

No. 18-916

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IN THE  
**Supreme Court of the United States**

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THRYV, INC., FKA DEX MEDIA, INC.,  
*Petitioner,*

v.

CLICK-TO-CALL TECHNOLOGIES, LP, ET AL.,  
*Respondents.*

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

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**BRIEF FOR AMICUS CURIAE INTEL  
CORPORATION IN SUPPORT OF PETITIONER**

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**INTEREST OF AMICUS CURIAE<sup>1</sup>**

Intel Corporation is a global leader in the design and manufacture of semiconductor products, including hardware and software products for networking, telecommunications, cloud computing, artificial intelligence, autonomous driving, and other applications. Intel's chips power a large percentage of the world's computers, from everyday desktops and laptops to the servers that form the backbone of the modern digital economy.

Intel owns one of the Nation's largest patent portfolios, with tens of thousands of patents. Intel routinely places in the top ten annually in number of patents granted by the U.S. Patent and Trademark Office (PTO). Intel is therefore a strong supporter of the patent system. At the same time, Intel's experience—like that of most successful technology companies—overwhelmingly has been as a defendant in suits brought by increasingly sophisticated non-practicing entities seeking return on litigation as a portfolio investment strategy. In light of the increasing offensive assertion of invalid patents by third parties who are strangers to their issuance, especially in areas of emerging technology, Intel believes that inter partes review performs a critical function within the patent system. Intel has a strong interest in having an efficient post-grant review available as an alternative to expensive and time-consuming

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<sup>1</sup> Pursuant to Supreme Court Rule 37.6, counsel for *amicus curiae* state that no counsel for a party authored this brief in whole or in part, and no party or counsel for a party, or any other person other than *amicus curiae* or its counsel, made a monetary contribution intended to fund the preparation or submission of this brief. All parties have consented in writing to the filing of this brief.

patent litigation, which in the past has been the primary vehicle to challenge the validity of weak patents.

## INTRODUCTION AND SUMMARY OF THE ARGUMENT

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In the America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (2011), Congress created inter partes review to further “the public’s ‘paramount interest in seeing that patent monopolies[] are kept within their legitimate scope.’” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016) (citation omitted). To that end, Congress conferred broad authority on the Patent Trial and Appeal Board (Board) to adjudicate a patent’s validity, and it designed the inter partes review procedure to ensure that the proceeding would remain streamlined, cost-effective, and focused on the ultimate question of patentability.

In particular, Congress limited the grounds on which the Board’s decision may be subject to judicial review. While the Federal Circuit may review the Board’s ultimate determination of patentability, 35 U.S.C. §§ 318, 319, the decision “whether to institute” an inter partes review is “final and nonappealable,” *id.* § 314(d). In *Cuozzo*, this Court construed the AIA to foreclose judicial review of the Board’s decision *not* to institute inter partes review. 136 S. Ct. at 2140. And it construed Section 314(d) to bar a patentee who appeals the Board’s final determination from challenging the Board’s decision to institute inter partes review and its subsidiary construction of statutes relating to the institution decision. *Id.* at 2139. Notwithstanding that direction, the en banc Federal Circuit has carved out an exception to

*Cuozzo*, holding that it may review the Board’s institution decisions to the extent they are based on a determination that the petition was timely filed. See *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (2018). That ruling is incorrect and should be reversed.

I. The text, structure, and purposes of the AIA’s inter partes review framework demonstrate that the Board’s timeliness determinations are not subject to judicial review. Section 315(b) provides that an “inter partes review may not be instituted” if the petition is filed more than one year after the petitioner or a related party is served with a complaint alleging infringement of the patent. 35 U.S.C. § 315(b). Timeliness is therefore a subsidiary question that the Board must address in deciding whether to institute inter partes review—and Section 314(d) makes that institution decision “final and nonappealable.”

The AIA’s strict limitations on judicial review reflect Congress’s judgment that appellate review should focus on patentability—the critical question that affects the public interest—and that the Board’s invalidation of a patent should not be overturned on the basis of procedural “technicalit[ies].” *Cuozzo*, 136 S. Ct. at 2140. Section 315(b)’s limitations provision is just such a technicality. Because a patentee will appeal the Board’s timeliness determination only when the Board has instituted review and invalidated the patent, appellate review of the issue will invite the Federal Circuit to overturn the Board’s invalidation of a patent for reasons having nothing to do with patentability.

At the same time, judicial review of timeliness determinations is not necessary to protect any recognized interest of the patentee. The time bar does not protect any

private interest in repose, as Congress provided that any person may petition for inter partes review at any time during the life of the patent. Rather, the time bar is designed to prevent the inter partes review proceeding from interfering with pending infringement litigation. Judicial review of the timeliness determination *after* the conclusion of the administrative proceeding would not serve that purpose.

II. Permitting appellate review of the Board's timeliness determinations will undermine the efficacy of inter partes review. Congress established the inter partes review system to provide an efficient, cost-effective means of challenging invalid patents without resorting to litigation. As this Court recognized in *Cuozzo*, Congress determined that "bad patents," and the high cost of litigating patent validity in court, impede the innovation-encouraging policies of the patent system. See *Cuozzo*, 136 S. Ct. at 2140.

Appellate review of timeliness determinations will enable patentees to reinstate patents that the expert agency has held to be invalid, thereby undermining the public interest in promoting innovation. Review will also undermine the efficiency and cost-effectiveness of inter partes review. Timeliness determinations under Section 315(b) can be quite fact-intensive, especially when they involve questions concerning which entities are sufficiently related to the petitioner for purposes of the time bar. Patentees will have every incentive to challenge the Board's invalidity determinations by raising detailed and fact-specific timeliness challenges on appeal, thereby increasing the cost of defending such appeals and straining judicial resources. That is precisely what Congress sought to avoid by creating a streamlined administrative procedure for invalidating patents.

## ARGUMENT

### I. The Board’s determination that an inter partes review petition was timely filed is not judicially reviewable.

The AIA’s text and structure establish that when the Board’s decision to institute inter partes review rests on a subsidiary determination that the petition is timely, that timeliness determination is not reviewable. 35 U.S.C. §§ 314(d), 319. This Court’s holding in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), that the AIA precludes judicial review of the Board’s institution decision and “closely related” questions, confirms that timeliness determinations are not reviewable. Although the Federal Circuit held otherwise in *Wi-Fi One*, 878 F.3d at 1374, its reasoning cannot be reconciled with the plain text of Section 314(d) and *Cuozzo*.

#### A. The AIA’s text and structure, as well as this Court’s decision in *Cuozzo*, establish that the Board’s timeliness determinations are not reviewable.

1. In establishing the inter partes review framework, Congress made clear its intent to preclude judicial review of the Board’s decision to institute inter partes review—regardless of the subsidiary grounds on which that decision is based. Rather than broadly providing that the Federal Circuit would have jurisdiction to review any “final decision” of the Board—a formulation that generally encompasses interlocutory decisions that merge into the final decision—Congress specified that the court would have jurisdiction to review only the Board’s “final written decision . . . *under section 318(a)*.” 35 U.S.C. § 319 (emphasis added); see *FTC v. Standard*

*Oil Co.*, 449 U.S. 232, 239–42 (1980). Section 318(a) in turn states that the Board shall issue a “final written decision *with respect to the patentability* of any patent claim challenged by the petitioner.” 35 U.S.C. § 318(a) (emphasis added). Congress thus provided that appellate review would be limited to the Board’s final decision with respect to the patentability of the claims on which review was instituted.

At the same time, Congress expressly barred judicial review of the Board’s decision to institute inter partes review. Section 314(a) commits the Board’s decision *not* to institute review entirely “to the [agency’s] discretion.” *Cuozzo*, 136 S. Ct. at 2140; 35 U.S.C. § 314(a); 5 U.S.C. § 701(a)(2). Section 314(d), entitled “No Appeal,” then bars challenges to the Board’s decision to institute inter partes review when the Board has proceeded to a final decision and the patentee appeals that final decision. Specifically, Section 314(d) provides that “[t]he determination . . . whether to institute an inter partes review under this section shall be final and nonappealable.” 35 U.S.C. § 314(d).

The determination whether to institute inter partes review encompasses several subsidiary questions. Section 314(a) establishes the substantive standard for institution, providing that the Board may institute inter partes review if it determines that there is a “reasonable likelihood” that the petitioner will prevail with respect to a challenged patent claim. 35 U.S.C. § 314(a). Making that determination involves interpreting the Patent Act’s relevant substantive patentability provisions. 35 U.S.C. §§ 102, 103. The institution decision also requires the Board to apply Sections 311 through 315, which set forth various procedural prerequisites to in-

stitution of inter partes review. Those prerequisites include rules governing the earliest date on which the petition may be filed (*id.* § 311(c)); and rules setting forth the required contents of the petition, such as identification of all “real parties in interest,” and identification “with particularity” of each claim challenged (*id.* § 312(a)(1)–(3)). As particularly relevant here, Section 315(b) sets forth a timeliness requirement applicable in cases in which a complaint alleging infringement of the patent has been served on the petitioner or certain related parties. *Id.* § 315(b). Section 315(b) provides that “inter partes review may not be instituted” if the petition was filed more than one year after service of the complaint. *Ibid.*

The plain language of Sections 314(d) and 315(b) establishes that the Board’s timeliness determinations are not judicially reviewable. Section 315(b) expressly addresses a situation in which “inter partes review may not be instituted.” In cases where timeliness is implicated, the Board must apply Section 315(b) in order to “determin[e] . . . whether to institute an inter partes review” under Section 314. Section 314(d), in turn, renders such determinations “final and nonappealable.” Because the Board’s timeliness determination is a subsidiary determination on which its decision to institute review rests, Section 314(d)’s prohibition on judicial review of the institution decision necessarily encompasses the timeliness determination under Section 315(b).

If there were any remaining doubt over whether subsidiary determinations underlying the Board’s institution decision were reviewable in the context of an appeal of the Board’s final written decision, Sections 318 and 319 conclusively resolve it. Those provisions limit the

Federal Circuit’s jurisdiction to reviewing the Board’s final *patentability* determination, thus making clear that the court may not review the Board’s earlier, substantively distinct timeliness determination. Together, the affirmative and negative limitations on the scope of judicial review provided in Sections 314(d) and 319 clearly reflect Congress’s intent to preclude judicial review of Board timeliness determinations. See *Block v. Community Nutrition Inst.*, 467 U.S. 340, 346 (1984).

2. *Cuozzo* confirms that Section 314(d) ensures that courts “may not revisit th[e] initial determination” by the Board as to whether inter partes review should proceed. 136 S. Ct. at 2141. There, the patent owner sought to appeal the Board’s determination, in instituting inter partes review, that the petition complied with Section 312(a)(3)’s requirement that the petition identify the asserted grounds of invalidity “with particularity.” *Id.* at 2139. The Court held that Section 314(d) bars judicial review of this subsidiary question, describing it as precisely the sort of “ordinary dispute about the application of certain relevant patent statutes concerning the Patent Office’s decision to institute inter partes review” that Congress intended to make unreviewable. *Id.* at 2136, 2139.

Elaborating on Section 314(d)’s scope, the Court explained that the provision applies to “questions that are closely tied to the application and interpretation of *statutes related to the Patent Office’s decision to initiate inter partes review.*” *Id.* at 2141 (emphasis added). The Court distinguished “the kind of mine-run claim” presented by Section 312(a)(3)’s “particularity” requirement—which fell squarely within Section 314(d)’s bar on judicial re-

view—from other types of claims for which judicial review may remain available, such as constitutional claims. *Id.* at 2136, 2141–42.

Just like the Section 312(a)(3) “particularity” requirement at issue in *Cuozzo*, Section 315(b) is “closely related” to the decision to institute inter partes review, and therefore among the cluster of prerequisites precluded from judicial review. *Id.* at 2142. Section 315(b) is by definition “related to” the institution decision, as it supplies one of the conditions precedent the Board must evaluate and find satisfied in order to institute inter partes review.

3. Congress’s evident purpose in limiting judicial review of institution decisions confirms that Section 314(d)’s bar on judicial review should be construed to encompass timeliness determinations under Section 315(b). As the Court explained in *Cuozzo*, Congress intended to give the PTO broad authority to determine whether to institute review, and to focus judicial review on the key question of patentability. *Cuozzo*, 136 S. Ct. at 2141.

Section 314(d)’s bar on appellate review of institution decisions should be construed in light of that objective. As noted above, the Board’s decision not to institute review is committed to agency discretion, and it therefore cannot be appealed. See *id.* at 2140. When the Board does institute review, the only situation in which a patent owner would have occasion to challenge that decision (under Section 315(b), or otherwise) is one in which the Board has ultimately invalidated the patent. Permitting appellate review of institution decisions therefore “would undercut” Congress’s grant of broad authority to the Board to reconsider granted patents. *Id.* at

2139. Once the Board has issued a final determination that a patent is invalid, that determination is reviewed deferentially, in recognition of the Board’s technical expertise and its authority as the agency charged with examining patentability in the first instance. 5 U.S.C. § 706; *In re Affinity Labs of Tex., LLC*, 856 F.3d 883, 889 (Fed. Cir. 2017). But if the Federal Circuit may review the Board’s timeliness rulings, the Board’s “final decision could be unwound,” not because the court has concluded that the Board’s patentability determination was unsupported by substantial evidence, but instead based on a “minor statutory technicality” that has nothing to do with the validity of the patent. *Cuozzo*, 136 S. Ct. at 2140. That would leave a likely-invalid patent in force and undermine the efficacy of inter partes review.<sup>2</sup>

Conversely, Section 315(b) does not serve any purpose that suggests that timeliness determinations should be exempt from the Act’s categorical bar on appellate review of institution decisions. The primary effect of such appellate review would be to protect patent owners from erroneous Board determinations that an inter partes review petition was timely filed. But unlike traditional limitations periods, Section 315(b) is not intended to protect any private interest of the patentee. While inter partes review is in some respects an adversarial proceeding between the petitioner and the patent owner, its primary purpose is not to adjudicate private rights, but to undo invalid patents that impede the innovation-encouraging policies of the patent system.

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<sup>2</sup> The Board’s patentability determinations in inter partes review are affirmed approximately 75% of the time. Brian J. Love et al., *Determinants of Patent Quality: Evidence from Inter Partes Review Proceedings*, 90 U. Colo. L. Rev. 67, 102 (2019).

*Cuozzo*, 136 S. Ct. at 2139–40; *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1374 (2018). Within the inter partes review framework, the patent owner does not have any recognized interest in repose that Section 315(b) could protect, because Congress provided that any party “who is not the owner of a patent” may seek to institute inter partes review at any time during the patent’s term. 35 U.S.C. § 311(a). Even if a particular challenger is time-barred, therefore, the patent remains subject to inter partes review at the instigation of other parties.<sup>3</sup> Appellate review of the Board’s timeliness determinations is therefore not necessary to protect any private interest of the patentee.

Rather than protecting the patentee’s private interests, Section 315(b)’s time bar regulates the relationship between inter partes review and district court proceedings. The time bar applies in the limited circumstance in which a party seeks to institute inter partes review after it has been served with an infringement complaint. The provision ensures that inter partes review does not delay or otherwise interfere with a district-court action that has already substantially progressed towards judgment. H.R. Rep. No. 112-98, at 47 (2011) (“*House Report*”). Appellate review of the Board’s application of Section 315(b) would not help prevent that interference because it arrives too late. Once the Board concludes that a petition is timely and institutes inter partes review notwithstanding a concurrent district-court action,

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<sup>3</sup> Indeed, Congress elsewhere indicated that the presence of a proper petitioner is not essential to the Board’s authority to adjudicate patent validity: Section 317 provides that even if the petitioner settles with the patent owner, the PTO may continue the adjudication, invalidate the patent, and defend its decision on appeal. 35 U.S.C. § 317(a); *Cuozzo*, 136 S. Ct. at 2139–40.

any threatened interference will already have occurred by the time the decision is appealed.

In sum, holding that the Board’s invalidation of a patent may be vacated because the petition was untimely would not serve Congress’s purpose in establishing inter partes review and generally barring review of institution decisions. Congress would not have conferred broad authority to cancel patents on the Board “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.

**B. The Federal Circuit’s and Respondent’s arguments to the contrary lack merit.**

1. The Federal Circuit’s en banc decision in *Wi-Fi One*, holding that the Board’s timeliness determinations are subject to judicial review, rests on a flawed understanding of the statutory text and this Court’s decision in *Cuozzo*.

a. The Federal Circuit concluded that Section 314(d)’s preclusion of judicial review is implicitly limited by that provision’s reference to “[t]he determination . . . whether to institute an inter partes review *under this section*.” *Wi-Fi One*, 878 F.3d at 1372 (citing 35 U.S.C. § 314(d)). In the court’s view, the phrase “under this section” refers to the Board’s determination under Section 314(a) that there is a “reasonable likelihood” that the claims will be found unpatentable. Therefore, the Federal Circuit reasoned, only appeals raising issues that are “closely related to” the “patentability merits of particular claims,” such as challenges to the “reasonable

likelihood” determination or other merits-related determinations under Sections 311 through 313, fall within the bar on appellate review. *Id.* at 1372–74.

That construction cannot be reconciled with the statutory text and structure. In Section 314(d), the reference to “under this section” is most naturally read to modify the immediately preceding phrase—“inter partes review”—and not the more distant “determination.” The phrase therefore “simply refers to the fact that inter partes review is instituted under § 314.”<sup>4</sup> *Id.* at 1380 (Hughes, J., dissenting). Indeed, if the Federal Circuit were correct that the phrase “under this section” limited the scope of the reviewability bar to determinations made under Section 314, then presumably only the “reasonable likelihood” assessment provided for in Section 314(a) would be unreviewable. Other threshold determinations set forth in other sections—such as the “particularity” determination under Section 312—would not fall within the judicial-review bar. But *Cuozzo* squarely held that Section 312 determinations are unreviewable.

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<sup>4</sup> Congress knew how to limit its preclusion of judicial review to the Board’s merits-related determinations when it wished to do so, as it did exactly that in the inter partes reexamination statute. See 35 U.S.C. § 312(a) (2006) (requiring petition for inter partes reexamination to raise a “substantial new question of patentability affecting any claim of the patent concerned”); *id.* § 303(c) (“A determination by the Director *pursuant to subsection (a) of this section that no substantial new question of patentability has been raised* will be final and nonappealable.” (emphasis added)). Congress did not “pursue that known and readily available approach here,” and its decision “must be given effect.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018).

b. *Wi-Fi One* also rests on a misunderstanding of *Cuozzo*'s construction of Section 314(d). *Cuozzo* did not hold, as the Federal Circuit would have it, that Section 314(d) bars review only of issues that are “closely related to” the “patentability merits of particular claims.” *Wi-Fi One*, 878 F.3d at 1372. Rather, *Cuozzo* construed Section 314(d)'s reference to “[t]he determination . . . whether to institute an inter partes review under this section” to render unreviewable “questions that are closely tied to the application and interpretation of *statutes* related to the Patent Office's *decision to initiate* inter partes review.” 136 S. Ct. at 2141 (emphasis added). *Cuozzo* thus did not limit Section 314(d)'s preclusive effect to the “reasonable likelihood” determination or to statutes governing the merits of patentability. Instead, the Board's application of a statute related to the institution decision is unreviewable—regardless of whether that application involved a substantive question related to the merits of patentability. Section 315(b) is clearly a statute that is closely related to the institution decision; it is therefore irrelevant that the Board's consideration of timeliness is not substantively related to its consideration of patentability.

c. The Federal Circuit also relied heavily on the presumption in favor of judicial review, *Wi-Fi One*, 878 F.3d at 1367, but that reliance was misplaced. The presumption in favor of judicial review is an interpretive principle employed to tip the scales toward judicial review when Congress has not made its intent clear. But “whenever the congressional intent to preclude judicial review is fairly discernible in the statutory scheme,” the presumption fails. *Block v. Community Nutrition Inst.*,

467 U.S. 340, 349, 351 (1984) (citation and internal quotation marks omitted); accord *Mach Mining, LLC v. EEOC*, 135 S. Ct. 1645, 1651 (2015).

Here, Congress' intent to preclude judicial review of timeliness determinations is easily discernible. Section 314(d)'s express prohibition on appeals of the Board's institution determinations; Section 315(b)'s characterization of timeliness determination as a subsidiary issue concerning whether to institute review; and Section 318(a)'s limitation of appellate review to final written decisions regarding patentability together clearly indicate Congress's intent to foreclose judicial review of timeliness determinations. See *Block*, 467 U.S. at 347, 351. Indeed, this Court applied *Block* in *Cuozzo* and reached exactly that conclusion with respect to the Section 312 determination. 136 S. Ct. at 2140–41; see also *United States v. Fausto*, 484 U.S. 439, 452 (1988) (finding in the Civil Service Reform Act congressional intent to deny judicial review of certain adverse personnel actions).

The Federal Circuit evidently viewed the presumption in favor of judicial review as particularly strong here, however, because the Board need not revisit timeliness as part of its final determination of patentability. The court contrasted timeliness determinations with the “two-stage” process with respect to patentability, pursuant to which the Board first makes a preliminary “reasonable likelihood” determination that is judicially unreviewable, and then makes a “closely related final merits determination” that “*is* reviewable.” *Wi-Fi One*, 878 F.3d at 1373 (emphasis added). The latter, the court stated, is a “familiar approach[]” that lessens the need to review the preliminary “reasonable likelihood” determination. *Ibid.* But although that observation

could explain why Congress *might* reasonably choose to bar judicial review for the preliminary patentability determination and not for the timeliness determination, it does not establish that Congress in fact made that choice. The statutory text and structure demonstrate that Congress made the opposite choice. And contrary to the Federal Circuit’s view, there is nothing suspect about barring all review of timeliness: for the reasons discussed above, appellate review of the Board’s determination that a petition is timely would not further any policy underlying the inter partes review framework. Given that Congress made unreviewable the Board’s decision not to institute review on the ground that a petition is *untimely*, there is little reason to think that Congress would have provided for appellate review of the Board’s decision that a petition *is* timely.

2. Respondent, for its part, contends that *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), establishes that timeliness determinations must be judicially reviewable. That is incorrect.

In *SAS Institute*, the Court held that a PTO regulation authorizing the Board to conduct inter partes review of some, but not all, of the challenged claims in the petition exceeded the PTO’s authority under Section 318(a). 138 S. Ct. at 1354; 37 C.F.R. § 42.108(a) (authorizing “partial institution”). The Court rejected the government’s argument that Section 314(d) barred review of the statutory authority question, explaining that the judicial review bar does not encompass claims that the Director “exceeded his statutory authority.” *SAS Inst.*, 138 S. Ct. at 1359. The Court acknowledged that “[i]n *Cuozzo*, we held that [Section 314(d)] prevented courts from entertaining an argument that the Director erred in instituting an inter partes review of certain patent

claims.”<sup>5</sup> *Ibid.* But “nothing in § 314(d) or *Cuozzo*,” the Court stated, “withdraws [the Court’s] power to ensure that an inter partes review proceeds in accordance with the law’s demands.” *Ibid.* The Court thus reaffirmed *Cuozzo*’s distinction between unreviewable challenges to individual institution determinations *applying* the statutes governing institution—i.e., “mine-run claim[s] . . . involving the Patent Office’s decision to institute inter partes review”—and reviewable challenges based on contentions that the agency has “act[ed] outside its statutory limits.” *Cuozzo*, 136 S. Ct. at 2141–42; *SAS Inst.*, 138 S. Ct. at 1359.

This case concerns the former. Respondent seeks only to challenge the Board’s individualized application of Section 315(b)’s one-year time bar to the facts of this

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<sup>5</sup> *SAS Institute* also described *Cuozzo* in narrower terms, as holding “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.’” 138 S. Ct. at 1359 (citation omitted). But that does not suggest that the Court silently abrogated *Cuozzo*’s holding that Section 314(d) bars review not only of the “reasonable likelihood” determination, but also “*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. Indeed, the Section 312 “particularity” question that the Court held unreviewable in *Cuozzo* was itself distinct from—but closely related to—the “reasonable likelihood” determination, and *SAS Institute* did not suggest any disagreement with that aspect of *Cuozzo*’s holding. *SAS Institute*’s discussion of *Cuozzo*, taken as a whole, characterized that decision as distinguishing between unreviewable arguments that the Board “erred in instituting an inter partes review of *certain patent claims*,” and reviewable arguments that the Board’s procedures for instituting review exceeded its statutory authority. 138 S. Ct. at 1359.

case; it does not contend that the manner in which the Board decided that question exceeded the Board’s statutory authority, or that the Board has systematically abandoned its obligation to apply the time bar. This is therefore not a case in which the challenger seeks “to ensure that an inter partes review proceeds in accordance with the law’s demands.” *SAS Inst.*, 138 S. Ct. at 1359. Respondent’s claim thus falls well within the “mine-run claim[s]” and “ordinary dispute[s] about the application of certain relevant patent statutes” that *Cuozzo* held were excluded from judicial review. *Cuozzo*, 136 S. Ct. at 2136, 2139. See Part I.A, *supra*.

**II. Appellate review of Board decisions based on timeliness will undermine the effectiveness of inter partes review as an efficient and cost-effective alternative to litigation.**

Congress established inter partes review to “improve patent quality” by “screen[ing] out bad patents.” *Cuozzo*, 136 S. Ct. at 2140 (quoting *House Report* 45, 48; and 157 Cong. Rec. 9778 (2011)). By “giv[ing] the Patent Office significant power to revisit and revise earlier patent grants,” *id.* at 2139–40, Congress intended inter partes review to “provid[e a] quick and cost effective alternative[] to litigation.” *House Report* 48. Permitting appellate review of the Board’s timeliness determinations will undermine that critical congressional objective.

**A. Congress established inter partes review to provide an efficient means of canceling invalid patents.**

1. Invalid patents inhibit innovation by tying up broad areas of technology and imposing significant litigation and licensing costs on companies developing

products in the same technological areas. According to a broad consensus among practitioners and policy-makers, the PTO issues many patents of questionable validity.<sup>6</sup> See, e.g., Fed. Trade Comm'n, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* 5–7 (2003) (“FTC Report”). The problem of invalid patents is particularly acute in the areas of emerging technology, as patentability determinations are more likely to be erroneous in novel areas like these. See Julie E. Cohen & Mark A. Lemley, *Patent Scope and Innovation in the Software Industry*, 89 Cal. L. Rev. 1, 42–45 (2001). Once granted, these invalid patents are especially harmful in industries in which successive product generations improve incrementally, such as the microprocessor industry. Competitors generate numerous overlapping patents, requiring companies to agglomerate patents from multiple holders before they can bring a product to market. As a result, microprocessors and other computer components may each implicate hundreds or thousands of patents. See, e.g., *FTC Report* 6 (“One industry representative from a computer hard-

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<sup>6</sup> The immense annual volume of patent applications, combined with the PTO’s limited resources, makes it inevitable that a significant number of issued patents should have been rejected for failure to satisfy the requirements for patentability set forth in the Patent Act. See, e.g., U.S. Patent & Trademark Office, *U.S. Patent Statistics Chart, Calendar Years 1963–2015* (showing that patent applications nearly doubled to approximately 630,000 between 2000 and 2015). Indeed, research suggests that the average patent is examined for less than 20 hours before the PTO renders a decision. See Michael D. Frakes & Melissa F. Wasserman, *Does Agency Funding Affect Decisionmaking?: An Empirical Assessment of the PTO’s Granting Patterns*, 66 Vand. L. Rev. 67, 72 n.16 (2013).

ware firm reported that more than ‘90,000 patents generally related to microprocessors are held by more than 10,000 parties.”) (quoting testimony of Peter Detkin, then-Vice President and Assistant General Counsel at Intel).

Companies such as Intel must then expend substantial resources to license such patents, design around them, or risk costly and lengthy infringement suits. See Am. Intellectual Prop. Law Assoc., *Report of the Economic Survey* 41 (2017) (“AIPLA Survey”) (calculating median cost of litigating a single claim of a high-valued patent to be \$3 million); PricewaterhouseCooper, 2018 Patent Litigation Study 4 (2018)<sup>7</sup>. If the patent holder sues for infringement, the defendant may of course challenge the patent’s validity. But that necessity creates uncertainty and gives rise to significant litigation costs.

Congress therefore designed inter partes review to provide a procedure for invalidating bad patents that is cheaper and faster than litigation. See Andrew J. Lagatta & George C. Lewis, *How Inter Partes Review Became a Valuable Tool So Quickly*, Law360, Aug. 16, 2013<sup>8</sup>; AIPLA Survey at 43; see also 35 U.S.C. § 316(a)(11) (once initiated, proceedings must conclude within one year (or 18 months, if good cause is shown for an extension)). And it has proven successful: while patent infringement suits brought by non-practicing entities peaked in 2011, they have declined since 2015.

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<sup>7</sup> <https://www.ipwatchdog.com/wp-content/uploads/2018/09/2018-pwc-patent-litigation-study.pdf>.

<sup>8</sup> <https://www.law360.com/articles/463372/how-inter-partes-review-became-a-valuable-tool-so-quickly>.

See RPX Blog, Q3 Data Update (Oct. 2, 2017).<sup>9</sup> That decline appears related to the growing popularity of inter partes review. See Claire Bushey, *Tripping up the 'trolls'*, Crain's Chi. Bus., June 6, 2015.<sup>10</sup> As Congress intended, inter partes review has made the business model of many non-practicing entities—asserting an erroneously granted patent to extract a settlement based on the high cost of district court litigation—less attractive.

2. At the same time, there is no reason to think that the PTO institutes review too frequently. Not all petitions result in inter partes review proceedings; the current institution rate is approximately 65% percent. See U.S. Patent & Trademark Office, *Trial Statistics: IPR, PGR, CBM 6* (2019).<sup>11</sup>

In particular, the Board regularly applies Section 315(b)'s limitations period and routinely denies inter partes review to time-barred petitioners. See, e.g., *HTC Corp. v. AGIS Software Dev., LLC*, No. IPR2019-00389, 2019 WL 2866034 (P.T.A.B. July 2, 2019) (concluding institution of inter partes review is barred under Section 315(b)); *Medtronic, Inc. v. Niazi Licensing Corp.*, No. IPR2018-01495, 2019 WL 262704 (P.T.A.B. Jan. 17, 2019); *Apple Inc. v. Rensselaer Polytechnic Inst.*, No. IPR2014-00319, 2014 WL 2735064 (P.T.A.B. June 12,

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<sup>9</sup> <https://www.rpxcorp.com/2017/10/02/q3-data-update-patent-litigants-and-courts-adjust-to-recent-rulings-with-further-changes-brewing>.

<sup>10</sup> <http://www.chicagobusiness.com/article/20150606/ISSUE01-306069991/why-this-lawyer-is-rethinking-patent-lawsuits>.

<sup>11</sup> [https://www.uspto.gov/sites/default/files/documents/trial\\_statistics\\_jan2019.pdf](https://www.uspto.gov/sites/default/files/documents/trial_statistics_jan2019.pdf).

2014). The Board has also carefully applied the provisions related to the time bar. For instance, although the Board has discretion to permit untimely parties to join ongoing inter partes review proceedings, 35 U.S.C. § 315(b), (c), the Board has held that it should exercise that discretion in a manner that does not permit circumvention of the one-year time bar. *Proppant Express Invs., LLC v. Oren Techs., LLC*, No. IPR2018-00914, 2019 WL 1283948 (P.T.A.B. Mar. 13, 2019).

**B. Judicial review of timeliness determinations would dramatically decrease the efficiency of inter partes review and undermine Congress’s intent to improve patent quality.**

Permitting judicial review of the Board’s timeliness determinations would undermine the inter partes review system in two respects. First, as discussed above, judicial review of timeliness would occur only in cases in which the Board has instituted inter partes review over the patent owner’s timeliness objection and ultimately issued a final decision invalidating the patent. The primary practical effect of such review would be to give patent holders a second bite at the apple to vacate the Board’s cancellation decision on grounds wholly unrelated to validity. That would defeat Congress’s purpose in giving the PTO broad authority to revisit and cancel granted patents. *Cuozzo*, 136 S. Ct. at 2140.

Second, judicial review would significantly diminish the efficiency of inter partes review by giving rise to lengthy and costly appeals. Timeliness determinations are quite fact-intensive. Section 315(b) provides that the limitations period is triggered not only by service of a complaint on the petitioner itself, but also by service

of a complaint on a “real party in interest, or privy of the petitioner.” 35 U.S.C. § 315(b). In other words, a petitioner may find itself time-barred not because *it* was served with a complaint, but because some other entity was served with the complaint and that entity is later determined to be a “real party in interest” or “privy” of petitioner.

Determining who is a “real party in interest” or “privy” is a multi-factor and fact-intensive analysis, guided by “flexible and equitable considerations.” See Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (citing *Taylor v. Sturgill*, 553 U.S. 880 (2008)). For example, the Federal Circuit has held that status as a “real party in interest” turns on “whether the non-party is a clear beneficiary [of the patent’s invalidation] that has a preexisting, established relationship with the petitioner.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018). That definition could potentially encompass a wide range of entities with a relationship to the petitioner and a general interest in the inter partes review proceeding, such as development partners, contractual affiliates, or corporate subsidiaries. The definition of “privy” is similarly fact-specific, as it turns on the application of multiple non-exhaustive factors, including the existence of “an agreement to be bound,” “pre-existing substantive legal relationships,” and a previous opportunity to litigate the patent. *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018); Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,759 (To identify parties in privity, the Office “seeks to determine whether the relationship between the purported ‘privy’ and the relevant other party is sufficiently close such that both

should be bound by the trial outcome and related estop-pels.”). Ultimately, the Patent Office “handle[s] such questions on a case-by-case basis taking into consideration how courts have viewed the terms.” Office Patent Trial Practice Guide at 48,759–60.

As a result, patent holders who have raised time-bar objections implicating these questions will often have a colorable claim of error and every incentive to raise it on appeal. The Federal Circuit will therefore have to decide, and the parties will have to litigate, fact-intensive disputes that will increase the complexity of the appeals. Indeed, in the nearly two years since the Federal Circuit held in *Wi-Fi One* that timeliness determinations are reviewable, it has adjudicated numerous appeals raising fact-intensive timeliness issues. See, e.g., *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1244 (Fed. Cir. 2018); *Click-To-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1337 (Fed. Cir. 2018); *Applications in Internet Time*, 897 F.3d at 1351; *WesternGeco*, 889 F.3d at 1319; *Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1338–40 (Fed. Cir. 2018) (adjudicating challenge to Board’s discovery rulings in connection with timeliness issues). Judicial oversight of such flexible and fact-sensitive common-law analyses imposes significant litigation costs on, and introduces delays in, inter partes review proceedings—without furthering any public or private interest that Congress sought to vindicate in the statutory scheme. See pp. 10–12, *supra*.

In addition, permitting judicial review of timeliness determinations may have the perverse effect of enabling the most litigious patent holders, including non-practicing entities, to make inter partes review more costly and more susceptible to being dismissed on a technicality. Privity and time-bar issues often

arise in cases in which the patent holder has sued multiple defendants (or the same defendant) seriatim. See, e.g., *Achates Reference Publ'g, Inc. v. Apple Inc.*, 803 F.3d 652, 653 (Fed. Cir. 2015) (patent holder waited a year after filing infringement suit to join Apple as a defendant, and then claimed Apple was in privity with previously-sued defendants in attempt to time-bar Apple's inter partes review petition); see also *Click-to-Call Techs., LP v. Ingenio*, 899 F.3d 1321, 1336 (Fed. Cir. 2018) (holding that a complaint that is voluntarily dismissed without prejudice implicates Section 315(b) time-bar). Congress could not have intended to create an additional avenue of judicial review that enables particularly litigious patent holders to attempt to overturn the Board's expert determination that the patent is invalid on a statutory technicality.

### CONCLUSION

The judgment of the Federal Circuit should be reversed.

Respectfully submitted,

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SEPTEMBER 10, 2019