

No. 18-916

IN THE
Supreme Court of the United States

THRYV, INC., FORMERLY KNOWN AS DEX MEDIA, INC.,
Petitioner,

v.

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

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

REPLY BRIEF FOR PETITIONER

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ARGUMENT

In drafting the America Invents Act (“AIA”), Congress restricted the discretion of the Director (and, through delegation, of the Patent Trial and Appeal Board (“PTAB”)) to institute inter partes review (“IPR”). *See, e.g.*, 35 U.S.C. §§ 311(c), 312(a), 314(a), and 315(a)(1) and (b). Although Congress limited the Director’s discretion, it made a deliberate policy decision to preclude judicial review of the decision to institute an IPR. And while Congress *could* have precluded judicial review only of the preliminary patentability determination under § 314(a), as it did in 35 U.S.C. § 303(c) and former § 312(c), instead it wrote the preclusion in § 314(d) more broadly—to encompass “[t]he determination . . . whether to institute an inter partes review under this section.” In drafting § 314(d), “Congress said what it meant and meant what it said,” *Loughrin v. United States*, 573 U.S. 351, 360 (2014): the courts cannot review the institution determination, which includes the PTAB’s determinations related to the statutory procedural and substantive prerequisites to the institution of an IPR.

Respondent asks this Court to overturn Congress’s considered policy judgment. “It is inconceivable,” respondent opines, that Congress adopted “affirmative limits” on the PTAB’s authority while leaving the Board’s application of those limits beyond judicial review. Resp. Br. 21. But this Court need not rely on respondent’s speculation of what Congress *would do*; instead, it can read what Congress *actually did*—the very words it wrote. And those words preclude judicial review, not of “the determination whether there is a reasonable likelihood that the

petitioner would prevail,” as respondent would prefer, but of “the determination . . . whether to institute an inter partes review.” 35 U.S.C. § 314(d). Further, this Court *already* held in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), both that (1) the AIA rebuts the presumption of judicial review and (2) § 314(d)’s bar on judicial review extends beyond the preliminary patentability determination to also preclude review of the PTAB’s application of the “affirmative limit” under § 312(a).

Respondent’s brief misinterprets the statutory text and criticizes *Cuozzo*’s application of § 314(d) while mischaracterizing it as merely a “proposal” by petitioner and the Director. Nothing in respondent’s brief justifies judicial review of the § 315(b) time-bar determination, which is part of the PTAB’s unreviewable institution decision.

I. Section 314(d) rebuts the presumption of judicial review.

Respondent’s brief opens by emphasizing the “strong presumption favoring judicial review.” *Mach Mining, LLC v. EEOC*, 135 S. Ct. 1645, 1653 (2015); *see* Resp. Br. 11–13. But “[t]he presumption favoring judicial review of administrative action is just that—a presumption.” *Block v. Cmty. Nutrition Inst.*, 467 U.S. 340, 349 (1984). That presumption is overcome when “there is a persuasive reason to believe that [precluding judicial review] was the purpose of Congress.” *Bowen v. Mich. Acad. of Family Physicians*, 476 U.S. 667, 670 (1986). And those “persuasive reasons” need not be expressly stated in the statute; they can be “implied[]” based on “inferences of intent drawn from the statutory scheme as a whole.” *Block*, 467 U.S. at 349.

In relying on the presumption here, respondent ignores the central point: this Court has *already* held in *Cuozzo* that the language of the AIA rebuts the presumption favoring judicial review, and that it does so with respect to statutory provisions outside of § 314. *See* 136 S. Ct. at 2140–41.

Cuozzo found unreviewable on appeal the PTAB’s determination whether, under § 312(a)(3), a petition pleaded the basis for its challenge to each patent claim “with particularity.” Section 312(a)(3) is one part of a broader set of limits on the Board’s authority to institute an IPR. These substantive and procedural limitations include § 311(c), which requires that an IPR petition “shall be filed” after the later of two events; § 312(a), which provides that a petition “may be considered only” if it satisfies several enumerated procedural and substantive standards; § 314(a), which requires a finding that “there is a reasonable likelihood that the petitioner would prevail”; and § 315(a)(1) and (b), which specify two circumstances in which an IPR “may not be instituted.” Each of these provisions—not just § 315(b)—is “an express limit on the USPTO’s institution authority.” *Resp. Br. i.* And the PTAB must make determinations under each of these provisions as part of its determination whether to institute an IPR under § 314. Respondent presents no reason why this Court’s determination in *Cuozzo* that the presumption favoring judicial review is rebutted for § 312(a)(3), but does not extend to these other provisions “closely related” to institution.¹

¹ Respondent does not deny that Justice Alito’s dissent in *Cuozzo* noted that the majority’s holding would apply to § 315(b). 136 S. Ct. at 2154. Respondent apparently believes that the dissent didn’t really mean it, because the dissent later “[took] the Court

Further, contrary to respondent’s assertion (Resp. Br. 13), the Administrative Procedure Act (“APA”) adds nothing to its argument. As respondent acknowledges, the APA’s judicial review provisions are “displaced ‘to the extent’ that a ‘statute[] preclude[s] judicial review.’” *Id.* (quoting 5 U.S.C. § 701(a)(1)). Section 314(d) expressly precludes judicial review and therefore displaces the APA.

Finally, respondent contends that application of the plain language of § 314(d) will grant the PTAB “unreviewable power,” “unchecked authority,” “unfettered discretion,” “a free pass,” a “blank check[],” and make it “the sole arbiter of . . . its own power.” Resp. Br. 1, 11, 19, 21, 23, 31, 39, 47. But these contentions fail for two reasons. First, if the Board flagrantly disregards the statutory requirements, mandamus might be available. The Federal Circuit has repeatedly said that the PTAB’s initiation decisions are “potential candidates for mandamus review.” *In re Power Integrations, Inc.*, 899 F.3d 1316, 1321 (Fed. Cir. 2018); *see also In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1274 (Fed. Cir. 2015), *aff’d*, 136 S. Ct. 2131 (2016). This Court and the Federal Circuit have also afforded mandamus relief where a decision-maker entirely disregarded a statutory requirement. *See Ex parte United States*, 242 U.S. 27, 37, 42 (1916); *In re TS Tech USA Corp.*, 551 F.3d 1315, 1320–21 (Fed. Cir. 2008).

at its word” that *Cuozzo* would not permit the PTAB “to act outside its statutory limits.” Resp. Br. 34 (quoting 136 S. Ct. at 2155 (Alito, J., dissenting)). Respondent misreads this portion of Justice Alito’s dissent, which was not referring to § 315(b), but to the majority’s statement that agency shenanigans and constitutional issues might remain reviewable.

Second, respondent directs this policy argument to the wrong body. If it was unwise to insulate the PTAB’s institution determination from judicial review, it is for Congress, not this Court, to fix it. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1358 (2018) (“Policy arguments are properly addressed to Congress, not this Court.”).

II. Respondent’s textual arguments fail.

A. Respondent asserts that the text of the AIA is “unambiguous” because “Section 314(d)’s bar is textually limited to ‘this section,’ and Section 315(b) is unquestionably *outside* that section.” Resp. Br. 14 (emphasis in the original). Respondent thus contends that the phrase “under this section” necessarily limits the scope of § 314(d)’s no-appeal provision to the preliminary patentability determination required by § 314(a)—and “nothing else.”² *Id.* at 29. This is confirmed, respondent explains, by other provisions of the AIA that, in contrast, use the phrase “under this chapter.” *Id.* at 14–15. This argument fails for numerous reasons.

1. Respondent contends that “Section 314(d) is expressly limited to the Director’s ‘determination’ under Section 314,” and it assumes that the only “determination” under that section is the preliminary patentability decision. Resp. Br. 14. But respondent ignores the fact that the determination whether to institute the IPR is made “under” § 314; indeed, that

² Respondent implies that Congress generally forecloses appellate review *only* of preliminary merits decisions that are “‘washed clean’ by the final merits decision.” Resp. Br. 16. But Congress sometimes bars judicial review of other preliminary decisions. *See, e.g., Briscoe v. Bell*, 432 U.S. 404, 407–08 (1977).

section is the only provision in the AIA that authorizes institution of an IPR.

Moreover, § 314 itself makes clear in two ways that, in making the institution decision, the Director should consider provisions outside of § 314. First, § 314(b) says: “[t]he Director shall determine whether to institute an inter partes review *under this chapter*” Second, § 314(a) references § 313, which allows the patent owner to argue “the failure of the petition to meet any requirement *of this chapter*.” Thus, while § 314(d) refers to the institution of an IPR “under this section,” § 314(a) and (b) of “this section” make clear that the institution decision requires consideration of provisions throughout “this chapter”—including the provision at issue in *Cuozzo* (§ 312) and the time bar in § 315(b).

In sum, § 314(d) precludes judicial review of the institution of an IPR “under” § 314 (“this section”); every institution of an IPR occurs “under” § 314; and § 314(a) and (b) instruct the Director, when making the institution decision, to consider the procedural and substantive prerequisites to institution located in other sections of “this chapter.” By precluding judicial review of an institution under § 314, subsection (d) bars appeal of the prerequisite determinations that are “closely related” to instituting an IPR. This includes the time-bar determination made under § 315(b).³

³ Accordingly, respondent’s contention that petitioner’s interpretation “impermissibly renders [“under this section”] surplusage,” Resp. Br. 15, is wrong. It also ignores the fact that “Congress often wants to make ‘double sure’” so intentionally

Respondent in any event misreads § 314(a). That provision defines the substantive standard for instituting an IPR—“a reasonable likelihood that the petitioner would prevail.” Nothing in this language focuses just on whether the claim is unpatentable. To the contrary, the petitioner also cannot prevail if, for example, the petition was not timely filed under § 315(b). Because Congress wrote § 314(a) to turn on a petitioner’s “reasonable likelihood” of prevailing, not on its “reasonable likelihood of showing unpatentability,” the prerequisites to institution in other sections are relevant to the § 314(a) determination.⁴

Further, apparently recognizing that its interpretation falls apart if every IPR institution occurs under § 314, respondent suggests that an institution determination can be made *outside* of § 314. *See* Resp. Br. 15 (referring to “institution’ determination[s] made anywhere in Chapter 31”). But the title of § 314 is “Institution of inter partes review.” *See Almendarez-Torres v. United States*, 523 U.S. 224, 234 (1998) (“[T]he title of a statute and the heading of a section’ are ‘tools available for the resolution of a doubt’ about the meaning of a statute.”). And respondent fails to identify any other provision in chapter 31 that authorizes the Director to institute an IPR—and there is none. *See SAS Inst.*, 138 S. Ct. at 1353, 1356 (attributing the Director’s institution

includes redundancy. *Seven-Sky v. Holder*, 661 F.3d 1, 38 (D.C. Cir. 2011) (Kavanaugh, J., dissenting).

⁴ Respondent asserts that § 314 “is limited to the process of instituting review *over eligible cases*.” Resp. Br. 20 n.5 (emphasis in the original). That is not what the text says.

authority to § 314); *id.* at 1361–63 (Breyer, J., dissenting) (same).

This reading of the statute is confirmed by *Cuozzo*. There, this Court applied § 314(d)’s bar on judicial review beyond § 314(a)’s preliminary patentability determination. The Court held that the PTAB’s application of the particularity requirement of § 312(a)(3) was unreviewable under § 314(d).⁵ *See Cuozzo*, 136 S. Ct. at 2141. Moreover, the Court explained that § 314(d) applies to “questions that are closely tied to the application and interpretation of *statutes*”—plural—“related to the Patent Office’s decision to initiate inter partes review.” *Id.* at 2141 (emphasis added); *see also id.* at 2139 (referring to “the application of certain relevant patent *statutes*” and calling § 312 “a related statutory section”) (emphasis added). And, if any ambiguity remains, the Court expressly stated that § 314(d)’s no-appeal provision applies beyond the preliminary patentability determination:

[W]here a patent holder merely challenges the Patent Office’s “determin[ation] that the

⁵ Respondent contends that the argument in *Cuozzo* was only “nominally” grounded in § 312(a)(3), but really was “in effect a challenge to the agency’s ‘reasonable likelihood’ determination under Section 314(a).” Resp. Br. 18 n.3. But the particularity requirement applies to the IPR petitioner’s challenge to *every* claim in the patent, while the PTAB must find a reasonable likelihood as to only one claim in order to grant the petition—so the requirements are not coextensive. Respondent alternatively suggests that it is appropriate to bar appeals of § 312(a)(3) determinations because “it would be the exceedingly rare case” where such an appeal could “overcome the APA’s ‘rule of prejudicial error.’” *Id. Cuozzo*, however, did not rely on the “rule of prejudicial error.”

information presented in the petition ... shows that there is a reasonable likelihood” of success “with respect to at least 1 of the claims challenged,” § 314(a), *or* where a patent holder grounds its claim in a statute closely related to that decision to institute inter partes review, § 314(d) bars judicial review.

Id. at 2142 (emphasis added) (second brackets and omission in the original). Respondent has no explanation for the text after the word “or.”

Finally, petitioner’s interpretation of the AIA makes sense of all provisions related to the institution decision. Sections 311(c), 312(a), 314(a), and 315(a)(1) and (b) impose substantive and procedural prerequisites for institution of an IPR; as § 314(a) and (b) require, the Board considers all of them in determining whether to institute the IPR; the Board makes the determination whether to institute the IPR pursuant to § 314; and the limitation on judicial review, which extends to that “determination . . . whether to institute an inter partes review under this section [§ 314],” necessarily includes the statutory prerequisites elsewhere in chapter 31 in addition to the preliminary patentability assessment required by § 314(a).

2. Respondent argues that there is a difference in meaning between “to institute an inter partes review under this chapter” and “to institute an inter parties review under this section,” and that Congress limited the effect of the appeal bar by using the latter phrase in § 314(d). Resp. Br. 14–15. If this difference in meaning is “the most telling contrast” in the AIA and “the strongest indicator of Congress’s intent,” as respondent contends (*id.* at 45), it is curious that not

a single judge on the Federal Circuit—including none of the nine judges in the majority in *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (*en banc*)—relied on that distinction in their detailed interpretations of the statute. It is also curious that none of the opinions in *Cuozzo* or *SAS Institute* mentioned the purported difference in meaning either. A Supreme Court merits brief—filed after two previous cases in this Court interpreting § 314(d) and an *en banc* Federal Circuit case doing the same—is ordinarily not the first place one sees a “straightforward” reading of a statute. Resp. Br. 6.

The reason that none of the Justices of this Court or the Federal Circuit judges relied on the distinction between “under this section” and “under this chapter” is because that distinction does not matter, for the reasons provided above. First, the relevant “determination” is whether to institute an IPR, and *all* institutions occur under § 314. When there is only one White House, instructions to “meet Mary at the White House in Washington, D.C.” are equivalent to “meet Mary at the White House in the United States.” Second, § 314(b) specifically instructs the Director to “determine whether to institute an inter partes review *under this chapter*,” and § 314(a) requires the Director to consider any argument made in the patent owner’s response about the “failure of the petition to meet any requirement *of this chapter*.” Thus, § 314(a) and § 314(b) both refer outward to prerequisites in “this chapter,” making it clear that the institution decision “under this section” involves determinations made under other sections in “this chapter.”

3. Respondent contends that the “natural referent” of the word “determination” in § 314(d) is the

preliminary merits determination in § 314(a). Resp. Br. 15. This argument is contrary to the plain language that Congress wrote. The text of § 314(d) could not be clearer that the “natural referent” for the word “determination” is the language that follows immediately thereafter: “The determination by the Director *whether to institute an inter partes review . . .*” There is no logical reason to assume that Congress meant the determination discussed three subsections earlier, rather than the words immediately following. If Congress meant to bar judicial review of “the determination whether there is a reasonable probability that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition,” *that is what Congress would have written*. “The short answer is that Congress did not write the statute that way.” *Russello v. United States*, 464 U.S. 16, 23 (1983). Instead, Congress precluded review of “[t]he determination . . . whether to institute an inter partes review.”

4. Respondent next focuses on Congress’s use of two words in § 314(d): “determination” and “whether.” Resp. Br. 18–19. According to respondent, the use of these two words “implies the Director has discretion to make a decision,” but § 315(b) provides “no room for any decision” and does not “grant[] the agency the right to ‘determine’ anything.” *Id.* at 18. This argument is doubly wrong.

To begin with, under an ordinary understanding of English, use of the words “determination” and “whether” is not limited to circumstances where the decision-maker exercises discretion. This can be demonstrated by a simple example. The phrase, “Lisa should determine whether to take a walk,” implies

discretion; but the phrase, “Lisa should determine whether it is raining,” implies no discretion. Indeed, this Court uses this formulation—“determine whether”—to indicate non-discretionary decisions all the time. *See, e.g., Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1372 (2018) (“We granted certiorari to determine whether inter partes review violates Article III or the Seventh Amendment.”); *Texaco Inc. v. Dagher*, 547 U.S. 1, 3 (2006) (“We granted certiorari to determine whether it is *per se* illegal under § 1 of the Sherman Act . . .”); *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 514 (2006) (“courts, including this Court, have an independent obligation to determine whether subject-matter jurisdiction exists”).

Second, respondent incorrectly asserts that “Section 315(b) . . . leaves nothing to agency judgment or discretion.” Resp. Br. 19. As explained in petitioner’s opening brief, § 315(b) requires the Board to exercise “judgment” in making a host of determinations related to privity and real party in interest assessments. Pet. Br. 37–39.

5. Petitioner has explained that Congress wrote § 314(d) more expansively than other no-appeal provisions, such as § 303(c) and former § 312(c). While § 314(d) states that “the determination . . . whether to institute an inter partes review” is not appealable, those other provisions prohibit appeal only of the preliminary patentability determination. Pet. Br. 20–23. Respondent contends that these differences are “[o]blique” and the text is “similar.” Resp. Br. 45. The provisions are *not* similar, however, and “Congress generally acts intentionally when it uses particular language in one section of a statute but omits it in

another.” *Republic of Sudan v. Harrison*, 139 S. Ct. 1048, 1058 (2019). As this Court explained in *SAS Institute*, “Congress’s choice to depart from the model of a closely related statute is a choice that neither we nor the agency may disregard.” 138 S. Ct. at 1355.

Respondent also contends that the only difference between § 314(d) and former § 312(c) is that Congress used “section” instead of “subsection (a),” a change that it calls too “indirect” and “subtle” to have any meaning. Resp. Br. 46. But that is not an accurate description of the difference between the two provisions:

- former § 312(c): “A determination by the Director *under subsection (a)* shall be final and non-appealable.”
- § 314(d): “The determination by the Director *whether to institute an inter partes review* under this section shall be final and nonappealable.”

Former § 312(c) refers only to the preliminary patentability determination in subsection (a), thereby excluding from the appeal bar the other prerequisites to inter partes reexamination in former § 311. By contrast, § 314(d) refers to the institution decision itself, which includes the prerequisites to institution, not just to the “reasonable likelihood” determination. This Court must assume that this textual difference was deliberate. *Crawford v. Burke*, 195 U.S. 176, 190 (1904).

B. Contrary to respondent’s argument, the context and structure of the AIA confirm that § 315(b) determinations are not reviewable.

1. Respondent first argues that the Court can infer Congress's intent that § 314(d)'s no-appeal provision applies only to a determination under § 314(a) because Congress placed both in the same section. Resp. Br. 20–21. This argument fails for two reasons. First, this contention is inconsistent with *Cuozzo*, which applied the no-appeal provision to a determination under a different section, § 312. Second, and more fundamentally, there is no general interpretive principle, and respondent cites none, requiring Congress to place all related provisions in the same section.

Respondent says that if Congress intended the appeal bar to apply to “all the express restrictions” on the PTO’s authority to institute an IPR, it would have “grouped them together with the bar itself.” Resp. Br. 20–21. But Congress surely believed that it was adequate to say that the “determination . . . whether to institute an [IPR]” was unreviewable. Moreover, Congress’s placement of the appeal bar in § 314, the institution provision, was consistent with its previous placement of the appeal bar in the section addressing institution of *ex parte* reexaminations and *inter partes* reexaminations. *See* 35 U.S.C. § 303; 35 U.S.C. § 312 (2010 ed.). The difference is that Congress broadened the appeal bar for IPRs so that it applies to more than just the initial patentability determination. Pet. Br. 20–22.

2. Respondent next argues that Congress would not have included “all these mandatory restrictions [in the AIA] if it did not intend for any court to enforce them.” Resp. Br. 22. But the same could be said *any time* Congress precludes judicial review. For example, in *Briscoe v. Bell*, 432 U.S. 404 (1977), Congress had

adopted “preconditions for application of the [Voting Rights] Act to particular jurisdictions,” to be applied by the Attorney General and the Director of the Census, *id.* at 407 & n.5, yet this Court held that Congress did not intend any court to enforce them. Similarly, in the AIA, Congress included the “mandatory” particularity requirement of § 312(c)(3), yet *Cuozzo* held that Congress “did not intend for any court to enforce” it. Congress also included the “mandatory” reasonable likelihood of prevailing standard in § 314(a), yet even respondent agrees that Congress did not intend any court to enforce it.

There is no principle that Congress cannot preclude judicial review of “affirmative limits” it imposes on the agency. Resp. Br. 21. In such circumstances, Congress has made a policy judgment that, though the limits are binding on the agency, the benefits of litigation to ensure compliance with them are outweighed by the concomitant damage to the statutory purpose, so “Congress wanted [the] agency to police its own conduct.” *Mach Mining*, 135 S. Ct. at 1651. In *Briscoe*, for example, the Court explained that judicial review of the Attorney General’s and Census Director’s determination that the legal preconditions for application of the statute were satisfied would undermine “Congress’ intention to eradicate the blight of voting discrimination with all possible speed.” 432 U.S. at 410. Here, Congress evidently determined that the efficiency of the IPR process would be undermined if the entire administrative process could be “unwound” by the Federal Circuit’s second-guessing of the Board’s application of the pre-conditions to institution. *Cuozzo*, 136 S. Ct. at 2140.

3. Respondent further suggests that review is appropriate because the PTAB “has no expertise” in deciding “general provisions of federal law.” Resp. Br. 22. But respondent’s view of what decisions by the Board are “perfectly sensible” to subject to appellate review (*id.*) does not trump Congress’s express language. If Congress believed that the Board had sufficient expertise only to make the preliminary patentability determination without appellate supervision, it would have narrowed § 314(d) to that decision alone—but it didn’t.

4. Respondent next argues that petitioner’s and the government’s interpretation of § 314(d) is inconsistent with § 319, the provision allowing the appeal of the PTAB’s final written decision on patentability. Resp. Br. 24. Specifically, respondent contends that, under both the traditional “merger” rule and the APA, 5 U.S.C. § 704, interlocutory orders like the institution decision are reviewable after the final written decision. Resp. Br. 24–27. Respondent’s argument, however, borrows liberally without attribution from Justice Alito’s dissent in *Cuozzo*, 136 S. Ct. at 2152—and not surprisingly the Court specifically rejected this argument in that case.⁶ See 136 S. Ct. at 2140 (“[w]e cannot accept [the dissent’s] interpretation” that the Federal Circuit can “review the initial decision to institute review in the context of the agency’s final decision”).

⁶ Respondent errs in contending (Resp. Br. 25 n.12) that 37 C.F.R. § 42.73(a) adopts the merger rule. That regulation nowhere suggests that all interlocutory orders “dispos[ed] of” by the judgment are reviewable.

In addition, as petitioner already demonstrated (Pet. Br. 18–19), the appeal authorized by § 319 is limited to “the final written decision of the [PTAB]” under section 318(a), and the “final written decision” is limited to “the patentability of any patent claim challenged by the petitioner” or added by amendment. 35 U.S.C. §§ 318(a), 319. Respondent contends that because § 319 allows an appeal by “[a] party dissatisfied with the final written decision,” and because a party may be “dissatisfied” with the decision to institute the IPR in the first place, the § 315(b) determination is reviewable. Resp. Br. 24. This argument is wrong. While the AIA allows any “dissatisfied” party to appeal, it restricts the grounds for appeal to the final written decision, which is limited to patentability.⁷ Collectively, §§ 314(d), 318(a), and 319, confirm that Congress intended that appeals are limited to patentability of the challenged claims, not the threshold requirements for institution.

Finally, respondent briefly argues that, because the PTAB in this case reaffirmed its § 315(b) time-bar determination in the final written decision, it can sidestep § 314(d)’s no-appeal provision and obtain review through § 319. Resp. Br. 42–43. Respondent contends that this is permissible because the final written decision might reflect “new facts” obtained through “post-institution discovery.” *Id.* at 42. But that was not the case here, because the PTAB denied

⁷ Respondent contends that “the institution of the proceeding is part-and-parcel of Section 318(a)’s final decision.” Resp. Br. 24. This just isn’t true. “IPR proceedings occur in two distinct phases: (1) an institution phase; and (2) a merits phase.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016).

respondent's request for post-institution discovery related to the time bar. *See Oracle Corp. v. Click-to-Call Techs. LP*, No. IPR2013-00312, Paper 38, at 3 (PTAB Nov. 28, 2013).⁸ And, in any event, Congress intended to foreclose precisely this sort of relitigation of determinations made during institution of the IPR.

III. *Cuozzo* and *SAS Institute* confirm that § 315(b) determinations are not reviewable.

A. As explained previously, the holding of *Cuozzo* is crystal clear: Section 314(b) precludes review of the PTAB's preliminary patentability determination and its application of "a statute closely related" to the institution decision. 136 S. Ct. at 2142.

Respondent lodges a full-throated assault on the "closely related" standard, calling it "unprincipled," "unworkable," "imprecise," "standardless," and "impossible to administer." Resp. Br. 8, 30–31, 35. Remarkably, however, respondent never acknowledges that this standard is the binding precedent of this Court adopted in *Cuozzo*. Instead, respondent calls this standard "the government's and petitioner's proposal." *Id.* at 29. Pretending that *Cuozzo*'s holding doesn't exist, however, does not make it vanish—nor does it make *Cuozzo* any less binding. And respondent never explains why, notwithstanding *stare decisis*, the Court should jettison the rule adopted in *Cuozzo* just three years ago.

Not only does respondent erroneously denigrate *Cuozzo*'s holding as a mere "proposal" by petitioner and the government, but respondent also wrongly

⁸ This order is available at <https://ptab.uspto.gov/#/login>.

contends that this Court’s “closely related” standard is unclear and unworkable. There are only a few provisions of the AIA that are “closely related” to the institution decision, because they impose prerequisites on the institution of an IPR—including §§ 311(c), 312(a), 314(a), and 315(a)(1) and (b). There is nothing unclear or unworkable about recognizing, under § 314(d) and *Cuozzo*, that the Board’s application of these provisions, in determining whether to institute an IPR, is unreviewable.

B. Respondent asserts that the Court “effectively resolved” this issue in *SAS Institute* by “rejecting” petitioner’s interpretation of § 314(d). Resp. Br. 31. Respondent is wrong. As petitioner explained in its brief, *SAS Institute* involved the PTAB’s actions *after* it instituted the IPR and did not involve a determination made *during* the institution stage. See Pet. Br. 29–32. Because *SAS Institute* concerned the PTAB deciding how to conduct a previously instituted IPR, and not “whether” to institute an IPR, this Court held that § 314(d) did not apply. Respondent claims that petitioner “reframe[s] *SAS Institute* as resolving *post-institution* violations.” Resp. Br. 33 (emphasis in the original). But petitioner is not “reframing” anything: the Court in *SAS Institute* explained that “the plain text of § 318(a) supplies a ready answer” to the question presented—and § 318(a) involves post-institution actions.

IV. The purpose of the AIA confirms that time-bar determinations under § 315(b) are not reviewable.

A. Respondent argues that the purpose of the AIA is best served by enforcing its provisions, and that proper enforcement requires judicial review of the

PTAB's institution determinations. Resp. Br. 35–36. In essence, respondent argues that to ensure the PTAB follows Congress's statutory restriction in § 315(b), this Court should ignore Congress's statutory restriction in § 314(d). That argument makes little sense. Respondent contends that appellate review would ensure “guidance and certainty” in agency decisions, and that the benefits of permitting review “on a systemic level” outweigh the case-by-case costs of reversing the PTAB's final decision based on statutes “closely related” to the institution decision. Resp. Br. 36, 39. But Congress made a different policy calculation: that judicial review of the agency's application of the statutory restrictions on institution would cause more harm than good. And as with all policy matters, Congress's judgment prevails. *See PBGC v. LTV Corp.*, 496 U.S. 633, 646–47 (1990) (“Deciding what competing values will or will not be sacrificed to the achievement of a particular objective is the very essence of legislative choice. . . .”).

B. Respondent also denies that an appellate decision that overturns the final written decision, after two years of litigation, would be inefficient. Resp. Br. 38–41. But the extensive procedural history of this case (and others like it) highlights the wasted effort incurred—not only by the litigants, but by the PTAB as well—when a final written decision is overturned based on the Board's supposed error in making the institution decision. *See* Pet. Br. 8–13; Semiconductor Corp. Br. 18–20; Superior Commc'ns. Br. 1–4. Respondent also ignores numerous examples of cases in which the Federal Circuit's decision in *Wi-Fi One* has caused the litigation that the AIA sought to avoid. *See* Intel Br. 24 (collecting cases).

Respondent cannot deny that overturning a final written decision invalidating a patent will allow an invalid patent to persist for a lengthy period of time, causing substantial harm. Pet. Br. 36–37. But it minimizes this harm, contending that about a quarter of the PTAB’s invalidity decisions are reversed on appeal. Resp. Br. 38. This argument fails. For the 25 percent of PTAB decisions invalidating patents that would be reversed on the merits, the rule to be adopted in this case doesn’t matter: the patent would survive whether the Federal Circuit grounds the reversal on improper institution or the merits. But the appealability of institution decisions does matter for the 75 percent of *invalid* patents; if the Court adopts respondent’s argument, those patents will continue to disrupt innovation and improperly allow rent-seeking, until costly and time-consuming district court litigation concludes. And unlike the small percentage of cases reversed on the merits, the cases reversed based on the institution decision will preserve invalid patents for reasons unrelated to patentability.

Respondent further believes that vacating PTAB decisions, based on application of institution factors like § 315(b), would “not wipe out all the work that went into the proceedings.” Resp. Br. 40. Parties could simply take the expert reports, discovery, and deposition transcripts from the IPR and “reuse[]” them in litigation filed in federal court, it says. *Id.* This suggestion ignores reality.

Respondent’s argument ignores the fact that the scope of discovery in IPR proceedings is much more limited than in district courts. In IPR proceedings, the only discovery granted by right is production of

documents cited in the papers filed, cross-examination of experts who filed an affidavit, and production of any information that is inconsistent with the party's position. 37 C.F.R. § 42.51(b)(1).

In order to seek “additional discovery” in an IPR, a party must show it is “in the interests of justice.” 37 C.F.R. § 42.51(b)(2). As a practical matter, such discovery is rarely granted, as the PTAB requires the requesting party to meet a stringent test. *See Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, No. IPR2012–00001, 2013 WL 11311697, at *2–3 (PTAB Mar. 5, 2013). For example, the requesting party must already possess evidence that shows “beyond speculation” that it will obtain “favorable” (not just relevant) information. *Id.* By contrast, district courts allow discovery of any matter “that is relevant to any party's claim or defense and proportional to the needs of the case.” Fed. R. Civ. P. 26(b)(1).

IPR expert affidavits (which the petitioner typically files at the same time as the petition), and the attendant expert cross-examinations, are thus based on an extremely limited record and without the benefit of fulsome discovery. Therefore, if a final IPR decision is overturned, very few parties would simply use the expert affidavits and depositions from an IPR in subsequent litigation. Instead, the parties would repeat fact discovery, expert reports, and expert depositions. And, contrary to respondent's suggestion, Resp. Br. 38–39, it is unlikely that parties or courts would give credence to a vacated IPR decision that was based on such a truncated record.

C. Respondent denies that the Federal Circuit will be forced to address numerous fact-specific appeals, contending that the court could readily decide these

issues of “statutory construction.” Resp. Br. 41–42. But virtually none of the appeals that *Wi-Fi One* now permits will involve statutory construction. Instead, the appeals will involve real party in interest and privity determinations that are fact specific. Pet. Br. 38–39; *see also* Intel Br. 23. Respondent contends that such appeals will be “easy” for the Federal Circuit to resolve because of the substantial evidence standard. Resp. Br. 42. Yet that standard is not toothless; it requires “such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” *Consol. Edison Co. of N.Y. v. NLRB*, 305 U.S. 197, 229 (1938). Respondent’s assertion, moreover, is refuted by lengthy, detailed analyses in the Federal Circuit decisions addressing such issues since *Wi-Fi One*. *See, e.g., Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306 (Fed. Cir. 2019); *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237 (Fed. Cir. 2018).

CONCLUSION

For the foregoing reasons, the Court should reverse the judgment of the Court of Appeals.

Respectfully submitted.

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