent Office had already ably decided. That prodigious waste of resources is the antithesis of the streamlined procedure that Congress intended. Atlanta Gas Light's petition presents the same question on which the Court granted certiorari in this case, *see Atlanta Gas Light* Pet. i, and Atlanta Gas Light files this brief to explain the errors in the Federal Circuit's approach to the AIA appeal bar.

SUMMARY OF ARGUMENT

In deciding whether to institute IPR, the Board makes a host of factbound, case-by-case determinations, including whether the petition is time-barred. Congress spoke clearly in withdrawing from Article III courts jurisdiction to review these initial, institution-related determinations: the America Invents Act (AIA) provides that the Board's decision as to whether to institute IPR "shall be final and nonappealable." This Court's decision in *Cuozzo Speed Techs. LLC v. Lee*, 136 S. Ct. 2131, 2139 (2016), applied Congress's plainly expressed intention that the bar reach the procedural components of that

institution decision, not just the preliminary merits determination that one or more claims of the patent is likely unpatentable. The Federal Circuit thus erred in arrogating to itself jurisdiction that Congress had denied it.

Congress enacted the AIA's post-issuance review provisions in an effort to improve the quality of patents and to shorten and streamline disputes about patent validity. Because patents grant monopoly power, post-issuance review serves the public interest by removing patent restrictions on subject matter that never should have been removed from the public domain in the first place. That public interest reaches well beyond the interests of the parties to a particular dispute.

The Federal Circuit's decision disserves all of those purposes. It permits the courts to reverse, on a procedural technicality, a merits finding by the Patent Office that a patent claims unpatentable subject matter. It involves the courts in second-guessing of non-merits determinations and sends the parties to district court to re-litigate issues of patent validity that the Board has already decided, wasting resources that Congress specifically sought to preserve. And it defeats IPR's public purpose by returning to private hands subject matter that the Patent Office has determined belongs in the public domain.

Congress's decision to entrust initial procedural, non-merits questions to the Board reflected Congress's balancing of costs and benefits. Providing greater opportunities for appellate review may increase accuracy, but at a cost to efficiency. Congress presumably considered the costs of

additional judicial review that could cancel—on technical, procedural grounds—the Board’s already-completed review and decision that a bad patent had issued. It weighed those costs against the dubious benefit of having the Federal Circuit’s view on debatable and factbound procedural issues that Congress believed the Board could decide competently. It concluded that whatever benefit Federal Circuit review of the myriad issues going into IPR institution decisions might provide was not worth the cost to the agency, the parties, the courts, and the public. And so the statute it enacted vested those initial procedural determinations in the Board and made them unreviewable, while providing for Federal Circuit review of the Board’s final merits decisions.

Congress’s decision not to provide for appellate review of IPR institution decisions was eminently reasonable. More importantly, that was Congress’s decision to make, and Congress made it clearly. The Court should respect and enforce Congress’s decision.

**ARGUMENT: THE FEDERAL CIRCUIT
ARROGATED JURISDICTION THAT
CONGRESS DENIED IT.**

A. In holding that it may review the Board’s institution decision to correct what it considered an improper reading of the time bar in 35 U.S.C. § 315(b), the Federal Circuit erred in arrogating to itself jurisdiction forbidden to it by the plain language of the Patent Act.

When it enacted the Leahy-Smith America Invents Act (AIA), Congress made the Director’s decision whether to institute post-issuance review of a patent “final and nonappealable.” 35 U.S.C.

§ 314(d). Congress wrote this appeal bar in plain, simple terms: “(d) No Appeal.— The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” *Id.*

In considering whether to institute IPR in response to a petition, the Director must consider a host of subsidiary issues, ranging from a preliminary merits determination about whether there is a “reasonable likelihood” that at least one of the challenged claims will be found unpatentable, *id.* § 314(a), to whether the petition is “accompanied by payment of the fee” for filing, *id.* § 312(a)(1), and whether the petitioner has served all the petition documents on the patent owner or its designated representative, *id.* § 312(a)(5). Here and in Atlanta Gas Light’s case, the Federal Circuit undid the Board’s ultimate conclusion that the challenged claims were unpatentable, a decision that was reached after the parties had fully litigated and the Board decided an IPR. To do so, the court seized on the Board’s resolution of one of these subsidiary issues: the time bar in § 315(b). That provision requires the Board to decide, before instituting IPR, whether the petition is barred because it comes “more than 1 year after the petitioner, real party in interest, or privy of the petitioner [wa]s served with a complaint alleging infringement of the patent” for which it is seeking review. *Id.* § 315(b). The Board’s resolution of the time-bar issue is plainly a part of the institution decision: it is a determination about whether “inter partes review may ... be instituted.” *Id.*

In *Cuozzo Speed Techs. LLC v. Lee*, the patent owner argued that the Board had erred by instituting IPR because the petition failed to plead “with particularity” as required by § 312. 136 S. Ct. 2131, 2139 (2016). The Court held that the appeal bar precluded review of whether the Board had correctly applied that provision when it determined to institute IPR. “For one thing,” the Court explained, “that is what § 314(d) says. It states that the ‘determination by the [Patent Office] whether to institute an inter partes review under this section shall be *final and nonappealable*.’” *Id.* “For another,” the Court continued, “the legal dispute at issue is an ordinary dispute about the application of certain relevant patent statutes concerning the Patent Office’s decision to institute inter partes review.” *Id.* The same is true here.

Because Congress required IPR petitions to be pleaded with particularity, the Board would err if it determined to institute IPR in response to a petition that was not pleaded with particularity. Yet the Court recognized that Congress nonetheless opted to leave that determination to the Board. Just so with the time-bar issue: if a petition falls within the time-bar provision, the Board would err if it determined to institute IPR in response to that petition. But a “legal dispute” about the Board’s application of the time bar is likewise “an ordinary dispute about the application of certain relevant patent statutes concerning the Patent Office’s decision to institute inter partes review.” *See id.* The Board’s institution determination remains “final and nonappealable.”

The Court took care to note that it was not deciding “the precise effect” of the appeal bar on

appeals that “implicate constitutional questions, that depend on other less closely related statutes, or that present other questions of interpretation that reach, in terms of scope and impact, well beyond ‘this section.’” *Id.* at 2141. The Court’s description of the appeals that § 314(d) *does* bar, however, captures this case: appeals that raise “questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” *Cuozzo*, 136 S. Ct. at 2141. Just like the particularity requirement, the time bar is embodied in a statute that is “related to the Patent Office’s decision to initiate inter partes review”: the Board needs to determine both that the petition is pleaded with particularity and that it does not fall within the time bar (and that it complies with myriad other requirements) before the Board may decide to institute IPR. *See id.* Justice Alito, joined by Justice Sotomayor, recognized that the Court’s logic would bar appeals challenging the Board’s application of the time-bar provision because “the petition’s timeliness ... is ‘closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate ... review.’” *Id.* at 2155 (Alito, J., dissenting).

To be sure, certain language in *SAS Institute v. Iancu*, 138 S. Ct. 1348 (2018), suggests a narrower interpretation of the appeal bar. That decision stated at one point that *Cuozzo* held only that “§ 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 on the grounds asserted.” *Id.* at 1359 (quotation marks omitted). But that imprecise language cannot be reconciled with *Cuozzo* itself:

Cuozzo did not involve an attempted challenge to the Board’s “reasonable likelihood” determination, but instead held that the appeal bar applied to an attempted appeal based on § 312(a)(3)’s particularity requirement. *Cuozzo*, 136 S. Ct. at 2139. Nor is that imprecise description consistent with *Cuozzo*’s own description of its holding. As explained above, the Court explicitly held that “where a patent holder grounds its claim in a statute closely related to th[e] decision to institute inter partes review, § 314(d) bars judicial review,” *id.* at 2143, and did not limit its holding to the “reasonable likelihood” determination under § 314(a).

Nor, in any event, did *SAS* require the Court to revisit its holding in *Cuozzo*. *SAS* did not involve an attempt to appeal the Board’s resolution of a subsidiary issue going to whether institution of IPR was proper in the case at hand. Instead, it involved a Board regulation, applicable to all cases, that purported to authorize the Board to institute IPR “on all or some of the challenged claims,” contrary to Congress’s clear directive that the Board, if it instituted IPR, must issue a final written decision on *all* claims challenged by the petition. *SAS*, 138 S. Ct. at 1359–60; *see* 35 U.S.C. § 318(a). It would be anomalous for such a generally applicable regulation to be immune from judicial review, *SAS*, 138 S. Ct. at 1355, but there is nothing anomalous about respecting Congress’s delegation of authority to the Board to make “final and nonappealable” determinations as to whether to institute IPR on a case-by-case basis by applying the time bar and the myriad other institution requirements to the unique set of facts raised by a particular petition. And that,

after all, “is what § 314(d) says.” *Cuozzo*, 136 S. Ct. at 2139.

B. The fact that the plain terms of § 314(d) bar the patent owner from appealing the Director’s determination to institute IPR should be the end of the analysis. *E.g.*, *Food Marketing Inst. v. Argus Leader Media*, 139 S. Ct. 2356, 2364 (2019) (“In statutory interpretation disputes, a court’s proper starting point lies in a careful examination of the ordinary meaning and structure of the law itself... Where, as here, that examination yields a clear answer, judges must stop.”). Congress, moreover, had good reasons for crafting the AIA’s post-issuance review provisions as it did. Those provisions help protect the public’s interest in a patent system that rewards and encourages innovation but does not remove from the public domain subject matter that belongs there, and they conserve judicial resources by shortening and streamlining disputes between parties over whether patents that have already issued are anticipated or obvious. The Federal Circuit’s decision in this case contravenes these purposes.

1. Patents are “public franchises” that withdraw from the public domain “rights of immense value and bestow[] them upon the patentee.” *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1373 (2018) (alterations and quotation marks omitted). The public in general has an interest in ensuring that patents, when they are granted, do not withdraw from the public domain subject matter that is not truly innovative and that therefore properly should remain the property of the public. *See, e.g.*, David Lange, *Recognizing the Public Domain*, 44 (Autumn) L. & C.P. 147, 171 (1981) (noting that

“expanding [intellectual property] claims tend[] to ... displace[] important individual and collective rights in the public domain”).

In enacting the AIA, Congress expressed a desire to “improve patent quality,” because only “[h]igh quality patents” further the promotion of progress in the useful arts, while “[p]atents of low quality and dubious validity ... constitute a drag on innovation.” 157 Cong. Rec. S131 (statement of Sen. Leahy). Members of Congress noted their concerns that poor-quality patents harmed *everyone*—accused infringers, the public, and even patent owners—because they result in “seemingly endless litigation that casts a cloud over patent ownership.” 157 Cong. Rec. S1053 (statement of Sen. Menendez).

As a result, IPR serves a public purpose with effects far beyond the mere resolution of a dispute between two parties. When the Board determines that one or more claims of a patent cover subject matter that never should have been withdrawn from the public domain, it is rectifying an injury to the public, not merely resolving a disagreement between a patent owner and a petitioner. The petitioner—usually but not always an accused infringer—performs a public good by representing not only its own interest but also the public’s interest against an improperly granted public franchise.

Congress recognized this broader public purpose in granting the Patent Office authority to continue an IPR and issue a final written decision even if the petitioner settles with the patent owner. 35 U.S.C. § 317(a); *see also Dish Network L.L.C. v. TQ Beta, LLC*, IPR2015-01756, 2018 WL 1870499 (P.T.A.B. Apr. 12, 2018) (declining to vacate, on remand from

the Federal Circuit, a final written decision concluding that two claims of the patent at issue were unpatentable, even though the parties had settled the case before the appeal was decided). And it safeguarded the *merits* decisions furthering that public purpose by making the *initial procedural* decisions by the Board unreviewable.

The provisions in § 315 governing which parties may petition for IPR and when they may petition are best understood as authorizing the Board to perform basic gatekeeping functions designed, in the main, to ensure that IPR does not interfere unduly with litigation between the parties that is already well underway. *See* 35 U.S.C. § 315; *see also* 157 Cong. Rec. S1041 (statement of Sen. Kyl) (noting that the AIA will “coordinate inter partes and post-grant review with litigation” by “setting a time limit for seeking inter partes review if the petitioner or related parties [are] sued for infringement”). But that initial gatekeeping function is ancillary to Congress’s larger concerns, including the public interest in keeping public-domain subject matter in the public domain. The § 314(d) appeal bar reflects that congressional concern by excluding from the universe of appealable disputes those pertaining to initial, non-merits procedural determinations.

This Court recognized in *Cuozzo* that allowing appellate review of the Board’s preliminary procedural determinations would undermine IPR and other post-grant proceedings. There, the Court articulated its “doubt that Congress would have granted the Patent Office th[e] authority [to reconsider already-issued patents] ... if it had thought that the agency’s final decision could be unwound

under some minor statutory technicality related to its preliminary decision to institute inter partes review.” *Cuozzo*, 136 S. Ct. at 2140.

The potential for appellate review of institution decisions to interfere with Congress’s broader plans has become even more pronounced since the Court’s decision in *SAS*. Before *SAS*, a petitioner that succeeded in persuading the Board to institute IPR but then lost on the merits in the Board’s final written decision might have sought to appeal the Board’s determination to institute IPR on fewer than all of the claims the petitioner had sought to challenge. *SAS* eliminates that scenario. See 138 S. Ct. at 1359–60 (petitioner is “entitled to a final written decision addressing all of the claims it has challenged”). A petitioner may not appeal a Board determination *not* to institute IPR. *St. Jude Med. Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1375 (Fed. Cir. 2014). So the only time a court will be asked to consider whether the Board erred by instituting IPR is when the Board has invalidated a bad patent and the patent owner—lacking a persuasive challenge to the Board’s merits decision invalidating the patent—seeks to change the subject to whether the technical criteria for instituting IPR in the first place were met.

Where an IPR has been litigated to completion and the Board has correctly invalidated a bad patent, undoing that completed IPR just because of debatable procedural issues at the institution stage would waste resources and undermine Congress’s intent. It would have made little sense for Congress to authorize courts to revisit preliminary procedural determinations long since overtaken by correct merits determinations, and Congress did not do so—as its

enactment of a statute making those preliminary institution decisions “final and nonappealable” attests.

The practical result of the Federal Circuit second-guessing the Board’s institution decision is that a bundle of rights the Patent Office has determined belongs in the public domain will be re-vested, at least temporarily, in private hands. Thus, each time the Federal Circuit withdraws another portion of the Board’s institution decision from the scope of the § 314(d) appeal bar and makes it reviewable, that decision takes the patent system’s focus off enhancing patent quality and turns it to procedural matters that Congress entrusted solely to the Board with the goal of streamlining the post-grant review process in order to focus on enhancing patent quality. Patent owners have used and will use this procedural mechanism to unwind correct merits decisions—and delay final resolution of the dispute—on a “minor statutory technicality.” *Cuozzo*, 136 S. Ct. at 2140.

This undesirable outcome comes with other costs. As Congress recognized, *no one* is well served by a patent system that permits low-quality patents to issue and survive. The value of *all* patents, including the good ones—and especially those that have not been tested in litigation—decreases when the proliferation of bad patents causes the public at large to lose faith in the patent system as a whole. *See* 157 Cong. Rec. S131. Every exception to the appeal bar provides a potential mechanism for the owner of a bad patent to escape, on a procedural technicality—often one that, as here, implicates *no* merits concerns—a meritorious ruling by the Board that its patent claims unpatentable or ineligible matter. Multiplying those

mechanisms leads the public to lose faith in the patent system—all while wasting agency and judicial resources and allowing likely-invalid patents to survive and vex accused infringers.

None of this is to say that Congress's goal of rooting out bad patents should mean encouraging the Board to ignore clear statutory rules that would otherwise prohibit institution. Rather, the point is merely that Congress created a host of procedural rules regarding institution that it entrusted to the Board—and did not want courts to be in the business of revisiting. Congress presumably understood that the myriad conditions it created relating to the institution determination might sometimes prove ambiguous and that the Board might sometimes apply them in ways that could be debated. But Congress believed that the Board was *likely enough* to get it right that efficiency was the better part of perfection—especially given that the effect of a mistake on these preliminary procedural decisions is merely the *invalidation of a bad patent*, albeit one that should have escaped Board review on a technicality.

The time-bar question at issue here is one of many preliminary decisions the Board has to make in order to decide whether to institute. For example, the Board may not consider a petition unless it is “accompanied by payment of the fee established by the Director,” unless the petitioner has identified all “real parties in interest,” and unless the petitioner has provided all relevant documentation to the patent owner or its designated representative. 35 U.S.C. § 312(a)(1), (2) & (5). It is easy to imagine disputes over whether a petition complies with these conditions,

and it is easy to understand why Congress would have wanted the Board’s decision on these procedural issues to be final, even if the Board, like any other decisionmaker, is not infallible. Even as to the time-bar provision itself, the Board must resolve a host of factbound subsidiary questions, including whether a person who was served with a complaint over a year earlier qualifies as a real party in interest or a privy of the IPR petitioner; whether a paper served on such a person was a “complaint” that “alleg[ed] infringement”; and whether the thing the complaint alleged infringement of was “the patent” at issue in the IPR petition. *See id.* § 315(b).

In enacting a bright-line review bar, Congress rightly recognized that letting courts unwind fully litigated Board decisions based on these factual and procedural predicates—predicates that affect only the parties to the IPR and have no bearing on the validity of the patent underlying the action—would consume vast amounts of courts’ time and litigants’ resources, all while failing to serve IPR’s larger public purpose.

The history of litigation before the Federal Circuit and this Court over which parts of the Board’s institution decisions are sufficiently parts of the Board’s institution decisions to fall within the review bar has, unfortunately, borne out Congress’s fears. *See generally* *Cuozzo*, 136 S. Ct. 2131; *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1328 n.3 (Fed. Cir. 2018) (footnote en banc); *Wi-Fi One v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (en banc); *Return Mail, Inc. v. U.S. Postal Serv.*, 868 F.3d 1350 (Fed. Cir. 2017), *rev’d*, 139 S. Ct. 1853 (2019). For example, having taken it upon itself to review the Board’s application of the time bar in its

determination to institute IPR, the Federal Circuit now finds itself deciding even finer-grained procedural issues relating to the time bar, going so far as to develop a “framework” under which the Board is now to decide which party bears the burden of showing that a petition is time-barred. *See Worlds Inc. v. Bungie Inc.*, 903 F.3d 1237, 1245–46 (Fed. Cir. 2018). Similarly, in *Arista Networks, Inc. v. Cisco Systems, Inc.*, 908 F.3d 792, 800–01 (Fed. Cir. 2018), the Federal Circuit overruled its pre-*Wi-Fi One* precedent and held that whether assignor estoppel should have prevented the Board from instituting IPR was reviewable on appeal despite § 314(d).

None of this serves the goal of streamlining patent-validity disputes or of strengthening the patent system by invalidating bad patents. Hewing to the bright-line rule Congress put in place in § 314(d) will realign Article III courts’ practice with Congress’s stated public policy.

2. The AIA is Congress’s most recent act in its long-term project to vest authority to decide technically complex patent issues in the entities best situated to decide them quickly, accurately, and at the lowest cost to litigants and adjudicators. *See Saurabh Vishnubhakat, The Porous Court-Agency Border in Patent Law*, 51 Akron L. Rev. 1069, 1072 (2017) (noting that “power transfer from the courts to the Patent Office ... favor[s] expertise, manageable cost, and broad access”). Congress first concluded that concentrating patent appeals in a specialized court of appeals would be a better use of judicial resources than requiring all the Circuits to decide the kinds of complex technical questions that patent cases have increasingly raised. *See Fed. Cts. Improvement*

Act of 1982, Pub. L. 97-164. Since then, Congress has enacted numerous administrative procedures seeking to ensure that bad patents either do not make it out of the Patent Office or can be challenged in proceedings short of district court litigation—from *ex parte* and *inter partes* reexamination to IPR, post-grant review, and covered-business-method review.

Congress’s trust in the Patent Office has not been misplaced. The Board is an expert body that, as a matter of routine, handles difficult technical matters soundly—and also gets the law right. An empirical study of Federal Circuit review of the Board’s decisions has shown that the court affirms the Board’s decisions approximately 90% of the time. Matthew G. Sipe, *Experts, Generalists, Laypeople—And the Federal Circuit*, 32 Harv. J.L. & Tech. 575, 602–03 (2019). The Board “is affirmed notably more often than district courts on validity issues.” *Id.* at 610. And the Board’s affirmance rate even on purely legal questions—for example, patent eligibility under § 101—is the equal of district courts’. *Compare id.* at 608 (district courts affirmed at 87.9% rate on questions of law) *with id.* at 600 (partially adjusted Board affirmance rate of 87.9% on questions of law).

There is no reason to believe the Board’s decisions on preliminary procedural matters will be any less sound. Even on those questions where reasonable minds may differ—such as whether a complaint that is promptly dismissed triggers a time bar—the Board has made every effort to align itself with the prevailing law. *See Macauto U.S.A. v. BOS GmbH & KG*, No. IPR2012-000004, 2013 WL 5947694, at *7 (P.T.A.B. Jan. 24, 2013) (citing two Federal Circuit decisions and Wright & Miller for the proposition that

“the effect of ... dismissals [without prejudice] [is to] leav[e] the parties as though the action had never been brought”).

In enacting the AIA, Congress spoke clearly in cutting off the courts’ jurisdiction to review institution decisions. This Court would be bound to respect that jurisdictional decision even if it thought that Congress made a mistake—if, for example, it were convinced that the issue was too important to leave to a non–Article III decisionmaker, or that the Board was too likely to reach the wrong result.

Here, happily, Congress drew its jurisdictional lines perfectly reasonably. The decisions the Board has reached on the time-bar question and similar questions have been eminently defensible interpretations of the law, even if they are not necessarily interpretations with which *every* judge of the Federal Circuit finds agreement. There is, in short, no reason to think the Board has been engaging in—or will engage in—“shenanigans” on the time bar or other procedural aspects of the institution determination. *See SAS*, 138 S. Ct. at 1359. To the contrary, all evidence suggests that the Board takes the procedural questions raised in institution decisions seriously and is doing its best—which is quite good—and doing so in good faith. The Board’s institution rate has decreased every year for which full records are available, from its 2013 high of 87% to a rate of 60% during fiscal 2018—exactly what one would expect if (1) the Board is taking its institution decisions seriously and (2) the AIA is serving its purpose and the number of obviously bad patents in the system is decreasing over time. *See U.S. Patent*

& Trademark Office, Trial Statistics: IPR, PGR, CBM (July 2019), *available at* <https://bit.ly/2Zwj0ZS>.

Of course, if extreme cases arise in which the Board takes extraordinary actions far beyond the pale, patent owners have resort to the Federal Circuit’s mandamus jurisdiction. *E.g.*, *In re Power Integrations*, 899 F.3d 1316, 1321 (Fed. Cir. 2018); *cf.* *SAS*, 138 S. Ct. at 1359.

The Federal Circuit’s decisions in *Wi-Fi One* and this case (and in *Atlanta Gas Light’s* case) thus are as unnecessary as they are incorrect. Here, the Board arrived at a reasonable rule—one that reflected not only Federal Circuit precedent but also a treatise digest of other circuits’ precedent—and applied it consistently and fairly. Reasonable minds may differ about whether the version of the rule the Board adopted is better than the version the Federal Circuit faulted it for *not* adopting. Reasonable minds may even differ about whether the time bar enacted by Congress limits IPR too much or not enough. But the Board did not remotely act in an *ultra vires* manner, and the Republic will not fall no matter what interpretation is given to the time bar. The Federal Circuit therefore should have left well enough alone and respected Congress’s decision to entrust these issues to the Board.

This Court should reverse the decision of the Federal Circuit and hold that the § 314(d) review bar means what it says: the Board’s determination about whether to institute IPR, which includes its determination about whether the time bar precludes doing so, is “final and nonappealable.”

CONCLUSION

The Court should reverse the Federal Circuit's judgment.

Respectfully submitted.

HOLMES J. HAWKINS, III
RUSSELL E. BLYTHE
KING & SPALDING LLP
1180 Peachtree St., NE
Atlanta, GA 30309
(404) 572-4600

JEFFREY S. BUCHOLTZ
Counsel of Record
JOSHUA N. MITCHELL
KING & SPALDING LLP
1700 Pennsylvania Ave. NW
Washington, DC 20006
(202) 737-0500
jbucholtz@kslaw.com

Counsel for Amicus Curiae Atlanta Gas Light Company

September 10, 2019